SEPARATE FINANCIAL STATEMENTS

At December 31, 2019 with comparative figures at December 31, 2018

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RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNT

The Directors are required to prepare financial statements, for each financial period, that reasonably present the Company's financial position, results, and cash flows, at December 31, 2019, with comparative figures at December 31, 2018. For the preparation of these financial statements, the Directors are required to:

- Select appropriate Accounting Policies, and then apply them consistently.
- Present information, including Accounting Policies, that is relevant, reliable, comparable, and comprehensive.
- Make judgments, and reasonable, prudent estimates.
- State whether the 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, that 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.

David Bojanini García
President

Luis Fernando Soto Salazar
Certified Public Accountant
Professional Card 16951-T

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

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

That for the issuance of the statement of financial position, at December 31, 2019, and of the income statement, for the year, as well as, the statement of other comprehensive income, changes in equity statement, and the cash flows statement, for the year ended on that date, which are in compliance with the norms, are made available to shareholders and third parties, and whose information, contained in them, have been previously verified.

Said affirmations, explicit and implicit, are the following:

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

Integrity: All economic events have been recognized.

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

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

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

In accordance with Article 46 of Law 964 of 2005, in my capacity as Legal Representative of Grupo de Inversiones Suramericana S.A., the financial statements, and other reports relevant to the public, related to the fiscal year ended December 31, 2019 and December 31st of 2018, do not contain defects, inaccuracies, or errors, that prevent the knowledge of the true financial situation and the operations of the Company.

David Bojanini García
President

Luis Fernando Soto Salazar
Certified Public Accountant
Professional Card 16951-T

AUDITOR REPORT

To the Shareholders' Meeting of:

Grupo de Inversiones Suramericana S.A..

Opinion

I have audited the accompanying consolidated financial statements of Grupo de Inversiones Suramericana S.A., which comprise the individual statement of financial position as of December 31, 2019 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes.

In my opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year then ended, in conformity with accounting and financial reporting standards accepted in Colombia.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia. My responsibilities in compliance with such standards are described in the section on Auditor's Responsibilities when Auditing Financial Statements in this report. I am independent of the Company, in accordance with the Code of Ethics Manual for Accounting Professionals, together with the relevant ethical requirements for my audit of the financial statements in Colombia, and I have complied with the other applicable ethical responsibilities. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my feedback.

Key audit matters

The key audit issues are those matters that, in my professional judgment, were material to my audit of the accompanying separate financial statements. These matters were addressed in the context of my audit of the separate financial statements taken as a whole, and in support of my opinion thereon, but not in order to provide a separate opinion on these matters. Based on the above, I detail below the manner in which each key issue was addressed during my audit.

I have performed the responsibilities described in the section on the Auditor's Responsibility for the Audit of Financial Statements in my report, including in relation to these matters. Accordingly, my audit included performing procedures designed to address the risks of material misstatement assessed in the separate financial statements. The results of my audit procedures, including the procedures performed to address the matters set out below, form the basis of my audit opinion on the accompanying separate financial statements.

Key Audit Matters	Audit Response
Investments in associated companies The determination of the recoverable amounts of the Group's investments in associates is based on management's estimates of future cash flows and its judgment with respect to the performance of the associates. This is a key issue in our audit due to the uncertainty of forecasting and discounting future cash flows, the level of management judgment involved and the significance of the Group's investment in associates which represents 49.3% of total assets at December 31, 2019. The description of the methodology and assumptions used in the determination of the recoverable value of investments in associates is presented in Note 11.1 of the separate financial statements.	➢ Management's understanding of the process to determine the recoverable value of investments in associates. ➢ With the support of internal specialists, I evaluated the methodology and reasonableness of the cash flow projections and key assumptions used by management, comparing the estimates with externally available industry, economic and financial data.

Responsibilities of management and those responsible for the governance of the entity in relation to the financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with accounting and financial reporting standards accepted in Colombia (NCIF); for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; for selecting and applying appropriate accounting policies; and for making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, Management is responsible for evaluating the ability of the Company to continue as a going concern, disclosing, as appropriate, matters related to this matter and using the going concern basis of accounting, unless Management intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those responsible for the governance of the entity are responsible for overseeing the Company's financial reporting process.

Responsibilities of the Auditor in the Audit of Financial Statements

My objective is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue a report containing my opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with International Standards on Auditing accepted in Colombia will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with International Standards on Auditing accepted in Colombia, I must exercise my professional judgment and maintain my professional skepticism throughout the audit, in addition to:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement due to fraud is greater than that resulting from error, because fraud may involve collusion, falsification, intentional omissions, misstatements, or overriding the system of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- To evaluate the accounting policies used, the reasonableness of accounting estimates and the respective disclosures made by management.
- To conclude on whether it is appropriate for Management to use the going concern basis of accounting and, based on the audit evidence obtained, whether there is any material uncertainty regarding events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that there is material uncertainty, I should draw attention in the auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, modify my opinion. The auditor's conclusions are based on the audit evidence obtained as of the date of my report; however, subsequent events or conditions may prevent an entity from continuing as a going concern.
- To evaluate the overall presentation, structure, and content of the separate financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

I communicated to those responsible for the entity's governance, among other matters, the planned scope and timing of the audit, the significant findings of the audit, as well as any significant internal control deficiencies identified during the course of the audit.

I also provided the Company's governance officials with a statement that I have complied with applicable ethics requirements in relation to independence and communicated with them about all relationships and other matters that could reasonably be expected to affect my independence and, where appropriate, the corresponding safeguards.

Among the matters that have been the object of communication with those responsible for the governance of the Company, I have determined those that have been of greatest significance in the audit of the financial statements for the current period and that are, consequently, key issues in the audit. I described those matters in my audit report unless law or regulation prohibits public disclosure of the matter, or in extremely rare circumstances it is determined that a matter should not be disclosed in my report because it can reasonably be expected that the adverse consequences of doing so would outweigh the public interest benefits of the report.

Other Issues

The financial statements under accounting and financial reporting standards accepted in Colombia of Grupo de Inversiones Suramericana S.A. as of December 31, 2018, which form part of the comparative information of the attached financial statements, were audited by me in accordance with international auditing standards accepted in Colombia, on which I expressed my opinion without qualification on February 28, 2019.

Other Legal and Regulatory Requirements

Based on the scope of my audit, I am not aware of any situations that indicate non-compliance with the following obligations of the Company: 1) To keep the books of minutes, shareholders' registry and accounting records, according to the legal rules and accounting technique; 2) To carry out the operations in accordance with the statutes and decisions of the Shareholders' Meeting and the Board of Directors, and with the rules related to integral social security; and 3) To keep correspondence and account receipts. In addition, there is consistency between the attached financial statements and the accounting information included in the management report prepared by the Company's Administration, which includes proof by Management of the free circulation of invoices with endorsements issued by vendors or suppliers. The report corresponding to the requirements of Article 1.2.1.2 of Decree 2420 of 2015 was issued separately on February 27, 2020.

Medellin, Colombia

February 27, 2020

Mariana Rodriguez

Auditor and Partner

Professional Card– 112752-T

Designated by Ernst & Young Audit S.A.S. TR-530

Report of the Statutory Auditor on the Evaluation of Internal Control and Compliance with the Provisions and of the Shareholders' Meeting

To the Shareholders of

Grupo de Inversiones Suramericana S.A.

Description of the Main Matter

This report refers to the procedures implemented in the evaluation of internal control measures, conservation and custody of the company's assets or those of third parties held by Grupo de Inversiones Suramericana S.A. ("the Company"), as well as the evaluation of compliance by the Company's management with the provisions of the Company's bylaws and the Shareholders' Meeting as of December 31, 2019.

The criteria for measuring this main issue are the parameters established in Part I Title I Chapter IV of the Legal Basic Circular Letter of the Superintendence of Finance of Colombia with respect to internal control and, what is contemplated in the by-laws and minutes of the Shareholders Meeting, with respect to compliance with the provisions contained therein.

Administration's responsibility

Grupo de Inversiones Suramericana S.A. is responsible for the design and implementation of internal control measures, for the conservation and custody of the company's assets or those of third parties that are in the Company's possession, as well as for the definition of policies and procedures arising therefrom. These internal control measures are defined by the corporate bodies, management and its personnel, in order to obtain reasonable assurance regarding the fulfillment of their operational, compliance and reporting objectives, because they require the application of the Company's judgment, in order to select, develop and implement sufficient controls and to monitor and evaluate their effectiveness. On the other hand, the Company's management is responsible for ensuring that its actions are in accordance with the Company's bylaws and the orders or instructions of the Shareholders' Meeting.

Auditor's Responsibility

My responsibility is to carry out work on the aspects mentioned in the paragraph 'Description of the main issue', in accordance with the provisions of paragraphs 1 and 3 of Article 209 of the Commercial Code, in order to issue a conclusion based on the procedures designed and executed on the basis of my professional judgment and the evidence obtained as a result of those procedures. I conducted my work based on the Information Assurance Standards accepted in Colombia. I have complied with the requirements of independence and other ethical requirements established in the Code of Ethics for Accounting Professionals accepted in Colombia, based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Performed Procedures

For the issuance of this report, the procedures performed consisted mainly of

- Reading of the bylaws and minutes of the Shareholders' Meeting for the period from January 1 to December 31, 2019, in order to evaluate whether the provisions or instructions contained therein have been implemented during the period, or have an adequate implementation schedule.

- Inquiries with the Administration regarding changes to the statutes that took place in the period between January 1 and December 31, 2019, as well as possible changes that are planned. Inspection of documents that support compliance with the provisions that gave rise to the changes in the statutes made in the period between January 1 and December 31, 2019.

- Understanding, design evaluation and operational testing, with defined scope according to the auditor's criteria, of entity level controls established by the Company for each of the internal control elements.

- Understanding and evaluating the design of controls over significant processes that materially affect the Company's financial information.

- Follow-up on action plans implemented by the Company in response to deficiencies identified in previous periods or during the period covered by this report.

Due to the inherent limitations of any internal control structure, including the possibility of collusion or overstepping of controls by management, errors, irregularities or fraud may occur that could go undetected. The results of the procedures described above for the period covered by this report are not relevant to future periods because of the risk that internal control may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate. In no event should this report be construed as an audit report.

Conclusion

I conclude that, as of December 31, 2019, the internal control, conservation and custody measures of the Company's assets or those of third parties in its possession, Grupo de Inversiones Suramericana S.A. exist and are adequate, in all significant aspects, in accordance with the parameters established in Part I Title I Chapter IV of the Basic Legal Circular of the Superintendence of Finance of Colombia, and that the Company's Management has complied with the statutory and Shareholders' Meeting provisions, based on the measurement criteria described above.

Other Issues

My recommendations on internal control improvement opportunities have been communicated to management through separate letters. In addition to the procedures detailed in this report, I have audited, in accordance with International Standards on Auditing accepted in Colombia, the financial statements of Grupo de Inversiones Suramericana S.A. as of December 31, 2019 under Accounting and Financial Reporting Standards accepted in Colombia, on which I issued my unqualified opinion on February 27, 2020. This report is issued to the Shareholders' Meeting of Grupo de Inversiones Suramericana S.A., in order to comply with the requirements of paragraphs 1 and 3 of Article 209 of the Commercial Code, and may not be used for any other purpose or distributed to third parties.

Mariana Milagros Rodriguez

Auditor

Professional Card– 112752-T

Designated by Ernst & Young Audit S.A.S. TR-530

Medellin, Colombia

February 27, 2020

PROFIT SHARING PROJECT

Grupo de Inversiones Suramericana S.A. (The Company)

ALLOCATION OF PROFITS YEAR 2019		
Taking into account the balance of the Profit for the Year account in the Statement of Financial Position for the year 2019, the following allocation of profits and release of reserve is proposed:		
Profit for the year		$932,190,267,057
Release of the reserve for social benefit projects established in 2019		$5,775,000,000
Occasional Reserve	$937,965,267,057	
II. APPROPRIATION OF THE OCCASIONAL RESERVE		
1. Proposal:		
Approve the uncommitted component of the occasional reserve constituted with the profits generated until 31 December 2016 to be distributed in this way:		$368,973,765,432
By way of ordinary dividends	$339,292,910,484	
By way of extraordinary dividends	$29,680,854,948	
Appropriate the encumbered component of the occasional reserve to be distributed in this way:		$306,063,750,000
Establishment of a reserve for repurchase of Company shares	$300,000,000,000	
Constitution of a reserve for social benefit projects	$6,063,750,000	
EQUAL AMOUNTS	**$1,613,002,782,489**	**$1,613,002,782,489**
2. Form and date of payment:		
The ordinary dividend will be five hundred eighty-three pesos (COP 583.00) per share and the extraordinary dividend will be fifty-one pesos (COP 51.00) per share, both coming from dividends paid to the Company by its subordinates and associates, which will be paid on 581,977,548 ordinary and preferential shares, and will be caused once they are decreed by the General Shareholders' Meeting. The ordinary dividend will be due and paid in cash as follows: One hundred and forty-five pesos and seventy-five cents (COP$145.75) for each share on the following dates: April 20, 2020, July 1, 2020, October 1, 2020 and January 4, 2021. The extraordinary dividend will be due and paid in cash as follows: Fifty-one pesos (COP$51.00) for each share in a single installment on July 1, 2020. The ordinary and extraordinary dividend will be 100% non-taxable for the shareholder, neither as income nor as occasional profit, as established in Articles 48 and 49 of the Tax Statute. Considering the Company's capacity as a withholding agent in the municipality of Medellín in respect of the industry and commerce tax ("ICA"), shareholders who are subject to withholding for this tax will have their dividend paid in cash up to the amount of the withholding.		
3. Ex-dividend period:		
The ex-dividend period will be between the first stock exchange business day of payment of the dividends and the 4 stock exchange business days immediately prior to such date. Any share trading that takes place during the ex-dividend period will be without dividend for the buyer.		

February 27, 2020

ANNEX TO THE BALANCE SHEET AT DECEMBER 31, 2019

ARTICLE 446 OF THE CODE OF COMMERCE Expressed in thousands of COP

1	Extensions for the benefit of management		
		Board of Directors' Fees	93,744
		Management salaries and social benefits	9,599,236
		Per diem, representation expenses, bonuses, transport and other remuneration of Directors	
		There are no direct payments for these concepts, the Company assumes directly the necessary expenses for these items, to carry out its functions	
		<u>Notes</u>	
		1. For the trips that the executives make to the different offices in the performance of their duties, the Company pays the hotel bills, transportation, and other necessary expenses.	
		2. For the services provided to visitors from abroad and from the interior of the country, the Company recognizes the value of the respective accounts.	
2	Fees for professional and technical advice		8,877,660
3	Fiscal Review and External Audit Fees		374,938
4	Assets and liabilities abroad		
		Available USD	12,429
		Investments in other National or Foreign Companies	
		See details in the notes to the Separate Statement of Financial Position	28,545,476,446
5	Transfer of money and other goods free of charge		5,775,613
6	Advertising costs		3,053,513
7	Representation expenses		1,655.507

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE STATEMENT OF FINANCIAL POSITION
At December 31, 2019 (with comparative figures at December 31, 2018)
(Values expressed in millions of Colombian pesos)

	Note	December 2019	December 2018
Assets			
Cash and cash equivalents	5	3,145	9,241
Investments	6.1	19,716	13,717
Trade and other account receivables	6.1	99,581	9,831
Current accounts receivable related parties and associates	6.1	108,851	101,569
Current tax assets	8.1	-	14,854
Other financial assets	6.1.4	305,660	144,379
Other non-financial assets		244	244
Property and equipment	9	3,413	25,178
Right of use assets	10	20,742	-
Investments in associates	11.1	14,392,657	14,392,657
Investments in subsidiaries	11.2-18	14,133,102	13,991,836
Deferred tax assets	8.2	62,961	70,462
Total assets		**29,150,072**	**28,773,968**
Liabilities			
Other financial liabilities	6.2	848,773	1,004,140
Financial lease liabilities	10	13,815	-
Trade and other accounts payable	6.2	149,804	4,294
Accounts payable to related parties	6.2	155,960	116,291
Current tax liabilities	8.1	2,765	-
Provisions for employee benefits	12	12,250	20,698
Other provisions	13	3,470	3,470
Securities issued	14	4,419,096	4,549,684
Total liabilities		**5,605,933**	**5,698,577**
Equity			
Share capital issued	15.1	109,121	109,121
Share premiums	15.2	3,290,767	3,290,767
Profit for the year		932,190	648,593
Retained earnings		11,793,652	11,766,134
Other comprehensive income	17	1,027,504	1,198,378
Reserves	15.3	6,390,905	6,062,398
Total equity		**23,544,139**	**23,075,391**
Total equity and liabilities		**29,150,072**	**28,773,968**

The notes are an integral part of these financial statements.

David Bojanini García
Legal Representative

Luis Fernando Soto Salazar
Accountant
T.P. 16951-T

Mariana Milagros Rodríguez
Auditor
T.P. 112752-T
Designated by Ernst & Young Audit S.A.S.
TR-530
(See my report of February 27, 2020)

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE INCOME STATEMENT
At December 31, 2019 (with comparative figures at December 31, 2018)
(Values expressed in millions of Colombian Pesos, except net profit per share)

	Note	December 2019	December 2018
Dividends	11.1-18	435,403	406,064
Income from investments	18	2,273	1,508
Loss (profit) at fair value, net		24	(4,222)
Profit from the Equity Method of subsidiaries	11.2-18	935,566	698,957
Income from investments sales	18	-	364
Other income	18	323	4,433
Operational income		**1,373,589**	**1,107,104**
Administrative expenses	19	(33,634)	(30,670)
Employee benefits	12.4	(33,439)	(23,714)
Fees	20	(10,193)	(9,824)
Depreciation	9-10	(2,213)	(1,306)
Operational expenses		**(79,479)**	**(65,514)**
Operating profit		**1,294,110**	**1,041,590**
Gains at fair value - Derivatives	21	(4,527)	92,159
Difference in change (Net)	21	(17,354)	(274,556)
Interest	21	(357,207)	(304,591)
Financial result		**(379,088)**	**(486,988)**
Profit before tax		**915,022**	**554,602**
Income tax	8.1	17,168	93,991
Profit, net of continuing operations		**932,190**	**648,593**
Net profit		**932,190**	**648,593**
Earnings per share	22	1,672	1,184

The notes are an integral part of these financial statements.

David Bojanini García
Legal Representative

Luis Fernando Soto Salazar
Accountant
T.P. 16951-T

Mariana Milagros Rodríguez
Auditor
T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 27, 2020)

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
Year ended December 31, 2019 (with comparative figures in year ended December 31, 2018)
(Values expressed in millions of Colombian pesos)

	Note	December 2019	December 2018
Profit for the period		**932,190**	**648,593**
Other comprehensive income, losses in equity instruments of equity, net of taxes	17	6,000	(3,947)
Other comprehensive income, losses from new measurement of defined benefit plans, net of taxes	17	(2,454)	152
Total other comprehensive income not reclassified to profit or loss, net of tax		**3,546**	**(3,795)**
Foreign exchange gain (loss), net of tax	17	-	(10,827)
Loss on cash flow hedges, net of taxes	17	5,604	(6,299)
Participation of other comprehensive income of associates and joint ventures accounted for using the Equity Method that is reclassified to profit or loss, net of tax	17	(180,024)	7,421
Total other comprehensive income to be reclassified to profit and loss		**(174,420)**	**(9,705)**
Total other comprehensive income		**(170,874)**	**(13,500)**
Total comprehensive result		**761,316**	**635,093**

The notes are an integral part of these financial statements.

David Bojanini García
Legal Representative

Luis Fernando Soto Salazar
Accountant
T.P. 16951-T

Mariana Milagros Rodríguez
Auditor
T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 27, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A
SEPARATE STATEMENT OF CHANGES IN EQUITY
Year ended December 31, 2019 (with comparative figures year ended December 31, 2018)
(Values expressed in millions of Colombian pesos)

	Note	Issued capital	Share premium	Retained earnings	Other equity holdings	Occasional reserves	Legal reserves	Total reservas	Profit for the period	Total equity
Balance at January 1, 2019		**109,121**	**3,290,767**	**11,766,134**	**1,198,378**	**5,923,603**	**138,795**	**6,062,398**	**648,593**	**23,075,391**
Other comprehensive income	17	**-**	**-**	**-**	**(170,874)**	**-**	**-**	**-**	**-**	**(170,874)**
Financial instruments with changes to OCI		-	-	-	6,000	-	-	-	-	**6,000**
Losses from new measurements of defined benefit plans, net of taxes		-	-	-	(2,454)	-	-	-	-	**(2,454)**
The Equity Method of subsidiaries, recognized in equity		-	-	-	(180,024)	-	-	-	-	**(180,024)**
Hedge flows - derivative instruments		-	-	-	5,604	-	-	-	-	**5,604**
Profit for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**932,190**	**932,190**
Total net comprehensive income for the period		**-**	**-**	**-**	**(170,874)**	**-**	**-**	**-**	**932,190**	**761,316**
Transfer to retained earnings		-	-	648,593	-	-	-	-	(648,593)	-
2018 Profit distribution in accordance with the Minutes No. 24, of the Shareholder’s Meeting of March 29, 2019:										
Dividends recognized as distributions for owners (550 pesos per share)	16	-	-	(320,088)	-	-	-	-	-	(320,088)
Reserves for the protection of investments	15.3	-	-	(328,507)	-	328,507	-	328,507	-	-
Minimal dividends, preference shares		-	-	40,630	-	-	-	-	-	40,630
Withholding effect of the shareholders' dividend		-	-	(13,110)	-	-	-	-	-	(13,110)
Balance at December 31, 2019		**109,121**	**3,290,767**	**11,793,652**	**1,027,504**	**6,252,110**	**138,795**	**6,390,905**	**932,190**	**23,544,139**

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
Year ended December 31, 2019 (with comparative figures year ended December 31, 2018)
(Values expressed in millions of Colombian pesos)

	Note	Issued capital	Share Premium	Retained earnings	Other equity holdings	Legal reserves	Occasional reserves	Total reservas	Profit for the period	Total equity
Balance at January 1, 2018		**109,121**	**3,290,767**	**11,799,493**	**1,211,878**	**138,795**	**5,469,982**	**5,608,777**	**755,085**	**22,775,121**
Other comprehensive income	17	**-**	**-**	**-**	**(8,346)**	**-**	**-**	**-**	**-**	**(8,346)**
Adjustments for translation of foreign investments, net		-	-	-	(10,827)	-	-	-	-	(10,827)
Financial instruments with changes in OCI		-	-	-	(3,947)	-	-	-	-	(3,947)
Losses from new measurements of defined benefit plans, net of taxes		-	-	-	152	-	-	-	-	152
The Equity Method of subsidiaries, recognized in equity		-	-	-	12,575	-	-	-	-	12,575
Hedge flows - derivative instruments		-	-	-	(6,299)	-	-	-	-	(6,299)
Profit for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**648,593**	**648,593**
Total net comprehensive income for the period		**-**	**-**	**-**	**(8,346)**	**-**	**-**	**-**	**648,593**	**640,247**
Transfer to retained earnings		-	-	755,085	-	-	-	-	(755,085)	-
2017 Profit distribution in accordance with the Minutes No. 23, of the Shareholder's Meeting of March 23, 2018:										
Dividends recognized as distributions for owners (518 pesos per share)		-	-	(301,464)	-	-	-	-	-	(301,464)
Reserves for the protection of investments	15.3	-	-	(453,621)	-	-	453,621	453,621	-	-
Minimal dividends, preference shares	16	-	-	30,470	-	-	-	-	-	30,470
Impact of new accounting standards		-	-	-	(5,154)	-	-	-	-	(5,154)
Impact or merger of subsidiaries (GIS Panamá – Finance)		-	-	(63,829)	-	-	-	-	-	(63,829)
Balance at December 31, 2018		**109,121**	**3,290,767**	**11,766,134**	**1,198,378**	**138,795**	**5,923,603**	**6,062,398**	**648,593**	**23,075,391**

The notes are an integral part of these financial statements.

David Bojanini García
Legal Representative

Luis Fernando Soto Salazar
Accountant
T.P. 16951-T

Mariana Milagros Rodríguez
Auditor
T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 27, 2020)

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE CASH FLOWS STATEMENT
Year ended December 31, 2019 (with comparative figures year ended December 31, 2018)
(Values expressed millions of Colombian Pesos)

	Note	December 2019	December 2018
Profit for the period		932,190	648,593
Adjustments to reconcile profit			
Adjustments for income tax expenses	8	(17,168)	(93,990)
Adjustments for financial costs	21	357,207	304,591
Adjustments for decreases from accounts receivable from trade sources		(89,750)	9,993
Adjustments for increases in other accounts payable from operating activities		(435,360)	(343,905)
Adjustments for increases in accounts payable from trade sources		145,511	(10,432)
Adjustments for depreciation and amortization expenses		2,213	1,306
Adjustments for provisions		(10,121)	(12,326)
Adjustments for losses from unrealized foreign currency		5,177	221,649
Adjustments for fair value profit		(73,651)	(92,159)
Adjustments for undistributed profits from application of the Equity Method	11.2	(935,566)	(698,957)
Variations of investments		-	(364)
Total adjustments to reconcile net income		**(1,051,508)**	**(714,594)**
Net cash flows from operations		**(119,318)**	**(66,001)**
Dividends received, associates		1,054,947	781,457
Interest paid		(794)	(46,720)
Income tax paid		35,277	(57,556)
Other non-financial assets		3,828	(4,115)
Net cash flows from operating activities		**973,940**	**607,065**
Cash flows from (used in) investing activities			
Cash flows from subsidiaries or other businesses		-	4,829
Cash flows used in subsidiaries or other businesses		(12,592)	(869,515)
Other collections from the sale of equity or debt instruments of other entities		-	364
Amounts from the sale of property, plant and equipment		7	7,681
Property and equipment purchases		(514)	(8,181)
Purchases of other long-term assets		(682)	-
Payments arising from futures, forwards, options and swaps		(84,215)	(30,479)
Collections from futures, forwards, options and swaps		-	13,952
Net cash flows from (used in) investing activities		**(97,996)**	**(881,349)**

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE CASH FLOWS STATEMENT
Year ended December 31, 2019 (with comparative figures year ended December 31, 2018)
(Values expressed millions of Colombian Pesos)

	Note	December 2019	December 2018
Cash flows from financing activities			
Payments from issuance of shares		40,628	30,471
Proceeds from loans		704,631	4,561,795
Reimbursement of loans		(1,044,458)	(3,870,543)
Payment of financial lease liabilities	10	(1,784)	(1,651)
Dividends paid	16	(315,233)	(225,933)
Interest paid		(265,824)	(277,690)
Net cash flows from financing activities		**(882,040)**	**216,449**
Increases (decreases,) net of cash and cash equivalents, before the changes in the exchange rate		**(6,096)**	**(57,835)**
Impact of variations in the exchange rate on cash and cash equivalents		-	(720)
Net increase of cash and cash equivalents		**(6,096)**	**(58,555)**
Cash and cash equivalents at beginning of period		9,241	67,796
Cash and cash equivalents at end of period		**3,145**	**9,241**

The notes are an integral part of these financial statements.

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Legal Representative

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NOTES FOR THE SEPARATE FINANCIAL STATEMENTS
At December 31, 2019 (with comparative figures at December 31, 2018)
(Values expressed in millions of Colombian Pesos, excluding exchange rates values and earnings per shares)

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., was established in connection with the spin-off of Compañía Suramericana de Seguros S.A., according to Public Deed No. 2295 of 24 December 1997 of the 14th Notary, in Medellin, formalized accounting on 1 January 1998. the principal domicile is in the city of Medellin, at Carrera 43a #5a - 113, Floor 15, but may have branches, agencies, offices, and representations in other places in the country and abroad, when determined by the Board of Directors. The duration of the Company is until the year 2097. Its corporate purpose is investment in movable and immovable property. Related to investment in property, plus any kind of movable property, may be done in shares, quotas, or shares in companies, entities, organizations, funds, or any other legal figure that allows investment of resources. It also may invest in securities or fixed income instruments, variable, whether or not listed on a public market. In any case, issuers and/or investees may be, public or private, national, or foreign. The fiscal year will be adjusted to the calendar year, annually, with effect at the thirty-first (31) of December.

The Company is subject to the vigilance of the Superintendence of Finance of Colombia (SFC), given its role as Holding Company in the Financial Conglomerate SURA-Bancolombia by means of Resolution No 156 of February 2019 of the Superintendence of Finance of Colombia.

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1. Statement of compliance

The Separate Financial Statements have been prepared, in accordance with Accounting Standards and Financial Reporting accepted in Colombia (NCIF), established by Law 1314 of 2009, regulated by the Unified Regulatory Decree 2420 of 2015, amended by Decree 2496 of 2015 and 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019. The IFRS are based on the International Financial Reporting Standards (IFRS), along with the interpretations issued by the International Accounting Standards Board – as it is known by the acronym in English - IASB, translated in an official manner and authorized by the International Accounting Standards Board (IASB), contained in the “2015 Red Book Version”, published by the International Accounting Standards Board (IASB - as it is known by the acronym in English), at December 31, 2016.

The following guidelines, that the company applies, are included in the aforementioned decrees, and constitute exceptions to IFRS, as issued by the IASB:

- Article 4 of Decree 2131 of 2016, modified Part 2 of Book 2 of Decree 2420 of 2015, added by Decree 2496 of 2015, allowing the determination of post-employment benefits of future pensions, future retirement or disability, under 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 1.2.1.18.46 et seq., and in the case partial of pension commutations, in accordance with the provisions of Paragraph 5 of Article 2.2.8.8.31 of Decree 1833 of 2016, informing over the variables used and the differences with the calculation realized, in the terms of the technical framework, under NCIF.

2.2. Basis for measurement

2.2.1. Basis of measurement and presentation

Measurement bases

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

- Financial instruments measured at fair value, with a charge to income or other comprehensive income.
- Investment properties measured at fair value
- Property and equipment measured at fair value
- Employee benefits, which are measured at the present value of the defined benefit obligation.

Presentation of financial statements

The separate financial statements are prepared on the basis of the following:

The separate statement of financial position presents assets and liabilities on the basis of their liquidity, considering 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.

Separate income statement and other comprehensive income are presented separately. The items in the statement of income are broken down according to the nature of expense method in order 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.

2.2.2. Accounting policy update

IFRS 16 Leases

The Board of Directors of Grupo Sura, on the recommendation of the Audit and Finance Committee, approved an update of the accounting policy on Leasing in accordance with the new IFRS 16, effective January 1, 2019.

IAS 29 Financial Reporting in Hyperinflationary Economies

In recent years, the Argentine economy has shown high rates of inflation, which has grown significantly in the second quarter of 2018 due to tariff adjustments in public services, the devaluation of the Argentine peso and seasonal factors. Although measurement has not been fully consistent in recent years and different indices have coexisted, data suggests that cumulative inflation for the last three years has exceeded 100% for the first half of 2018, making IAS 29 mandatory as of July 1, 2018 for companies with operations in this country.

The inclusion of the new policies for the application of inflation adjustments in accordance with IAS 29 on Financial Reporting in Hyperinflationary Economies and IFRS 16 Leases was approved in November 2018 by the board of directors of Suramericana.

2.2.3. Reclassifications

Some of the figures and disclosures, in relation to December 31, 2018, presented in these Financial Statements, for purposes of comparison, may vary from the information published to this date. The Management of Grupo SURA considers that these adjustments do not affect the reasonableness, of previously published information.

The reclassifications made are detailed below:

	December 2018 Presentation	Reclassification	December 2018 Current
Dividends	406,064	-	406,064
Income from investments	1,508	-	1,508
Profit (loss) at fair value - investments, net	-	(4,222)	(4,222)
Income from equity method of subsidiaries	698,957	-	698,957
Profit on sale of investments	364	-	364
Other income	4,443	(10)	4,433
Operational income	**1,111,336**	**(4,232)**	**1,107,104**
Administrative expenses	(30,680)	10	(30,670)
Employee Benefits	(23,714)	-	(23,714)
Fees	(9,824)	-	(9,824)
Depreciations	(1,306)	-	(1,306)
Operational expenses	**(65,524)**	**10**	**(65,514)**
Operating profit	**1,045,812**	**(4,222)**	**1,041,590**
Gains at fair value - Derivatives	92,218	(59)	92,159
Difference in exchange (Net)	(278,778)	4,222	(274,556)
Interests	(304,650)	59	(304,591)
Financial result	**(491,210)**	**4,222**	**(486,988)**
Profit, before tax	**554,602**	**-**	**554,602**
Income Taxes	93,991	-	93,991
Profit, net of continuing operations	**648,593**	**-**	**648,593**
Profit, net	**648,593**	**-**	**648,593**

The changes in presentation were mainly due to the separation of the financial component.

2.3. Significant accounting policies

The following is a detail of the most significant accounting policies used by the SURA Group for the preparation of separate financial statements:

2.3.1. Currency

2.3.1.1. Functional and presentation

The functional and presentation currency of Grupo SURA's separate financial statements is the Colombian peso, which is the currency of the primary economic environment in which it operates.

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

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

2.3.1.2. foreign currency

Foreign currency transactions are initially recorded at the exchange rates of the functional currency in effect at the date of the transaction. Subsequently, monetary assets and liabilities in foreign currencies are converted at the exchange rate of the functional currency in effect at the end of the period; non-monetary items measured at fair value are converted using the exchange rates in effect at the date on which their fair value is determined; and non-monetary items measured at historical cost are converted using the exchange rates in effect at the date of the original transactions.

All exchange differences are recognized in the statement of income except for exchange differences arising from the translation of foreign operations and the application of hedge accounting, which are recognized in other income, until the disposal of the foreign operation, which is recognized in income for the period.

For the presentation of the separate financial statements of Grupo SURA, the assets and liabilities of the foreign operations and any adjustments to the fair value of the assets and liabilities arising from the acquisition are converted into Colombian pesos at the exchange rate prevailing at the end of the reporting period. Income, costs and expenses and cash flows are translated at the average exchange rates for the period, and equity is translated at the historical rate.

2.3.2. Cash and cash equivalents

Cash and cash equivalents, in the Statement of Financial Position, and in the Cash Flows Statement, include cash and banks, highly liquid investments, and money market operations, readily convertible into a determined 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 its acquisition..

2.3.3. Financial instruments

Financial assets

The SURA Group recognizes its financial assets at fair value initially, and subsequently measures them at amortized cost or fair value depending on the SURA Group's business model for managing the financial assets and the characteristics of the instrument's contractual cash flows.

A financial asset, is classified as such, and is measured at amortized cost, using the effective interest rate method, if the asset is maintained within a business model whose objective is to maintain it, in order to obtain the contractual cash flows and contractual terms thereof, and on specific dates, cash flows that are only payments of capital and interest, on the value of outstanding capital. Notwithstanding the foregoing, Grupo SURA may designate a financial asset as irrevocably measured, at fair value, through profit or loss.

Financial assets are recognized on the closing date of the transaction and are recorded in the same account where the valuation of the same is included, for those assets valued at fair value.

Accounts Receivable

Grupo SURA defined that the business model for accounts receivable is to receive the contractual cash flows, that are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate.

Financial assets different to those measured at amortized cost

Financial assets different from those measured at amortized cost are measured at fair value, which includes investments in equity instruments that are not held for trading purposes

Dividends received in cash from these investments are recognized as income in the Income Statement for the period.

Financial assets that are measured at fair value are not tested for impairment, as fair value reflects this assessment.

Impairment of financial assets

Amortized cost:

For assets at amortized cost, impairment is evaluated using the expected credit loss model. The periodicity of the impairment is calculated monthly, and the model depends on the time of financial assets:

Investments:

To determine the impairment of financial assets, the following is taken into account:

- Instruments without significant variation in the level of credit risk, from the moment of purchase: for these, the impairment will be determined, based on the probability of occurrence of a credit risk event, in the next 12 months, after the reporting date.

- Instruments, with significant variation, in the level of credit risk, from the moment of purchase: for these, the impairment will be determined, based on the probability of occurrence of a credit risk event, during the whole life of the instrument.

Business model of Grupo SURA

Fair Value

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 with an impact in the Income Statement. 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 Company's structural portfolio.

Reasonable Value with changes in Integral result (OCI)

In the initial recognition, Grupo SURA can irrevocably designate an equity instrument of other companies, that is not held for trading, such as at fair value with changes in 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 assets of the Company..

Financial liabilities

Grupo SURA, on initial recognition, measures its financial liabilities at fair value less the transaction costs that are directly attributable to the acquisition or issue of the financial liability and classifies at initial recognition, financial liabilities for subsequent measurement at amortized cost.

The effects of derecognizing a financial liability are recognized in the Income Statement, as well as through the amortization process, under the effective interest rate method, which is included as financial cost, in the Income Statement.

Financial instruments, that contain both a liability and equity component (compound financial instruments), must be recognized and accounted for separately. The liability component is determined by the fair value of the future cash flows and the residual value is assigned to the equity component.

Derecognition

A financial asset or part of it, is derecognized from the Statement of Financial Position when it is sold, transferred, or expire Grupo SURA loses control over the contractual rights or cash flows of the instrument. A financial liability or part of it is derecognized from the Statement of Financial Position when the contractual obligation has been derecognized or has expired.

Offsetting financial instrument

Financial assets and financial liabilities are offset, so that the net amount is reported in the Statement of Financial Position only if (i) there is, at that time, a legally enforceable right to offset the recognized values, and (ii) there is an intention to settle them at net value, or realize assets and cancel liabilities, simultaneously.

Derivative financial instruments

Changes in the fair value of financial derivative contracts held for trading are included in "Gains at Fair Value" in the Separate Statement of Income. Certain derivatives embedded in other financial instruments (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and the host contract is not recorded at fair value.

At the time of signing a derivative contract, it must be designated, by Grupo SURA, as a derivative instrument, for trading or hedging purposes.

Certain derivative transactions that do not qualify to be accounted for as derivatives for hedging are treated and reported as trading derivatives, even though they provide an effective hedge for managing risk positions.

Hedge accounting:

Covered item:

In Grupo SURA, a hedged item can be a recognized asset or liability, a firm commitment not recognized, a highly probable projected transaction, or a net investment in a foreign operation.

Type of coverage:
In Grupo SURA, the following types of coverage are identified:

- Fair value hedges: fair value hedges are hedges of the Company's exposure to changes in the fair value of a recognized asset or liability, or an unrecognized firm commitment, or an identified portion of that asset, liability, or firm commitment, which is attributable to a particular risk and could impact profit or loss.

- Cash flow hedge: the cash flow hedge is a hedge of the exposure to the variability of cash flows, attributable to a particular risk, associated with a recognized asset or liability, or a highly probable projected transaction that could affect profit or loss.

- Hedges of net investment in foreign currency: are hedges of the exchange rate risk, that arises from a net investment in a foreign currency. The difference, that results from the process of conversion and integration of the Financial Statements, is covered.

Measurement of effectiveness

The determination of the application of hedge accounting is based on an expectation of future effectiveness (prospective), whose objective is to ensure that there is sufficient evidence to support an expectation of high efficiency, and a real effectiveness evaluation (retrospective).

Measurement

Grupo SURA initially measures the hedging instruments at fair value. As a characteristic of derivatives, the fair value on the initial date is zero, except for some options.

Subsequent measurements of hedging instruments must be at fair value.

The best evidence of fair value is quoted prices. in an active market.

Recognition:

Fair value coverage:

If a fair value hedge meets, during the period, the documentation requirements, it is accounted for as follows:

a. The gain or loss from re-measuring the hedging instrument. at fair value. must be recognized in profit or loss.

b. The gain or loss. of the hedged item. that is attributable to the hedged risk. must be adjusted by the carrying amount of the hedged item. and recognized in the results of the period. This applies even if the hedged item is measured at cost.

Cash flow hedge:

a. The separate component of equity, associated with the hedged item, must be adjusted to be equal (in absolute terms) to the amount that is least, between:
    a. The accumulated result of the hedging instrument, from the beginning of the hedge.
    b. The cumulative change, in fair value (present value), of the expected future cash flows of the hedged item, from the beginning of the hedge.

b. Any remaining gain or loss, on the hedging instrument, or its designated component (which does not constitute an effective hedge), must be recognized in the results of the period.

c. If the risk management strategy, documented by the Company, for a particular hedging relationship, excludes from the evaluation of the effectiveness of the hedge, to a specific component of the gain or loss, or to related cash flows of the hedging instrument, the component excluded from the gain or loss, must be recognized in the results of the period.

   On the other hand, if a cash flow hedge meets the documentation requirements during the period, it should be accounted for as follows:

   - The part of the gain or loss, of the hedging instrument, that is determined to be an effective hedge, must be recognized in other comprehensive income.
   - The ineffective part of the gain or loss, of the hedging instrument, must be recognized in the results of the period.

Coverage of a net investment in foreign currency:

Hedge accounting may only apply to the exchange differences that arise between the functional currency of the foreign business and the functional currency of the controlling entity.

The hedged item may be an amount of net assets equal to, or less than, the book value of the net assets, of the foreign business that is included in the separate financial statements of the controlling entity.

Compound financial instruments

According to IAS 32, an issuer of a financial instrument derivative should evaluate the conditions to determine if this could be considered as a financial instrument compounds, i.e., if it contains a component of liability and equity, wherein:

- **The financial liability:** is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable.

- **An equity instrument:** is any contract that evidences assets of residual interest in an entity, after deducting all of its liabilities (net assets).

Grupo SURA, has preference shares, which cannot be considered in totality as an equity instrument because the contractual clauses incorporated an obligation to deliver cash or another financial asset. Similarly, it cannot be considered in its entirety as a passive instrument, because it has the obligation to give the holder the total money received on the issue of shares, for which they must be considered as a compound financial instrument.

Initial measurement of a compound financial instrument

Compound financial instruments must be separated from the liability and equity component. Therefore, for the initial measurement of a compound financial instrument, the equity component is determined as the residual amount after deducting the fair value of the instrument, as a whole, and the amount to be determined separately for the liability component. The sum of the carrying amounts assigned at the time of initial recognition, the liability components and equity, will always be equal to the fair value to be ascribed to the instrument, as a whole. No losses or may arise from initial recognition of gains, separately from the instrument components.

Incremental costs related to the issuance of preference shares

Under IAS 32, a company incurs various costs in issuing own equity instruments, which are accounted for as a detraction, i.e. a lower value thereof (net of any related tax benefit), to the extent that they are cost incremental directly attributable to the equity transaction that would have been avoided if the company had not realized such issuance.

Transaction costs related to the issuance of a compound financial instrument are allocated between the components of assets and liabilities, in the latter considering that IFRS 9 on initial recognition provides that a company shall measure a financial asset or financial liability at fair value, more or less of the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. These costs should be included in calculating the effective interest rate calculated for valuation.

Subsequent measurement of a financial liability caused by a compound financial instrument:
Grupo SURA S.A. must measure the financial liability at amortized cost after initial recognition.

2.3.4. Taxes

It includes the value of the taxes of a general obligatory nature in favor of the State and in charge of the company, for the concept of the private liquidations that are determined on the tax bases of the fiscal period, in accordance with the tax regulations that govern in the national territory.

Income Tax

Current

The current assets and liabilities from income tax during that period are measured by the values expected to be recovered or paid to the tax authority. The expense for income tax is recognized in the current tax according to the purification realized between taxable income and accounting profit or loss affected by the rate of income tax for the current year and in accordance with the provisions of the tax rules in Colombia. Taxes and 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 tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and future compensation of tax credits and unused tax losses to the extent that there is probability of availability of future taxable income against which, they can be imputed. Deferred taxes are not discounted.

Deferred taxes 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 accounting gains or tax gains or losses. and in the case of deferred tax liabilities when it arises from the initial recognition of goodwill.

The liabilities for deferred taxes related to subsidiaries investments in, 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 that the deferred tax assets related to subsidiaries investments in, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will be reversed in the near future and the likelihood of availability of future tax credits, against which these deductible differences shall be charged.

The book value of deferred tax assets is reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient tax gains to use all or part of the deferred tax asset. 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 allow for recovery.

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

Deferred tax is recognized in profit or loss for the period, except for 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 also offset if they relate to the same tax authority and it is intended to settle them on a net basis 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) b) Deferred tax assets and liabilities are derived from the income tax, corresponding to the same tax authority, which are:

1. The same entity or fiscal subject.

2. different entities, or subjects, for tax purposes, that claim, either to liquidate 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 liquidate, or recover significant amounts of assets or liabilities, for deferred taxes.

2.3.5. Expenses paid in advance

This represents disbursements for future expenses, which are recognized in the Income Statement, at the time the goods and services are received.

2.3.6. Property and equipment

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

Grupo SURA will determine, as initial cost of the property and equipment, the costs incurred in the acquisition or construction of these assets until they are ready for use.

After recognition, the SURA Group measures real estate (land and buildings) under a revaluation model, i.e. at its fair value, which is the price that would be received for selling the asset in an orderly transaction between market participants at a given measurement date.

For all other classes of property and equipment, the cost model will be used.

Grupo SURA must effectuate maximum technical appraisals, every four years, to ensure that the book value of the asset does not differ materially from its fair value. Revaluation increases will usually be credited to other comprehensive income, in the statement of comprehensive income, and will be accumulated as a separate component of equity called "revaluation surplus".

The decreases in assets must be carried as the lesser value of the balance of other comprehensive income, if any, if not, directly to results.

Depreciation

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

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

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

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

Buildings	20 to 100 years
Technology team	3 to 10 years
Furniture and fixtures	6 to 10 years
Vehicles	4 to10 years
Property improvements	to the validity of the contract or useful life, whichever is less

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

2.3.7. Leases

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

Grupo SURA excludes the following from the recognition of the lease contract:

- Leases of intangible assets, except when they are packaged into a single contract, together with tangible assets.
- Short-term, that is, less than 12 months without renewals or options
- Low value underlying asset

Initial Recognition
At the beginning of the contract, an asset is recognized for the right-of-use and a lease liability.

Right-of-use asset: is measured by the cost, which is the following:

The initial measurement value of the liability

(+) advances

(-) incentives

(+) initial direct costs

(+) decommissioning costs

Lease liability: Present value of the lease **payments**, that have not been realized at the commencement date.

Payments are defined as:
Fixed payments: (canon of fixed leases)
Variable payments: (those values that depend on a rate or index)
Purchase option: is included if there is reasonable assurance that it will be exercised
Guaranteed residual value
Sanctions for termination of the contract: is included unless there is a reasonable certainty of exercise

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

Subsequent measurement

After the start date, a lessee will measure its asset by right-of-use, applying the cost model, for the term of the asset's amortization, which must be taken into account, in accordance with the time of the contract and the expectations of the use of the asset.

The lease liability is updated with:

(+) Interest expense

(-) Payments

(+) modifications made to the contract

2.3.8. Investments

2.3.8.1. Subsidiaries

A subsidiary is a controlled entity, directly or indirectly, by any of the companies that make up Grupo SURA Control exists when one of the group companies has the power to direct the relevant activities of the subsidiary, which are generally operating activities and financing, in order to obtain benefits from its activities, and is exposed, or has rights, to the yields variables, of the same.

2.3.8.2. Associates

An associate is an entity over which the SURA Group has significant influence on financial and operating policy decisions but does not have control or joint control.

Grupo SURA exercises significant influence when it has the power to intervene in the financial or operational decisions of another company, without achieving control or joint control.

Grupo SURA should be presumed to exercise significant influence when

- Has, directly or indirectly, 20% or more of the voting power in the Company, unless it can be shown that such influence does not exist through the management bodies; or

- Even if directly or indirectly ownership less than 20% of the voting power in the Company, you can clearly demonstrate that there is significant influence through the governing bodies.

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

Representation in the management body of the company or associate;

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

The investments are recognized at the cost of the transaction at the initial moment and the dividends received in cash from the associate are recognized in the results of the year.

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

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

2.3.9. Fair value

Fair value is the price that would be received to sell an asset for or paid for transferring a liability in an orderly transaction between market participants at the measurement date. The fair value of all assets and financial liabilities is determined at the date of the presentation of financial statements for recognition or disclosure in the Notes to the financial statements.

The fair value is determined:

- Based on quoted prices in markets or identical assets for liabilities that the Company can access on the measurement date (Level 1).

- Based on valuation techniques commonly used for market participants using variables other than quoted prices that are observable for the assets or liabilities, directly or indirectly (Level 2).

- Based on internal valuation techniques of discounted cash flows or other valuation models for Grupo SURA using estimated variables unobservable for the asset or liability, in the absence of variables observed in the market (Level 3).

Judgments include data, such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could impact the fair value of financial instruments reported.

To measure fair value, Grupo SURA will determine all the following elements

a. Asset, or specific liability, object of the measurement (in a manner consistent with its unit of account).
b. For a non-financial asset, the valuation premise that is suitable for measurement.
c. The principal market (or more advantageous) for the asset or liability
d. The appropriate valuation technique(s) for the measurement, considering the availability of data with which the variables, that represent the assumptions that the market participants will use, when setting the price of the asset, and liability, and the level of the fair value hierarchy in which the variables are classified.

Measurement of the asset or liability
When measuring the fair value of an asset or liability, the SURA Group will take into account the following:
When measuring the fair value of an asset or liability, Grupo SURA will take into account the following:
The characteristics of the asset or liability, in the same way that the market participants would consider them, to fix the price of said asset or liability, for example, the following:

- The condition and location of the asset
- Restrictions, if any, on the sale or use of the asset
- The way in which those characteristics would be taken into account by market participants.

Measurement of financial liabilities
A measurement, at fair value, assumes that a non-financial liability is transferred to a market participant at the measurement date, that this liability will remain outstanding, and that the participant who received the liability would require to satisfy the obligation.
When there is no observable market to provide information for pricing, the information may be received for these items, if they are held by other parties, as assets, and the fair value of the liability shall be measured from the perspective of a market participant.

Fair value in the initial recognition
When Grupo SURA acquires an asset, or assumes a liability, the price paid (or the price of the transaction) is an entry price. Because the companies do not necessarily sell assets, at the prices paid to acquire them, and analogously, the companies do not necessarily transfer liabilities to the prices received, for assuming them, conceptually the entry and exit prices are different. The objective of fair value measurement is to estimate the exit price.

Valuation techniques
Grupo SURA uses the following valuation techniques:

- Market focus: this technique is mainly used in the valuation of investment properties and fixed assets whose subsequent measurement has been defined by the Grupo SURA as a reassessed model. It is also used in financial assets, that have been defined according to the business model, at fair value, and that present an asset market
- Approach of income: this valuation technique is used for financial assets and liabilities, determined at fair value, and that do not present an asset market
- Cost approach: A valuation technique that reflects the amount that would be required, at the present time, to replace the service capacity of an asset (often referred to as the current replacement cost).

2.3.10. 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 benefit

These are benefits (other than termination benefits) that are expected to be fully settled before the twelve months following the end of the annual reporting period, in which the employees have rendered the related services. Short-term benefits are recognized to the extent that the employees provide the service, for the expected value to be paid. The effects of the change, in the valuation of short-term benefits, are taken against the results for the period.

Long-term benefits

Long-term benefits refer to all types of remuneration, owed to the employee, after the twelve months following the close of the accounting year, or during the provision of the service. For this benefit, Grupo SURA must measure the surplus or deficit in a long-term employee benefits plan, using the all techniques applied to post-employment benefits, both for the estimation of the obligation, as well as for the assets of the plan, and must determine the value of the net defined benefit, by finding the deficit or surplus of the obligation.

A long-term benefit liability is recognized, as follows:

a) the present value of the defined benefit obligation, at the end of the reporting period
b) minus the fair value, at the end of the reporting period, assets of the plan (if any) with which the obligations are directly settled.

Changes due to the valuation of long-term employee benefits are recognized in profit or loss.

Post-employment benefits

Post-employment benefits are all those remunerations granted to the employee, but which are subsequent to the period of employment, and which will be granted once that stage is completed. In Grupo SURA there are post-employment benefits of:

- Defined contribution plan: under which the obligation is limited to the fixed contributions paid to an external Company, or fund. It is recognized once the employee has rendered their services, during a period and the expense is recognized in the period, at its nominal value.

- Defined benefit plan: where Grupo SURA has a legal, or implicit obligation, to respond for payments of the benefits under its charge, and require the use of an actuarial calculation, in order to affect the recognition of the obligation for defined benefits, on the basis of actuarial assumptions.

Actuarial profits and losses, in the defined benefit plans, are recognized in other comprehensive income, and the remaining changes in the valuation, of the defined benefits, are recognized in the Income Statement.

Long-term and post-employment benefits are discounted with the rates of government bonds, issued by each of the countries, considering the dates of the flows in what Grupo SURA expects to make the disbursements. This rate is used, since there are no rates referring to high quality corporate bonds

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.

2.3.11. 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 considers that the recognition of a provision is given when it has a probability greater than 50% of loss.

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.

The SURA Group defines a contingent liability as an obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events, or as a present obligation that arises from past events but is not recognized. and classifies as a contingent asset an asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events

For contingent assets and liabilities, since they arise from unexpected events and there is no certainty of future economic benefits and obligations, they are not recognized in the statement of financial position until they occur.

2.3.12. Income

The SURA Group recognizes revenue when the transfer of risks and rewards occurs, i.e. when the service is provided or when the goods are delivered, to the extent that it is probable that the economic benefits will flow to Grupo SURA and that the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding taxes or other obligations. Any discounts granted are recorded as a reduction in revenue.

The following specific recognition criteria must also be met before revenue is recognized.

Revenues from ordinary activities associated with the operation are recognized, considering the degree of completion of the service at the end of the reporting period. The outcome of a transaction can be reliably estimated when each and every one of the following conditions are met:

- The value of revenue from ordinary activities can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The extent to which the transaction can be reliably measured at the end of the reporting period; and
- The costs already incurred and those yet to be incurred in completing the transaction can be measured reliably.

The SURA Group calculates the degree of completion of a service provided through

- The proportion of the services executed over the total services committed to be carried out.
- The proportion that the costs incurred and executed represent over the total estimated costs. To this end, costs incurred to date will only include costs derived from services provided to that same date; and with respect to total estimated transaction costs, only costs for services that have been or will be provided will be included.

Revenue measurement

The SURA Group should measure revenue at the fair value of the consideration received or receivable.

The amount of revenue arising from a transaction is generally determined by agreement between the Company and the buyer or user of the asset.

For the Company, in almost all cases, consideration is given in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable.

The following specific recognition criteria must also be met before revenue is recognized.

2.3.12.1. Income by equity method

For investments in subsidiaries, Grupo Sura applies the equity method and therefore records income by method, for further details see note 11 Investments in subsidiaries.

2.3.12.2. Dividend income

Grupo SURA recognizes dividend income when it has the right to receive payment, which is generally when the dividend is declared, except when the dividend represents a recovery of the cost of the investment. Nor is dividend income recognized when payment is made to all shareholders in the same proportion in shares of the issuer.

2.3.12.3 Investment income

The accrual of interest on financial assets measured at amortized cost is recognized in income for the year in accordance with the projection of agreed flows.

2.3.13. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to holders of outstanding shares by the weighted average number of ordinary shares outstanding during the period, taking into account that dividends on preferred shares are recognized in the liabilities of the company.

2.3.14. Events after the reporting period

The SURA Group defines the following aspects for events occurring after the date of the report:

Events occurring after the reporting period that involve adjustments

Grupo SURA must adjust the figures recorded in the financial statements to reflect the effects of post-closing events that involve adjustments, provided that these occur before the date on which the financial statements are approved by the Board of Directors.

Events occurring after the reporting period that do not involve adjustments

The SURA Group shall not modify the figures in the financial statements as a result of this type of event. However, if the event is material, the SURA Group shall disclose the nature of the event and an estimate of the financial effects or a manifestation of the inability to make such an estimate.

Dividend or surplus to the owner

Grupo SURA shall refrain from recognizing dividends or surpluses agreed after the reporting period as a liability in the financial statements.

On-going business assumptions

Grupo SURA must prepare the financial statements on a going concern basis, provided that, after the reporting period, management does not determine that it intends to liquidate or cease operations or that it has no alternative but to do so.

2.3.15. Related parties

The following are considered related parties:

1. The companies that make up **Grupo Empresarial SURA** ("The Companies").

2. **The associated companies.**
   Only applies to transactions that are considered **unusual** (outside the ordinary course of company business) and **material**.
   In any case, it must be guaranteed that the recurrent operations are carried out under competitive market conditions and are fully recognized in the financial statements. For the purposes of this document, the definition of associated companies contained in the Accounting Policy for Investments in Associated Companies will be applied.

3. The members of the Boards of Directors (principal and alternate).

4. The Legal Representatives, excluding the Judicial Representatives and Proxies.

5. Senior management staff, specifically the first two levels of the organization (including audit executive officers and corporate or general secretaries).

6. The close relatives of the members of the Boards of Directors, the Legal Representatives and the personnel of the Senior Management, that is to say, their spouse or permanent companion and the persons within the first degree of consanguinity, first of affinity or only civil.

7. This policy shall not apply to operations that do not involve the provision of a service or the disposal of goods between the parties; that is, collaborative activities, synergies or joint developments between the Companies, in the interests of the unity of purpose and management of the SURA Business Group.

8. Aligned with the Accounting and Financial Reporting Standards accepted in Colombia, and aware that each Company of the Business Group will be responsible for identifying transactions between related parties associated with their businesses, the operations that will at least be considered within this policy are:

   - Purchases or sales of products
   - Purchases or sales of real estate and other assets
   - Loans between companies, in effect at the close of the accounting period
   - Leases, where there is a formalization, through a contract
   - Provision or reception of services, where there is remuneration, reciprocity, and formalization, through a contract
   - Transfers, in which a company generates development or research, exclusively for another entity, and there is remuneration, reciprocity, and formalization, through a contract.
   - Transfers realized, in accordance with financing agreements, (including loans and equity contributions, in cash or in kind).
   - Granting of collateral guarantees and warranties
   - Settlement of liabilities, on behalf of the entity, or by the entity, on behalf of that related party.
   - Other commitments and contracts, where there is reciprocity and remuneration.
   - Transactions, (including compensation and benefits) with members of the Boards of Directors, Legal Representatives, and Senior Management Personnel, which correspond to the first two levels of the organization, that is, to people of the highest hierarchical level of the Companies, responsible of the ordinary course of business, and for devising, executing, and controlling the objectives and strategies of the companies. Auditors and Corporate or General Secretaries are included. (It must be transactions with the company, in which the Senior Manager works).
   - Transactions within the Company, in which one of the Senior Managers, described above, and their spouse or permanent companion, or their relatives, within the first degree of consanguinity, first of affinity, or solely civil.
   - Dividends declared

Materiality of transactions

All transactions, between related parties must be realized, under conditions of full competition, and framed within the principles of transparency, fairness, and impartiality.

For the purposes of determining materiality, the following factors shall be taken into account:

- Legal, accounting, and tax compliance, in all jurisdictions
- Specific conditions agreed upon with minority Shareholders
- Amount of the operation, which will be defined in the specific policies or procedures of the Companies
- Realization of conditions, other than market conditions, due to a particular event
- Disclosure to regulatory or supervisory authorities
- Reporting requirements, to Senior Management and/or Board of Directors

It is considered material, if one of these factors applies to at least one of the Companies, involved in the transaction.

2.3.16 Transition from Grupo SURA to IFRS 16

For the transition to IFRS 16, the Sura Group used the option not to restate comparative information, recognizing the cumulative effect of initial application at 1 January 2019. At initial recognition, it recognizes a lease liability equal to the present value of the remaining minimum payments discounted at the lessee's incremental borrowing rate at the transition date, and an asset for an amount equal to the lease liability adjusted for any prepaid expenses recognized in the statement of financial position.

Leasing Policy

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

Grupo SURA excludes the following from the recognition of the lease contract:

- Leases of intangible assets, except when they are packaged into a single contract, together with tangible assets.
- Short-term, that is, less than 12 months without renewals or options
- Low value underlying asset

Initial Recognition

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

Right-of-use asset: is measured, by the cost, which is the following:

The initial measurement value of the liability

(+) advances

(-) incentives

(+) initial direct costs

(+) decommissioning costs

Lease liability: present value of lease **payments** not made by the commencement date.
Payments are defined as:
Fixed payments: (fixed lease fee)
Variable payments: (those values that depend on a rate or index)
Purchase option: included if there is reasonable assurance that it will be exercised
Guaranteed residual value: this is the value of the asset at the end of the contract whose payment has been guaranteed by the lessee to the lessor.
Penalties for termination of contract: included unless there is reasonable certainty of exercise

The implicit interest rate should be used in determining the lease liability, if it is determinable. If it cannot be determined, the incremental interest rate should be used.

Subsequent measurement

After the start date, a lessee will measure its asset by right-of-use, applying the cost model, for the term of the asset's amortization, which must be taken into account, in accordance with the time of the contract and the expectations of the use of the asset.

The lease liability is updated with:

(+) Interest expense

(-) Payments

(+) modifications made to the contract

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 IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from these estimates.

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

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

Accounting estimates and assumptions

Herewith, are the key assumptions that estimate the future behavior of the variables to the reporting date that have a significant risk of causing a material adjustment to the value of the assets and liabilities during the following financial statement, by-product of the uncertainty surrounding described such behavior.

a) Revaluation of property for own use and investment properties

Grupo SURA records real estate. (land and buildings). at fair value. and changes in it are recognized in other comprehensive income of the equity, and in the Income Statement, in the case of investment properties.

The revaluation increase, of assets for own use, will be recognized directly in other comprehensive income, and will be accumulated in equity, as a revaluation surplus. The revaluation is calculated every four years.

When the carrying amount of an asset, is reduced, as a result of a revaluation, such decrease shall be recognized in the profit and loss, for the period. However, the decrease will be recognized in other comprehensive income, to the extent that there is a credit balance, in the revaluation surplus, in relation to that asset. The decrease recognized in other comprehensive income, reduces the accumulated value in the equity, denominated revaluation surplus.

The fair value of land and buildings is based on periodic evaluations, realized by qualified external appraisers, as well as internally.

b) Fair value of financial instruments

When the fair value of the financial assets and financial liabilities recorded in the statement of financial position is not obtained from asset markets, it is determined using valuation techniques that include discount model cash flows. The information in these models is taken from observable markets where possible, but when it is not, some judgment is required to establish fair values. The trials include data such as liquidity risk, credit risk, and volatility.

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 Company’s tax planning.

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

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

e) Term of leasing contracts

The term of the lease is established in accordance with the contract and the expectations of the contracting company, for which it must take into account the following:

- The time frame for possible renewals
- Increases in fees in relation to the market
- Development of the company's strategic plan
- Expectations of the company's recovery from the investment made.
- The costs that have to be paid to leave the contract (Penalty)
- The additional costs incurred in the event of cancelling the contract and starting a new one.

f) Estimation of the incremental interest rate of the leases

The Group cannot easily determine the implied interest rate for all its leases, so it uses the corporate bond rate or the average company debt rate as a basis when applying adjustments for terms, risks and type of collateral. Such base rate therefore reflects what the group "would have to pay," which requires an estimate when observable rates are not available (such as for subsidiaries that do not engage in financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

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

Grupo SURA shall recognize a provision when the following conditions are met:

- It has a present obligation (legal or implicit), as a result of a past event.
- Grupo SURA is likely to be an outflow of resources embodying economic benefits to settle that obligation and
- You can get a reliable estimate of the obligation.

h) Employee benefits

The measurement of post-employment benefit and defined benefit obligations includes the determination of key actuarial assumptions that allow for the calculation of the liability value.

Among the key assumptions are the discount and inflation rates and the salary increase, among others.

Employee benefits are discounted using the government's TES Type B bond rate for each country at the end of the reporting period, since this rate reflects the currency and estimated payment period of the post-employment benefit and defined benefit obligations, and corresponds to the rate that best indicates market returns.

i) 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. 3.3 of Financial instruments, in the impairment section.

Judgements

The information on the critical judgments, in the application of accounting policies, that have the most important effect on the amount, recognized in the financial statements, is described below:

- Note 10. Leases
- Note 11. Investments in Subsidiaries, Associates, and Joint Ventures: determination of the existence of control in subsidiaries, including the review of pension funds, managed by Grupo SURA

NOTE 4. NORMS ISSUED WITHOUT EFFECTIVE APPLICATION

Standards and interpretations that have been published but are not applicable at the date of these financial statements are disclosed below. The Group will adopt these standards on the date 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 the measurement and recognition, presentation, and disclosure. Once in effect, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees, and financial instruments, with characteristics of discretionary participation. 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 primarily 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 characteristics of direct participation (variable rate approach)
- A simplified approach, (the premium allocation approach), mainly for short-term contracts

IFRS 17 has not been introduced into the Colombian accounting framework, by any decree, to date. The Group is evaluating the potential impact of this standard, in its financial statements.

Amendments to IAS 19: Modification, Reduction or Liquidation of a Plan

The amendments to IAS 19 define the accounting treatment of any modification, reduction or termination of a plan occurring during a financial year. The amendments specify that when a plan is amended, curtailed or settled during the reporting period, the entity is required to:

- Determine the current service cost for the remaining period after the plan is amended, reduced or terminated, using the actuarial assumptions used to recalculate the net defined benefit liability (asset) reflecting the benefits provided under the plan and the plan assets after that event.
- Determine the net interest for the remaining period after the plan is amended, curtailed or terminated by using: the net defined benefit liability (asset) that reflects the benefits provided under the plan and plan assets after that event; and the discount rate used to recalculate that net defined benefit liability (asset).

The amendments also clarify that the entity first determines any past service costs, or settlement gains or losses, without considering the effect of the asset ceiling. This amount is recognized as a gain or loss. The effect of the asset ceiling after the modification, reduction or liquidation of the plan is then determined, and any changes in that effect, excluding amounts included in net interest, are recorded in other comprehensive income.

This norm is included in the Compilatory and Updated Technical Annex 1- 2019, of the Decree 2270 of 2019. The changes will be applied to the modifications, reductions or settlements of the plan that occur in the years beginning on or after January 1, 2020, allowing its application in a comprehensive and early manner. These amendments shall be applied only to any future amendments, curtailments or settlements of the Group's plan.

IFRIC 23 - Uncertainty in Income Tax Treatment

The interpretation addresses the accounting for income tax when the tax treatments involve uncertainty that affects the application of IAS 12. This interpretation does not apply to taxes or levies that are outside the scope of IAS 12, nor does it include the treatment of related interest and penalties that may arise. The interpretation specifically addresses the following:

- If an entity has to consider tax uncertainties separately
- The assumptions an entity must make about whether the tax treatment will be reviewed by the tax authorities
- How an entity should determine the final result, tax bases, losses to be offset, tax deductions and tax rates.
- How an entity should consider changes in facts and circumstances
- An entity must determine whether it considers each tax uncertainty separately or in conjunction with one or more other tax uncertainties. The approach that best estimates the resolution of the uncertainty should be followed. The interpretation is included in the Updated Compilatory Technical Annex 1 - 2019, of Decree 2270 of 2019 and is effective for periods beginning on or after January 1, 2020, allowing for early and comprehensive application, certain exemptions are permitted during the transition. The Group will apply the interpretation from its effective date. [The Group operates in a complex multinational tax environment; the application of the Interpretation may affect its financial statements / The

Group does not expect that it will have an effect on its financial statements]. In addition, the Group may need to implement processes and procedures to obtain the information necessary to apply the interpretation correctly.

Annual improvements 2018 (issued in October 2018)

The improvements were introduced into the Colombian accounting framework through Decree 2270 of 2019, including:

Amendments to IFRS 3: Definition of a Business

The amendments to the definition of a business in IFRS 3 - Business Combinations help an entity determine whether an acquired set of activities and assets is a business. They clarify the minimum requirements of a business, eliminate the assessment of whether market participants are able to replace missing elements, add guidance to help entities assess whether a process is acquired is substantive, reduce the definitions of a business and products, and introduce an optional fair value concentration test. Further illustrative examples are provided with the amendments.

Because the amendments apply prospectively to transactions or events occurring on or after the date of the first application, the Group will not be affected by these amendments at the transition date.

Amendments to IAS 1 and IAS 8: Definition of Material or Materiality

The amendments align the definition of "Material" between IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and clarify certain aspects of the definition. The new definition states that "Information is material if its omission, misstatement or obscuration could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of the financial statements, which provide financial information about the specific reporting entity".

Amendments to the definition of material or materiality are not expected to have a significant impact on the Group's financial statements.

NOTE 5. CASH

Cash and cash equivalents correspond to:

	December 2019	December 2018
Cash and banks	7	16
National banks	529	1,837
Foreign Bank	7	374
Cash equivalents (*)	2,602	7,014
Total cash and cash equivalents	**3,145**	**9,241**

(*) Bank balances accrue interest at variable rates based on daily bank deposit rates. Short-term placements are realized for periods varying from one day to three months, depending on the immediate cash needs of Grupo SURA and accrue interest at the applicable short-term placements rates.

NOTE 6. FINANCIAL INSTRUMENTS

The methodologies and assumptions used to determine the value of financial instruments that are not recorded at fair value in the financial statements (at amortized cost) and loans and receivables are described below.

ASSETS WHOSE FAIR VALUE APPROXIMATES THE BOOK VALUE
For financial assets with a maturity of less than three months (e.g., demand deposits and non-matured savings accounts), the carrying value approximates fair value. For debt instruments with a maturity of more than three months, valuation is performed and the balance is adjusted to reflect the change in the initial valuation.

For short-term instruments receivable, which are measured at amortized cost, the carrying value approximates fair value.

FINANCIAL INSTRUMENTS AT AN AGREED RATE
The fair value of fixed-income assets carried at amortized cost is calculated by comparing market interest rates when initially recognized with current market rates for similar financial instruments. The estimated fair value of time deposits is based on discounted cash flows using current money market interest rates for debt with similar credit risk and maturity.

FAIR VALUE HIERARCHY
To enhance the consistency and comparability of fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy that classifies the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted (unadjusted) market prices for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Thus, some of SURA S.A.'s accounting policies and disclosures require the measurement of fair values of both financial and non-financial assets and liabilities. Following are the definitions used to determine the fair value of the financial assets in the SURA S.A. Group's investment portfolio.

LEVEL 1 - QUOTED PRICES IN ACTIVE MARKETS
They are assets, whose prices are quoted (unadjusted) in active markets for identical assets or liabilities that the entity may have access to at the measurement date. A price quoted in an active market provides the most reliable evidence of fair value and will be used without adjustment to measure fair value when available. The valuation of securities at fair value is made by means of prices provided by price providers or official sources such as Central Banks, Stock Exchanges and Valuation Committees. Among the assets belonging to Hierarchy 1 are local fixed income portfolio securities that report a price.

LEVEL 2 - MODELLING WITH OBSERVABLE MARKET INPUT DATA
These are assets, whose valuations are made using data other than the quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. The valuation of

securities at fair value is made using the prices provided by the portfolio's securities custodians and price providers. For the classification in the fair value hierarchy, market liquidity is used as a reference framework. Thus, securities traded in less liquid markets than Hierarchy 1 are classified as Hierarchy 2, including some local and international fixed income securities that are valued by margin, structured notes, private equity funds, and some securitizations.

LEVEL 3 - MODELING WITH UNOBSERVABLE INPUT DATA
They are assets, whose valuations are based on non-observable data important for the asset or liability. For level 3, Grupo SURA S.A. will be responsible for defining the variables and applying the methodology.

FINANCIAL LIABILITIES WHOSE FAIR VALUE APPROXIMATES THE CARRYING AMOUNT
For those obligations that have a short-term maturity, their carrying value approximates their fair value.
Long-term accounts payable normally have maturities of one to two years. This makes the respective book values approximate their fair values.

For loans with variable interest rates, the carrying value is an approximation of their fair value. For loans with fixed interest rates, the market interest rate for similar loans does not differ significantly; therefore, the carrying value corresponds to a fair approximation of their fair value.

Following is a detail of the balances of the financial assets and liabilities held by the SURA Group at 31 December 2019 and 2018:

6.1. Financial assets

The balance of Grupo SURA's financial assets is as follows:

	Notes	2019	2018
Cash and cash equivalents	5	3,145	9,241
Investments	6.1.3	19,716	13,717
Trade and other accounts receivable	6.1.1	99,581	9,831
Accounts receivable from related parties and current associates	6.1.2	108,851	101,569
Other financial assets	6.1.4	305,660	144,379
		536,953	**278,737**

The breakdown of current and non-current financial assets, by type of financial assets, is as follows:

December 2019					
Current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Results	Equity		
Cash and cash equivalents	-	-	-	3,145	3,145
Accounts receivable	99,581	-	-	-	99,581
Accounts receivable, related parties	108,851	-	-	-	108,851
Derivatives	-	9,789	-	-	9,789
Total	**208,432**	**9,789**	**-**	**3,145**	**221,366**

Non-current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Results	Equity		
Investments	-	-	19,716	-	19,716
Derivatives	-	295,871	-	-	295,871
Total	**-**	**295,871**	**19,716**	**-**	**315,587**
Financial assets	**208,432**	**305,660**	**19,716**	**3,145**	**536,953**

December 2018					
Current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Results	Equity		
Cash and cash equivalents	-	-	-	9,241	9,241
Accounts receivable	9,831	-	-	-	9,831
Accounts receivable, related parties	101,569	-	-	-	101,569
Derivatives	-	9,403	-	-	9,403
Total	**111,400**	**9,403**	**-**	**9,241**	**130,044**

Non-current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Results	Equity		
Investments	-	-	13,717	-	13,717
Derivatives	-	134,976	-	-	134,976
Total	**-**	**134,976**	**13,717**	**-**	**148,693**
Financial assets	**111,400**	**144,379**	**13,717**	**9,241**	**278,737**

Maturity of financial assets

The maturities of the financial assets, are as follows:

December 2019	Less than 1 year	Between 1 and 3 years	More than 5 years	Total
Cash and cash equivalents	3,145	-	-	3,145
Investments	-	-	19,716	19,716
Accounts receivable	99,581	-	-	99,581
Accounts receivable, related parties	108,851	-	-	108,851
Other financial assets (Derivatives)	9,789	26,915	268,956	305,660
Total	**221,366**	**26,915**	**288,672**	**536,953**

December 2018	Less than 1 year	Between 1 and 3 years	More than 5 years	Total
Cash and cash equivalents	9,241	-	-	9,241
Investments	-	-	13,717	13,717
Accounts receivable	9,831	-	-	9,831
Accounts receivable, related parties	101,569	-	-	101,569
Other financial assets (Derivatives)	9,403	134,976	-	144,379
Total	**130,044**	**134,976**	**13,717**	**278,737**

Hierarchy of fair value

The classification of financial assets measured at fair value, according to the fair value hierarchy, is as follows:

December 2019	Level 1	Level 2	Total
Investments	19,716	-	19,716
Other financial assets	-	305,660	305,660
Total	**19,716**	**305,660**	**325,376**

December 2018	Level 1	Level 2	Total
Investments	13,717	-	13,717
Other financial assets	-	144,379	144,379
Total	**13,717**	**144,379**	**158,096**

Movement of financial assets

	Financial assets at amortized cost	Financial assets at fair value		Cash and cash equivalents	Total
		Result	Equity		
At December 31, 2017	**59,274**	**76,674**	**17,664**	**67,796**	**221,408**
Additions	777,505	-	-	181,482	958,987
Purchases	-	(69,876)	-	-	(69,876)
Valuation of financial assets	158	98,700	(3,947)	-	94,911
Expiration of financial assets	-	38,881	-	-	38,881
Derecognition	(725,537)	-	-	(240,037)	(965,574)
At December 31, 2018	**111,400**	**144,379**	**13,717**	**9,241**	**278,737**
Additions	989,410	153,467	-	13,967	1,156,844
Valuation of financial assets	286	(27,824)	5,999	-	(21,539)
Derecognition	(892,664)	25,340	-	(20,063)	(887,387)
Difference in exchange	-	10,298	-	-	10,298
At December 31, 2019	**208,432**	**305,660**	**19,716**	**3,145**	**536,953**

6.1.1. Trade and other accounts receivable

The following is a breakdown of trade and other accounts receivable:

	December 2019	December 2018
Derivative premiums	99,461	6,121
Debtors	78	3,438
Advance to contract and workers	42	272
Total	**99,581**	**9,831**

6.1.2. Accounts receivable, related parties

Accounts receivable corresponds to unpaid dividends to associated companies and current accounts between subsidiary companies, which are detailed below:

	December 2019	December 2018
Bancolombia S.A.	64,031	59,812
Inversiones Argos S.A.	20,063	18,802
Grupo Nutresa S.A.	24,756	22,912
Total dividends receivable, associates	**108,851**	**101,526**
Seguros de Vida Suramericana S.A.	-	11
Seguros de Riesgos Laborales S.A.	-	22
Suramericana S.A.	-	10
Total transferred to companies	**-**	**43**
Total accounts receivable from related parties and current associates	**108,851**	**101,569**

6.1.3. INVESTMENTS

A breakdown of financial assets at fair value, with changes in equity, is as follows:

	December 2019			December 2018		
	# Shares	% Part.	Fair value	# Shares	% Part.	Fair value
Enka S.A.	1,973,612,701	16.76%	19,716	1,973,612,701	16.76%	13,717

6.1.4. Other Financial Assets

The following is a breakdown of the derivative instruments of Grupo SURA:

	December 2019			December 2018		
	Swaps	Options	Total	Swaps	Options	Total
			Asset			
Trade						
Interest rate	3,252	147,145	150,397	3,712	-	3,712
Exchange rate	32,507	-	32,507	24,228	23,833	48,061
	35,759	**147,145**	**182,904**	**27,940**	**23,833**	**51,773**
Hedge						
Interest rate	-	-	-	69,090	-	69,090
Exchange rate	122,756	-	122,756	23,516	-	23,516
	122,756	**-**	**122,756**	**92,606**	**-**	**92,606**
Total Derivative Assets	**158,515**	**147,145**	**305,660**	**120,546**	**23,833**	**144,379**

6.2. FINANCIAL LIABILITIES

The following is related to the financial liabilities included in accounts payable, of Grupo SURA:

	Note	December 2019	December 2018
Other financial liabilities and derivatives	6.2.1	848,773	1,004,140
Trade and other accounts payable	6.2.3	149,804	4,294
Accounts payable of related parties	6.2.2	155,960	116,291
Securities issued	14	4,419,096	4,549,684
Total		**5,573,633**	**5,674,409**

A breakdown of current and non-current financial liabilities, as well as by type of financial liability, is as follows:

December 2019			
Current	**Financial liabilities at amortized cost**	**Financial liabilities at fair value**	**Total**
Derivatives	-	1,070	1,070
Accounts payable	149,804	-	149,804
Accounts payable, related parties	155,960	-	155,960
Other financial liabilities	262,616	1,502	264,112
Total	**568,380**	**2,572**	**570,952**

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	-	165,570	165,570
Other financial liabilities	418,015	-	418,015
Securities issued	4,419,096	-	4,419,096
Total	**4,837,111**	**165,570**	**5,002,681**
Financial liabilities	**5,405,491**	**168,141**	**5,573,633**

December 2018				
Current	**Financial liabilities at amortized cost**	**Financial liabilities at fair value**	**Leases**	**Total**
Leases	-	-	1,674	1,674
Derivatives	-	4,714	-	4,714
Accounts payable	4,294	-	-	4,294
Accounts payable, related parties	116,291	-	-	116,291
Other financial liabilities	14,986	4,264	-	19,250
Securities issued	104,278	-	-	104,278
Total	**239,849**	**8,978**	**1,674**	**250,501**

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases	-	-	12,542	12,542
Derivatives	-	82,075	-	82,075
Other financial liabilities	883,885	-	-	883,885
Securities issued	4,445,406	-	-	4,445,406
Total	**5,329,291**	**82,075**	**12,542**	**5,423,908**

Financial liabilities	5,569,140	91,053	14,216	5,674,409

Maturity of financial liabilities

The maturities of the financial liabilities, are as follows:

December 2019	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Derivatives	1,070	5,458	-	160,112	166,640
Securities issued	29,514	683,092	34,410	-	747,016
Accounts payable	149,804	-	-	-	149,804
Accounts payable, related parties	155,960	-	-	-	155,960
Securities issued	392,195	1,944,568	450,200	2,616,552	5,403,515
Total	**728,543**	**2,633,118**	**484,610**	**2,776,664**	**6,622,935**

December 2018	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Leases	1,674	4,428	2,439	5,675	14,216
Derivatives	4,714	31,648	50,427	-	86,789
Securities issued	63,584	925,110	63,993	5,095	1,057,782
Accounts payable	4,294	-	-	-	4,294
Accounts payable, related parties	116,291	-	-	-	116,291
Securities issued	404,789	1,858,478	682,117	2,709,613	5,654,997
Total	**595,346**	**2,819,664**	**798,976**	**2,720,383**	**6,934,369**

Movement of financial liabilities

	Financial liabilities at amortized cost	Financial liabilities at fair value with changes in profit and loss	Leases	Total
At December 31, 2017	**4,473,325**	**187,790**	**14,771**	**4,675,886**
Additions	3,991,024	518,227	-	4,509,251
Purchases/Sales	-	(100,356)	-	(100,356)
Valuation of financial liabilities	255,280	15,254	1,096	271,630
Derecognition	(3,499,701)	(529,862)	(1,651)	(4,031,214)
Exchange differences	349,212	-	-	349,212
At December 31, 2018	**5,569,140**	**91,053**	**14,216**	**5,674,409**
Additions	363,433	531,143	-	894,576
Valuation of financial liabilities	337,397	1,979	-	339,376
Derecognition	(892,484)	(456,034)	(14,216)	(1,362,734)
Exchange differences	28,006	-	-	28,006
At December 31, 2019	**5,405,492**	**168,141**	**-**	**5,573,633**

6.2.1. Other financial liabilities

Corresponds to short and long-term financial obligations, options and swaps, which are detailed herewith, for the periods ended December 31, 2019 and 2018:

Entity	Rate	Term (days)	Currency of credit	December 2019	December 2018
Bancolombia S.A.	IBR + 2.05%	2,023	COP	272,054	-
Bancolombia S.A.	5.36%	2,020	COP	145,962	-
IBM	Libor + 0.62%	2,022	USD	262,616	-
Bancolombia S.A.	IBR + 2.05%	2,023	COP	-	477,547
Bancolombia S.A.	5.36%	2,020	COP	-	145,395
IBM	Libor + 0.62%	2,022	USD	-	260,943
Bancolombia Panama	3.22%	2,019	USD	-	14,986
Subtotal financial obligations				**680,632**	**898,871**
Repo operations		2,019	COP	1,501	4,263
Financial Leasing (Leases)		5,478	COP	-	14,216
Subtotal other financial liabilities				**682,133**	**917,350**
Derivatives (Note 7)				166,640	86,790
Total other financial liabilities				**848,773**	**1,004,140**

6.2.2. Accounts payable to related entities

Corresponds to the payment of short-term dividends for shares decreed at the Shareholders' Meeting held on March 31, 2019 and accounts payable to subsidiaries:

	December 2019	December 2018
Ordinary shares	66,570	62,414
Preference shares	15,673	14,689
Others	(508)	(222)
Subtotal accounts payable related parties (Note 16. Dividends)	**81,735**	**76,881**
Accounts payable to subsidiaries	74,225	39,410
Total accounts payable to related parties	**155,960**	**116,291**

6.2.3. Trade accounts payable and other accounts payable

A breakdown of commercial current accounts payable, is as follows:

	December 2019	December 2018
Accounts Payable Options	144,760	1,244
Suppliers	3,897	1,370
Withholdings	1,121	1,015
Other associations	26	10
Employee Fund	-	489
Health promoting entities	-	79
Family compensation fund, ICBF and SENA	-	87
Total	**149,804**	**4,294**

NOTE 7. DERIVATIVES

7.1. Trading operations

The SURA Group uses derivative financial instruments such as swaps, forwards and options in order to hedge foreign exchange rate, interest rate and cash flow risks. Such derivative financial instruments are initially recognized (at the date the derivative contract is entered into) and subsequently (when their value is updated) at their fair values. Any gain or loss arising from changes in the fair value of the derivatives is attributed directly to the results of operations. For the years ended 31 December 2019 and 31 December 2018, the SURA Group has derivatives accounted for as financial assets and financial liabilities, in accordance with the positive or negative result of their fair value, respectively.

7.2. Hedging

At September 2018, Grupo SURA decided to apply cash flow hedge accounting, in order to reflect in the financial statements, the reality of the hedging function on the dollar, debts of the company. The hedges include financial derivatives such as cross currency swaps and options.

Hedge accounting mitigates the difference in exchange for the debts, covered in the Income Statement, and takes the remaining variation from the valuation of the derivative to other comprehensive income, which is downloaded periodically, in the income statement. For further details see Note 18 Income and expenses.

Review of the effectiveness of the coverage and economic relationship between the hedged item and the hedging instrument:

Grupo SURA covered the following items, for the following amounts:

- Bonds from the merger of Grupo SURA Finance, in the amount of USD300 million, with a structure of 24 cross currency swaps and 10 call options

- Principal and interest of financial debt, with Banamex, of USD80 million, covered with cross currency swaps.

In order to qualitatively assess the effectiveness of the hedging relationship, it is monitored on a quarterly basis, during the term of the hedge relationship, the following is conserved in time:

- The economic relationship: The value of the defined hedged item and value the hedged instrument, designated in this hedging relationship, will change systematically and opposite, in response to movements in the USD/COP exchange rate, which is the hedged risk. Therefore, it can be concluded that there is an inverse and linear economic relationship between the two.

- 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 coverage ratio: Whenever, during the term of the hedge relationship, the USD/COP exchange rate is below USD/COP 4,000. The coverage ratio between the hedged item and the hedging instrument will be one to one, fully compensating the exchange rate risk, generated by the principal of the issuance of debt, denominated in foreign currency (USD) for the company.

The following is a breakdown of the derivative instruments of Grupo SURA:

	2019			2018		
	Swaps	**Options**	**Total**	**Swaps**	**Options**	**Total**
			Asset			
Trade						
Interest rate	32,507	-	32,507	3,711	-	3,711
Exchange rate	3,252	147,145	150,397	-	-	-
	35,759	**147,145**	**182,904**	**3,711**	**-**	**3,711**
Hedge						
Interest rate	122,756	-	122,756	93,318	23,833	117,151
Exchange rate	-	-	-	23,517	-	23,517
	122,756	**-**	**122,756**	**116,835**	**23,833**	**140,668**
Total derivative assets	**158,515**	**147,145**	**305,660**	**120,546**	**23,833**	**144,379**
			Liability			
Trade: Exchange rate	55,310	106,085	161,395	-	-	-
Hedge: Interest rate	-	5,245	5,245	50,427	36,363	86,790
Total derivative liabilities	**55,310**	**111,330**	**166,640**	**50,427**	**36,363**	**86,790**

Fair Value Hierarchy

The derivatives of Grupo SURA are valued at fair value, which has a Level 2 Hierarchy. The options' values are obtained by discounting the present value, with market rates, or using Black-Scholes methodology.

NOTE 8. Taxes

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

	Note	December 2019	December 2018
Current tax asset	8.1	-	14,854
Deferred tax asset (net)	8.2	62,961	70,462
Deferred tax liability	8.1	2,765	-

8.1. Current income tax

a. Current tax recognized in the statement of financial position

	December 2019	December 2018
Current tax assets		
Local taxes	-	2,168
Tax in favor	-	12,686
Total current tax assets	**-**	**14,854**
Current tax liabilities		
Income and complementary taxes	1,105	-
Local taxes	1,660	-
Total current tax liabilities	**2,765**	**-**

b. Tax, recognized in profit and loss, for the period

	December 2019	December 2018
Current tax income (expense)	**21,486**	**(13,517)**
Current tax	(9,463)	(26,744)
Adjustment of previous periods	30,949	13,227
Deferred tax expense	**(4,318)**	**107,508**
Constitution/reversal of temporary differences	(4,318)	114,390
Exchange rate impacts	-	(6,882)
Tax Expenditure	**17,168**	**93,991**

c. Reconciliation of the effective tax rate

The reconciliation of the effective tax rate, of the Group, applicable for the years ended December 31th of 2019 and 2018, respectively, is as follows:

	December 2019		December 2018	
	Rate	Balance	Rate	Balance
Profit before tax		**915,022**		**554,602**
Tax on income by applying the local tax rate	33.0%	(301,957)	37.0%	(205,203)
Tax effect of:				
Items that increase the tax base		**(127,830)**		**(130,869)**
Non-deductible expenses (1)	12.4%	(113,891)	17.8%	(98,563)
Investments	0.0%	-	3.7%	(20,700)
Financial Assets	0.0%	-	2.1%	(11,606)
Property and equipment	0.0%	(99)	0.0%	-
Provisions and contingencies	0.0%	(344)	0.0%	-
Financial liabilities	1.5%	(13,496)	0.0%	
Items that decrease the tax base		**446,955**		**430,063**
Investments (2)	39.4%	360,491	73.7%	408,993
Adjustment for previous periods	3.4%	30,949	0.0%	-
Other concepts	0.0%	-	0.0%	103
Exempt income (3)	5.7%	51,860	3.5%	19,592
Tax discounts	0.4%	3,655	0.2%	1,375
Income Tax	**1.88%**	**17,168**	**16.95%**	**93,991**

[1] Includes expenses due to legal limitations associated with unearned income, donations, among others.

[2] It includes income from taxed and non-taxed dividends and the equity method.

[3] Andean Community of Nations (CAN) Dividends

d. Reconciliation between profit and taxable income

The following is the reconciliation between the profit and the estimated taxable income for the years ended December 31

Profit and Taxable Income:	**2019 Income**	**2018 Income**
Profit, before tax	**915,022**	**554,602**
Equity-Dividend Method	(952,672)	(739,088)
Valuation of derivatives	47,677	(92,218)
Unrealized Difference	15,102	277,511
Interests	40,897	43,712
Tax profit, before tax	**66,026**	**44,519**
Plus:	**628,501**	**538,737**
Non-deductible provisions constituting temporary differences	4,917	4,116
Non-deductible vehicle taxes	7,094	31
Dividends from permanent investments	261,354	236,830

Taxation of financial movements	-	842
Other non-deductible expenses	335,341	254,601
Loss under the equity method	17,106	40,131
Various expenses	2,689	2,186
Less:	**497,625**	**454,223**
Expenses incurred in hedge operations	61,588	46,997
Leasing operations	634	798
Profit on sale of investments	-	364
Untaxed dividends and shares	435,403	406,064
Taxable liquid income	**196,902**	**129,033**
Presumptive Income	**31,013**	**83,658**
Exempt Income	**157,153**	**52,950**
Tax:		
Taxable liquid income	39,749	76,083
Tax at nominal rate 33% (2019) -37% (2018)	13,117	28,151
Tax discount	(3,654)	(1)
(-) Adjustment for previous years	30,949	13,227
Total Net Income Tax	**(21,486)**	**13,517**

e. Tax losses

The following is a breakdown of tax losses and excesses of presumptive income, over readjusted ordinary income:

Tax losses		2019	2018
Generated in			
	2010	2	2
	2011	120,131	120,131
	2015	82,832	82,832
Total		**202,965**	**202,965**
Fiscal excesses			
	2014	27	27
	2015	11,921	11,921
	2016	91,290	91,290
	2017	133,633	133,633
Total		**236,871**	**236,871**
Total losses and excesses		**439,836**	**439,836**

At December 31, 2019, there are no deferred tax assets recognized, in relation to tax losses. We consider, that to date, there is no expectations of the recovery, or tax benefits, in future periods.

f. Current tax movement

The following is the movement that generated the income and complementary balance as of December 31, 2019 and December 2018:

Balance of income tax payable at December 31, 2017	**31,353**
Liability Current income tax	(57,556)
Withholdings and advances	13,517
Income tax balance in favor at December 31, 2018	**(12,686)**
Liability Current income tax	35,277
Withholdings and advances	(21,486)
Balance of income tax payable at December 31, 2019	**1,105**

Income tax returns, for 2019 and 2018, are final, according to the general rule of 3 years. For transfer pricing declarations, the term of finality, will be 6 years.

With respect to those statements in which balances are presented in favor, the term of finality will be 3 years, from the date of submission of the return, or compensation request.

8.2. Deferred tax

Movement and deferred tax balances

Net asset/liability for deferred income tax is comprised of the following items:

Deferred tax lability	December 2019	Recognized results	Other participation in equity	December 2018	Recognized results	Other participation in equity	December 2017
Financial Assets	**-**	21,513	(2,402)	**(19,111)**	(43,753)	2,700	21,943
Properties and equipment	**(102)**	4,232	-	**(4,334)**	713	-	(5,047)
Financial liabilities	**59,768**	(24,743)	-	**84,511**	84,978	-	(467)
Employee Benefits	**3,319**	(5,297)	(781)	**9,396**	(1,358)	(192)	10,946
Investments	**-**	-	-	**-**	66,928	-	(66,928)
Rights of use	**(23)**	(23)	-	**-**	-	-	
	62,961	**(4,318)**	**(3,183)**	**70,462**	**107,508**	**2,508**	**(39,554)**

8.3. Tax matters in Colombia

Tax income is taxed at the rate of 33% as income tax, except for taxpayers who have special rates and 10% for income from occasional earnings. Tax losses may be offset within the 12 taxable periods following the year in which the loss was generated.

Law 1819 of 2016 defined the general income tax rate at 33% for the following years, in addition to creating a surcharge on income and supplementary taxes of 4% for 2018, the latter applicable to taxable bases of $800 million and above. For the year 2019, the Financing Law 1943 of 2018 established a gradual decrease in the income tax rate, from 33% in 2019 to 32% in 2020, 31% in 2021 and from 2022 onwards to 30%. It is also presumed that in 2018 and 2019 the net income may not be less than 3.5% and 1.5% respectively of the net assets of the immediately preceding taxable year, after excluding some concepts admitted by the Law such as the equity value of investments in national shares.

It should be noted that Law 1943 was declared unconstitutional in 2019. The declaration of unconstitutionality was proposed to take effect as of January 1, 2020, on the understanding that the effects of the ruling would only produce effects in the future and would not affect consolidated legal situations; likewise, it gave Congress time to issue a regulation before the end of 2019 that will ratify, repeal, modify or subrogate the contents of Law 1943 of 2018; for which reason the Economic Growth Law was issued on December 27, 2019.

Transfer pricing regulations require reporting of operations with economic partners abroad, complementing the information with OECD guidelines with Master and Country by Country reports.

Economic Growth Act (Act 2010 of 2019)

The following is a summary of the most important modifications to the Colombian tax regime for legal entities for the years 2020 and following, introduced by the law:

The income tax rate is gradually reduced by 32% for the year 2020, 31% in 2021 and 30% as of the taxable year 2022. Additional points are included for financial institutions from 2020: 4% in 2020 and 3% for 2021 and 2022.

The presumptive rent rate is decreased to 0.5% for 2020 and 0% from 2021.

First job deduction is created, i.e. 120% of salary payments to employees under 28 years of age, who are new jobs and whose first job is certified by the Ministry of Labor, will be deductible.

Increase in the income tax rate for dividends received by foreign companies, non-resident individuals and permanent establishments from 7.5% to 10%.

Audit benefit is again established for the taxable periods 2020 and 2021, giving firmness to the return in 6 months provided that the net income tax is increased by at least 30% in relation to the previous year, when the increase is at least 20% the firmness period is acquired after 12 months.

Among the exempted incomes are articles 4 of Decree 841 of 1998 and 135 of Law 100 of 1993 corresponding to the resources of the Pension Funds of the Individual Savings Regime with Solidarity and the mathematical reserves of the retirement or old age, disability and survivors' pension insurance, as well as their returns; also the yields generated by the stabilization reserve constituted by the pension fund management entities and the income from the development of technological and creative value added industries (orange economy) as long as they comply with the minimum investment requirement of $157 million in 3 years, employment generation of at least 3 jobs without counting the administrators.

The Holding Company Regime (CHC) was continued for companies whose main purpose is the holding of securities, investment in shares or participations in national and/or foreign companies; as long as the participation in these companies directly or indirectly exceeds 10% of the capital of 2 or more companies, for a minimum period of 12 months and they have human and material resources to carry out the activity (3 employees and own management). Dividends received by the CHC from foreign entities will be exempt from income.

Brokerage services for reinsurance contracts are excluded from VAT and life insurance commissions continue to be taxed.

8.4 Deferred Tax Assets Not Recognized

The company does not have a deferred tax asset for tax losses, which is a result of the analysis and the low probability of recovery.

8.5. Uncertainty over income tax treatments.

Income tax is calculated in accordance with current regulations and the best estimate of this tax is available at this time.

NOTE 9. PROPERTIES AND EQUIPMENT

The following is a detail of the properties and equipment as of December 31st:

	December 2019	December 2018
Buildings	-	21,652
Transportation equipment	1,306	1,400
Office equipment	1,648	1,701
Information equipment	459	425
Total properties and equipment	**3,413**	**25,178**

The detail of the movements of ownership and equipment, of Grupo SURA, is as follows:

2019	Leased buildings (*)	Transportation equipment	Office equipment	Information equipment	Construction-in-progress	Total property and equipment
Cost at January 1, 2019	**23,062**	**2,092**	**2,377**	**632**	**-**	**28,163**
Additions	-	49	290	176	-	515
Provisions (-)	-	-	-	(49)	-	(49)
Reclassifications	(23,062)	-	-	-	-	(23,062)
Cost in books at December 31, 2019	**-**	**2,141**	**2,667**	**759**	**-**	**5,567**
Accumulated depreciation and impairment						
Accumulated depreciation and impairment at January 1, 2019	**(1,410)**	**(692)**	**(676)**	**(207)**	**-**	**(2,985)**
Depreciation of the period	-	(143)	(343)	(134)	-	(620)
Provisions (-)	-	-	-	41	-	41
Reclassifications	1,410	-	-	-	-	1,410
Accumulated depreciation and impairment at December 31, 2019	**-**	**(835)**	**(1,019)**	**(300)**	**-**	**(2,154)**
Property and equipment as of December 31, 2019	**-**	**1,306**	**1,648**	**459**	**-**	**3,413**

2018	Leased buildings	Transportation equipment	Office equipment	Information equipment	Construction-in-progress	Total property and equipment
Cost at January 1, 2018	**15,390**	**1,850**	**2,368**	**395**	**7,672**	**27,675**
Additions	7,672	242	9	257	-	8,180
Provisions (-)	-	-	-	(20)	(7,672)	(7,692)
Cost in books at December 31, 2018	**23,062**	**2,092**	**2,377**	**632**	**-**	**28,163**
Accumulated depreciation and impairment						
Accumulated depreciation and impairment at January 1, 2018	**(641)**	**(563)**	**(357)**	**(129)**	**-**	**(1,690)**
Depreciation of the period	(769)	(129)	(319)	(89)	-	(1,306)
Provisions (-)	-	-	-	11	-	11
Accumulated depreciation and impairment at December 31, 2018	**(1,410)**	**(692)**	**(676)**	**(207)**	**-**	**(2,985)**
Property and equipment as of December 31, 2018	**21,652**	**1,400**	**1,701**	**425**	**-**	**25,178**

(*) As of January 1, 2019, the balances were reclassified as assets by right of use. (See Note 10).

There are no restrictions related to property and equipment.

At the end of the period, an analysis was conducted to determine if there is any indication that the properties and equipment of Grupo SURA may be impaired in value, evidencing that:

- During the period, the market value of the assets has not decreased more than what might be expected, as a result of the passage of time, or its normal use.
- No significant changes, in value, are expected, due to situations that are adverse to the Company.
- No evidence is available of the obsolescence or physical impairment of the assets
- Changes, in the use of assets, that may adversely affect the Company, are not expected in the immediate future.
- There is no evidence that the economic performance of the asset is, or will be, worse than expected.

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

NOTE 10. LEASES

SURA Group as lessee

As from 1 January 2019, Grupo SURA applied IFRS 16 on Leases. In accordance with this standard, the building under lease was reclassified as property, plant and equipment under IAS 17. The value of the assets reclassified was $21,652 (See note 9 of Property and equipment). The initial term of the building lease was 15 years.

The SURA Group has no restrictions on subleasing the leased assets.

At 31 December 2019, the book value of financial leases is

	Assets by right of use	Lease liability
Balance as of January 1, 2019(*)	**21,652**	**14,216**
Increments	683	330
Depreciation and amortization	(1,593)	-
Interest expenditure	-	1,054
Lease payments	-	(1,785)
As of December 31, 2019	**20,742**	**13,815**

(*) Corresponds to the reclassification of lease balances classified under IAS 17 Leases in force at December 2018.

The term of the financial leases is as follows

	Minimum payments due 2019	Present value of the minimum payments 2019	Future interest charges of 2019	Minimum payments due 2018	Present value of the minimum payments 2018	Future interest charges of 2018
To one year	1,711	1,608	103	1,734	1,674	60
Between one and five years	8,560	6,628	1,932	8,879	6,867	2,012
More than five years	9,273	5,579	3,694	11,246	5,675	5,571
Total leases	**19,544**	**13,815**	**5,729**	**21,859**	**14,216**	**7,643**

The payments recognized in profit or loss for the period under finance leases are as follows:

	2019	2018
Depreciation expense for right-of-use assets	(1,591)	(769)
Interest expense on lease liabilities (note 21)	(1,054)	(1,096)
Variable lease payments* (note 19)	(239)	(378)
Total recognized in results	**(2,884)**	**(2,243)**

(*) Corresponds mainly to charges for services additional to the building's lease.

Grupo SURA's lease agreement includes an automatic 5-year extension which is valued at approximately $10,020 million.

NOTE 11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

11.1 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 2019			December 2018		
Companies	%Participation	% right to vote	# Shares	% Participation	% right to vote	# Shares
Bancolombia S.A.	24.39%	46.02%	234,545,239	24.39%	46.02%	234,545,239
Grupo Argos S.A.	26.75%	35.53%	229,295,179	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	35.17%	35.17%	161,807,155	35.17%	35.17%	161,807,155

Corporate purpose of the associates and nature of the relationship

Bancolombia S.A: Bancolombia S.A: Is a credit institution listed on the Colombian Stock Exchange (BVC), as well as on the New York Stock Exchange (NYSE), since 1981 and 1995, respectively, The Bancolombia Group consolidates operations in the banking, off-shore banking trust and other segments. It is the leader in the financial sector of the Colombian and Central American markets. Grupo SURA is the largest non-controlling shareholder of Grupo Bancolombia.

The voting percentage of Bancolombia S.A. as of December 2019 and December 2018 is 46.02%.

The above taking into account the issuance of non-voting preferred shares issued by these associates.

Grupo Argos S.A: It is an infrastructure holding company, leader in the cement business, with an investment structure in road and airport concessions and a portfolio in both conventional and renewable energies. It is an entity registered in the Colombian Stock Exchange.

The percentage of voting rights at December 2019 and December 2018 of Grupo Argos S.A. is 35.53%, taking into account the issue of non-voting preferred shares by these associates.

Grupo Nutresa S.A: It is the leading company in processed foods in Colombia and one of the references in the sector in Latin America, with direct presence in 14 countries with 46 production plants.

Investments in the industrial sector's processed food segment include a 35.17% stake in Grupo Nutresa S.A., where Grupo SURA is the largest shareholder.

Significant influence on the three companies is exercised through participation in the Board of Directors and governing committees, where Grupo SURA has two representatives (out of seven in total) on the Boards of Directors.

Investment balances

The following is a detail of investments in associates at 31 December 2019 and 31 December 2018:

Investment	December 2019	December 2018
Bancolombia S.A.	5,594,878	5,594,878
Grupo Argos S.A.	4,510,388	4,510,388
Grupo Nutresa S.A.	4,287,391	4,287,391
Total	**14,392,657**	**14,392,657**

Dividends received

Dividend income comes from the following issuers

	December 2019	December 2018
Bancolombia S.A.	256,123	239,209
Grupo Argos S.A.	80,253	75,208
Grupo Nutresa S.A.	99,026	91,647
	435,403	406,064

Financial information of associates

The assets, liabilities, equity and results for the year of each of the associated companies included in the financial statements for the period as of December 31, 2019 and December 2018 are as follows:

December 2019	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A. (*)	Colombia	236,088,113	-	207,282,494	-	28,805,619	12,731,348	3,214,567	127,033	3,341,600
Grupo Argos S.A. *	Colombia	7,150,857	43,847,577	6,784,736	17,723,441	26,490,257	16,798,588	1,256,137	10,177	1,266,254
Grupo Nutresa S.A.	Colombia	3,262,962	12,382,279	2,347,837	4,612,540	8,684,864	9,958,851	513,441	111,180	624,621

December 2018	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A. (*)	Colombia	220,076,482	-	193,421,257	-	26,655,225	11,098,768	2,786,435	656,710	3,443,145
Grupo Argos S.A.	Colombia	6,824,923	41,822,958	7,002,815	16,072,329	25,572,737	14,294,675	1,194,118	588,292	1,782,410
Grupo Nutresa S.A.	Colombia	2,821,049	10,702,648	2,042,730	3,146,236	8,334,731	9,016,066	508,756	-859,633	(350,877)

(*) The associate Bancolombia Group presents the statement of financial position in order of liquidity, therefore the detail of current and non-current financial assets and liabilities is not included

Grupo SURA's investments in associates are listed on the Colombian Stock Exchange and with high liquidity; their fair value at 31 December 2019 and December 2018 in the stock market is as follows:

Associate	December 2019	December 2018
Bancolombia S.A.	10,319,991	7,130,175
Grupo Argos S.A.	4,081,454	3,875,089
Grupo Nutresa S.A.	4,109,902	3,802,468

Movement of investments in associates:

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Total
At December 31, 2017	**5,592,906**	**4,515,121**	**4,287,391**	**14,395,418**
Additions1	1,972	96	-	2,068
Derecognition	-	(4,829)	-	(4,829)
At December 31, 2018	**5,594,878**	**4,510,388**	**4,287,391**	**14,392,657**
Additions	-	-	-	-
Derecognition	-	-	-	-
At December 31, 2019	**5,594,878**	**4,510,388**	**4,287,391**	**14,392,657**

[1] Additions, corresponding to the shares of Grupo de Inversiones Suramericana Panama, in Bancolombia, and Grupo Argos.

Restrictions
Grupo SURA has no restrictions on its investments in associates, and impairment analyzes were performed without identifying issues involving adjustments.

Associates Fair Value

	2019			**2018**		
Main Associates of SURA Group	**Fundamental Value**	**Book value**	**Reasonable value (1)**	**Fundamental Value**	**Book value**	**Reasonable value (1)**
Grupo Nutresa S.A	5,773,603	4,287,391	4,109,902	5,319,087	4,696,943	3,802,468
Grupo Argos S.A	5,630,572	4,510,388	4,081,454	5,380,870	5,057,575	3,875,089

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

Impairment Test

During 2019, the fair value of Grupo SURA's investments in Grupo Nutresa S.A and Grupo Argos S.A, calculated on the basis of the price per share quoted on the Colombian stock exchange, was below the carrying amount.

Taking into account the above, the carrying value of the associated companies was tested for impairment, which confirmed that there is no impairment in any of them.

This exercise includes the fundamental value of these associates. In the case of Grupo Argos, a sum of parts of the fundamental value of its portfolio of companies was made, also incorporating its expenses, taxes and debt at the corporate level. For Grupo Nutresa a valuation of its industrial business was carried out based on a model of discounted free cash flows, following projections that incorporate the competitive positions, capacities and future prospects of the businesses. In both cases, the fundamental value of its investments is included in its value, which includes that of Grupo SURA.

In the case of Bancolombia, the market price reflects a higher price than the book value.

Main assumptions

- **Grupo Nutresa S.A.**

  - ✓ The figures were projected in COP in nominal terms and for a 10-year projection horizon, corresponding to a period between 2020 and 2029.
  - ✓ The company's operating revenues are projected to grow an average of 5.5% per year.
  - ✓ On the other hand, the cost of sale goes from representing 55.8% of the operational income for the first year of projection to 56.1% in the last year, evidencing a slight deterioration in its gross margin.
  - ✓ An EBITDA margin is projected in line with the low range communicated by the company's management in the results calls, which is 12.3% on average.
  - ✓ CAPEX investment is projected to average 3% of sales.
  - ✓ Working capital is estimated to average 6% of sales.
  - ✓ For the calculation of the terminal value, a nominal growth rate of 3.6% was used.
  - ✓ In order to estimate the fundamental value of the company, the flows have been discounted using a discount rate based on its risk profile. This rate was calculated in Colombian pesos and in nominal terms, applying the CAPM methodology. The WACC at which flows were discounted was 9.45%.
  - ✓ As for the other investments, a fundamental valuation of their investments is made which includes the fundamental value of Grupo SURA.

- **Grupo Argos S.A.**

  - ✓ To calculate the fundamental value of Grupo Argos, the sum of parts of its investment portfolio was used, also incorporating its expenses, taxes and debt at the corporate level.
  - ✓ In the case of Cementos Argos, a projection is made for a 5-year horizon, where operating revenues grow an average of 3.2% annually and costs and expenses an average of 2.4%, in line with the efficiency projects being carried out.
  - ✓ For the calculation of the terminal value, a nominal growth rate of 5.0% was used.
  - ✓ In order to estimate the fundamental value of the company, cash flows have been discounted using a discount rate based on its risk profile, where the risk of its countries in Central America and Colombia was weighted with that of the United States. This rate was calculated in Colombian pesos and in nominal terms, applying the CAPM methodology. The WACC at which the flows were discounted was 9.10%.
  - ✓ In the case of Celsia, a projection is made for a 5-year horizon, where revenues grow an average of 4.3%, in line with the projects that the company expects to implement over the next few years. For costs and expenses, an average increase of 4.0% is projected.
  - ✓ For the calculation of the terminal value, a nominal growth rate of 3.2% was used.
  - ✓ In order to estimate the fundamental value of the company, the flows have been discounted using a discount rate based on its risk profile. This rate was calculated in Colombian pesos and in nominal terms, applying the CAPM methodology. The WACC at which cash flows were discounted was 9.27%.

- ✓ The other companies in the portfolio of Grupo Argos are taken at book value and in the case of Odinsa is taken as reference the value of the Colombian Stock Exchange.

As for the other investments, a fundamental valuation of their investments is made which includes the fundamental value of Grupo SURA.

11.2. INVESTMENTS IN SUBSIDIARIES

General information on investments in subsidiaries

The following is a breakdown of the entities over which Grupo SURA possesses direct control at December 31, 2019 and December 2018:

Company	Country	Economic activity	Percentage of property		
			December 2019	December 2018	Date of creation
SURA Asset Management S.A.	Colombia	Investor	83.58%	83.58%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investor	100%	100%	11/07/2012
ARUS S.A.	Colombia	Technology	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	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.	Panama	Investor	100%	100%	21/02/2018

Saldo de la inversión

The detail of the balance of investments in subsidiaries by the Equity Method as of December 31, 2019 and December 2018, is as follows:

Company	December 2019	December 2018
SURA Asset Management S.A.	9,726,909	9,775,377
Suramericana S.A.	4,069,574	3,909,300
Inversiones y Construcciones Estratégicas S.A.S.	181,441	150,259
ARUS Holding S.A.S.	72,952	71,569
SURA Ventures S.A.	77,499	80,693
ARUS S.A.	3,460	3,612
Enlace Operativo S.A.	1,267	1,026
Total	**14,133,102**	**13,991,836**

Assets, liabilities, equity, and results of the subsidiaries

Assets, liabilities, equity, and income of each of the Company's subsidiaries, included in the Financial Statements for the period of December 31, 2019 and December 2018, are as follows:

December 2019	Asset	Liability	Equity	Profit	Other comprehensive result
SURA Asset Management S.A. (*)	20,929,247	11,862,740	9,066,507	723,846	(230,652)
Arus Holding S.A.S.	75,730	2	75,728	1,446	(2)
ARUS S.A.	126,687	93,930	32,758	(2,540)	-
Enlace Operativo S.A.	26,462	4,361	22,101	4,220	-
Inversiones y Construcciones Estratégicas S.A.S	189,276	7,834	181,441	29,200	2,208
Suramericana S.A. (*)	28,414,922	23,391,494	5,023,429	390,571	(46,284)

Sura Ventures S.A.	120,132	21	120,111	(12,840)	1,547

*Figures taken from the Consolidated Financial Statements

December 2018	Asset	Liability	Equity	Profit	Other comprehensive result
SURA Asset Management S.A. (*)	25,676,479	16,546,771	9,129,708	370,319	(94,632)
Arus Holding S.A.S.	74,414	121	74,293	6,508	(1,580)
ARUS S.A.	100,046	64,329	35,716	4,652	-
Enlace Operativo S.A.	28,354	10,473	17,881	2,695	-
Inversiones y construcciones Estratégicas S.A.S	155,418	5,159	150,259	1,591	(954)
Suramericana S.A. (*)	26,632,648	21,816,831	4,815,816	524,612	(6,043)
Grupo de Inversiones Suramericana Panamá S.A.	-	-	-	-	(4,322)
Grupo SURA Finance S.A.	-	-	-	-	933
Sura Ventures S.A.	118,863	10	118,853	(8,719)	(10,723)

(*) Figures taken from the Consolidated Financial Statements

The Equity Method of subsidiaries

The following is a breakdown of profit or (loss) from the Equity Method, as of December 31th of 2019 and 2018:

Subsidiary	December 2019	December 2018
SURA Asset Management S.A.	604,970	305,221
Suramericana S.A.	316,867	425,613
Inversiones y construcciones Estratégicas S.A.S.	29,200	1,591
Arus Holding S.A.S.	1,393	6,269
Enlace Operativo S.A.	242	155
ARUS S.A.	(131)	239
Grupo SURA Finance S.A.	-	(2,109)
Grupo de Inversiones Suramericana Panamá S.A.	-	(25,172)
SURA Ventures S.A.	(16,975)	(12,850)
Total	**935,566**	**698,957**

Movement of investments in subsidiaries

The movement of investments in subsidiaries, is as follows:

	Asset	Liability	Income statement	Other comprehensive result
Balance at January 1, 2018	**13,119,248**	**(201,565)**	**-**	**1,220,358**
Additions (1)	867,446	-	-	-
Dividends	(479,667)	(20,000)	-	-
Equity variation	(177,600)	185,017	-	7,421
Income/expenses from the Equity Method	726,238	(27,281)	698,957	-
Merger of GIS Panama -Finance (3)	(63,829)	63,829	-	-
Closing balance at December 31, 2018	**13,991,836**	**-**	**698,957**	**1,227,779**

Additions (3)	12,593	-	-	-
Dividends	(626,869)	-	-	-
Equity variation	(180,024)	-	-	(180,024)
Income/expenses from the Equity Method	935,566	-	935,566	-
Closing balance at December 31, 2019	**14,133,102**	**-**	**935,566**	**1,047,755**

(1) As a result of the merger, Grupo de Inversiones Suramericana Panamá's investment in SURA Asset Management was transferred for $824,069 and capitalizations made to SURA Ventures during 2018 for $43,377.

On February 21, 2018, the split in Grupo de Inversiones Suramericana Panamá S.A., was approved and a new company was created, beneficiary of the split, named SURA VENTURES S.A. The capital of the new company, which was constituted, is paid for with the assignation of part of the capital of Grupo de Inversiones Suramericana Panamá S.A.

(2) The effect of the merger of Grupo SURA Panama and Grupo SURA Finance on the separate financial statements of Grupo SURA, correspond to the reclassification of equity accounts.

(3) Capitalizations made to SURA Ventures in 2019.

NOTE 12. EMPLOYEE BENEFITS

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

	Note	December 2019	December 2018
Short-term	12.1	8,970	5,979
Long-term	12.2	2,817	1,365
Post - Employment	12.3	463	13,354
		12,250	**20,698**

12.1. Short-term benefits

Among the short-term benefits of Grupo SURA are the following:

a) Social security and mandatory benefits: accrued monthly, according to the legal regulations of each country. Payments are made in accordance with the requirements of the law.

b) The short-term Incentive Performance Bonus (IPB): Accrued monthly, based on an estimate of compliance percentage, paid in the month of March, of each year, and entitled by, within other considerations, all officials who have met objectives fixed previously, and to the extent that corporate objectives of timely communication, are met.

c) Other benefits: correspond to benefits such as vacation bonuses, extra-legal service premiums, and Christmas bonuses, which are charged to expenses, to the extent that the service or benefit is provided.

The detail of the short-term benefits is as follows:

	December 2019	December 2018
Severance	203	150
Interest on severance	24	17
Vacations	725	538
Extralegal premiums	522	312
Bonuses (current)	7,496	4,962
	8,970	**5,979**

12.2. Long term benefits

12.2.1. A breakdown of long-term benefits

The following describes the long-term benefits that Grupo SURA presents:
Seniority premium

This benefit is paid to the employee, every five years, and in ranges from 18 to 44 days, of salary, according to time worked.

Years of service	Salary Days
5	18
10	29
15	34
20 and more	44

Performance bonus

The performance compensation system is an acknowledgment of the effort of all employees in achieving the Company's objectives and continuing to generate value. This system is framed within a regulation whose content is as follows:

General conditions: general policies, definition of levels, management procedures, and governance.
Measurement system - performance indicators: It is essential to define an adequate scheme of performance indicators, so that they are clear, measurable, and achievable.

These indicators are defined at the beginning of each year and must be aligned with the strategic direction of the Company, as well as with the various activities and human competencies required to achieve the Company's objectives. This includes measurement period, evaluation scheme, monitoring, adjustments, and definitions of indicators.

Payment system: is subject to compliance with the performance indicators and the approval of the Appointments and Remuneration Committee. The remuneration scheme is defined, according to each level.

The long-term benefits are detailed below

	December 2019	December 2018
Seniority premiums	267	175
Bank of bonds	2,550	1,190
	2,817	**1,365**

12.2.2. Reconciliation of long-term benefits

The movement of benefits to employees is as follows:

	Bank of bonds	Seniority premium	Total
Initial balance January 1, 2018	**2,929**	**132**	**3,061**
New measurements	494	45	539
Financial assumptions	125	9	134
Payments effectuated by the plan	(2,358)	(11)	(2,369)
Present value of obligations at December 31, 2018	**1,190**	**175**	**1,365**
New measurements	1,501	101	1,602
Financial assumptions	57	8	65
Payments effectuated by the plan	(198)	(17)	(215)
Present value of obligations at December 31, 2019	**2,550**	**267**	**2,817**

12.2.3. Main assumptions used in the actuarial calculation

The principal actuarial assumptions, used to determine the obligations for defined long-term benefits, are as follows:

	Bond Bank		Seniority premiums	
	2019	**2018**	**2019**	**2018**
Discount rate (%)	2.02%	5.75%	2.02%	2.68%
Annual salary increases rate (%)	N/A	N/A	1.5%	5.0%
Annual inflation rate (%) LP	2019: 3.8% 2020 and Sgtes: 3.0%	2018: 3.5% 2019 and Sgtes: 3.0%	3.0%	3.50%

12.2.4. Sensitivity analysis

Sensitivity analysis (2019 and 2018) of 0.50% in the discount rate, inflation rate and salary increase:

2019

	Bond Bank		Seniority premium			
	Discount rate		Discount rate		Salary increase	
	Increase +0.50%	Discount -0.50%	Increase +0.5%	Discount -0.5%	Increase +0.5%	Discount -0.5%
Current value of the obligation	2,545	2,553	258	278	278	258
Variation due to sensitivity in the variables	4	(4)	9	(10)	(10)	9

2018

	Bond Bank		Seniority premium			
	Discount rate		Discount rate		Salary increase	
	Increase +0.50%	Discount -0.50%	Increase +0.5%	Discount -0.5%	Increase +0.5%	Increase -0.5%
Current value of the obligation	1,187	1,193	169	181	181	169
Variation due to sensitivity in the variables	3	(3)	6	(6)	(6)	6

12.3. Post-employment benefits

12.3.1. Reconciliation of post-employment benefit

The post-employment benefit corresponds to the pension retirement bonus of the Directors of Grupo SURA.

The movement of benefits to employees is as follows:

Present value of obligations at January 1, 2018	Retirement benefits 24,144	Retirement pension 71	Total 24,215
Cost of present service	771	7	778
Income or (expenses) from interest	1,330	5	1,335
Actuarial gains or losses due to changes in: Financial assumptions	-	17	17
Actuarial gains or losses due to changes in: Actuarial assumptions	(344)	-	(344)
Present value of obligations at December 31, 2018	**25,901**	**100**	**26,001**
Cost of the present service	905	10	915
Income or (expenses) by interest	1,526	6	1,532
Actuarial gains or losses due to changes in: Financial assumptions	1,673	65	1,738
Actuarial gains or losses due to changes in: Actuarial assumptions	-	-	-
Payments effectuated by the plan		(18)	(18)
Present value of obligations at December 31, 2019	**30,005**	**163**	**30,168**

	December 2019	December 2018
Passive balance	30,168	26,001
Assets of the plan	(29,705)	(12,647)
Net Liabilities	**463**	**13,354**

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

	2019	2018
Discount rate (%)	5.33%	5.89%
Annual salary increase rate (%)	4,80%	4,69%
Annual inflation rate (%)	3.20%	3.20%

For the post-employment benefit passive discount, the zero-coupon rate of Colombian bonds is taken into account.

12.3.2. Sensitivity analysis

The following tables show the effects of variation of the inflation rate and of the discount rate:

Retirement bonus

2019

Discount rate	Current value of benefits	% Variation	Cost of the current service
Current study	30,005		905
1% increase in the discount rate	29,955	-0,17%	902
1% reduction in the discount rate	30,054	0,17%	907

Rate of inflation	Current value of benefits	% Variation	Cost of the current service
Current study	30,005		905
1% increase in the discount rate	30,027	0,08%	906
1% reduction in the discount rate	29,982	-0,08%	903

2018

Discount rate	Current value of benefits	% Variation	Cost of the current service
Current study	25,901		772
1% increase in the discount rate	25,857	-0,17%	770
1% reduction in the discount rate	25,946	0,17%	774

Rate of inflation	Current value of benefits	% Variation	Cost of the current service
Current study	25,901		772
1% increase in the discount rate	25,918	0,06%	773
1% reduction in the discount rate	25,885	-0,06%	771

Retirement pension

2019

	Discount rate		Growth Benefit	
	Increase +0.5%	Discount -0.5%	Increase +0.5%	Discount -0.5%
Present value of the obligation	153	173	173	153
Variation by sensitivity in the variables	9	(10)	(10)	9

2018

	Discount rate		Growth Benefit	
	Increase +0.5%	Discount -0.5%	Increase +0.5%	Discount -0.5%
Present value of the obligation	95	104	104	95
Variation by sensitivity in the variables	4	(4)	(4)	4

12.4. Employee benefits expenses

Below are the expenses for employee benefits, for 2019 and 2018:

	December 2019	December 2018
Comprehensive salary	(13,255)	(11,593)
Bonuses	(7,858)	(1,090)
Retirement bonus	(2,606)	(2,102)
Salaries	(2,311)	(1,851)
Contributions for pensions	(1,679)	(1,334)
Vacation bonus	(1,180)	-
Family compensation fund contributions, ICBF and SENA	(1,010)	(900)
Vacations	(954)	(1,048)
Contributions for health	(567)	(476)
Staff training	(522)	(451)
Extra-Legal Bonus	(309)	(1,195)
Legal premium	(219)	(176)
Severance	(208)	(180)
Insurance	(193)	(139)
Other benefits to employees (*)	(160)	(141)
Seniority bonus	(112)	-
Extra hours	(72)	(70)
Retirement pensions	(65)	(28)
Disabilities	(48)	(19)
Mandatory Insurance (ARL)	(40)	-
Interest on severance	(25)	(19)
Indemnities	(22)	(7)
Bond Bank	(18)	(895)
Staffing and supplies to employees	(6)	-
	(33,439)	(23,714)

(*) Corresponds to post-employment benefits of defined contribution plans.

NOTE 13. PROVISIONS

Provisions for contingencies

The following is a summary of provisions:

Company	December 2019	December 2018
National Directorate of Taxes and Customs (*)	3,470	3,470
Total	3,470	3,470

(*) Grupo de Inversiones Suramericana S.A., recently resolutions that decide the appeals of reconsideration where the values proposed by the DIAN in the official liquidation of revision are confirmed. The resolutions of the appeals originate in differences of interpretation with the DIAN in the income tax assessments for the years 2009, 2010, 2011, and 2013, a situation that was announced to the market in Relevant Information on March 23, 2016.
Based on the provisions of Law 1819 of 2016 on Tax Reform, the Company realizes the analyses to realization reconciliation process with the DIAN, with respect to the value of the

processes described above, for an estimated COP 37,666 million, which was provisioned in the Financial Statements of the Company and of which COP 34,196 million were already paid in October 2017. This procedure will be subject to the regulations issued by the National Government, on the occasion of the reform. The mentioned procedure will allow a solution to the differences with the tax authority, without implying acceptance of any responsibility on the part of the Company, who maintains its criterion against the interpretation of the tax norm that gave origin to the difference. At December 31, 2019 and December 31, 2018, $3,470, is provisions.

NOTE 14. SECURITIES ISSUED

The following is an overview of the securities issued:

	December 2019	December 2018
Outstanding bonds (1)	3,958,384	4,088,985
Preference shares (2)	460,712	460,699
Total	**4,419,096**	**4,549,684**

The following is a breakdown of bonds issued:

(1) Outstanding Bonds:

				Amortized cost		Fair Value	
Date Issued	Maturity Date	Nominal value	Emission rate	December 2019	December 2018	December 2019	December 2018
29-abr-16	29-abr-26	USD 550*	+ 5.50%	1,799,460	1,781,904	1,059,566	1,857,840
18-may-11	18-may-21	USD 300*	+ 5.70%	987,839	978,285	2,110,775	1,028,386
07-may-14	07-may-23	223,361	CPI + 3.80%	225,364	225,381	238,766	238,476
23-feb-17	23-feb-22	193,549	+ 7.21%	194,720	194,615	202,910	199,336
23-feb-17	23-feb-29	190,936	CPI + 3.58%	191,423	191,200	200,610	194,207
23-feb-17	23-feb-24	165,515	CPI + 3.19%	166,053	165,787	172,942	171,565
07-may-14	07-may-19	103,278	CPI + 3.24%	-	104,278	-	106,897
07-may-14	07-may-30	100,000	CPI + 4.15%	100,797	100,825	131,728	133,296
07-may-16	07-may-20	100,000	CPI + 3.55%	101,005	100,689	120,354	116,768
25-nov-09	25-nov-29	98,000	CPI + 5.90%	96,488	96,256	109,842	104,784
25-nov-09	25-nov-49	97,500	CPI + 6.98%	95,235	95,138	101,849	102,490
07-may-14	07-may-24	54,500	CPI + 4.40%	-	54,627	-	55,992
				3,958,384	**4,008,985**	**4,449,342**	**4,310,037**

*Values expressed in millions of dollars

(1) **Preference shares:**

On November 29, 2011, the issuance of 106,334,963 preference shares was realized, in amount of $32,500 per share (in Colombian Pesos). from the date of issuance and for 3 years, a quarterly dividend of 3% EAR on the value of the issue is paid. As of 2015, EAR pays 0.5%, quarterly, on the issue price.

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

For these purposes, the Reference Subscription Price shall mean the subscription price of preference shares in any placement of preference shares, by the Company in the most recent primary market transaction approved by the general meeting, including, but not limited to, issuances and public offerings, private issues, capitalization of claims, dividend payment in shares, among others. In no case shall it be understood that the Reference Subscription Price will correspond to the trading price of the preference shares in the secondary market. The General Meeting of Shareholders shall determine the form and dates of payment of the dividend of the preference shares under conditions equal to those of the dividend of the ordinary shares.

The previous dividend will be paid in preference to the dividend that corresponds to the ordinary shares.

Also, on March 31, 2017, the Board of Directors of the Company, in thirty-five thousand, nine hundred seventy-three pesos ($35,973), fixed the subscription price of the preference shares that would be delivered for dividend payment in shares.

Movements of the debt instruments issued, for December 31, 2019 and 2018, are as follows:

	Bonds	Preference shares	Total
At December 31, 2017	**1,329,041**	**450,752**	**1,779,793**
Additions (*)	2,461,912	-	2,461,912
Caused Interest	150,834	9,947	160,781
Interest payments	(163,499)	-	(163,499)
Exchange differences	310,697	-	310,697
At December 31, 2018	**4,088,985**	**460,699**	**4,549,684**
Caused Interest	219,406	40,641	260,047
Interest payments	(376,212)	(40,628)	(416,840)
Exchange differences	26,205	-	26,205
At December 31, 2019	**3,958,384**	**460,712**	**4,419,096**

(*) In 2018, Grupo SURA recognized as liabilities the bonds from Grupo SURA Finance, resulting from the merger with this company on 31 July 2018. Since the Finance bonds are issued in US dollars, Grupo SURA decided to apply hedge accounting from September 2018, the effects of which are taken to other comprehensive income and the income statement. The hedge structure was made up of swaps and options.

NOTE 15. EQUITY

15.1. Issued capital

The authorized capital of the Company is constituted by 600,000,000 shares of nominal value, in the amount of $187.50 pesos, for each one. The capital subscribed, and paid, at December 31, 2019 and 2018 was 581,977,548 shares.

	December 2019	December 2018
Authorized shares	600,000,000	600,000,000
Subscribed and paid shares:		
Ordinary of nominal value	469,037,260	469,037,260
With a preference dividend without the right to vote	112,940,288	112,940,288
Total shares	**581,977,548**	**581,977,548**
Share and paid capital (nominal value)	109,121	109,121

15.2 Share premium

The balance of the account as of December 31, 2019 and 2018 is $ 3,290,767. Includes the highest value paid, over the nominal value of the shares, and are charged, when disposing them. In 2017, the excess of the minimum dividend, proposed by the preference shares, was recorded.

15.3. Reserves

Reserves consists of the following:

	December 2019	December 2018
Legal	138,795	138,795
Occasional	6,252,110	5,923,603
Total reservations	**6,390,905**	**6,062,398**

Legal

In accordance with legal provisions, the Company must establish a legal reserve, reserving 10% of the net profits of each year, until reaching fifty percent (50%) of the subscribed capital. The reserve may be reduced to less than fifty percent (50%) of the subscribed capital, when its purpose is to financing losses, in excess of undistributed profits. The reserve cannot be used to pay dividends, nor to cover expenses, or losses, during the time the Company has undistributed profits.

Occasional

By decision of the shareholders' meeting, this reserve may be increased in excess of fifty percent (50%) of the subscribed capital, which will be available to the assembly to change its destination when it deems it appropriate.

NOTE 16. DIVIDENDS

Paid and declared

Dividends, paid and declared, at the cut-off date, are as follows:

Dividends payable at December 31, 2017	**1,350**
Ordinary declared	242,961
Preferential declared	58,503
Subtotal dividends declared	**301,464**
Payment ordinary shares	(181,890)
Payment of preference shares	(43,820)
Others	(223)
Dividends payable at December 31, 2018 (note 6.2.2)	**76,881**
Ordinary declared	257,971
Preferential declared	62,117
Subtotal dividends decreed	**320,088**
Payment ordinary shares	(253,822)
Payment of preference shares	(61,127)
Others	(284)
Dividends payable at December 31, 2019 (note 6.2.2)	**81,734**

After the annual closing of the 2018 financial statements, the directors proposed the following distribution of retained earnings for 2018, which was paid in cash, and appropriated the non-taxable occasional reserve.

The dividend was five hundred and fifty pesos (COP$ 550) per share on 581,977,548 ordinary and preferential shares and 100% not taxed for the shareholder, neither for income nor occasional profit, as established in Articles 48, 49 and 36-3 of the Tax Statute.

Dividends, paid in cash, are as follows:
One hundred and thirty-seven pesos and fifty cents (COP $137.50) for each share on the following dates: April 12, 2019, July 3, 2019, October 1, 2019, and January 2, 2020.

NOTE 17. OTHER COMPREHENSIVE INCOME

Other comprehensive income of Grupo SURA, is as follows:

		Other comprehensive income			
Component	**Note**	**December 2019**	**December 2018**	**December 2019**	**December 2018**
Equity investments measured at fair value through equity (1)	6	(4,454)	(10,454)	6,000	(3,948)
Equity Movement of Investments in Subsidiaries (2)	11	1,047,756	1,227,780	(180,024)	7,421
New Defined Benefit Plan Measurement Component (3)	12	(4,276)	(1,822)	(2,454)	153
Cash flow hedges (4)	7	(695)	(6,299)	5,604	(6,299)
Loss for difference in exchange for conversion (from merger) (5)		(10,827)	(10,827)	-	(10,827)
Total other comprehensive income		**1,027,504**	**1,198,378**	**(170,874)**	**(13,500)**

(1) El The component of other comprehensive income, from equity investments, measured at fair value through profit or loss, represents the accumulated value of the gains or losses, from the valuation at fair value minus the values transferred to retained earnings, when these investments have been sold. Changes in fair value do not reclassify to the results of the period. For further details see Note 6.1. Financial assets.

(2) Corresponds to the application of the equity method for subsidiaries.

(3) The new measures component of defined benefit plans represents the cumulative value of actuarial gains or losses, excluding amounts included in net interest on net defined benefit liability. The net value of the new measurements is transferred to retained earnings and is not reclassified to earnings for the period. The movement includes a tax of (781) (See Note 8.2. Deferred taxes)

(4) The other comprehensive income component of cash flow hedges represents the cumulative value of the effective portion of the gains or losses arising from changes in the fair value of hedged items in a cash flow hedge. The cumulative value of the gain or loss is reclassified to profit or loss only when the hedged transaction affects profit or loss or the highly probable transaction is not expected to occur, or is included, as part of its book value, in a non-financial hedged item. The balance includes a tax of 2,402 (See note 8.2. Deferred taxes).

(5) Corresponds to the conversion of foreign currency, resulting from the merger of the companies, Grupo Sura Finance and Grupo de Inversions Sura Panama. See Note. 11.2 Investments in subsidiaries.

NOTE 18. INCOME AND EXPENSES

The following is a summary of income and expenses:

	December 2019	December 2018
Income from the Equity Method (note 11.2)	935,566	698,957
Dividends (Note11.1)	435,403	406,064
Gain/Loss on Derivatives (1)	(4,527)	92,218
Other income (2)	323	4,443
Investment income, net	2,273	1,508
Income from the fair value of investments	-	364
Total	**1,369,038**	**1,203,554**

(1) Corresponds to the net income from valuation of swap derivatives, options, and forwards, which are detailed in Note 7 Derivatives. The following is the balance of income and the valuation expense of swaps, options, and forwards:

	December 2019	December 2018
Income from the valuation of swaps, options, and forwards	72,865	299,847
Expenses from the valuation of swaps, options, and forwards	(77,392)	(207,629)
Total	**(4,527)**	**92,218**

The following is a breakdown of other income:

	December 2019	December 2018
Leverage	261	3,874
Security deposits	-	546
Recognition of work leave	70	23
Profit/loss from the sale of fixed assets	(8)	-
Total	**323**	**4,443**

NOTE 19. ADMINISTRATIVE EXPENSES

The administrative expenses are as follows:

	December 2019	December 2018
Travel and representative expenses	(8,674)	(6,923)
Taxes	(7,669)	(7,582)
Others	(6,857)	(6,085)
Publicity	(3,449)	(2,086)
Insurance	(2,206)	(1,547)

Maintenance and repairs	(1,396)	(632)
Contributions	(964)	(2,932)
Commissions	(898)	(924)
Utilities	(544)	(553)
Seasonal services	(520)	(459)
Leases (note 10)	(239)	(378)
Tools and paperwork	(198)	(42)
Electronic data processing	(13)	(184)
Legal	(7)	(343)
Total	**(33,634)**	**(30,670)**

NOTE 20. HONORARIUM EXPENSES

Honorarium expenses are as follows:

	December 2019	December 2018
Legal consultation	-	(54)
Consultants and advisory	(8,877)	(8,472)
Board of Directors	(940)	(910)
Auditor	(376)	(388)
Total	**(10,193)**	**(9,824)**

NOTE 21. FINANCIAL RESULTS

The financial results are detailed below:

	December 2019	December 2018
Gains at fair value - Derivatives (1)	(4,527)	92,159
Exchange rate difference (net) (2)	(17,354)	(274,556)
Interest (3)	(357,207)	(304,591)
Total	**(379,088)**	**(486,988)**

(1) Corresponds to the valuation of derivatives.

(2) Below is a detail of the difference in exchange:

	December 2019	December 2018
Derivatives	2,042	15,729
Dollar loans	(1,800)	(33,214)
Bonds	(17,988)	(310,697)
Other Loans	-	53,626
Others	392	-

Total	(17,354)	(274,556)

(3) The following is a detail of the interests:

	December 2019	December 2018
Securities issued	(253,555)	(150,834)
Bank loans	(43,201)	(65,810)
Preference shares	(40,641)	(40,418)
Financial leasing (note 10)	(1,054)	(1,096)
Repo operations	(1,979)	228
Hedging operations	(15,983)	60
Others	(794)	(46,721)
Total	**(357,207)**	**(304,591)**

NOTE 22. EARNINGS PER SHARE

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

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

	December 2019	December 2018
Profit, net	932,190	648,593
Controlling profit	**932,190**	**648,593**
Plus: Interest expense on preference shares (1) (note 14)	40,641	40,418
Less: undistributed earnings to preference stockholders (2)	(188,790)	(133,712)
Profit from continuing operations	**784,041**	**555,299**
Ordinary shares	469,037,260	469,037,260
Earnings per share from discontinued operations	**1,672**	**1,184**

[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 parent company's earnings attributable to the preferred shares that has not been declared as a dividend.

NOTE 23. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

Governance Framework of the Risk Management System

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

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

In addition to the existing risk management system, the Conglomerates Law issued on September 21, 2018, gives Grupo SURA new obligations as the Financial Holding Company of the Conglomerate in terms of risk management. The scope of this system covers not only the Business Group but also all the Companies that make up the Financial Conglomerate. Said regulations seek to develop a Risk Management Framework for the Financial Conglomerate SURA-Bancolombia (FC), emphasizing the development of guidelines to define risk appetite, adequate capital level and the management of strategic, contagion, concentration and reputational risks.

This year Decree 774 of 2018 and External Circular Letter 012 of 2019 issued by the Ministry of Finance and the Superintendence of Finance of Colombia came into force to regulate the adequate level of capital of Financial Conglomerates. It is important to emphasize that the coming into force of such regulations assigns the responsibility of Grupo SURA to watch over the capital sufficiency of the FC. As relevant activities in this matter, we highlight the presentation of the technical document with the respective justification for the definition of the financial statement base and solvency regimes for the companies of the conglomerate and the transmission of the test calculations to the Superintendence evidencing the capital adequacy of the FC.

Continuing with the projects related to the Law of Conglomerates, during the year there have been important advances related to the definitions of Decree 1486 of 2018. In particular, progress was made in the identification of FC related parties, the definition of the conflict of interest policy, the risk concentration policy and the definition of FC exposure and risk concentration limits.

Additionally, the Company participated in the preparation of External Circular Letter 013 of 2019, by means of which the operation of the FC risk management framework is regulated, which is in force from mid-2021. In compliance with the regulatory requirements in this matter, the work plan containing the necessary activities for the implementation of the Risk Management Framework within the stipulated term was submitted.

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

1. Financial Risk Management

The behavior of the financial markets and the economies of the region has an effect on the Company's results, its capital structure and in general on the performance of the portfolio investments. Therefore, the Company monitors its exposure to credit, market and liquidity risks.

The following is a description of Grupo SURA's management of the main financial risks:

1.1 Credit Risk Management

Credit risk management seeks to reduce the probability of incurring losses arising from the failure of third parties to meet their financial obligations to the Company. To this end, the treasury management has defined guidelines that facilitate the analysis and monitoring of issuers and counterparties, ensuring that investments are always backed by issuers and/or administrators with adequate credit strength.

At 31 December 2019, Grupo SURA's cash investments were mainly concentrated on liquid mutual funds managed by high credit quality managers, savings accounts and current accounts.

The Company's counterparty to the credit risk in the positions of the derivative instruments is local and international banks with appropriate credit ratings, all above investment grade. Below is a list of the counterparties and their credit ratings (at the international level):

Bank	Qualification
Merrill Lynch International	A+
Citibank N.A.	A+
JP Morgan Chase Bank, N.A.	A+
Morgan Stanley & Co International PLC	A-
BBVA S.A.	A

The following is a detail of active derivatives by third party:

Banco	December 2019	December 2018
Merrill Lynch International	161,154	10,158
Citibank N.A	60,557	63,372
JP Morgan Chase Bank, N.A.	43,616	42,308
Morgan Stanley & Co International PLC	18,005	12,248
BBVA S.A.	22,328	16,293
Total general (note 6.1.)	**305,660**	**144,379**

For further details on the Company's financial assets, see NOTE 6.1 Financial Assets.

Other minor assets, not material to the Company, are Loans and Accounts Receivable, which correspond to loans to employees and other accounts with low credit risk. Further details of these accounts receivable are included in Note 6. 1.

Impairment of assets and receivables

The Company periodically analyses the existence of indicators of impairment and, if necessary, recognizes impairment losses in the associated account. Details of the accounting policies used to carry out this management, including the methods of impairment, are presented in greater detail in Note 2.3.3.

1.2 Market Risk Management

Management of this risk focuses on monitoring changes in market prices that may affect the Company's revenues or the value of its investments.

Market risk at Grupo SURA is mainly generated by the following factors:

- Liquidity management of the treasury is carried out mainly through investments in mutual funds and debt instruments, thus tending to reduce exposure to market risks.
- Financial liabilities acquired in foreign currency and those tied to floating rates, which result in exposure to exchange rate and interest rate risk.

Grupo SURA analyzes the impact that variables such as the interest rate and the exchange rate generate on its results, so that it can determine whether it is advisable to develop hedging strategies with financial derivatives to mitigate their volatility.

During 2019, Grupo SURA closed hedge derivatives on foreign currency debts which generated volatility in the company's results, but which thanks to these new hedges were mitigated in a year of great variations in market conditions.

For further details on financial debt and derivatives, see Note 6.1 "Financial Assets" and Note 6.2 "Financial Liabilities".

Sensitivity analysis

The following is a sensitivity analysis that seeks to estimate the impact generated by changes in the exchange rate on the Company's dollar liabilities and financial derivatives; and as such, on the Company's pre-tax earnings.
These sensitivities are performed taking into account simulated variations of +/- 10% in the peso-dollar exchange rate against its closing value in 2018 and 2019; and represent the amounts on which pre-tax earnings would be impacted, should such movement occur.

Exchange rate sensitivities		
MRT 3,277.14	**Impact on pre-tax income 2019 versus +10% change in exchange rate**	**Impact on pre-tax income 2019 versus -10% change in exchange rate**
Financial Liabilities	(55,000)	55,000
Derivatives	37,125	(37,882)
Total	**(17,875)**	**(17,118)**

Figures in millions of pesos, with a cut-off date of December 31, 2019.

Exchange rate sensitivities		
MRT 3,249.75	**Impact on pre-tax income 2018 versus +10% change in exchange rate**	**Impact on pre-tax income 2018 versus -10% change in exchange rate**
Financial Liabilities	(55,460)	55,460
Derivatives	22,579	(23,087)
Total	**(32,881)**	**32,373**

Figures in millions of pesos, with a cut-off date of December 31, 2018

Additionally, in order to estimate the impact that a variation in the interest rate would have on the valuation of the derivatives, a sensitivity of +/- 10 BP in the interest rate in pesos was carried out, giving the following results:

Interest Rate Sensitivities		
MRT 3,277.14	**Impact on Pre-tax Income 2019 versus +10PB variation in the interest rate**	**Impact on Pre-tax Income 2019 vs. -10PB variation in the interest rate**
Derivatives	5,157	(5,198)
Total	**5,157**	**(5,198)**

Figures in millions of pesos, with a cut-off date of December 31, 2019.

Interest Rate Sensitivities		
MRT 3,249.75	**Impact on Pre-tax Income 2018 versus +10PB variation in the interest rate**	**Impact on Pre-tax Income 2018 vs. -10PB variation in the interest rate**
Derivatives	2,518	(2,535)
Total	**2,518**	**(2,535)**

2018 Figures in millions of pesos, with a cut-off date of December 31, 2018.

1.3 Liquidity Risk Management

Liquidity risk refers to the Company's ability to generate the resources necessary to meet its obligations and the operation of its business.

In order to manage this risk, Grupo SURA focuses its actions within the framework of a short- and long-term liquidity management strategy in accordance with the policies and guidelines issued by the Board of Directors and Senior Management, which include both conjunctural and structural aspects, in order to ensure that the obligations acquired are met, under the conditions initially agreed and without incurring additional costs. Likewise, it follows up on cash flow in the short term to manage collection and payment activities from the treasury, and cash flow projections in the medium term, so as to determine the liquidity position and anticipate the necessary measures for adequate management.

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

During 2019, in order to gain greater financial flexibility, Grupo SURA implemented a deleveraging strategy, applying the income from available funds to debt repayment, after a period of investment and growth in previous years.

Additionally, during the year, the company refinanced loans, improving the maturity profile of financial obligations and taking advantage of market opportunities to obtain better financing rates.

The Company also maintains investments in assets to manage liquidity. For further details see Note 6.1 Financial Assets.

The maturities of the Company's financial obligations are also presented. For further details see Note 6.2 Financial Liabilities.

1. **Management of operational and other risks**

Functional or operational risks refer to events that prevent the normal development of the Company's operation and that are associated with people, technology and processes. At Grupo SURA, the management of these risks focuses on analyzing the exposure of processes and projects, in order to propose strategies to mitigate their impact.

Within the management of these risks, the following stand out:

- **Business Continuity Risk:** In order to ensure the adequate implementation of strategies and procedures in the event of events that impact the Company's processes and projects, during the year progress was made in updating the business continuity plan based on a new methodology. Critical processes and associated risks were identified according to the operation enablers: people, infrastructure and technology.

  As a result of this work, it was possible to structure specific strategies to respond to interruption events, improving the Company's exposure profile to this type of risk.

- **Reputational risk:** the perception of the various stakeholders with which Grupo SURA relates represents a fundamental asset for the fulfilment of strategic objectives.

  A situation of discredit, bad image, negative publicity, among others, whether or not they are true, with respect to the Company and its business practices could affect the different relationships with stakeholders.

  Grupo SURA has action guidelines for managing events that may cause a reputational risk and escalate into a crisis. As part of the strategy to strengthen management capacities, training programs are developed for internal teams involved in the management of these risks, as well as the establishment of formal channels for the communication of events that may occur.

  During 2019, progress was made in the risk and reputation crisis management system, particularly in the design and implementation of the reporting and systematization system for events. It is important to highlight that during said period, no relevant events were presented.

- **Risk of fraud, corruption, bribery and LAFT (Policy for the Prevention of Money Laundry and Terrorism Financing):**: With regard to the prevention of fraud and corruption, the Company has provisions and guidelines to manage events that may generate this type of risk and minimize the probability of their occurrence, materialization and impact.

In turn, it has an Integrated System for the Prevention and Control of Money Laundering and Financing of Terrorism - SIPLA, which establishes procedures to prevent the company from being used, without its consent or knowledge, for the handling or investment of money from illegal activities. The procedures established include due diligence in the linkage of suppliers, investors, among other interest groups, and periodic monitoring activities, follow-up and checks on international restrictive lists.

During 2019, risks associated with fraud, corruption and LAFT were identified in each of the company's processes. Subsequently, an evaluation of these risks was carried out and action and mitigation plans were formulated for each of them, which will be implemented during the following year.

- **Legal Risk – Compliance:** With regard to legal risk, Grupo SURA adopts the external and general guidelines issued by the respective control body, as well as those established internally, issued by its Board of Directors.

  The Company has a Compliance area, whose main responsibility is the Compliance Management System so that the commitments acquired within Grupo SURA are fulfilled.

  During 2019, we continued to strengthen the culture of ethics and compliance through different activities, which included strategies to disseminate and train employees, related to the standards of ethics and conduct defined by the Business Group, actively involving Senior Management and the presidents of the companies who were responsible for disseminating the values that characterize the corporate culture. Similarly, aware of the importance of suppliers, with whom the purpose of generating value and trust is shared, strategies and spaces for conversation were designed around the business philosophy.

- **Regulatory risk:** For Grupo SURA, regulatory risk management is strategic, considering that its main investments are in highly regulated sectors with dynamic regulatory environments. For this reason, we will continue to monitor possible regulatory changes in tax matters and in the insurance, banking and pension sectors in Latin America.

NOTE 24. 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 tries to maintain a balance between the higher returns that can be obtained with higher levels of credit, the advantages and the security provided by a solid capital position.

Grupo SURA monitors capital using an adjusted net debt and equity index. For this purpose, adjusted net debt is defined as total financial liabilities (financial liabilities and securities issued), which include interest-bearing loans plus proposed unearned dividends, less cash and cash equivalents.
In order to comply with the financial debt indicators established by the rating agencies to measure the degree of investment in the companies, Grupo SURA endeavors to keep the index below 25%. Grupo SURA's debt-to-equity ratio at December 31 was as follows:

	December 2019	December 2018
Financial liabilities (Note 6.2) (1)	5,267,868	5,553,824
Cash and cash equivalents (Note 5)	(3,145)	(9,241)
Net debt	**5,264,723**	**5,544,583**
Equity	23,544,140	23,075,391
Adjusted debt index - equity (2)	22.36%	24.03%

(1) Includes issued securities and other financial liabilities

(2) Net Debt/Equity

NOTE 25. INFORMATION DISCLOSED ON RELATED PARTIES

Grupo SURA subsidiaries are considered to be key management personnel, as well as entities over which key management personnel may exercise joint control, or control, and post- employment benefit plans for the benefit of employees.

The following is a breakdown of related parties, at December 31, 2019, of Grupo SURA:

a) Companies under direct or indirect control of Grupo SURA are listed in Note 11.2 Investments in subsidiaries.

b) Companies in which Grupo SURA has direct and indirect interests through its subsidiaries:

Entity	Type of entity	Dec 2019	Dec 2018	Country	Currency
Grupo de Inversiones Suramericana S.A.	Holding Company	Matrix			
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
Sura Investment Management Colombia S.A.S	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
SURA Asset Management España S.L.	Holding Company	0.00%	83.58%	Spain	Euro
Grupo Sura Chile Holdings I B.V.	Holding Company	0.00%	83.58%	Holland	Euro
SURA Asset Management Chile S.A.	Holding Company	83.58%	83.58%	Chile	Chilean Peso
Sura Data Chile S.A.	Vehicle dedicated to the provision of data processing services and leasing of computer equipment	83.58%	83.58%	Chile	Chilean Peso
SURA Servicios Profesionales S.A.	Vehicle dedicated to business consulting and advice	83.58%	83.58%	Chile	Chilean Peso
Sura Asset Management México S.A. de C.V.	Holding Company	83.58%	83.58%	Mexico	Mexican Peso
Sura Art Corporation S.A. de C.V.	Society dedicated to collecting Mexican art	83.58%	83.58%	Mexico	Mexican Peso
SURA Asset Management Perú S.A.	Holding Company	83.58%	83.58%	Peru	Soles
SURA Asset Management Uruguay Sociedad de Inversión S.A.	Holding Company	83.58%	83.58%	Uruguay	Uruguayan Peso
AFAP SURA S.A.	Company dedicated to the administration of social security savings funds.	83.58%	83.58%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Company dedicated to the administration of pension funds	83.33%	83.33%	Chile	Chilean Peso
Afore SURA S.A. de C.V.	Company dedicated to managing investment companies specializing in retirement funds	83.58%	83.58%	Mexico	Mexican Peso
AFP Integra S.A.	Pension Fund Administrator	83.58%	83.58%	Peru	Soles

Entity	Type of entity	Dec 2019	Dec 2018	Country	Currency
SURA Real Estate S.A.S.	Management consulting activities, real estate activities with own or leased assets	83.58%	83.58%	Colombia	Colombian Peso
Asesores SURA S.A. de C.V.	Sale of financial products and services	83.58%	83.58%	Mexico	Mexican Peso
Promotora SURA AM S.A. de C.V.	Provision of marketing, promotion and dissemination services for products of any kind	83.58%	83.58%	Mexico	Mexican Peso
WM Asesores en inversiones S.A de C.V	Management Consulting Services	83.58%	83.58%	Mexico	Mexican Peso
Seguros de Vida SURA S.A. (Chile)	Company engaged in insurance activities, related to life	83.58%	83.58%	Chile	Chilean Peso
Pensiones SURA S.A. de C.V.	Pension insurance	83.58%	83.58%	Mexico	Chilean Peso
Seguros de Vida SURA México S.A. de C.V.	Life Insurance	0.00%	81.13%	Mexico	Mexican Peso
SUAM Corredora de Seguros S.A. de C.V.	Company dedicated to all kinds of activities related to insurance and reinsurance	83.58%	83.58%	El Salvador	Dollar
Disgely S.A.	Company dedicated to the marketing of goods, leasing of goods, works and services.	83.58%	83.58%	Uruguay	Uruguayan Peso
Corredores de Bolsa SURA S.A.	Company dedicated to the purchase and sale of securities and securities brokerage operations	83.58%	83.58%	Chile	Chilean Peso
Administradora General de Fondos SURA S.A.	Company dedicated to managing mutual and investment funds	83.58%	83.58%	Chile	Chilean Peso
SURA Investment Management S.A. de C.V.	Company dedicated to the operation of investment companies	83.58%	83.58%	México	Mexican Peso
Fondos SURA SAF S.A.C.	Company dedicated to managing mutual and investment funds	83.58%	83.58%	Peru	Soles
Sociedad Agente de Bolsa S.A.	Securities brokers	83.58%	83.58%	Peru	Soles
Corredor de Bolsa SURA S.A.	Intermediation services	83.58%	83.58%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Company dedicated to the administration of investment funds	83.58%	83.58%	Uruguay	Uruguayan Peso
SURA Asset Management Argentina S.A.	Company dedicated to financial and investment management	83.58%	83.58%	Argentin a	Argentine Peso
NBM Innova, S.A. de C.V.	To provide all kinds of services for the management, promotion, dissemination and marketing of all types of goods and services.	83.58%	83.58%	Mexico	Mexican Peso
SURA Seguros de Rentas Vitalicias S.A	Company engaged in insurance activities related to annuities	0.00%	83.58%	Chile	Chilean Peso
Inversiones Suramericana Colombia S.A.S.	Conclusion of mutual insurance contracts and investments.	81.12%	81.12%	Colombia	Colombian Peso
Santa Maria del Sol S.A. (Argentina)	Investments	81.13%	81.13%	Argentin a	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	81.13%	Argentin a	Argentine Peso
Chilean Holding Suramericana SPA	Investments	81.13%	81.13%	Chile	Chilean Peso
Inversiones Suramericana Chile Limitada	Investments	81.13%	81.13%	Chile	Chilean Peso
Seguros Generales Suramericana S.A. (Colombia)	General insurance	81.12%	81.12%	Colombia	Colombian Peso
Seguros Sura S.A. (República Dominicana)	Insurance	81.13%	81.13%	Dominica n Republic	Dominican Peso
Seguros Suramericana, S.A. (Panamá)	Insurance	81.13%	81.13%	Panama	Dollar
Aseguradora Suiza Salvadoreña S.A. Asesuisa	General insurance	81.13%	81.13%	El Salvador	Dollar
Sura RE Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Islands	Dollar
Sura SAC Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Islands	Dollar
Seguros Sura S.A (Brasil)	Operation in personal and damage insurance	81.13%	81.13%	Brazil	Brazilian Real
Inversiones SURA Brasil Participacoes LTDA	Investor	81.13%	81.13%	Brazil	Brazilian Real
Seguros Sura S.A (Argentina)	Insurance operations in general	80.67%	80.67%	Argentin a	Argentine Peso

Entity	Type of entity	Dec 2019	Dec 2018	Country	Currency
Aseguradora de Créditos y Garantías S.A.	Insurance, co-insurance and reinsurance operations in general on all types of risks	81.12%	81.12%	Argentina	Argentine Peso
Seguros Generales Suramericana S.A (Chile)	General insurance company	81.11%	81.11%	Chile	Chilean Peso
Seguros Sura, S.A de C.V. (México)	Insurance operations in general	81.13%	81.13%	Mexico	Mexican Peso
Seguros Sura S.A. (Uruguay)	General insurance	81.13%	81.13%	Uruguay	Uruguayan Peso
Operaciones Generales Suramericana S.A.S.	Investment in movable and immovable property	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Colombia)	Investment in movable property, especially shares, quotas or parts of companies.	81.13%	81.13%	Colombia	Colombian Peso
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Provision of consulting services in integrated risk management	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Panamá)	Inspection service, repair, purchase and sale of vehicles.	81.13%	81.13%	Panama	Dollar
EPS y Medicina Prepagada Suramericana S.A.	Organization, guarantee and provision of health services	81.13%	81.13%	Colombia	Colombian Peso
Servicios de Salud IPS Suramericana S.A.	Provision of medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian Peso
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Provision of diagnostic aid services in health	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A. (Colombia) (1)	People' s insurance	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Riesgos Laborales Suramericana S.A. (1)	Operation of the occupational risk branch	0.00%	81.13%	Colombia	Colombian Peso
Asesuisa Vida, S.A. Seguros de Personas	People' s insurance	81.13%	81.13%	El Salvador	Dollar
Seguros de Vida Suramericana S.A (Chile)	Life insurance company	81.13%	81.13%	Chile	Chilean Peso
Suramericana S.A.	Investor	81.13%	81.13%	Colombia	Colombian Peso
Inversiones y Construcciones Estratégicas S.A.S.	Investor	100.00%	100.00%	Colombia	Colombian Peso
Planeco Panamá S.A.	Acquisition and disposal of movable and immovable property	95.28%	95.28%	Panama	Dollar
SURA Ventures S.A.	Investor	100.00%	100.00%	Panama	Dollar
SURA Asset Management S.A.	Investment in movable and immovable property	83.58%	83.58%	Colombia	Colombian Peso
Hábitat Adulto Mayor S.A.	Provision of health services for the elderly	82.66%	82.66%	Colombia	Colombian Peso
Arus Holding S.A.S	Investment in movable and immovable property	100.00%	100.00%	Colombia	Colombian Peso
Arus S.A.	Services and marketing of products and solutions in telecommunications	100.00%	100.00%	Colombia	Colombian Peso
Enlace Operativo S.A.	Information processing services under the figure of outsourcing.	100.00%	100.00%	Colombia	Colombian Peso

c) Members of the Board of Directors:

It is the responsibility of the members of Grupo SURA's Board of Directors to formulate business guidelines and make key decisions.

d) Directors

The total value of the transactions carried out by the SURA Group with its related parties during the corresponding period is shown below:

Accounts receivable from subsidiaries (note 6.1.1)

	December 2019	December 2018
Seguros de Riesgos Laborales SURA S.A.	-	22
Seguros de Vida Suramericana S.A.	-	11
Suramericana S.A.	-	11
	-	43

Accounts payable (note 6.2.2)

	December 2019	December 2018
Strategic Investments and Construction (1)	67,783	34,410
Interest - Strategic Investments and Construction (1)	6,442	5,000
	74,225	**39,410**

(1) These capital plus interest accounts payable relate to intercompany trade accounts.

Transactions with economic agents were carried out at normal market prices and conditions.

Non-operating expenses

	December 2019	December 2018
Inversiones y Construcciones Estratégicas S.A.S.	1,573	1,780
Seguros Generales Suramericana S.A.	357	84
Operaciones Generales Suramericana S.A.S.	19	13
Consultoria y Gestión de Riesgos Suramericana S.A.S.	14	-
Servicios de Salud IPS Suramericana S.A.	3	9
	1,966	**1,886**

(1) Corresponds to interest generated by commercial current accounts between companies. The transactions with related parties were carried out at normal market prices and conditions.

Senior Management Benefits

	December 2019	December 2018
Short-term employee benefits (*)	9,599	10,712
Post-Employment Benefits	463	13,354
Total	**10,062**	**24,066**

(*) Corresponds to the expenses recognized during the period for remuneration.

Other related parties

	December 2019	December 2018
Board of Directors' Fees	940	910

NOTE 26. EVENTS AFTER THE REPORTING DATE

On January 22, 2020, at the second call meeting, the Assembly of Corporate Bondholders corresponding to the 2016 Issue of its subsidiary Suramericana S.A., approved the proposal to spin-off an equity portion of Seguros de Vida Suramericana S.A., to be absorbed by Suramericana S.A.; this equity portion will be represented by an investment portfolio. To perfect this operation, it still remains to obtain the authorisation of the Colombian Superintendence of Finance.

On January 30, 2020, Grupo de Inversiones Suramericana S.A. (Grupo SURA) reported that the Board of Directors, in its session of this day, regarding the Program for the Issuance and Placement of Ordinary Bonds and Commercial Papers for the year 2014 (Program), authorized the extension of the Program's global quota by one billion pesos ($1,000,000,000,000), amounting to two trillion three hundred billion pesos ($2,300,000,000,000).
It also approved the renewal of the term of the Program's public offering authorization for an additional three (3) years.
Said modifications to the Program are subject to the respective authorization of the Superintendence of Finance of Colombia.

On January 30, 2020, Dr. David Bojanini García, President of Grupo SURA S.A., presented his resignation to the Company's Board of Directors, with the purpose of enjoying his retirement as of April 2020 and devoting himself to personal projects, after presiding over the ordinary meeting of the company's General Shareholders' Meeting.
In accordance with the succession plans established for the Company's Senior Management, the Board of Directors asked its Appointments and Remuneration Committee to advance in the process of evaluating candidates, taking into account the profile and skills required to continue leading the sustainable development of the SURA Group.

NOTE 27. APPROVAL OF THE FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA for the year ended December 31, 2019 was authorized by the Board of Directors, as stated in Minute No. 307 of the Board of Directors dated February 27, 2020, to be presented to the market.

ANALYSIS OF FINANCIAL RESULTS (Unaudited)

The following is an analysis of the financial results for the period ended December 31, 2019, with comparative figures as of December 31, 2018 These analyses are performed by management and are not part of the financial statements. Expressed in millions of pesos

INDEX			Dec 2019		Dec 2018		INTERPRETATION	
INDEBTEDNESS	Solidity		5,605,933	19.23%	5,698,577	= 19.80%	Creditors own 19.23% as of December 2019 and 19.8% as of December 2018, with shareholders owning the complement: 80.77% as of December 2019 and 80.2% as of December 2018	Total liability
			29,150,072		28,773,968			Total Asset
	Total		5,605,933	19.23%	5,698,577	= 19.80%	Of each peso that the company has invested in assets, 19.23% as of December 2019 and 19.8% as of December 2018 have been financed by creditors	Total liability
			29,150,072		28,773,968			Total Asset
	Coverage of interest		1,289,397	360.97 %	953,184	= 312.94 %	The Company generated a net profit equal to 360.97% as of December 2019 and 312.94% in December 2018 of Interest Paid	Net profit + interest
			357,207		304,591			Financial expenses
	Leverage	Total	5,605,933	23.81%	5,698,577	= 24.70%	Each peso ($1.00) of the Company's owners is committed 23.81% as of December 2019 and 24.7% as of December 2018	Total liabilities with thirds
			23,544,139		23,075,391			Equity
		Financial Total	5,267,868	22.37%	5,553,824	= 24.07%	For each peso of assets, 22.37% are financially committed as of December 2019 and 24.07% as of December 2018	Total liabilities with financial entities
			23,544,139		23,075,391			Equity
PERFORMANCE	Net margin of profit		932,190	67.87%	648,593	= 58.58%	Net income corresponds to 67.87% of net income in December 2019 and 58.58% of net income in 2018	Net profit
			1,373,589		1,107,104			Net income
	Return on equity		932,190	4.12%	648,593	= 2.89%	The net results correspond to 4.12% of the assets in December 2019 and 2.89% in December 2018	Net income
			22,611,949		22,426,798			Equity - profits
	Return on total assets		932,190	3.20%	648,593	= 2.25%	The net results with respect to total assets, correspond to 3.2% as of December 2019 and 2.25% as of December 2018	Net income
			29,150,072		28,773,968			Total assets