SEPARATE
FINANCIAL STATEMENTS

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

TABLE OF CONTENT

NOTE 1. REPORTING ENTITY 22

NOTE 2. BASIS OF PRESENTATION OF SEPARATE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES..22

2.1. Statement of compliance 22

2.2. Basis of presentation..23

2.3. Significant accounting policies...23

2.3.1. Cash and cash equivalents 24
2.3.2. Financial instruments 24
2.3.3. Taxes...28
2.3.4. Investments in subsidiaries and associates 29
2.3.5. Non-current assets held for sale and discontinued operations........................31
2.3.6. Employee benefits...31
2.3.7. Provisions and contingencies...33
2.3.8. Income 33
2.3.9. Earnings per share..33
NOTE 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND CAUSES OF UNCERTAINTY IN THE PREPARATION OF THE FINANCIAL STATEMENTS 34

NOTE 4. NORMS ISSUED NOT EFFECTIVE YET 38

NOTE 5. FINANCIAL INSTRUMENTS 40

5.1. Financial Assets...40

5.1.1 Cash and cash equivalents 40
5.1.2. Investments...40
5.2. Financial liabilities 41

5.2.1. Derivative instruments..42
5.2.2. Bonds issued..46
5.2.3. Commitments with non-controlling shareholders 46
5.2.4. Other accounts payable...49
NOTE 6. TAXES...49

6.1. Current income tax...49

6.2. Deferred tax 51

6.3. Tax matters in Colombia 51

6.4. Tax Assets Not Recognized 51

6.5. Uncertainty regarding income tax treatments 52

NOTE 7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES..52

7.1. Investment in associates 52

7.2. Investments in subsidiaries 53

7.3. Impairment of investments in associates and subsidiaries 55

NOTE 8. NON-CURRENT ASSETS HELD FOR SALE 58

NOTE 9. EMPLOYEE BENEFITS....61

9.1. Short-term benefits....61

9.2. Long-term benefits....62

9.3. Post-employment benefits....63

9.3.1. Defined benefit plans....63
9.3.2. Defined contribution plans....65
9.4. Employee benefits expense....65

NOTE 10. PREFERRED SHARES....65

NOTE 11 EQUITY....66

11.1. Issued capital....66

11.2. Issuance premium....67

11.3. Reserves....67

11.3.1. Legal reserve:....67
11.3.2. Occasional reserves:....67
11.4. Reserves for share repurchase....67

NOTE 12. DIVIDENDS PAID AND DECLARED....68

NOTE 13. OTHER COMPREHENSIVE INCOME....68

13.1. New defined benefit plan measures....68

13.2. Gain (loss) from investment in equity instruments....69

13.3. Cash flow derivative hedges....69

13.4. Equity in other comprehensive income of subsidiaries accounted for using the equity method....69

NOTE 14. INCOME....69

NOTE 15. ADMINISTRATIVE EXPENSES....70

NOTE 16. FEES....70

NOTE 17. FINANCIAL RESULTS....70

17.1. Foreign exchange difference (Net)....71

17.2. Interests....71

NOTE 18. EARNINGS PER SHARE....71

NOTE 19. FAIR VALUE....72

19.1. Fair value measurement on a recurring basis....73

19.2. Determination of fair value....74

19.3. Fair value of financial assets and liabilities recognized at amortized cost or other valuation method....75

NOTE 20. RISK MANAGEMENT....75

NOTE 21. CAPITAL MANAGEMENT....82

NOTE 22. RELATED PARTY DISCLOSURES....82

NOTE 23. EVENTS AFTER THE REPORTING DATE....84

NOTE 24. APPROVAL OF THE FINANCIAL STATEMENTS..85
ANALYSIS OF FINANCIAL RESULTS (UNAUDITED) 88

RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS

The Directors are required to prepare the financial statements, for each financial period, that reasonably present the financial position of the Company, results, and cash flows, at December 31, 2023, with comparative figures at December 31, 2022. For the preparation of these financial statements, the Directors are required to:

Select appropriate accounting policies and apply them consistently.

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

The Directors confirm that the accounts meet the above requirements.

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

Gonzalo Alberto Pérez Rojas
President

Juan Guillermo Chica Ramírez
Public Accountant
Professional Card 64093-T

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

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

That for the issuance of the statement of financial position, at December 31, 2023, and of the separate income statement for the year, as well as, the statement of other comprehensive income, changes in equity statement, and the cash flow statement, for the year ended on that date, which are in compliance with the norms, and are made available to shareholders and third parties, and whose information, contained in them, have been previously verified and the figures taken faithfully from the books.

Said affirmations, explicit and implicit, are the following:

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

Integrity: All economic events have been recognized.

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

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

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

In accordance with article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A., the financial statements and other reports relevant to the public, related to the financial year ending 31 December 2023 and 31 December 2022 do not contain defects, inaccuracies or errors that prevent the true financial position or operations of the Company from being known.

Gonzalo Alberto Pérez Rojas	Juan Guillermo Chica Ramírez
President	Public Accountant Professional Card 64093-T

AUDITORS REPORT

CHAPTER I
SEPARATE FINANCIAL STATEMENTS

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

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

	Note	December 2023	December 2022
Assets			
Cash and cash equivalents	5	442,550	5,025
Investments	5	60,110	83,577
Derivative instruments	5	302,091	995,673
Receivables from related parties	22	439,832	233,870
Other accounts receivables		1,973	1,037
Current tax assets	6	143	-
Investments in associates	7	11,436,146	14,490,162
Investments in subsidiaries	7	17,546,364	18,043,934
Non-current assets held for sale	8	3,054,016	-
Net properties and equipment		1,932	2,441
Right-of-use assets		16,040	17,156
Net deferred tax assets	6	-	148,713
Other assets		244	244
Total assets		**33,301,441**	**34,021,832**
Liabilities			
Financial liabilities	5	2,860,073	839,980
Derivative instruments	5	204,820	437,145
Lease liabilities		11,872	12,237
Accounts payable to related entities	22	223,603	159,493
Other accounts payable	5	77,453	34,136
Current tax liabilities	6	-	407
Employee benefits	9	13,443	6,875
Bonds issued	5	3,487,199	4,369,515
Deferred tax liabilities, net	6	277,295	-
Preferred shares	5,10	459,834	459,955
Total liabilities		**7,615,592**	**6,319,743**
Equity			
Issued capital	11	109,121	109,121
Share premium	11	3,290,767	3,290,767
Reserves	11	138,795	6,837,602
Share repurchase reserve	11	7,261,206	244,848
Earnings for the year		1,056,655	1,058,964
Retained earnings		12,008,392	11,925,247
Other comprehensive income	13	1,820,913	4,235,540
Total equity		**25,685,849**	**27,702,089**
Total equity and liabilities		**33,301,441**	**34,021,832**

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 29 February 2024)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Separate Income Statement
At 31 December, 2023 and 2022
(Amounts expressed in millions of Colombian pesos except net earnings per share)

	Note	December 2023	December 2022
Income			
Dividends	14	1,161,899	931,885
Income from investments	14	33,348	4,085
Net (loss) gain on investments at fair value	5	(19,130)	10,194
Income from equity method	7	1,187,172	745,746
Other income	14	32,217	53,816
Operational income		**2,395,506**	**1,745,726**
Operational expenses			
Administrative expenses	15	(82,671)	(62,147)
Employee benefits	9	(41,204)	(33,416)
Fees	16	(50,537)	(44,752)
Depreciations		(2,429)	(2,567)
Other expenses		(72)	-
Operational expenses		**(176,913)**	**(142,882)**
Operating profit		**2,218,593**	**1,602,844**
Net (loss) gain from fair value adjustments to derivatives	5, 17	(170,263)	41,103
Foreign exchange net	17	53,823	(43,820)
Interest expense	17	(661,031)	(545,737)
Net financial income	**17**	**(777,471)**	**(548,454)**
Profits before tax		**1,441,122**	**1,054,390**
Income tax	6	(384,467)	4,574
Net profit		**1,056,655**	**1,058,964**
Net earnings per share	**18**	**1,894**	**1,898**
Diluted net earnings per share	18	1,779	1,822

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

Juan Guillermo Chica Ramírez
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P.C. 64093-T

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P.C. 140779-T
Designated by Ernst & Young Audit S.A.S. TR-53
(See my report of 29 February 2024)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Separate Statement of Comprehensive Income
At 31 December, 2023 and 2022
(Amounts expressed in millions of Colombian pesos)

	Note	December 2023	December 2022
Net income for the period		**1,056,655**	**1,058,964**
Other comprehensive income			
Items that will not be reclassified to income for the period, net of taxes			
(Loss) Gain from investments in equity instruments	13	(16,381)	9,631
Defined benefit plan measurements	13	(4,379)	2,122
Total other comprehensive income that will not be reclassified to the results of the period, net of taxes		**(20,760)**	**11,753**
Items to be reclassified to income for the period, net of taxes			
Gain (Loss) on cash flows hedges	13	80,655	(114,099)
Participation of other comprehensive income from associates and joint ventures Accounted for using the equity method	13	(2,474,522)	2,411,418
Total other comprehensive income to be reclassified to profit or loss, net of taxes		**(2,393,867)**	**2,297,319**
Total other comprehensive income		**(2,414,627)**	**2,309,072**
Total comprehensive income		**(1,357,972)**	**3,368,036**

The notes are an integral part of these 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 29 February 2024)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Separate Statement of Changes in Equity
At December 31, 2023 and 2022
(Amounts expressed in millions of Colombian pesos)

	Note	Issued capital	Share premium	Reserves	Reserves for share repurchase	Net income for the period	Retained earnings	Other Comprehensive Income (OCI)	Total equity
At December 31, 2021		**109,121**	**3,290,767**	**6,883,389**	**244,848**	**408,328**	**11,884,043**	**1,926,468**	**24,746,964**
Other comprehensive income	13	-	-	-	-	**-**		2,309,072	**2,309,072**
Income for the year		-	-	-	-	**1,058,964**	-	-	**1,058,964**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**1,058,964**	**-**	**2,309,072**	**3,368,036**
Transfer to retained earnings		-	-	408,328	-	(408,328)	-	-	**-**
Distribution of 2021 results									
Ordinary dividend (784 pesos per share) recognized as distributions to owners	12	-	-	(454,115)	-	-	-	-	**(454,115)**
Minimum dividends, preferred shares	10	-	-	-	-	-	40,476	-	**40,476**
Withholding Tax Effect on Shareholder Dividends		-	-	-	-	-	728	-	**728**
At December 31, 2022		**109,121**	**3,290,767**	**6,837,602**	**244,848**	**1,058,964**	**11,925,247**	**4,235,540**	**27,702,089**
Other comprehensive income	13	-	-	-	-	-	-	(2,414,627)	**(2,414,627)**
Net income for the year		-	-	-	-	**1,056,655**	-	-	**1,056,655**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**1,056,655**	**-**	**(2,414,627)**	**(1,357,972)**
Transfer to retained earnings		-	-	1,058,964	-	(1,058,964)	-	-	**-**
Distribution of 2022 results									**-**
Ordinary dividend (1280pesos per share) recognized as distributions to owners	12	-	-	(741,413)	-	-	-	-	**(741,413)**
Share repurchase reserve		-	-	(7,016,358)	7,016,358	-	-	-	**-**
Minimum dividends, preferred shares	10	-	-	-	-	-	40,475	-	**40,475**
Withholding Tax Effect on Shareholder Dividends		-	-	-	-	-	2,062	-	**2,062**
Prior period variations in subsidiaries	7	-	-	-	-	-	40,608	-	**40,608**
At December 31, 2023		**109,121**	**3,290,767**	**138,795**	**7,261,206**	**1,056,655**	**12,008,392**	**1,820,913**	**25,685,849**

The accompanying 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 29 February, 2024)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Separate Cash Flow Statement
At December 31, 2023 and 2022
(Amounts expressed in millions of Colombian pesos)

	Note	December 2023	December 2022
Cash flows from operating activities			
Pre-income tax gain		**1,441,122**	**1,054,390**
Adjustments to reconcile net income			
Interest	17	661,031	545,737
Depreciation and amortization expense		2,429	2,567
Unrealized (Gain) losses from foreign currency translation		(76,859)	31,276
Fair value - Derivatives	5	172,071	(41,103)
Undistributed earnings from the application of the equity method	7	(1,187,172)	(745,746)
Withholding tax on dividends received		2,062	728
Usufruct amortization	22	(32,177)	(53,629)
Changes in operating assets and liabilities			
Increase (Decrease) in other accounts payable		42,762	(29,053)
(Increase) in other accounts receivable		(936)	(882)
Increase in accounts receivable from related parties		(1,161,977)	(931,885)
Adjustment for employee benefits		2,174	(14,297)
Dividends received from associates and subsidiaries		**1,788,998**	**1,083,898**
Income taxes (paid) reimbursed		**(2,425)**	**14,257**
Interest received		**(4,874)**	**(301)**
Cash flows from operating activities		**1,646,229**	**915,958**
Cash flows from (used in) investment activities			
Other payments to acquire equity or debt instruments of other entities	5	-	(33,645)
Proceeds from the sale of property and equipment		145	65
Purchase of property and equipment		(140)	(149)
Cash flows from (used in) investment activities		**5**	**(33,729)**
Cash flows (used in) financing activities			
Collections from futures contracts, forward contracts and financial options (swaps)		(173,939)	(14,013)
Proceeds from loans		1,654,086	1,181,461
Amounts paid to Grupo Bolivar	5	(612,818)	-
Loan repayments		(310,610)	(1,330,572)
Payment of financial lease liabilities		(1,994)	(1,873)
Dividends paid		(669,174)	(427,683)
Interest paid		(1,087,609)	(395,736)
Cash flows (used in) financing activities		**(1,202,058)**	**(988,416)**
Net increase (decrease) in cash and cash equivalents		**444,176**	**(106,187)**
Effect of exchange rate changes on cash and cash equivalents		(6,651)	14,885
Cash and cash equivalents at the beginning of the period		5,025	96,327
Cash and cash equivalents at the end of the period		**442,550**	**5,025**

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas	Juan Guillermo Chica Ramírez	Daniel Andrés Jaramillo Valencia
Legal Representative	Accountant T.P. 64093-T	Auditor P.C. 140779-T Designated by Ernst & Young Audit S.A.S. TR-530 (See my report 29 February, 2024)

CHAPTER II

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For ending December 31, 2023 and 2022 for the statement of financial position, statement of income, other comprehensive income, statement of changes in equity and statement of cash flows.

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

NOTE 1. REPORTING ENTITY

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

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

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

2.1. Statement of compliance

The separate financial statements of Grupo de Inversiones Suramericana S.A., for the twelve-month period ended December 31, 2023, have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia *(NCIF acronym for the Spanish original)* issued by Decree 2420 of 2015 and amendments. These accounting and financial reporting standards, correspond to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), in the versions accepted by Colombia through the aforementioned Decrees.

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

- Exceptions applicable to all financial information preparers.

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

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

2.2. Basis of presentation

2.2.1. Bases of measurement and presentation

Bases of measurement

The separate financial statements have been prepared on the historical cost basis except for the following items included in the Statement of Financial Position:

- Financial instruments measured at fair value through other comprehensive income (FVTOCI).
- Financial liabilities at amortized cost, after initial recognition, should be measured at amortized cost using the effective interest rate method.
- Employee benefits, which are measured at the present value of the defined benefit obligation.
- Investments in subsidiaries measured under the equity method.

Presentation of the separate financial statements

The separate financial statements are prepared on the following basis:

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

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

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

2.3. Significant accounting policies

The following is a detail of the most significant accounting policies used by Grupo SURA for the preparation of the separate financial statements, which have been applied consistently during the years ended December 31, 2023 and 2022, unless otherwise indicated:

2.3.1. Cash and cash equivalents

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

2.3.2. Financial instruments

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

Financial assets

a) Definition

A financial asset is any asset that is:

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

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

b) Classification of financial instruments included in investments

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

- **I.** At fair value through profit or loss
- **II.** At fair value with adjustment to OCI
- **III.** At amortized cost

According to its liquidity and risk appetite strategy, Grupo SURA has classified most of its investments in debt securities in financial assets at fair value through profit or loss, and another portion in debt securities at amortized cost. To see how Grupo SURA determines its investment business model, ***see note 3 of Significant accounting judgments.***
For investments in equity instruments, an irrevocable election can be made to present in "other comprehensive income - OCI" in equity subsequent changes in the fair value of an investment that is not

held for trading. Grupo SURA has decided to take up this option and consequently, elected to measure some of its equity investments where it does not have control or significant influence at fair value through OCI". ***(See note 5.1.2. Investments).***

c) Initial measurement

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

d) Subsequent recognition

After initial recognition, investments are measured as follows:

I. Investments classified and measured at fair value through profit or loss, the profits and losses resulting from changes in fair value are presented net in the statement of income in the account "Net profit in investments at fair value".

II. Investments in debt securities measured at fair value through OCI, changes in their fair value are recorded in the equity account "Other Comprehensive Income - OCI". The value accumulated in this account is transferred to the income statement when the investments are sold.

III. Investments in equity instruments that are not classified as held for trading; changes in their fair value are recorded in the OCI account indicated in item ii) above. The value accumulated in this account is transferred directly to retained earnings, without going through the statement of income, when they are sold.

IV. Investments in debt securities classified as at amortized cost, subsequent to their initial recording, they are adjusted with a credit to income based on the effective interest rate method, deducting payments or credits received from the issuers.

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

e) Impairment

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

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

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

Operations with derivative financial instruments and hedge accounting

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

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

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

- **a)** Fair value hedges of recognized assets or liabilities or firm commitments, in which case changes in the fair value of the derivative are recorded in the statement of income, as well as any change in the fair value of the asset, liability or firm commitment attributable to the hedged risk.
- **b)** Cash flow hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, in which case the effective portion of the changes in the fair value of the derivatives is recognized in "other comprehensive income" in equity.
- **c)** The profit or loss on the derivative related to the portion that is not effective to the hedge or that does not correspond to the hedged risk is recognized immediately in the statement of income. The amounts accumulated in the other comprehensive income account are transferred to profit or loss in the same period in which the hedged item is taken to profit or loss.
- **d)** Hedges of a net investment in a foreign currency, which are recorded in a manner similar to cash flow hedges: the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss. The gain or loss on the hedging instrument accumulated in equity is recorded in the statement of income when the net investment in a foreign subsidiary is fully sold or proportionally when it is partially sold.

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

Financial liabilities

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

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

Non-voting preferred shares

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

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

Agreements with non-controlling shareholders

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

1. With regard to cash-settled exit options, it will be considered a financial liability measured at the present value of the exercise price and its initial and subsequent recognition consideration will depend on the determination of whether or not there is a present ownership interest in the underlying shares, taking into consideration the following.

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

a) Price fixing
b) Voting and decision-making rights
c) Dividend rights
d) Issuance of call options

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

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

2. Derivative at fair value through profit or loss.

If the exercise price of the option and the value of the underlying asset (shares covered by the contract) are at fair value, the effect of the net derivative is considered to be zero, in other words, the effect of the net derivative is considered to be zero:

g) The value to be paid for the option would be the same value received for the shares.
h) In the separate financial statement, there is no non-controlling interest.

Derecognition

When the put option expires, the financial liability is derecognized with a charge to the statement of income.

When the written put option is exercised, the financial liability is derecognized with an adjustment to the investment cost of the purchase of the shares subject to the option.

2.3.3. Taxes

Grupo SURA is a taxpayer of national and territorial taxes, rates and contributions.

Income tax

Current

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

Deferred

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

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

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

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

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

Deferred tax is recognized in profit or loss for the period, except in the case of items recognized outside profit or loss, in which case it is presented in other comprehensive income or directly in equity.

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

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

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

2.3.4. Investments in subsidiaries and associates

Investment in Subsidiaries

A subsidiary is an entity controlled directly or indirectly by one of the companies that make up the portfolio of Grupo SURA. Control exists when one of the Companies has the power to direct the relevant activities of the subsidiary, which are generally the operating and financing activities with the purpose of obtaining benefits from its activities and is exposed, or has the right, to the variable returns of the subsidiary.

Investments in subsidiaries are measured in the separate financial statements of Grupo SURA using the equity method, where the investment is initially recorded at cost, and adjusted for changes in the interest of Grupo SURA in the net assets of the subsidiary after the acquisition date less any impairment loss on the investment.

Investments in associates

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

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

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

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

Investments are recognized at the cost of the transaction at the initial moment and dividends received in cash from the associate are recognized in income for the year.

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

Impairment

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

Methodology for impairment of investments in subsidiaries and associated companies

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

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

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

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

11. For investments in associates listed on the Colombian Stock Exchange *(BVC, acronym in Spanish original),* internal valuation models are used.

Every year at the end of its fiscal year, Grupo SURA and its subsidiaries will perform impairment tests to operations, CGUs or other recorded goodwill and intangible assets where it will estimate the recoverable amount of the asset, and if applicable, adjust the recorded value to reflect an eventual impairment in the financial statements.

2.3.5. Non-current assets held for sale and discontinued operations

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 transaction costs 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.

The sale to be considered highly probable, when:

- **a)** There is a commitment from Grupo Sura and a plan to proceed with the sale.
- **b)** The search for a buyer is already in process and the necessary actions have been initiated to carry out the sale plan.
- **c)** A sale price has been set that is reasonable in relation to the market value of the asset.
- **d)** It is foreseeable that the sale will be completed within a period not exceeding (12) twelve months (from the date of classification) and the actions taken to implement the sale plan make it unlikely that significant changes to the plan or that the plan will not be completed.
- **e)** The intention to sell an asset (or group of assets) is not sufficient to classify as available for sale.

Discontinued operations

Grupo Sura will identify a discontinued operation as a component that has been sold or otherwise disposed of, or has been classified as held for sale, and

- **f)** Represents a line of business or geographic area that is significant and can be considered separate from the rest.
- **g)** It is part of a single coordinated plan to divest or otherwise dispose of a line of business or geographic area of operation that is significant and can be considered separate from the rest; or
- **h)** It is a subsidiary acquired exclusively for the purpose of resale.

Grupo Sura must present the results and cash flows of the group of assets classified as discontinued operations.

2.3.6. Employee benefits

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

Short-term benefits

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

The short-term benefits of Grupo de Inversiones Suramericana include the following:

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

Post-employment benefits

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

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

Retirement pensions, extra-legal benefits agreed in the Company's internal regulations.

It applies to employees who retire due to old age under any pension system, and who have had an employment relationship of 20 years of continuous or discontinuous service, either with Grupo SURA or with any of its affiliates and subsidiaries.

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

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

When there is a modification of the employment benefits granted.

When provisions are recognized for restructuring costs by a subsidiary or business of the Company.

Long-term benefits

These are all additional benefits to employees other than short-term benefits that are paid before retirement or termination of service by the employee. According to the benefits defined by Grupo SURA, such benefit corresponds mainly to seniority bonuses.

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

Termination benefits

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

2.3.7. Provisions and contingencies

Provisions are recorded when Grupo SURA has a present obligation, legal or implicit, as a result of a past event, it is likely that Grupo SURA will have to divest itself of resources, that incorporate economic benefits to cancel the obligation, and a reliable estimate of the value can be realized of the obligation. If these conditions are not met, a provision should not be recognized.

Grupo SURA recognizes the provisions in the statement of financial position, for the best estimate of the required disbursement, that is, the value for which Grupo SURA must settle the obligation, in the reported period, taking into account the risks and uncertainties surrounding said estimate.

Grupo SURA recognizes, measures, and discloses the provisions originated in connection with onerous contracts, restructurings, contractual processes, and litigation, as long as there is a high probability that the Company has generated an obligation, and must cancel it.

2.3.8. Income

Dividend Income

Grupo SURA recognizes dividend income when:

- **a)** The right to receive the dividend payment of the entity is established.
- **b)** It is probable that the entity will receive the economic benefits associated with the dividend.
- **c)** The value of the dividend can be measured reliably.

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

Income from equity method

For details of the equity method policy, ***see Note 2.3.4 Investments in subsidiaries and associates.***

2.3.9. Earnings per share

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

The diluted earnings per share are calculated by adjusting the average number of common and preferred shares outstanding to simulate the conversion of all potential dilutive common shares. Put option contracts with non-controlling interests that can be paid with Grupo Sura shares ***(see Note 5.2.3)*** could represent dilutive effects.

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

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

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

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

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

a) Fair value of financial instruments

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

When valuation techniques (e.g., models) are used to determine fair values, they are validated and reviewed periodically by qualified personnel independent of those who obtained them. All models are certified prior to use and the models are calibrated to ensure that the results reflect actual data and comparative market prices. To the extent possible, the models use only observable data; however, areas such as credit risk (both own and counterparty credit risk), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. **See note 19 for fair value.**

Business model of Grupo SURA

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

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

Calculation of credit risk in derivatives

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

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

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

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

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

Determining efficacy in derivatives

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

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

- Economic relationship: The value of the defined hedged item (USD foreign currency denominated debt issue) and the value of the designated hedging instrument (spot item) in this hedging relationship will change systematically and oppositely in response to movements in the USD/COP exchange rate, which is the hedged risk.
- Non-dominance of credit risk: The Company will monitor on a quarterly basis that there are no significant decreases in the credit rating of its counterparty, in order to maintain the high probability of future compliance with the flows of the derivative designated as a hedge.
- Proportional hedging relationship: Provided that, during the life of the hedging relationship, the USD/COP exchange rate is below USD/COP 6,000 (highly probable scenario); the hedging ratio between the hedged item and the hedging instrument will be one to one, fully effectively offsetting the exchange rate risk generated by the principal of the foreign currency (USD) denominated debt issue for the company.

  In a different scenario, when the exchange rate during the life of the hedging relationship is above USD/COP 6000 (low probability scenario); the hedge ratio between the hedged item and the hedging instrument will be in a very extreme scenario of 0.78 to 1, partially offsetting the exchange rate risk generated by the principal of the debt issue denominated in foreign currency (USD) for the company.

b) Impairment of financial assets

To calculate the impairment of financial assets, the future cash flows, of the respective financial asset of the group must be estimated. **See note 2.3.2 of financial instruments, impairment section.**

c) Taxes

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

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

d) The useful life and residual values of property and equipment, right of use

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

e) Lease term

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

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

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

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

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

g) Employee benefits

The measurement of post-employment and long-term benefit obligations involves a wide variety of assumptions and the realization of assumptions of future long-term events, including the determination of key actuarial assumptions that allow the calculation of the value of the liability. Key assumptions include discount and inflation rates, salary increases, among others.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation and the associated cost. Future measurements of the obligations may vary significantly from those presented in the financial statements, among others, due to changes in economic and demographic assumptions and significant events. ***See note 9 on employee benefits.***

h) Evaluation of the going concern principle of the EPS Suramericana S.A. subsidiary.

Specifically for the business of EPS Suramericana S.A., a subsidiary of Suramericana, the Company's capacity to continue under the going concern hypothesis has been evaluated, due to the existence of events or materialized financial conditions that at that date may be evidenced in accumulated losses as of December 31, 2023 amounting to $181 billion pesos, the main and material causes of which are summarized as follows:

- The increase in the accident rate due to the increase in frequencies that has been occurring since the year 2022 and whose trend continues.
- The structural and gradual insufficiency of the Capitation Payment Unit *(UPC, acronym in Spanish original)* paid monthly by the government to meet obligations derived from the Benefit Plan.
- The insufficiency of the payment of maximum budgets for the attention of non-PBS benefits, as well as pending obligations to be paid by the State, with respect to past periods, for the same concept.
- Resolution against tax audit processes, generating voluntary corrections of income tax returns for the years 2020, 2021 and 2022.
- Existence of portfolio and outstanding balances from past periods, different from maximum budget benefits
- Accumulated debts for Covid aid packaged, not recognized by the National Government.

The aforementioned factors have generated in the separate financial statements of Grupo SURA a negative effect of EPS Sura's operation for an amount of $ 33 billion pesos is recorded, as a result of the losses recorded by the entity in said period.

Therefore, it is important to point out that the subsidiary Suramericana S.A. with the Administration of E.P.S. SURA, have taken a series of management measures to mitigate the described risk event, such as:

- Legal action for direct compensation regarding the insufficiency of COVID 2021 aid packaged.
- Legal action for annulment and reinstatement regarding the insufficiency of CPU 2022.
- Legal action for nullity and reinstatement regarding the insufficiency of maximum budgets for the years 2021 and 2023.
- Legal action for direct compensation corresponding to the insufficiency of maximum budgets for 2022.
- Legal Action for protection regarding the adjustment of maximum budgets for the year 2021.
- Legal action for direct reparation with precautionary measure related to insufficiency of CPU 2023.
- Legal action for nullity and reestablishment of the right corresponding to the insufficiency of maximum budgets of 2023 from July to October.

Management considers that it is possible to conclude the existence of the going concern principle. EPS SURA is a regulated company in a sector that is currently experiencing great uncertainties regarding the operating model of the General Social Security Health System *(SGSSS, acronym in Spanish original),* so the decisions of the Ministry of Health and the National Superintendence of Health will determine the continuity of the operation. For 2024, management has determined that it will continue under a going concern, until the competent authorities make their pronouncements on the matter.

NOTE 4. NORMS ISSUED NOT EFFECTIVE YET

The accounting policies applied in the preparation of the separate financial statements are consistent with those used in the preparation of the annual separate financial statements as of December 31, 2023, the new standards issued as of January 1, 2024 and interpretations that have been published, but are not applicable at the date of these financial statements, are presented below. The Company will adopt these standards on the date they become effective, in accordance with the decrees issued by local authorities.

The amendments that apply for the first time in 2024 have no impact on these financial statements.

Issued Standards Not in Force

The standards and interpretations that have been published but are not applicable at the date of these financial statements are disclosed below. Grupo SURA will adopt those standards on the date on which they become effective, in accordance with the decrees issued by local authorities.

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. Grupo SURA evaluated the effect of this standard on its financial statements and concluded that it has no effect on recognition and measurement.

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 means of Decree 1611 of 2022, which will be effective as from January 1, 2024. Grupo SURA evaluated the effect of this standard on its financial statements and concluded that it has no effect on recognition and measurement.

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 means of Decree 1611 of 2022, which will be effective as from January 1, 2024. Grupo SURA evaluated the effect of this standard on its financial statements and concluded that it has no effect on recognition and measurement.

NOTE 5. FINANCIAL INSTRUMENTS

5.1. Financial Assets

5.1.1 Cash and cash equivalents

Cash and cash equivalents correspond to:

	December 2023	December 2022
Cash equivalents [1]	245,750	3,860
National banks [1]	196,164	1,113
Foreign Bank	628	41
Cash and banks	8	11
Total cash and cash equivalents	**442,550**	**5,025**

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

(1) The increase in 2023 is due to the receipt of cash and cash equivalents resulting from new financial obligations to meet the Company's future financial commitments.

At year-end there are no restrictions on cash and cash equivalents in the Statement of Financial Position that limit the use or availability of these assets for the Company.

5.1.2. Investments

The breakdown of investments is as follows:

	December 2023	December 2022
At fair value through OCI [1]	33,551	49,932
At fair value through profit or loss [2]	26,559	33,645
Total Investments	**60,110**	**83,577**
Non-current investments	60,110	83,577

Total Investments	**60,110**	**83,577**

[(1)] OCI: Other Comprehensive Income. There was a decrease in the fair value of the investment due to the decrease in the share price of Enka de Colombia S.A.

[(2)] The balance of investments mainly corresponds to the segregated account in Bermuda in July 2022, after entering into a participation contract 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 with possible claims made by third parties. In the event of a claim, any obligation will be backed with the resources existing in the cell.

Below is a detail of the net gain (loss) on investments at fair value:

	Accumulated	
	December 2023	December 2022
Fair value investments	(1,808)	(1,699)
Difference on exchange of investments	(17,322)	11,893
Total	**(19,130)**	**10,194**

The following is the carrying value and unrealized gains or losses on equity instruments with effect in other comprehensive income as of December 31, 2023 and 2022

December 2023	Carrying value	Unrealized gain /(loss)
Enka de Colombia S.A.	33,551	(16,381)
December 2022	**Carrying value**	**Unrealized gain /(loss)**
Enka de Colombia S.A.	49,392	9,631

5.2. Financial liabilities

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

	Note	December 2023	December 2022
Financial obligations [(1)]		2,860,073	839,980
Bonds issued	5.2.2	3,487,199	4,369,515
Preferred shares	10	459,834	459,955
Subtotal financial liabilities for capital management		**6,807,106**	**5,669,450**
Derivative instruments	5.2.1	204,820	437,145
Accounts payable to related parties [(2)]	22	223,603	159,493
Other accounts payable [(3)]	5.2.4	77,453	34,136
Subtotal other financial liabilities		**505,876**	**630,774**
Total financial liabilities		**7,312,982**	**6,300,224**

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

December 2023

Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		1,430,394	-	1,430,394
Derivative instruments	5.2.1	-	68,638	68,638
Accounts payable to related parties	22	188,746	-	188,746
Other accounts payable	5.2.4	36,530	-	36,530
Bonds issued	5.2.2	167,502	-	167,502
Total		**1,823,172**	**68,638**	**1,891,810**

Non-Current		Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		1,429,679	-	1,429,679
Derivative instruments	5.2.1	-	136,182	136,182

Accounts payable to related parties	22	34,857	-	34,857
Other accounts payable	5.2.4	40,923	-	40,923
Bonds issued	5.2.2	3,319,697	-	3,319,697
Preferred shares	10	459,834	-	459,834
Total		**5,284,990**	**136,182**	**5,421,172**
Financial liabilities		**7,108,162**	**204,820**	**7,312,982**

December 2022

Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		80,653	61,455	142,108
Derivative instruments	5.2.1	-	7,070	7,070
Accounts payable to related parties	22	159,493	-	159,493
Other accounts payable	5.2.4	34,136	-	34,136
Bonds issued	5.2.2	352,680	-	352,680
Total		**626,962**	**68,525**	**695,487**

Non-Current		Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		697,872	-	697,872
Derivative instruments	5.2.1	-	430,075	430,075
Bonds issued	5.2.2	4,016,835	-	4,016,835
Preferred shares	10	459,955	-	459,955
Total		**5,174,662**	**430,075**	**5,604,737**
Financial liabilities		**5,801,624**	**498,600**	**6,300,224**

(1) (1) Financial obligations correspond to loans acquired with Grupo Bancolombia, BBVA, Banco de Bogotá and Davivienda Miami, at rates ranging from 1.24% to 15.98% as of December 2023 and from 4.36% to 17.25% as of December 2022.
The variation with respect to the previous period corresponds to the acquisition of new loans for USD 40 million and COP 1,110,000 million. Additionally, in November 2023 an obligation was acquired with Grupo Bolivar for the acquisition of 254,928 shares of Sura Asset Management S.A., increasing the participation in 9.74% in this subsidiary, whose balance as of December 2023 is $982,004. (See note 5.2.3).

(2) The variation in accounts payable to related parties with respect to December 2022, is due to the recognition of the dividend decree.

(3) The variation in other accounts payable is due to the increase in derivative premiums.

5.2.1. Derivative instruments

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

		December 2023		December 2022	
	Note	Asset	Liabilities	Asset	Liabilities
Hedge Derivatives	5.2.1.1	288,383	106,551	869,816	362,123
Trading Derivatives	5.2.1.2	13,708	98,269	125,857	75,022
Total derivatives (*)		**302,091**	**204,820**	**995,673**	**437,145**
Current Derivatives		-	**68,638**	-	**7,070**
Non-current Derivatives		**302,091**	**136,182**	**995,673**	**430,075**
Total derivatives		**302,091**	**204,820**	**995,673**	**437,145**

(*) The variation in the net position compared to the previous period is due to the valuation of the instruments.

5.2.1.1. Hedge derivatives

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

The foreign currency risk component is managed and mitigated using cross-currency swaps and options, which exchange foreign currency payments for principal payments in the Group's functional currency. These instruments are applied to match the maturity profile of the estimated payments of the Group's debt instruments.

The foreign currency risk component is determined as the change in cash flows of foreign currency debt resulting solely from changes in the exchange rate for the related foreign currency swaps and options. Such changes constitute a significant portion of the overall changes in the cash flows of the instrument.

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

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

I. Differences in the timing of cash flows between debt instruments and cross-currency swaps;
II. Differences in the discount between the hedged item and the hedging instrument, given that cross-currency swaps are supported by cash collateral.
III. The hedging of derivatives with a fair value different from zero at the initial date of designation as hedging instruments; and
IV. Counterparty credit risk, which impacts the fair value of the uncollateralized cross-currency swaps but does not affect the hedged items.
V. The impact on the fair value of hedging instruments, caused by interest rate movements and volatilities of these instruments.

On April 29, 2016 Grupo SURA entered into an obligation for the issuance of foreign currency bonds in the amount of US$ 550 million, with a single principal maturity on April 29, 2026 and a fixed interest rate of 5.50% payable semiannually, of which in 2022 US$ 20 million is repurchased ***(See note 5.2.2 Bonds Issued).***

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.

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

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

The following operations were carried out during the year:

- Five (5) call spread structures (call option bought + call option sold), the purpose of which is to widen the hedging range.
- Modification of 3 main CCS and its ceiling.

As of December 31, 2023 and after the amendments executed, Grupo SURA uses the following hedging instruments:

- Twenty-three (23) Principal-Only Cross Currency Swap (Principal-Only CCS).
- Two (2) call spread structures (call option bought + call option sold).
- 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.

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

Below is a detail of the nominal and fair value by type of hedging derivative as of December 31, 2023 and December 31, 2022:

	December 2023		December 2022	
	Nominal value (*)	Fair Value	Nominal value (*)	Fair Value
Assets				
Swap				
Cross Currency Swap	942,059	129,623	1,464,915	564,830
Subtotal	**942,059**	**129,623**	**1,464,915**	**564,830**
Options				
Currency Call Option	1,456,210	158,760	759,300	304,986
Subtotal	**1,456,210**	**158,760**	**759,300**	**304,986**
Total Assets	**2,398,269**	**288,383**	**2,224,215**	**869,816**
Liabilities				
Swap				
Cross Currency Swap	522,854	7,500	-	-
Subtotal	**522,854**	**7,500**	**-**	**-**
Options				
Currency Call Option	2,733,685	92,249	1,668,685	359,368
Currency Put Option	329,650	6,802	329,650	2,755
Subtotal	**3,063,335**	**99,051**	**1,998,335**	**362,123**
Total Liabilities	**3,586,189**	**106,551**	**1,998,335**	**362,123**

(*) *The nominal value of CCS and forwards corresponds to the amount hedged in foreign currency multiplied by the hedging rate and in the case of options, the amount hedged/exposed by the exercise value of the option.

The following is a summary of the movements in the other comprehensive income account as well as the amounts taken to income for the effect of options and swaps used as hedging instruments during the period ended December 31, 2023 and 2022:

	Note	OCI Ineffective part	Note	Results Effective part
Balance at December 31, 2021	**13.3**	**(29,626)**		
Variation in the fair value of hedges during the year		(95,396)	17.1	409,812
Amortization of temporary securities.	17.2	(80,141)		-
Balance at December 31, 2022	**13.3**	**(205,163)**		**409,812**

	Note	OCI Ineffective part	Note	Results Effective part
Balance at December 31, 2022	**13.3**	**(205,163)**		
Variation in the fair value of hedges during the year		231,482	17.1	(494,284)
Amortization of temporary securities.	17.2	(107,396)		-
Balance at December 31, 2023	**13.3**	**(81,077)**		**(494,284)**

The number of hedging instruments is 50 at December 31, 2023 and 40 at December 31, 2022.

5.2.1.2. Trading derivatives

Grupo SURA presents derivative financial instruments for trading purposes, especially Cross Currency Swap, Interest Rate Swap, and Forward contracts. Although they are trading derivatives, their purpose is to hedge foreign currency obligations, they have not been designated as hedge accounting.

The following is a detail of the nominal and fair value by type of trading derivative as of December 31, 2023 and December 31, 2022:

	December 2023		December 2022	
	Nominal value (*)	Fair Value	Nominal value (*)	Fair Value
Assets				
Swap				
Cross currency	1,562,983	13,708	1,562,983	125,857
Subtotal	**1,562,983**	**13,708**	**1,562,983**	**125,856**
Total Assets	**1,562,983**	**13,708**	**1,562,983**	**125,857**
Liabilities				
Forward				
Currency to buy	1,291,199	76,640	70,552	190
Subtotal	**1,291,199**	**76,640**	**70,552**	**190**
Swap				
Cross currency	848,262	21,629	769,262	67,952
Interest rate	-	-	100,000	6,880
Subtotal	**848,262**	**21,629**	**869,262**	**74,832**
Total Liabilities	**2,139,461**	**98,269**	**939,814**	**75,022**

(*) The nominal value of CCS and forwards corresponds to the amount hedged in foreign currency multiplied by the hedging rate and in the case of options, the amount hedged/exposed by the exercise value of the option.

The results of trading derivatives are presented below:

Accumulated

	December 2023	December 2022
Trading income	105,780	406,186
Trading expenses	(276,043)	(365,083)
Total	**(170,263)**	**41,103**

As of December 31, 2023 and December 31, 2022, there were 36 and 20 trading derivatives, respectively.

5.2.2. Bonds issued

Details of the bonds issued are presented below:

				Amortized cost		Fair value	
Date of issue	Maturity date	Nominal value	Emission rate	December 2023	December 2022	December 2023	December 2022
29- Apr -16	29- Apr -26	(1) USD 530	5.50%	2,035,515	2,557,294	2,014,082	2,511,803
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%	192,279	194,696	185,500	163,594
23- Feb -17	23- Feb -24	165,515	CPI + 3.19%	167,502	168,657	168,100	162,880
07- May -14	07- May -30	100,000	CPI + 4.15%	101,029	101,117	99,288	87,094
25- Nov -09	25- Nov -29	98,000	CPI + 5.90%	98,559	98,865	103,698	91,408
25- Nov -09	25- Nov -49	97,500	CPI + 6.98%	96,852	97,210	113,445	92,302
11- Aug -20	11- Aug -23	(3) 123,750	IBR + 1.49%	-	125,055	-	121,110
11- Aug -20	11- Aug -27	296,350	CPI + 2.54%	303,066	304,612	282,653	253,963
11- Aug -20	11- Aug -32	180,320	CPI + 3.39%	184,890	185,675	173,201	146,750
11- Aug -20	11- Aug -40	299,580	CPI + 3.78%	307,507	308,709	287,375	239,817
Total bonds issued				**3,487,199**	**4,369,515**	**3,427,342**	**4,098,596**
Current bonds issued				167,502	352,680	168,100	348,985
Non-current bonds issued				3,319,697	4,016,835	3,259,242	3,749,611

(1) As of December 31, 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 in 2014 matured.
(3) On August 11, 2023, the bond issued in August 2020 matured.

Grupo SURA had no defaults in the payment of principal or interest or other defaults regarding its obligations for the years 2023 and 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.

In general terms, these agreements include:

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

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

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

- It was entered into in 2019, amended in 2022 and establishes that Grupo SURA, during the period between February and May 2024, may sell to CDPQ up to 3.3% of Sura AM shares (not to exceed a total CDPQ stake of 9.9%) at fair market value, which will be determined by independent third parties.

- Additionally, this Agreement establishes the mechanisms by which an eventual divestment of CDPQ would be implemented, as of April 2029, once the agreed permanence period is over. Among others, it is agreed that, after April 2029 and as long as Sura AM has not been listed in a recognized Stock Exchange or Stock Market, and CDPQ has not executed a sale to a third party, CDPQ may sell its shares of Sura AM to Grupo SURA at fair market value, which will be determined by independent third parties and paid by Grupo Sura in cash or with its own equity instruments, applying in any case the corporate procedures required by Colombian law.

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

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.

The Exit Agreement was mutually terminated by Grupo SURA and GB through the execution of a share purchase and sale agreement on November 30, 2023, as amended on January 16, 2024 ("Purchase and Sale Agreement"). Through the Purchase and Sale Agreement, Grupo SURA undertook to acquire 254,928 common shares of SURA AM, Inversiones y Construcciones Estratégicas S.A.S. (a subsidiary of Grupo SURA) undertook to acquire 1 common share of SURA AM and Fundación SURA undertook to acquire 1 common share of SURA AM, for a total of 254,930 common shares currently owned by GB, equivalent to 9.74% of SURA AM.

The price to be paid for the shares will be one billion six hundred fifteen thousand five hundred seventy-three million $1,615,573, less the value of the dividends paid to GB between November 1, 2023 and the date on which the shares are effectively transferred. As of the date of execution of the Purchase and Sale Agreement, the price to be paid discounting the extraordinary dividends paid by SURA AM to GB on November 29, 2023 amounted to the sum of one billion five hundred eighty-two thousand one hundred sixty-two million $1,582,162. Such amount may be adjusted in the future in the event that there are additional distributions by SURA AM to GB prior to the date on which the shares are effectively transferred.

Said acquisition shall be paid in three (3) installments, the first, in the amount of $612,818 was paid upon execution of the Purchase and Sale Agreement and the remaining two, corresponding to $484,672 each minus the gross aggregate value of the Capital Distributions decreed by Sura AM and paid to the Sellers between (1) the day following the First Payment Date and (2) the Effective Date of the respective payments, shall be paid (i) within five (5) business days following the close of May 2024 or when the shares are effectively transferred, whichever occurs last and (ii) within five (5) business days following the close of November 2024 or when the shares are effectively transferred, whichever occurs last. The payment will be funded one third with extraordinary dividends paid by SURA AM and two thirds with available resources and financing.

The transfer of the shares is subject to certain conditions precedent of the contract, including applicable regulatory approvals.

The Purchase and Sale Agreement gives Grupo SURA access to the returns on all shares held by GB, as any distributions by SURA AM are deducted from the purchase price. Grupo SURA recognizes in the Separate Financial Statements from the date of execution of the contract, as part of its investment in subsidiaries the amount negotiated for the purchase of such shares, considering that at that date there is a substantial transfer of risks and benefits associated with such participations, in turn recognizes a financial liability in favor of GB for the outstanding balances payable, at an interest rate of nominal annual IBR six months past due + 3.43%, interest that may be adjusted according to the Purchase and Sale Agreement ***(see note 5.2 Financial Liabilities and note 7.2 Investments in subsidiaries)***

Exit option with non-controlling shareholders

The fair value of the financial derivatives arising from the commitments with CDPQ and Munich Re is zero, considering that the exercise price and the underlying asset (shares subject of the contract) are at fair value. In the case of the derivative of Grupo Bolivar as of December 31, 2022, the fair value is zero, considering that the exercise price is lower than the fair value of the underlying asset (shares subject of the contract).

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

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

Co Investors	Valuation methodology	Significant variables of the methodology
Múnich Re	Discounted Cash Flow: DDM (Dividend Discount Model)	* 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.

CDPQ		* Macroeconomic assumptions according to the average expectation of market analysts.
Grupo Bolívar	Formula established in the contract (minimum guaranteed return) until November 30, 2023.	According to the terms of the agreement

5.2.4. Other accounts payable

Details of other accounts payable are shown below:

	December 2023	December 2022
Other accounts payable [1]	69,922	26,074
Suppliers	6,167	6,831
Taxes payable	1,364	1,231
Total	**77,453**	**34,136**
Other current accounts payable	36,530	34,136
Other non-current accounts payable	40,923	-
Total	**77,453**	**34,136**

[1] Correspond to accounts payable for derivative premiums and withholdings at source.

NOTE 6. TAXES

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

	Note	December 2023	December 2022
Current tax assets (net)	6.1	143	-
Deferred tax asset (net)	6.2	-	148,713
Deferred tax liabilities (net)	6.2	277,295	-
Current tax liabilities (net)	6.1	-	407

6.1. Current income tax

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

	December 2023	December 2022
Current Tax		
Income tax assets	143	-
Liability for income tax and complementary taxes	-	407

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

	December 2023	December 2022
Current tax asset recoverable before 12 months	143	-
Current tax liability payable before 12 months	-	**407.**

b) Tax recognized in income for the period:

	December 2023	December 2022
Current tax expense	**(1,875)**	**(909)**
Current tax	(1,873)	(734)
Adjustment of previous periods	(2)	(175)
Deferred tax income (expense)	**(382,592)**	**5,483**
Constitutions / reversal of temporary differences	(382,592)	5,483
Net tax expense	**(384,467)**	**4,574**

c) Effective tax rate reconciliation.

The reconciliation of the effective tax rate of the Group applicable for the years ended December 31, 2023 and 2022, respectively, is as follows:

	December 2023		December 2022	
	Rate	Balance	Rate	Balance
Profit before tax		**1,441,122**		**1,054,390**
Income tax by applying the local tax rate	35%	(504,393)	35%	(369,037)
Plus, tax impact from:				
Items that increase taxable income		**(682,635)**		**(223,694)**
Non-deductible expenses (1)		(248,094)		(209,488)
Property and equipment		-		(3)
Financial liabilities		(14,757)		(14,029)
Investments (2)		(419,217)		-
Others		(567)		(174)
Items that decrease taxable income		**802,561**		**597,305**
Non-taxed income (3)		415,510		261,011
Untaxed dividends		362,783		309,880
Property and equipment		253		-
Provisions and contingencies		11,262		18,770
Exempt income		12,753		-
Tax loss carryforwards		-		3,616
Tax deductions		-		4,028
Income tax	**26.68%**	**(384,467)**	**0.43%**	**4,574**

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

(2) Tax related to investments in Grupo Nutresa and Sociedad Portafolio associates. The classification of the investments as available for sale makes it necessary, according to IAS 12, to recognize the deferred tax liability against the statement of income at the separate financial statement level for the temporary difference presented, calculated at the rate of 15%, since according to Article 300 of the Tax Statute, having owned the asset subject to transaction for a period of more than two years, the income originated therefrom is susceptible to constitute occasional gain.

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 income of subsidiaries

The variation in the effective rate is mainly due to the recognition of the deferred tax liability related to investments in Grupo Nutresa associates classified as held for sale and Sociedad Portafolio.

d) Movement in current tax

The following is the movement generated by the balance of income and supplemental income as of December 31, 2023 and 2022:

	December 2023	December 2022
Balance of income tax payable (refundable) at January 1	**407**	**(14,759)**
Current income tax liabilities	1,466	909
Withholdings, refunds and prepayments	(2,016)	14,257
Balance of income tax payable (refundable) at January 1	**(143)**	**407**

As a general rule, the income tax return becomes final in 3 years from the date of filing; for returns where a transfer pricing study was performed, the term of its finality will be 5 years. For the year 2023, the audit benefit will be applied and its finality will be of 6 months.

6.2. Deferred tax

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

Deferred tax assets (liabilities)	December 2023	Recognized results	Other comprehensive income	December 2022	Recognized results	Other comprehensive income	December 2021
Non-current assets held for sale	(419,217)	(419,217)	-	-	-	-	-
Properties and Equipment	253	(111)	-	364	(53)	-	417
Financial Liabilities	138,046	35,226	(43.430)	146,250	6,708	61,438	78,104
Employee Benefits	3,022	1,253	14	1,755	(1,433)	(42)	3,230
Right of use	601	257	-	344	261	-	83
Total	**(277,295)**	**(382,592)**	**(43,416)**	**148,713**	**5,483**	**61,396**	**81,834**

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

	December 2023	December 2022
Deferred tax liability recoverable before 12 months	(416,210)	-
Deferred tax asset recoverable after 12 months	138,915	148,713

6.3. Tax matters in Colombia

In the year 2023 the general income tax rate is 35% and 15% for income from occasional gains (10% for the year 2022). The audit benefit is extended for the years 2022 and 2023 to reduce the time of finality of the income tax return by 6 or 12 months, provided that the net income tax is increased by 35% or 25% respectively.

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 domestic companies and the increase of the rate for occasional gains from 10% to 15%.

Regarding the minimum tax rate, considering that the company is the parent company of the group and therefore is obliged to consolidate the determination of the adjusted tax rate, the detail of this calculation is disclosed in the consolidated financial statements.

6.4. Tax Assets Not Recognized

In accordance with current tax legislation, losses generated in income tax and complementary taxes may be offset with the net income obtained in the following 12 periods, taking into account the formula established in paragraph 5 of Article 290 of the Tax Statute. The tax losses determined shall not be fiscally readjusted.

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

Tax losses accumulated up to the year 2016 may be offset with future ordinary income tax liquid income, at any time, without any percentage limitation. Tax losses of the following years may be offset at most with the liquid income of the following twelve (12) years to the year of their occurrence.

The following table shows, by maturity limit, the basis for deductible temporary differences, corresponding to tax losses and excess of presumptive income on which no deferred tax asset has been recognized:

	Losses		Excess	
	2023	2022	2023	2022
Between 1 and 5 years	-	-	-	274
No time limit	174,624	174,624	-	-
Total tax benefits	**174,624**	**174,624**	**-**	**274**

6.5. Uncertainty regarding income tax treatments

Taking into account the criteria and judgments in the determination and recognition of taxes, as of December 31, 2023, no situations have been identified that generate tax uncertainty and that should be recognized for accounting purposes, in accordance with the framework defined by IFRIC 23.

NOTE 7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

7.1. Investment in associates

General information on investments in associates

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

	December 2023			December 2022		
Investment	% Participation [(1)]	%Right to vote [(2)]	# Shares	% Participation [(1)]	%Right to vote [(2)]	# Shares
Bancolombia S.A.	24.43%	46.11%	235,012,336	24.43%	46.11%	235,012,336
Grupo Argos S.A.	27.16%	35.95%	234,285,682	26.95%	35.63%	234,285,682
Sociedad Portafolio S.A.	35.61%	35.61%	163,005,625	-	-	-
Grupo Nutresa S.A.	-	-	-	35.61%	35.61%	163,005,625

[(1)] Participation in the associated company based on total shares issued.
[(2)] Equity interest in the associated company based on the total number of common shares with the benefit of voting rights.

Cross shareholdings

The associate Grupo Argos S.A. in turn has an equity interest in Grupo SURA. This shareholding is not prohibited by Colombian regulations since the shareholders are not subordinate companies of Grupo SURA. The participation that Grupo Argos S.A. has in Grupo SURA and Sociedad Portafolio as of December 31, 2023 and Grupo Nutresa as of December 31, 2022 is as follows:

Associates	% Participation	% Right to vote	% Participation	% Right to vote
	December 2023		December 2022	
Grupo Argos S. A.	27.51%	34.14%	27.51%	34.14%
Grupo Nutresa S.A. [(1)]	-	-	10.71%	13.29%
Sociedad Portafolio S.A. [(2)]	10.71%	13.29%	-	-

[(1)] Grupo Nutresa was reclassified as a non-current asset available for sale as of June 2023. (See note 8)

[(2)] Sociedad Portafolio S.A. Arises from the spin-off of Grupo Nutresa as of December 2023. (See note 8)

Grupo SURA records its participations under the cost model.

Balance and movement in associates

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

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Sociedad Portafolio S.A.	Total
As of December 31, 2022	**5,606,586**	**4,571,347**	**4,312,229**	**-**	**14,490,162**
Reclassification to held for sale (Note 8)	-	-	(4,312,229)	-	(4,312,229)
Spin-off Nutresa_Sociedad Portfolio	-	-	-	1,258,213	1,258,213
As of December 31, 2023	**5,606,586**	**4,571,347**	**-**	**1,258,213**	**11,436,146**

Grupo Sura has 43,373,328 shares of Grupo Argos, pledged as collateral for financial obligations with Bancolombia S.A. as of December 31, 2023 and December 31, 2022.

Dividends received

Dividend income is derived from the following issuers:

	Note	December 2023	December 2022
Bancolombia S.A.		831,004	733,238
Grupo Argos S.A.		134,714	117,143
Grupo Nutresa S.A. (1)		195,391	80,813
Total, dividends received from associates	**14**	**1,161,109**	**931,194**

(1) The dividend income declared by Grupo Nutresa has no effect due to the classification of the assets held for sale, Grupo SURA continues to exercise significant influence and the economic rights thereof.

Financial information of associates

The assets, liabilities, equity and results for the year of each of the associate companies included in the consolidated financial statements of the group as of December 31, 2023 and 2022 are as follows:

December 2023	Location	Asset	Liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A.	Colombia	342,928,809	303,879,080	39,049,729	21,089,711	6,214,971	(3,684,055)	2,530,916
Grupo Argos S.A.	Colombia	49,402,341	21,612,927	27,789,414	22,593,101	1,459,998	(4,342,833)	(2,882,835)
Sociedad Portafolio S.A.	Colombia	2,855,153	326,268	2,528,885	31,681	31,216	(437,298)	(406,082)

December 2022	Location	Asset	Liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
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

7.2. Investments in subsidiaries

General information on investments in subsidiaries

The following are the shareholdings of the subsidiaries in which Grupo SURA has direct and indirect control as of December 31, 2023 and 2022:

Company	Country	Economic activity	Percentage of property December 2023	Percentage of property December 2022	Date of creation
SURA Asset Management S.A.	Colombia	Investor	93.32%	83.58%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investment in real estate and personal property	100%	100%	11/07/2012
ARUS S.A.	Colombia	Marketing of products and solutions in telecommunications	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	Outsourcing of Information processing services	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas S.A.S.	Colombia	Investor	100%	100%	30/08/2007
Suramericana S.A.	Colombia	Investor	81.13%	81.13%	25/05/1999
SURA Ventures S.A.	Panamá	Investor	100%	100%	21/02/2018

Balance and movement in investments in subsidiaries

The following is the detail of the balance and movement of investments in subsidiaries accounted for under the equity method as of December 31, 2023 and December 2022:

	SURA Asset Management S.A.	Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	SURA Ventures S.A.	Arus Holding S.A.S.	Enlace Operativo S.A.	Arus S.A.	Total
Balance at January 01, 2022	**10,658,830**	**4,197,660**	**106,113**	**103,257**	**72,403**	**1,465**	**3,235**	**15,142,963**
Additions (1)	-	-	85,806	-	-	-	-	**85,806**
Equity method	368,306	397,213	20,987	(43,328)	2,411	142	15	**745,746**
Dividends	(278,449)	(48,678)	(14,872)	-	-	-	-	**(341,999)**
Change in equity (2)	1,845,210	548,404	1,949	15,855	-	-	-	**2,411,418**
Balance as of December 31, 2022	**12,593,897**	**5,094,599**	**199,983**	**75,784**	**74,814**	**1,607**	**3,250**	**18,043,934**
Additions (4)	1,582,155	-	-	-	-	-	-	**1,582,155**
Equity method	760,122	415,139	(7,038)	17,138	1,681	329	(199)	**1,187,172**
Dividends	(592,883)	(218,456)	(20,720)	-	(866)	(57)	-	**(832,982)**
Change in equity (2)	(1,860,516)	(592,581)	(3,864)	(17,561)	-	-	-	**(2,474,522)**
Restatement of investments in subsidiaries (3)	-	50,320	(337)		(8,873)		(502)	**40,608**
Balance as of December 31, 2023	**12,482,775**	**4,749,021**	**168,024**	**75,361**	**66,755**	**1,879**	**2,549**	**17,546,364**

(1) The increase of $ 85,806 million corresponds to capitalization in the subsidiary Inversiones y Construcciones Estratégicas S.A.S., with which 274,304 shares of this company were received. The capitalization was made through the delivery of a usufruct right over 73,240,000 shares of Grupo Nutresa S.A., which had a duration of 16 months.

(2) The variation corresponds mainly to the foreign currency translation adjustment of the subsidiaries that have presence in the different countries of the region.

(3) Corresponds to prior period adjustments of Suramericana and Arus subsidiaries, which are not material in Grupo SURA's Financial Statements, therefore, they were recognized in the respective periods in which they were identified. In 2022, Seguros de Vida and Seguros Generales Colombia, subsidiaries of Suramericana, restated their Financial Statements as a result of methodological inconsistencies in the estimation of the value of the asset for unearned premium reserves of the reinsurer. In 2023, the correction of prior years' errors of ARUS S.A., EPS Sura and Seguros Sura Panamá was recognized.

(4) The increase corresponds to the subscription of the share purchase and sale agreement of Sura Asset Management S.A. with Grupo Bolivar (See note 5.2.3).

Financial information of subsidiaries

The assets, liabilities, equity and results for the year of each of the subsidiary companies included in the financial statements for the period as of December 31, 2023 and 2022 are as follows:

December 2023	Asset	Liability	Equity	Profit	Other comprehensive income	Income
SURA Asset Management S.A.	31,277,947	19,429,989	11,847,958	901,862	(2,142,340)	(6,155,412)
Arus Holding S.A.S.	173,635	101,674	71,961	1,745	-	(301,846)

ARUS S.A.	122,024	106,877	15,147	(3,848)	-	(225,869)
Enlace Operativo S.A.	44,028	11,249	32,779	5,748	-	(75,937)
Inversiones y Construcciones Estratégicas	173,612	5,588	168,024	(7,038)	(3,545)	(29,304)
Suramericana S.A.	38,481,413	32,627,704	5,853,709	511,701	(613,743)	(27,337,599)
Sura Ventures S.A.	75,526	168	75,358	17,138	(17,561)	(17,295)

December 2022	Asset	Liability	Equity	Profit	Other comprehensive income	Income
SURA Asset Management S.A. (*)	31,537,725	18,047,940	13,489,784	440,678	2,204,015	(3,939,791)
Arus Holding S.A.S. (*)	165,670	84,914	80,756	2,502	-	(256,592)
ARUS S.A.	122,821	94,112	28,709	295	-	(203,538)
Enlace Operativo S.A.	32,774	4,743	28,031	2,477	-	(53,031)
Inversiones y Construcciones Estratégicas S.A.S.	205,133	5,149	199,984	20,987	2,116	(78,378)
Suramericana S.A. (*)	41,517,197	35,227,336	6,289,861	489,606	528,175	(25,211,263)
Sura Ventures S.A.	75,960	179	75,781	(43,328)	15,853	43,215

(*) Figures taken from the Consolidated Financial Statements

7.3. Impairment of investments in associates and subsidiaries

Fair Value Associates

		2023		2022	
Main associates of Grupo SURA	**Recoverable value> Book value**	**Book value**	**Market value (1)**	**Book value**	**Market value (1)**
Bancolombia S.A.	Si	5,606,586	7,802,410	5,606,586	9,988,024
Grupo Argos S.A.	Si	4,571,347	2,909,828	4,571,347	2,223,371
Sociedad Portafolio S.A.	Si	1,258,213	900,606	-	-
Grupo Nutresa S.A.	Si	-	-	4,312,229	7,253,750

(1) Calculated using the market price of the share at the respective cutoff date, in the case of Sociedad Portafolio an intrinsic value was taken as a reference.

As of December 2023, and 2022, the recoverable value of Grupo SURA's associated companies was determined in order to assess the impairment of investments in associates and subsidiaries.

For Grupo Argos, the recoverable value of its portfolio of companies was added to the recoverable value, also incorporating its expenses, taxes and indebtedness at the corporate level; additionally, the recoverable value of its portfolio investments, which includes the recoverable value of Grupo SURA, is incorporated in its value.

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

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

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

Main assumptions

Grupo Argos S.A.

- ✓ To calculate the recoverable value of Grupo Argos, the sum of parts of its investment portfolio was calculated, also incorporating its expenses, taxes and indebtedness at the corporate level.
- ✓ For the case of Cementos Argos, a discounted free cash flow model is made, with a projection for a 10-year horizon, this exercise was performed by region (Colombia and Central America-Caribbean) and took into account the effects of the recent transaction with Summit, by which Cementos Argos would contribute its cement business in the U.S. in exchange for a cash payment + a payment in kind equivalent to 31% of the share of the new merged company. Shareholding of the new merged company.
- ✓ Revenue projections were estimated based on expectations and trends in the main regions. In general, quantity growth was modeled based on the expected economic growth of each region and prices based on inflation.
- ✓ EBITDA margins were also estimated to improve, in line with the Company's most recent results in its Colombian and CCA regions.
- ✓ In order to estimate the recoverable value of the Company, cash flows have been discounted using a discount rate based on its risk profile, where the risk of its countries in Central America and Colombia was weighted. In the case of the U.S., the values disclosed to the market in relation to the transaction with Summit Materials were used.
- ✓ In the case of Celsia, the sum of parts of its investment portfolio was made, also incorporating its expenses, taxes and indebtedness at the corporate level. The sum of parts exercise takes into account the valuations of Celsia Colombia (formerly EPSA), and for the assets in Central America - recently sold - the reference values of the transaction were taken. Additionally, the value of other strategic assets such as Meriléctrica and the Caoba investment platform are included at their book values.
- ✓ Each asset was valued considering its particularities, such as energy generation, distribution and transmission capacity, taking into account their respective margin levels.
- ✓ Celsia Colombia's business was estimated based on projections of energy demand from the Mining and Energy Planning Unit and Energy and Gas Regulatory Commission *(CREG and UPME, abbreviation for the Spanish original),* assuming price growth tied to the PPI / CPI (during the term of the tariff pact) and maintaining a stable EBITDA margin in the projection period.
- ✓ In order to estimate the recoverable value of the companies, cash flows have been discounted using a discount rate based on their risk profile and geography. This rate was calculated in pesos and dollars in nominal terms, applying the CAPM methodology.
- ✓ For the calculation of the terminal value, a nominal growth rate between 2% - 3.5% was used, depending on the region.
- ✓ The other companies in the Grupo Argos portfolio are measured at book value.
- ✓ As for the other investments, a fundamental valuation of their investments is made, which includes the recoverable value of Grupo SURA.
- ✓ In all valuation exercises the respective shareholdings and controlling interests were taken into account.
- ✓ The exercise results in a valuation range above the book value recorded, so there is no evidence of impairment in the investment.

Bancolombia S.A.

- ✓ A discounted dividend valuation exercise was carried out, for which Bancolombia's main financial figures and value levers were projected for 10 years
- ✓ Portfolio: consolidated COP$ growth between 7%-9% for the period (2024-2033)
- ✓ Net interest margin: range between 6.00%-6.50% for the period (2024-2023)
- ✓ Provisions Expense - Cost of Credit: a cost of credit (provisions expense/average portfolio) between 1.8% and 2% is estimated for the period (2024-2033), reflecting a normalization of the current cost of credit.
- ✓ Expenses and efficiency: Expenses were projected to grow in line with or slightly above revenues in the first years of the projection, but maintaining a slightly higher efficiency indicator than the Bank has recorded so far in 2023 as of December. This indicator is estimated to range between 45%-50% for the projection period.
- ✓ Solvency, TIER I: A conservative estimate was assumed, seeking to maintain a wide solvency margin in the modeling, especially the basic solvency or TIER I. The capacity to deliver dividends is modeled based on the maintenance of a basic solvency target higher than the historical one, TIER I average year range between 11%-11.5%.
- ✓ Net income and ROE: with the assumptions used, the net income and implied profitability of the business would be at a profitability that exceeds the cost of capital used by approximately 250 bps.
- ✓ Perpetuity | Discount rate: cash flows were discounted at a discount rate (cost of capital of 14%)
- ✓ Valuation yields P/E '23E multiples of 9.0x and P/BV of 1.4x, which are within the valuation range of comparable companies in the region during 2023
- ✓ The year shows a range of recoverable value above the book value recorded, so there is no evidence of impairment in the investment.

Sociedad Portafolio

- ✓ For the calculation of the recoverable value of Sociedad Portafolio, the sum of parts of its investment portfolio was calculated by making a fundamental valuation of its investments, which includes the recoverable value of Grupo SURA and Grupo Argos.
- ✓ The exercise yields a range of recoverable value above the book value recorded, so there is no evidence of impairment in the investment.

Fair Value Subsidiaries

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

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

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

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

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

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

NOTE 8. NON-CURRENT ASSETS HELD FOR SALE

As informed by the Company through the relevant information mechanism on June 15(1), 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. The Contracts were amended by Addenda No. 1 dated December 11, 2023, Addenda No. 2 dated December 14, 2023 and Addenda No. 3 dated February 2, 2024.

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 (“Nutresa Alimentos”), with a shareholding of at least 87% of the outstanding common shares of such company.
- To achieve this result, Grupo Nutresa carried out a symmetrical spin-off, as a result of which the food business was separated from its portfolio of investments in Grupo SURA and Grupo Argos (The new spun-off entity that maintains the investments in these two companies was called "Sociedad Portafolio S.A."). Both Nutresa Alimentos and Sociedad Portafolio S.A. continue to be listed on the Colombian Stock Exchange.
- JGDB, Nugil and IHC would cease to be shareholders of Grupo SURA and Sociedad Portafolio S.A.
- Grupo SURA and Grupo Argos would cease to be shareholders of Grupo Nutresa's food business, but would maintain their participation in Sociedad Portafolio S.A.
- Grupo Nutresa - "Nutresa Alimentos" is no longer a shareholder of Grupo SURA and Grupo Argos. To achieve these results, the parties agreed to carry out the following transactions:

A **direct exchange of shares**, which will be carried out in two instances:

- **In the first phase of the exchange,** Grupo SURA will deliver its total shareholding (35.6%) and Grupo Argos will deliver 9.9% of Grupo Nutresa "Nutresa Alimentos" shares to Nugil, JGDB and IHC.

- As a result, NUGIL, JGDB and IHC will now hold a 76.9% interest in Nutresa.

- NUGIL, JGDB and IHC will deliver to Grupo Argos 3.3% of the shares of Sociedad Portafolio and 36,070,836 common shares of Grupo Sura.

- NUGIL, JGDB and IHC will deliver to Grupo SURA 11.8% of Sociedad Portafolio shares and 27.8% of their own common shares (i.e. Grupo SURA shares).

- **The second stage of the exchange** will occur after the completion of the tender offer for 23.1% of the shares of Nutresa Alimentos, which will be launched jointly but not severally by Grupo SURA, Grupo Argos S.A., a vehicle of IHC Capital Holding L.L.C., JGDB and Nugil.

- The procedures to initiate the tender offer for the shares of Nutresa Alimentos will begin no later than 15 business days following the later of (i) the first exchange of shares and (ii) the beginning of trading of the shares of Sociedad Portafolio S.A. on the Colombian Stock Exchange.

- For this tender offer, the parties agreed that Grupo Sura and Grupo Argos undertake to acquire up to 10.1% of the acceptances in a proportion of 78.3% and 21.7% respectively, and the entity appointed by IHC, JGDB and Nugil undertake to acquire at the same price any excess of acceptances above 10.1%, according to the conditions and in the proportions to be agreed among these last 3 parties.

- Current Alimentos Nutresa shareholders may voluntarily choose to participate and choose between:

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

    - Exchange Nutresa Alimentos shares, receiving 0.7438 Grupo SURA shares and 0.5650 Sociedad Portafolio S.A. shares for each Nutresa Alimentos share.

- Upon completion of the tender offer, Grupo SURA and Argos may deliver any remaining 10.1% of Nutresa shares to JGDB, NUGIL and IHC in cash at the rate of USD$12 per share.

- 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 implementation of the stages described above is performed sequentially; therefore, the completion of each phase of the transaction is conditioned to the fulfillment of preceding conditions, which in turn determine the creation for the parties of the obligations and rights defined in the Contracts.

At the end of the year, 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.

As a result of the two parts in which the exchange will be executed, Grupo SURA will receive its own shares, which will be treated as repurchased shares, according to the authorization given by the Shareholders' Meeting of November 24, 2023. Consequently, the economic and political rights corresponding to these shares will be suspended and a decrease in the number of outstanding shares of the company will be generated.

Afterwards, the shareholders of Sociedad Portafolio, including Grupo SURA, have the legal possibility of proposing to the general shareholders' meeting of Sociedad Portafolio its dissolution and/or liquidation. Should this occur, the following effects would be generated:

- Grupo SURA will receive own shares and those of Grupo Argos.
- Grupo Argos will receive own shares and those of Grupo SURA.
- The other shareholders of Sociedad Portafolio will receive shares of Grupo SURA and Grupo Argos.

Transaction progress

As of December 31, 2023, Grupo SURA owns 163,005,625 common shares of Nutresa Alimentos, representing a 35.6% interest. It exercises significant influence over the latter and is recorded as an investment in associates under the cost model and recognizes dividends charged to results.

Considering the approval of the Board of Directors on June 29, 2023 to advance in the execution of the Contracts, management, after analyzing the requirements established in paragraph 8 of IFRS 5 - non-current assets held for sale, classified the investment of Nutresa Alimentos as a non-current asset available for sale, amounting to $ 4,312,229, recognizing the asset at the lower of the carrying amount and fair value less transaction costs, so there is no impairment. Furthermore, the associated deferred tax was recognized in the amount of $493,611(1), since the conditions to apply the exception described in IAS 12 Income Taxes are no longer met.

On December 14, 2023, Nutresa Alimentos reported that the spin-off reform was notarized through public deed No. 3838, in accordance with the decisions adopted by the Shareholders' Meeting on September 18, 2023.

In light of the preceding context, Grupo SURA separated from the expenses associated with the investment of Grupo Nutresa S.A. in Nutresa Alimentos. This separation retains the classification of "held for sale" for Nutresa Alimentos and recognizes Sociedad Portafolio S.A. as an investment in associated companies, measured at cost.

Below is a detail of the number of shares and the cost of the two companies, recognized in the financial statements as of December 31, 2023, as follows;

	No. of shares	Book value before spin-off	No. of shares	Book value of shares spun off
Grupo Nutresa Alimentos (1)	163.005.625	4,312,229	163.005.625	3,054,016
Sociedad de Portafolio S.A. (2)		-	163.005.625	1,258,213
Total		4,312,229		**4,312,229**

(1) Carrying amount: $4,312,229; tax amount: $1,021,488; rate: 15%. Grupo Nutresa Alimentos meets the definition of non-current assets held for sale and continues in this classification.

(2) Sociedad de Portafolio S.A. was initially classified as an associate at its initial cost. See note 7.1

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

As of December 31, 2023, the required authorization for the execution of the first share exchange stage had not yet been obtained.

The Company continues to evaluate the impacts derived in each stage of the execution of the transaction, as of December 31, 2023, based on the progress of the operation, the effects identified are the classification of the investment in associate to non-current asset held for sale, the recognition of the deferred tax generated from this and the spin-off of Grupo Nutresa S.A. between Nutresa Alimentos and Sociedad Portafolio.

NOTE 9. EMPLOYEE BENEFITS

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

	Note	December 2023	December 2022
Short-term	9.1	9,806	6,220
Long-term	9.2	239	222
Post -Employment	9.3	3,398	433
Total		**13,443**	**6,875**

9.1. Short-term benefits

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

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

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

Short-term benefits are as follows:

	December 2023	December 2022
Bonuses (Current)	8,354	4,859
Vacation	796	810
Extra-legal bonus	436	389
Severance pay	198	145
Interest on severance payments	22	17
Total	**9,806**	**6,220**

9.2. Long-term benefits

The following is a description of the long-term benefits of Grupo SURA:

Seniority bonus: This benefit is paid to employees during their working life every five years of service, calculated as a number of days of salary per year worked

	December 2023	December 2022
Seniority bonus	239	222

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

	Seniority bonus
Initial balance at January 1, 2022	**263**
Costs incurred during the period	49
Changes in financial assumptions with effect on results of operations	(53)
Payments to employees	(37)
Present value of obligations at December 31, 2022	**222**
Costs incurred during the period	41
Payments to employees	(24)
Present value of obligations at December 31, 2023	**239**

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

	Seniority bonus	
	2023	2022
Discount rate (%)	8.90%	6.20%
Annual salary increases rate (%)	4.50%	4.50%
Annual inflation rate (%) LP	3.00%	3.00%

Sensitivity analysis

The following tables show the sensitivity to the effect of a variation in the discount rate and in the salary increase for the seniority bonus benefit:

2023	Seniority bonus			
	Discount rate		Salary increases	
	Increase +1.0%	Discount -1.0%	Increase +1.0%	Discount -1.0%
Present value of the obligation	232	246	246	232
Variation due to sensitivity in the variables	7	(7)	(7)	7

2022	Seniority bonus			
	Discount rate		Salary increases	
	Increase +1.0%	Discount -1.0%	Increase +1.0%	Discount -1.0%
Present value of the obligation	216	229	229	216
Variation due to sensitivity in the variables	6	(7)	(7)	6

9.3. Post-employment benefits

The following is a description of the post-employment benefits offered by Grupo SURA:

- Retirement bonus: corresponds to a sum defined by the company that is payable to employees upon retirement.
- Retirement pension: it is a benefit paid to an employee after completing his or her period of employment and is recognized directly by the Company.
  A bonus in the amount of 20 legal monthly minimum wages in force shall be granted, which shall be delivered at the time the beneficiary retires from the Company to enjoy his pension. This bonus will be subject to legal withholdings. Beneficiaries will not be those who have a special retirement bonus system.

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

The following are the post-employment benefits:

	December 2023	December 2022
Retirement bonus	3,217	318
Retirement pension	181	115
Total	**3,398**	**433**

9.3.1. Defined benefit plans

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

The following shows the movement of post-employment benefits of Grupo SURA:

	Retirement benefits	Plan assets	Net profit	Retirement pension	Total
Initial balance as of January 01, 2022	**34,555**	**22,427**	**12,128**	**198**	**12,326**
Costs incurred during the period	972	-	972	20	**992**
Interest costs	1,907	-	1,907	12	**1,919**
Recognition of plan assets	-	12,620	(12,620)	-	**(12,620)**
Profit or loss from changes in actuarial assumptions with effect on OCI	(2,069)	-	(2,069)	(95)	**(2,164)**
Payments to employees	-	-	-	(20)	**(20)**
Present value of obligations at December 31, 2022	**35,365**	**35,047**	**318**	**115**	**433**
Costs incurred during the period	1,028	-	1,028	15	**1,043**
Interest costs	3,191	-	3,191	10	**3,201**
Recognition of plan assets	-	5,673	(5,673)	-	**(5,673)**
Profit or loss from changes in actuarial assumptions with effect on OCI	4,353	-	4,353	41	**4,394**
Payments to employees	-	-	-	-	**-**
Present value of obligations at December 31, 2023	**43,937**	**40,720**	**3,217**	**181**	**3,398**

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

	Retirement bonus		Retirement pension	
	2023	2022	2023	2022
Discount rate (%)	7.70%	9.10%	7.70%	9.10%
Rate of increase in benefit (%)	-	-	5.00%	4.00-5.00%
Annual salary increase rate (%)	4.50%	4.50%	-	-
Annual inflation rate (%)	3.00%	3.00%	3.00%	3.00%

Sensitivity analyses

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

2023

	Retirement bonus			
	Discount rate		Salary increases	
	Increase +1.0%	Discount -1.0%	Increase +1.0%	Discount -1.0%
Present value of the obligation	43,653	44,236	44,245	43,642
Variation by sensitivity in the variables	284	(299)	(308)	295

	Retirement pension			
	Discount rate		Increase Benefit	
	Increase +1.0%	Discount -1.0%	Increase +1.0%	Discount -1.0%
Present value of the obligation	172	191	191	172
Variation by sensitivity in the variables	9	(10)	(10)	9

2022

	Retirement bonus			
	Discount rate		Salary increases	

	Increase +1.0%	Discount -1.0%	Increase +1.0%	Discount -1.0%
Present value of the obligation	35,014	35,729	35,744	34,997
Variation by sensitivity in the variables	351	(364)	(379)	368

	Retirement pension			
	Discount rate		Increase Benefit	
	Increase +1.0%	Discount -1.0%	Increase +1.0%	Discount -1.0%
Present value of the obligation	108	122	122	108
Variation by sensitivity in the variables	7	(7)	(7)	7

9.3.2. Defined contribution plans

Grupo SURA made contributions to defined contribution plans recognized as an expense in the results for the period of 2023 for $1,357 million and 2022 for $1,282 million.

9.4. Employee benefits expense

	December 2023	December 2022
Integral salary	(16,364)	(14,333)
Bonuses [1]	(13,020)	(7,720)
Wages	(2,932)	(2,624)
Vacation bonus	(1,686)	(1,820)
Pension contributions	(1,357)	(1,282)
Contributions to family welfare fund, ICBF, and SENA	(1,244)	(1,113)
Vacation days	(956)	(1,585)
Health contributions	(675)	(621)
Severance pay	(601)	(13)
Employee training	(548)	(671)
Extra-legal bonus	`(351)	(317)
Retirement pensions	(283)	(198)
Insurance	(265)	(186)
Legal bonus	(251)	(238)
Severance pay (mandatory savings)	(250)	(232)
Other employee benefits	(189)	(211)
Overtime hours	(79)	(96)
Contributions to labor risks administrator (ARL)	(52)	(47)
Seniority bonus	(41)	(42)
Incapacity benefits	(34)	(43)
Severance pay interest	(26)	(24)
Total	**(41,204)**	**(33,416)**

[1] The variation corresponds to salary increases in 2023 and compliance with performance indicators.

NOTE 10. PREFERRED SHARES

On November 29, 2011, 106,334,963 preferred shares were issued for a value of $32,500; from the date of issuance and for 3 years, a quarterly dividend of 3% EA is paid on the issue price. Starting in 2015, a quarterly dividend of 0.5% underwriting commission on the issue price.

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

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

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

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

The movement of the preferred shares as of December 31, 2023 and December 2022 are detailed below:

At December 31, 2021	**460,067**
Interest accrued	40,364
Interest payments	(40,476)
At December 31, 2022	**459,955**
Interest accrued	40,354
Interest payments	(40,475)
At December 31, 2023	**459,834**

NOTE 11 EQUITY

11.1. Issued capital

The authorized capital of the Company consists of 600,000,000 shares with a nominal value of $187.50 pesos each. The subscribed and paid-in capital as of December 31, 2023 and 2022 was 579,228,875 shares.

	December 2023	December 2022
Authorized shares	600.000.000	600.000.000
Subscribed and paid shares:		
Ordinary of nominal value	466.720.702	466.720.702
With a preference dividend without the right to vote	112.508.173	112.508.173
Total shares	**579.228.875**	**579.228.875**
Subscribed and paid capital (nominal value)	109,121	109,121

To date, 2,316,558 shares of common stock and 432,115 shares of preferred stock have been repurchased at a price of $20,438 and $18,060, respectively.

At the end of 2023 there was a significant change in the shareholder composition of Grupo SURA, derived from the transfer of the total shares owned by Grupo Nutresa S.A. in Grupo SURA, equivalent to 62,032,220 common shares, in favor of Sociedad Portafolio S.A., which corresponds to 13.3% of the outstanding common shares of Grupo SURA. *See details of the agreement in Note No. 8.*

11.2. Issuance premium

The balance of the issuance premium at December 31, 2023 and 2022 is $3,290,767. It includes the higher amount paid over the nominal value of shares which is charged on their sale.

11.3. Reserves

The reserves consist of the following concepts:

	Note	December 2023	December 2022
Legal	11.3.1	138,795	138,795
Occasional	11.3.2	-	6,698,807
Reserve for share repurchase	11.4	7,261,206	244,848
Total reserves		**7,400,001**	**7,082,450**

11.3.1. Legal reserve:

Reserve in compliance with Article 452 of the Colombian Code of Commerce, which establishes that corporations shall constitute a legal reserve amounting to at least fifty percent of the subscribed capital, formed with ten percent of the net profits of each fiscal year. The constitution of this reserve is mandatory until it reaches 50% of the subscribed capital. The legal reserve has two special purposes: to increase and maintain the capital of the company and to absorb operating losses. Therefore, its value cannot be distributed as dividends to shareholders.

11.3.2. Occasional reserves:

Correspond to appropriations made by the shareholders and are available for a specific purpose when deemed necessary. For the year 2023 the shareholders authorized the transfer of these appropriations to the share repurchase reserves as explained in the following item.

11.4. Reserves for share repurchase

The movement in the reserve for share repurchases is presented below:

	December 2023	December 2022
Initial Balance	**244,848**	**244,848**
Establishment of share repurchase reserve (1)	55,152	-
Establishment of total share repurchase reserve (2)	6,961,206	-
Closing balance	**7,261,206**	**244,848**

(1) At the meeting of shareholders No. 40 held on March 31, 2023, approval was given to allocate $55,152 million from the taxable component of the occasional reserve to be used for the repurchase of shares.

(2) On November 24, 2023, during the 43rd Extraordinary Shareholders' Meeting, it was decided to allocate, from the encumbered and unencumbered reserves recorded as of September 30, 2023, the amount of six billion nine hundred and sixty-one thousand two hundred and six pesos $6,961,206 to be added to the share repurchase reserve.

NOTE 12. DIVIDENDS PAID AND DECLARED

The General Meeting of Shareholders 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 declared from the occasional reserve not taxed with profits generated as of January 01, 2017 for COP $741,413.

	2023			2022		
Dividends declared	**N° of shares**	**Annual ordinary dividend per share in COP**	**Total dividend declared**	**N° of shares**	**Annual ordinary dividend per share in COP**	**Total dividend declared**
Ordinary shares	466.720.702	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 is due and paid in cash quarterly in April 2023, July 2023, October 2023 and January 2024. It was 100% non-taxable for the shareholder. During 2023 dividends were paid in the amount of $669,174.

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

NOTE 13. OTHER COMPREHENSIVE INCOME

The other comprehensive income of Grupo SURA is presented below by concept as of December 2023 and 2022:

Concept	Note	December 2022	Adjustment for the period	December 2023
New defined benefit plan measures	13.1	4,563	(4,379)	184
Gain on investments in equity instruments	13.2, 5.1	25,763	(16,381)	9,382
Gain on exchange difference on conversion		(10,827)	-	(10,827)
Cash flow hedges	13.3	(133,356)	80,655	(52,701)
Share of other comprehensive income of subsidiaries accounted for using the equity method	13.4	4,349,397	(2,474,522)	1,874,875
Total comprehensive income		**4,235,540**	**(2,414,627)**	**1,820,913**

Concept	Note	December 2021	Adjustment for the period	December 2022
New defined benefit plan measures	13.1	2,441	2,122	4,563
Gain on investments in equity instruments	13.2, 5.1	16,132	9,631	25,763
Loss on exchange difference on conversion		(10,827)	-	(10,827)
Gain (loss) cash flow hedges	13.3	(19,257)	(114,099)	(133,356)
Share of other comprehensive income of subsidiaries accounted for using the equity method	13.4	1,937,979	2,411,418	4,349,397
Total comprehensive income		**1,926,468**	**2,309,072**	**4,235,540**

13.1. New defined benefit plan measures

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

13.2. Gain (loss) from investment in equity instruments

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

13.3. Cash flow derivative hedges

Cash flow derivative hedges:

	Note	December 2022	Movement period	December 2023
Cash flow hedges	5.2.1.1	(205,163)	124,086	(81,077)
Taxes	6.2	71,807	(43,430)	28,377
Total		**(133,356)**	**80,656**	**(52,700)**

	Nota	December 2021	Movement period	December 2022
Cash flow hedges	5.2.1.1	(29,626)	(175,537)	(205,163)
Taxes		10,369	61,438	71,807
Total		**(19,257)**	**(114,099)**	**(133,356)**

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

The component records the changes in equity in investments in subsidiaries in the application of the equity method. ***(See detail in Note 7.2 Investments in subsidiaries).***

NOTE 14. INCOME

The following is a detail of income:

	December 2023	December 2022
Income from the Equity Method (nota 7.2)	1,187,172	745,746
Dividends (1)	1,161,899	931,885
Investment income, net (3)	33,348	4,085
Other income (2)	32,217	53,816
Net loss/gain on investments at fair value (nota 5.1.2)	(19,130)	10,194
Total	**2,395,506**	**1,745,726**

(1) Detail of dividend income is as follows:

	Note	December 2023	December 2022
Dividend income from associates	7.1	1,161,109	931,194
Dividend income Enka instruments		790	691
Total		**1,161,899**	**931,885**

(2) Details of other income are presented below:

	December 2023	December 2022

Usufruct [4]	32,177	53,629
Work disability	21	20
Collections and recoveries	19	41
Others	-	126
Total	**32,217**	**53,816**

(3) The balance corresponds to returns on cash equivalents in Sura SAC and Protección.

(4) Corresponds to the recognition of the income from the amortization of the deferred liability of the usufruct right contract on 73,240,000 shares of Grupo Nutresa S.A., which had a duration of 16 months **(See note 23 Related party disclosures).**

NOTE 15. ADMINISTRATIVE EXPENSES

The administrative expenses are as follows:

	December 2023	December 2022
Taxes [1]	(29,953)	(17,925)
Donations [2]	(20,097)	(6,819)
Travel	(8,833)	(7,517)
Insurance	(6,752)	(15,445)
Commissions	(4,812)	(2,472)
Publicity	(3,452)	(3,636)
Contributions	(2,670)	(1,662)
Others [3]	(1,240)	(1,309)
Representation	(1,171)	(740)
Maintenance and repairs	(1,100)	(1,330)
Electronic data processing	(1,071)	(1,621)
Utilities	(699)	(556)
Seasonal services	(507)	(375)
Leases	(247)	(630)
Legal	(40)	(48)
Stationery and supplies	(27)	(62)
Total	**(82,671)**	**(62,147)**

(1) The variation mainly includes an increase in the value of non-discountable VAT (higher value of the expense) and taxes assumed for payment of consulting fees related to the execution of the Grupo Nutresa exchange agreement.

(2) The balance includes the donation to the Suramericana Foundation approved in Meeting Act No.40 of March 31, 2023.

(3) The balance includes an administrative sanction in the amount of $400 million imposed by the Superintendencia Financiera de Colombia (SFC), by means of resolution No. 506 of April 3, 2023, for considering that the regulations related to the capitalization regime were not complied with.

NOTE 16. FEES

Fee expenses are detailed as follows:

	December 2023	December 2022
Advisory [*]	(43,222)	(33,338)
Technical assistance	(3,470)	(2,317)
Board of Directors	(2,090)	(2,478)
Consulting	(727)	(4,505)
Statutory Auditor [**]	(676)	(1,558)
External Audit [**]	(338)	(538)
Technology	(14)	(18)
Total	**(50,537)**	**(44,752)**

(*) The variation from one year to another corresponds mainly to expenses related to the execution of the Grupo Nutresa S.A. exchange agreement.

(**) During the years 2023 and 2022 no fees were paid to EY (current External Auditor of the Company) for concepts other than External Audit services.

NOTE 17. FINANCIAL RESULTS

The financial results are detailed below:

	Note	December 2023	December 2022
Gains at fair value - Derivatives	5.2.1.2	(170,263)	41,103
Exchange rate difference (Net)	17.1	53,823	(43,820)
Interest	17.2	(661,031)	(545,737)
Total		**(777,471)**	**(548,454)**

17.1. Foreign exchange difference (Net)

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

	Note	December 2023	December 2022
Bonds[1]		522,616	(453,632)
Loans in USD		25,491	-
Hedging derivatives2	5.2.1.1	(494,284)	409,812
Total		**53,823**	**(43,820)**

[1-2]The variation with respect to the previous period is mainly due to the decrease in the market exchange rate from one period to another.

17.2. Interests

A detail of the interest is presented below:

	Note	December 2023	December 2022
Bonds issued		(369,292)	(356,126)
Bank loans (1)		(122,092)	(62,985)
Hedging transactions	5.2.1.1	(107,396)	(80,141)
Preferred stock		(40,354)	(40,364)
Other (2)		(17,533)	(301)
Repo transactions		(3,544)	(4,980)
Financial leases		(820)	(840)
Total		**(661,031)**	**(545,737)**

(1) The variation in bank loans compared to the previous period corresponds to new financial obligations.

(2) Includes interest on the loan with Grupo Bolivar (See note 5.2.3).

NOTE 18. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is detailed below:

	December 2023	December 2022
Profit, net	**1,056,656**	**1,058,964**
Plus: Interest expense on preferred shares (Note17) (1)	40,354	40,364
Less: undistributed earnings to preferred stockholders (2)	(213,081)	(213,531)
Profit from continuing operations	**883,929**	**885,797**
Ordinary shares	466,720,702	466,720,702
Earnings per share from continuing operations	**1,894**	**1,898**
Number of shares to be issued from commitments with non-controlling interests (3)	37,263,034	24,082,714
Earnings per share from ordinary continuing operations with dilutive effects	**896,808**	**894,320**
Earnings per share diluted earnings per share from continuing operations	**1,779**	**1,822**

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

(3) The variation corresponds to the fact that CDPQ's valuation is updated every quarter and at the end of this period, the price per share of Grupo SURA was $29,000, while at the end of 2022 it was $42,000.

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 Company's shares, 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 December 31, 2023 is $115 and $76 as of December 31, 2022.

NOTE 19. FAIR VALUE

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

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

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

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

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

Fair Value Hierarchy

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

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

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

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

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

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

Determining what is considered 'observable' requires significant judgment on the part of Grupo SURA. Observable data is considered to be market data that is already available, distributed or updated by price providers, and is reliable and verifiable, non-proprietary, and provided by independent sources that actively participate in the relevant market.

19.1. Fair value measurement on a recurring basis

Fair value measurements on a recurring basis are those required or permitted in the statement of financial position at the end of each accounting period.

The following table presents an analysis, within the fair value hierarchy, of the assets and liabilities of the Group (by class), measured at fair value at December 31, 2023 and 2022 on a recurring basis.

December 2023	Level 1	Level 2	Level 3	Total
Investments				
At fair value with changes in equity				
Debt securities				
National issuances	26,559	-	-	26,559
Total, investments at fair value through profit or loss	**26,559**	**-**	**-**	**26,559**
Equity Instruments				
National issuances	33,551	-	-	33,551
Total, Investments at fair value with changes in equity	**33,551**	**-**	**-**	**33,551**
Total Investments	**60,110**	**-**	**-**	**60,110**
Derivatives				
Trading				
Exchange Rate Swap	-	(7,921)	-	(7,921)
Forward	-	(76,640)	-	(76,640)
Total Trading Derivatives	**-**	**(84,561)**	**-**	**(84,561)**
Hedging				
Interest Rate Swap	-	122,123	-	122,123
Options	-	59,709	-	59,709
Total hedging derivatives	**-**	**181,832**	**-**	**181,832**
Total derivatives	**-**	**97,271**	**-**	**97,271**

Derivatives are presented net (Assets less liabilities).

December 2022	Level 1	Level 2	Level 3	Total
Investments				
At fair value through profit or loss				

December 2022	Level 1	Level 2	Level 3	Total
Debt securities				
Foreign issuances	33,645	-	-	33,645
Total investments at fair value through profit or loss	**33,645**	**-**	**-**	**33,645**
Equity Instruments				
National issuances	49,932	-	-	49,932
Total, Investments at fair value with changes in equity	**49,932**	**-**	**-**	**49,932**
Total Investments	**83,577**	**-**	**-**	**83,577**
Derivatives				
Trading				
Interest Rate Swap	-	(6,880)	-	(6,880)
Exchange Rate Swap	-	57,905	-	57,905
Forward	-	(190)	-	(190)
Total Trading Derivatives	**-**	**50,835**	**-**	**50,835**
Hedging				
Interest Rate Swap	-	564,830	-	564,830
Exchange Rate Swap	-	-	-	-
Options	-	(57,137)	-	(57,137)
Total hedging derivatives	**-**	**507,693**	**-**	**507,693**
Total derivatives	**-**	**558,528**	**-**	**558,528**

* Derivatives are presented net (Assets less liabilities).

For assets and liabilities that are recorded at fair value, there were no changes during the period between the different hierarchy levels, valuation processes, techniques and types of inputs used.

19.2. Determination of fair value

a) Debts securities

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

b) Equity instruments

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

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

c) Derivative instruments

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

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

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

The following table shows a summary of assets and liabilities accounted for at other than fair value as of December 31, 2023 and 2022 for disclosure purposes only.

	December 2023		December 2022	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Accounts receivable from related parties [1]	439,832	439,832	233,870	233,870
Other accounts receivable [1]	1,973	1,973	1,037	1,037
Total Assets	**441,805**	**441,805**	**234,907**	**234,907**
Liabilities				
Financial obligations	2,860,073	2,860,073	839,980	839,980
Finance lease liabilities	11,872	11,872	12,237	12,237
Accounts payable to related parties [1]	223,603	223,603	159,493	159,493
Other accounts payable [1]	77,453	77,453	34,136	34,136
Bonds [2]	3,487,199	3,427,342	4,369,515	4,098,596
Preferred shares [3]	459,834	401,776	459,955	403,917
Total Liabilities	**7,120,034**	**7,002,117**	**5,875,316**	**5,548,359**

[1] Accounts receivable and accounts payable
For these accounts, the carrying value was considered similar to their fair value, due to their short-term nature.

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

[3] The fair value of preferred stock is valued using the TES curve *(the yield curve of Treasury bonds issued by the Colombian government).*

NOTE 20. RISK MANAGEMENT

For Grupo SURA, risk management is a dynamic and interactive process, which is a fundamental component of the strategy that supports decision-making processes. Understanding risks as opportunities, preparing for uncertainty, configuring new businesses, exploring geographies, strengthening talent, among other aspects, are an essential part of this management. This management model is consistent with our risk vision as an investment manager, reaffirms our comprehensive management of the portfolio's aggregate risks and enables us to perform prospective risk analysis considering the correlation between them.

Below are the main risks around which the Company prioritizes and focuses its management. These are grouped into financial, strategic and operational risks.

1. Financial Risk Managemnt

Financial risk refers to the possibility that the results of companies and their capital structure may be affected by variations in asset prices, the failure of third parties to pay their obligations, or risk situations derived from the environment.

For Grupo SURA it is fundamental to have optimal capital structures and adequate levels of capital to enable compliance with the obligations acquired with its stakeholders. For this reason, among others, management systems are required to monitor and manage the exposure to the different financial risks (credit, market and liquidity risks).

The following is a detail of the management performed by Grupo SURA on the main financial risks:

1.1. Credit Risk Management

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

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

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

Methods used to measure risk

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

Summary of quantitative data on the risk exposure of the entity

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

Concerning the credit risk in derivative instruments positions, the Company has as counterparties local and international banks with adequate credit ratings, all of which are above investment grade. Below is a list of the counterparties, their credit rating (in international and local scale*) and the net exposure with each counterparty:

Net exposure in financial derivatives

Bank	Qualification	December 2023	December 2022
Merrill Lynch International	A+	48,118	105,004
Citibank N.A.	A+	30,655	105,271
JP Morgan Chase Bank, N.A.	A+	75,970	257,080
Morgan Stanley & Co International PLC	A+	8,127	-
Goldman Sachs International	A+	13,823	98,243
Santander	A+	(11,709)	-
Davivienda S.A.	BB+	-	-
BBVA S.A.	BB+	-	(6,879)
Bancolombia S.A.	BB+	(67,715)	(191)

Figures in millions of pesos

For a more detailed description of the Company's financial assets, see NOTE 5.1 Financial Assets.

Other minor assets are included in NOTE 5.1.

Impairment of assets and accounts receivables

The Company periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses in the associated account. The detail of the accounting policies used to perform this management, including the impairment methods.

1.2. Market Risk Management

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

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

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

1.2.1 Exchange rate risk

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

Description of objectives, policies and processes for risk management

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

Methods used to measure risk

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

Description of changes in risk exposure

Over the course of the period, the ceilings of some hedging derivatives were increased through swaps and options transactions.

Sensitivity analysis on foreign exchange risk exposure

The following is a sensitivity analysis that seeks to estimate the impact generated by variations in the exchange rate on the liabilities in dollars and financial derivatives; and as such, on the pre-tax profits of the Company.

These sensitivities are made taking into account simulated variations of +/- 10% in the peso-dollar exchange rate against its closing value:

Exchange rate sensitivities - December 2023

Exchange Rate 3,822.05	+10% change in exchange rate	-10% change in exchange rate
Financial Liabilities	(13,193)	13,193
Derivatives	309,197	(315,558)

Total	**296,004**	**(302,365)**

Exchange rate sensitivities – December 2022

Exchange Rate 4,810.2	+10% change in exchange rate	-10% change in exchange rate
Financial Liabilities	(22,755)	22,755
Derivatives	169,597	(177,010)
Total	**146,842**	**(154,255)**

Figures 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 cash flows. For this reason, the effects of changes in exchange rate prices are not reflected in the income statement.

1.2.2 Interest rate risk

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

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

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

Methods used to measure risk

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

Description of changes in risk exposure

There were no significant changes in risk exposure.

Sensitivity analysis of the exposure to interest rate risk

A sensitivity analysis is presented below in order to estimate the impact that a change 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– December 2023

	+10pb in the interest rate	-10pb in the interest rate
Financial Liabilities	187	(188)
Derivatives	(849)	853
Total	**(662)**	**665**

Interest Rate Sensitivities– December 2022

	+10pb in the interest rate	-10pb in the interest rate
Financial Liabilities	426	(428)
Derivatives	(2,367)	2,384
Total	**(1,941)**	**1,956**

Figures in millions of pesos

1.2.3 Stock price risk

Stock price risk is the probability that the fair value of a financial instrument will decrease as a result of changes in the prices of variable income assets.

Description of the objectives, policies and processes for risk management

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

Methods used to measure risk

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

Description of changes in risk exposure

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

Summary of quantitative data on the risk exposure of the entity

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

For further details please refer to note 5.1. Financial assets.

1.3. Liquidity Risk Management

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

Description of the objectives, policies and processes for risk management

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

Methods used to measure risk

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

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

Summary of quantitative data on the entity's exposure to risk

The maturities associated with assets to manage risk are presented below:

Maturities associated with assets to manage liquidity risk:

December 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Cash and cash equivalents	442,550	-	-	442,550
Investments	-	-	33,551	33,551
Accounts receivable, related parties	439,832	-	-	439,832
Other accounts receivable	1,973	-	-	1,973
Total	**884,355**	**-**	**33,551**	**917,906**

December 2022	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Cash and cash equivalents	5,025	-	-	5,025
Investments	-	-	49,932	49,932
Accounts receivable, related parties	233,870	-	-	233,870
Other accounts receivable	1,037	-	-	1,037
Total	**239,932**	**0**	**49,932**	**289,864**

Figures in millions of pesos

Likewise, the maturities of the Company's financial obligations are presented below.

December 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial obligations	1,430,394	620,123	809,556	2,860,073
Derivative instruments	68,638	136,182	-	204,820
Accounts payable to related parties	188,746	34,857	-	223,603
Other accounts payable	36,530	40,923	-	77,453
Bonds issued	167,502	2,338,581	981,116	3,487,199
Preferred shares	-	-	459,834	459,834
Total	**1,891,810**	**3,170,666**	**2,250,506**	**7,312,982**

December 2022	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial obligations	141,308	698,672	-	839,980
Derivative instruments	7,070	430,075	-	437,145
Accounts payable to related parties	159,493	-	-	159,493
Other accounts payable	34,136	-	-	34,136
Bonds issued	352,680	3,030,564	986,271	4,369,515
Preferred shares	-	-	459,955	459,955
Total	**694,687**	**4,159,311**	**1,446,226**	**6,300,224**

Figures in millions of pesos

For further details see Note 5.2 Financial Liabilities.

Description of changes in risk exposure during the period

During this period 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.

The following are the events and situations that, in the opinion of the Management of Grupo SURA, are relevant to disclose to the different stakeholders due to their potential impact on the liquidity situation of the Company:

Agreements with co-investors

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 relationship between Grupo SURA and Grupo Bolivar, on November 30, 2023, both entities (directly and indirectly through Compañía de Seguros Bolívar S.A., known as "Grupo Bolivar"), entered into a share purchase agreement, whereby Grupo SURA agrees to acquire 254,930 ordinary shares of SURA Asset Management S.A., a subsidiary of Grupo SURA, currently owned by Grupo Bolivar (the "Agreement"), equivalent to 9.74% of SURA AM.

The price to be paid for the shares will be COP 1,582,162 and Grupo SURA informs that such acquisition will be paid in three installments, the first one at the signing of this Agreement and the remaining two in

May and November 2024. The payment will be funded in one third with extraordinary dividends paid by SURA AM and two thirds with available resources and financing. The closing of this Agreement is subject to certain conditions precedent, including applicable regulatory approvals.

Framework Agreement

Within the context of the transaction related to the Framework Agreement 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., The magnitude of this impact will depend directly on the way in which each of the mechanisms defined in the operation 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.

For initial market reference, Note 8. Non-current assets held for sale presents a summary of the possible impacts on the Company's liquidity based on different scenarios of participation by Grupo Nutresa's minority shareholders in the takeover bid that must be carried out to meet the provisions of the transaction. It is important to note that these estimates do not include the effects that will arise from the tax obligations associated with the transaction, whose materialization in the Company's liquidity is projected for the first half of 2024. As the process progresses, this note will disclose with greater precision the specific impacts and risks that may arise regarding the Company's liquidity management.

In order to comply with the obligations derived from the aforementioned transactions, the Company is executing a comprehensive liquidity management that takes into account the joint effect of both operations. To achieve this objective, in the last quarter bank loans were subscribed with Bancolombia S.A. and Banco de Bogotá S.A. for $COP 800 thousand million and $COP 130 thousand million respectively, and subsequently funding strategies will continue to be developed to cover the obligations foreseen in this note, as the different stages that make up this transaction evolve. However, it is essential to highlight that this process will be subject to several environmental factors that may impact the risk appetite of the banks and by transitivity the liquidity of Grupo SURA. These include high interest rates in the market and the possibility that they will remain at their current level for a prolonged period of time, exchange rate volatility and variations in the national economic cycle.

Suramericana S.A.

To date, Suramericana S.A. maintains a strong liquidity position at all levels, proactively monitoring and projecting its cash flows in the short and medium term, managing treasury activities and optimizing resource management.

Nevertheless, it is important to note that EPS Suramericana, according to the report of the National Superintendence of Health of January 2, 2024, does not comply with the Adequate Equity Indicator until October 2023, a situation that continues at the end of the year. Furthermore, the company experienced a deviation from what was budgeted, due to external factors that include:

- The increase in the accident rate since 2022.
- The structural insufficiency of the Capitation Payment Unit, both in its current state and future projections.
- The lack of allocation and the delay in the payment of maximum budgets for the benefits of the NON-HBP (Health Benefit Plan)., together with pending obligations of the State and portfolio of past periods.
- The accumulated debts for Covid Health Care Aid Packages not recognized by the National Government, which together with the lack of regulations for the definitive settlement of the nation's liabilities with the health sector, accentuate the uncertainty.
- The continuity of the health system reform process, which raises the possibility of a legislative transit and substantial change in the business.
- The regulator of the activity may impose discretionary and optional regulatory conditions to authorize, condition, or deny the eventual withdrawal of the company from the system.

These aspects could materially impact in different ways the business of EPS Suramericana and cause a financial deterioration in the Company's assets; therefore, the effects in the business, financial and liquidity areas are constantly evaluated. However, it should be noted that neither Suramericana S.A. nor Grupo de Inversiones Suramericana S.A. have received dividends from this investment. In addition, given the nature of the investment, management, based on the information available to date, considers that the liquidity risk for Grupo SURA is low.

The management of Suramericana S.A. is closely monitoring the situation of EPS Suramericana, anticipating possible events that may alter the risk level. To address the situation, judicial and management measures are being taken, including constant interaction with regulators, meetings with unions and participation in technical meetings with the National Government to seek key definitions and maintain the continuity of the system. Despite these efforts, uncertainties persist and must be considered when assessing the future liquidity position of the entity.

For additional information on other risks, please refer to Chapter 4 - Integrated Risk Management of the annual report.

NOTE 21. CAPITAL MANAGEMENT

The policy, of the Grupo SURA, is to maintain a base of solid capital, in order to preserve the confidence of investors, creditors, and the market, and sustain the future development of the business. The Company monitors the return on capital and the level of dividends paid to shareholders.

Management attempts to maintain a balance between the higher returns that can be obtained with higher credit levels and the advantages and security provided by a strong capital position.

Grupo SURA monitors capital using a ratio of adjusted net debt to equity. For this purpose, adjusted net debt is defined as total financial liabilities (financial obligations, bonds issued and preferred shares), which include interest-bearing loans plus proposed unearned dividends, less cash and cash equivalents.

In order to comply with the financial indebtedness indicators established by the rating agencies to measure the investment grade of companies, Grupo SURA seeks to maintain the ratio below 30%. The adjusted debt-equity ratio of Grupo SURA as of December 31 was as follows:

	December 2023	December 2022
Financial liabilities (Note 5.2) (1)	6,807,106	5,669,450
Cash and cash equivalents	(442,550)	(5,025)
Derivatives net position	(97,271)	(558,528)
Net debt	**6,267,285**	**5,105,897**
Total Equity	25,685,849	27,702,089
Adjusted debt index - equity (2)	24%	18%

(1) Includes financial obligations, bonds issued and preferred stock.
(2) Net Debt/Equity.

NOTE 22. RELATED PARTY DISCLOSURES

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

The following is the detail of related parties as of December 31, 2023 and December 31, 2022 of Grupo SURA:

	December 2023			December 2022		
	Individuals	Entities		Individuals	Entities	
Assets	Key management personnel	Associates	Subsidiaries	Key management personnel	Associates	Subsidiaries
Dividend receivables						
Bancolombia S.A.	-	207,751	-	-	183,310	-
Grupo Argos S.A.	-	33,679	-	-	29,286	-
Grupo Nutresa S.A [1]	-	55,029	-	-	21,274	-
Sura Asset Management S.A.	-	-	143,295	-	-	-
Others	-	-	78	-	-	-
Total dividend receivables	**-**	**296,459**	**143,373**	**-**	**233,870**	**-**
Other accounts receivable from related parties	-	-	1,731	-	-	-
Total assets	**-**	**296,459**	**145,104**	**-**	**233,870**	**-**
Liabilities						
Accounts payable to related parties						
JDGB Holding S.A.S. [2]	-	60,566	-	-	34,598	-
Grupo Argos S.A.	-	41,604	-	-	25,362	-
Grupo Nutresa S.A.	-	19,850	-	-	12,101	-
Others [3]	-	66,726	-	-	44,445	-
Usufruct contract [4]	-	-	-	-	-	32,177
Inversiones y Construcciones Estratégicas S.A.S	-	-	34,827	-	-	10,810
Sura Asset Management S.A.	-	-	30	-	-	-
Total accounts payable related parties	-	**188,746**	**34,857**	**-**	**116,506**	**42,987**
Other accounts payable related parties	-	-	866	-	-	176
Derivatives	-	67,715	-	-	-	-
Employee benefits [5]	43,937	-	-	35,365	-	-
Financial obligations [6]	-	1,444,739	-	-	637,217	-
Total liabilities	**43,937**	**1,701,200**	**35,723**	**35,365**	**753,723**	**43,163**

	December 2023			December 2022		
	Individuals	Entities		Individuals	Entities	
Income	Key management personnel	Associates	Subsidiaries	Key management personnel	Associates	Subsidiaries
Dividends						
Bancolombia S.A.	-	831,004	-	-	733,238	-
Grupo Argos S.A.	-	134,714	-	-	117,143	-
Grupo Nutresa S.A.	-	195,391	-	-	80,813	-
Others [7]	-	790	-	-	691	-
Total dividends	**-**	**1,161,899**	**-**	**-**	**931,885**	**-**
Amortization of usufruct [6]	-	-	32,177	-	-	53,629
Others [8]	-	-	13	-	-	-
Total income	**-**	**1,161,899**	**32,190**	**-**	**931,885**	**53,629**
Expenses						
Financial expenses	-	112,070	-	-	50,536	-
Administrative expenses	-	-	5,070	-	-	10,584
Employee benefits	10,253	-	-	12,670	-	-

Honorariums	2,090	-	-	2,478	-	-
Total expenses	**12,343**	**112,070**	**5,070**	**15,148**	**50,536**	**10,584**

(1) Investment reclassified as non-current asset available for sale in June 2023. (See note 8)
(2) Includes dividend payable from the companies IHC Capital Holding L.L.C and Nugil S.A.S.
(3) Corresponds to the dividend payable to other shareholders.
(4) Corresponds to deferred income generated by the usufruct contract explained ***in note 7.2***, with a duration of 16 months from March 2022 to June 2023.
(5) Corresponds to employee benefits of key management personnel, accrued to date.
(6) Corresponds to six outstanding loans with Bancolombia S.A.
(7) Corresponds to other dividends
(8) Corresponds to income from the sale of membership to Suramericana S.A..

Transactions with related parties were carried out at market prices and under market conditions.

Subsidiary companies under direct control of Grupo SURA are listed in ***Note 7.2 Investments in subsidiaries.***

NOTE 23. EVENTS AFTER THE REPORTING DATE

These separate financial statements as of December 31, 2023 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on February 29, 2024, after that cut-off date and up to the date of authorization, the following relevant events have occurred that do not imply adjustments to the financial statements presented:

Exchange transaction

On February 2, 2024, the Financial Superintendence of Colombia responded to the request for authorization presented by the signatories of the Contracts to carry out the exchange of shares, indicating that the relevant supports for the transaction were duly accredited, in compliance with the provisions of the applicable regulations.

Following the above, on February 6, 2024, the first part of the exchange took place, under the conditions agreed in the Contracts, a situation that was duly disclosed to the market through the relevant information mechanism of the Superintendence of Finance, which can also be consulted on the Company's web page.

Among the main effects of the exchange, the following are highlighted:

- Grupo SURA received from NUGIL S.A.S. ("Nugil"), JGDB Holding S.A.S. ("JGDB") and IHC Capital Holding LLC ("IHC"): (i) Own common shares corresponding to 27.8%(1) calculated based on the common shares of Grupo SURA before the exchange, which will be treated as reacquired shares, according to the authorization granted by the Shareholders' Meeting of November 24, 2023. Consequently, the economic and political rights corresponding to these shares will be suspended (2) and a decrease in the number of outstanding shares of the company will be generated; and (ii)

- Shares of Sociedad Portafolio S.A., corresponding to 11.8% of the total outstanding shares of such company.

- Grupo SURA delivered all of its Nutresa shares to NUGIL, JGDB and IHC.

The estimated financial effects of the first exchange are detailed below:

Financial effect		Description
Net income	4,150,418	Loss on investment in associate
Equity effect	(7,104,288)	Reacquisition of own shares (SURA)
Total effect of exchange I	**(2,953,871)**	

Disposal of Administradora de Fondos de Pensiones Crecer S.A.

On February 15, 2024, the subsidiary PROTECCIÓN S.A., entered into a share purchase and sale agreement (the "Agreement") with Centro Financiero Crecer, S.A., a Panamanian company that operates in the financial markets of Central America and the Caribbean, whereby PROTECCIÓN S.A. will sell all the shares it owns in Administradora de Fondos de Pensiones Crecer S.A., a corporation, constituted and domiciled in El Salvador.

In consideration for the transfer of the shares, Centro Financiero Crecer S.A. will pay PROTECCIÓN S.A. the sum of USD 60 million.

Due to the signing of the above agreement, the investment in AFP Crecer recognized in the financial statements will be reclassified in the first quarter of 2024 as Non-current assets held for sale and discontinued operations according to the presentation and valuation criteria established in IFRS 5; as a result of this reclassification, no impairment losses are expected to be recognized.

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:

On February 20, 2024, an addendum to the initial agreement entered into in 2019 and amended in 2022 was signed whereby the deadline for exercising the put option provided for in the agreement was postponed. To this extent, during the period between February and May 2025, Grupo SURA 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.

SURA Asset Management Loan

On January 5, 2024 SURA AM signed an agreement with Bancolombia Panama for a USD 30 million loan for a term of 2 years, as part of the debt refinancing strategy that will mature in April 2024.

NOTE 24. APPROVAL OF THE FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA for the year ended December 31, 2023 was authorized by the Board of Directors for publication, as stated in Act No. 421 of the Board of Directors dated February 29, 2024, to be presented to the market.

III

CHAPTER

ANALYSIS OF FINANCIAL RESULTS
(UNAUDITED)

ANALYSIS OF FINANCIAL RESULTS (UNAUDITED)

Below are the analyses of financial results for the period ended December 31, 2023, with comparative figures as of December 31, 2022. These analyses are made by management and are not part of the Financial Statements (Expressed in millions of pesos).

	INDEX		December 2023			December 2022			INTERPRETATION	
	Solidity		7,615,592 / 33,301,441	=	22.87%	6,319,743 / 34,021,832	=	18.58%	Creditors own 22.87% as of December 2023 and 18.58% as of December 2022, leaving shareholders owning 77.13% in December 2023 and 81.42% as of December 2022.	Total liability / Total asset
INDEBTNESS	Total		7,615,592 / 33,301,441	=	22.87%	6,319,743 / 34,021,832	=	18.58%	Of every peso the company has invested in assets, 22.87% as of December 2023 and 18.58% as of December 2022 have been financed by creditors.	Total liability / Total asset
INDEBTNESS	Coverage of interest		1,717,686 / 661,031	=	259.85 %	1,604,701 / 545,737	=	294.04 %	The Company generated a net gain equal to 259.85% as of December 2023 and 294.04% in December 2022 from Interest paid.	Net profit + interest / Financial expenses
INDEBTNESS	Leverage	Total	7,615,592 / 25,685,849	=	29.65%	6,319,743 / 27,702,089	=	22.81%	Every $1.00 peso of the Company's owners is committed 29.65% as of December 2023 and 22.81% as of December 2022.	Total liabilities with third parties / Equity
INDEBTNESS		Financial Total	6,807,106 / 25,685,849	=	26.50%	5,669,450 / 27,702,089	=	20.47%	For each peso of equity, 26.5% is committed financially as of December 2023 and 20.47% as of December 2022.	Total liabilities with financial entities / Equity
PERFORMANCE	Net profit margin		1,056,655 / 2,395,506	=	44.11%	1,058,964 / 1,745,726	=	60.66%	Net income corresponds to 44.11% of net income in December 2023 and 60.66% in December 2022.	Net Profit / Net Income
PERFORMANCE	Return on equity		1,056,655 / 24,629,194	=	4.29%	1,058,964 / 26,643,125	=	3.97%	Net income corresponds to 4.29% of equity at December 2023 and 3.97% at December 2022.	Net Profit / Equity - profits
PERFORMANCE	Return on total assets		1,056,655 / 33,301,441	=	3.17%	1,058,964 / 34,021,832	=	3.11%	Net income relative to total assets corresponds to 3.17% as of December 2023 and 3.11% in December 2022.	Net Profit / Total assets