

Interim condensed consolidated financial statements  
of Grupo de Inversiones Suramericana S.A.  
for the six-month period between  
January 1st and June 30th 2020

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## CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

That for the issuance of the consolidated statement of financial position as of June 30, 2020, and the consolidated statement of income for the year and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, which in accordance with the regulations are made available to the shareholders and third parties, the statements contained therein have been previously verified.

These statements, explicit and implicit, are as follows:

**Existence:** The assets and liabilities of Grupo de Inversiones Suramericana S.A. exist at the cut-off date and the transactions recorded have been carried out during the year.

**Integrity:** All realized 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 to be made by Grupo de Inversiones Suramericana S.A. at the cut-off date.

**Valuation:** All items have been recognized at appropriate amounts.

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

In accordance with Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A., the Financial Statements and other relevant reports for the public, related to the year ended June 30, 2020, June 30 and December 31, 2019 do not contain any defects, inaccuracies or errors that would prevent us from knowing the true financial position or operations of the Company.

Gonzalo Alberto Pérez Rojas  
President

Luis Fernando Soto Salazar  
Public accountant  
Professional card 16951-T

## AUDITORS REPORT



**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED FINANCIAL POSITION**

At 30 June, 2020 (with comparative figures at December 31, 2019)

(Values expressed in millions of Colombian pesos)

	Note	June 2020	December 2019
<b>Assets</b>			
Cash and cash equivalents	7.1	2,882,930	2,346,157
Investments	7.1.1	22,213,497	23,982,370
Trade and other accounts receivable	7.1.2	6,541,171	6,334,838
Accounts receivable, related parties and current associates	7.1	387,166	109,153
Technical reserves of insurance, reinsurer parties	9.1	4,397,233	4,103,398
Inventories		43,046	11,920
Current tax assets	10.2	268,757	231,720
Non-current assets held for sale	13	13,605	5,212
Other financial assets	7.1	1,329,186	594,249
Other non-financial assets		134,471	124,654
Investment properties		171,950	169,287
Properties and equipment		1,306,608	1,309,173
Right-of-use assets	8	620,117	645,484
Intangible assets other than goodwill	11.2	4,264,437	4,188,717
Goodwill	11.1	4,892,779	4,721,695
Investments accounted for using the equity method	12	19,469,887	19,965,689
Deferred tax assets	10.5	450,761	194,114
<b>Total assets</b>		<b>69,387,601</b>	<b>69,037,830</b>



**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED FINANCIAL POSITION**

At 30 June, 2020 (with comparative figures at 31 December, 2019)

(Values expressed in millions of Colombian pesos)

	Note	June 2020	December 2019
<b>Liabilities</b>			
Other financial liabilities	7.3.1	2,076,926	1,889,749
Financial lease liabilities	8	600,399	666,663
Trade and other accounts payable	7.3.2	3,583,586	3,613,367
Accounts payable to related entities	7.3	354,035	82,011
Technical reserves	9.4	22,088,514	23,215,289
Current tax liabilities	10.2	587,027	464,723
Provisions for employee benefits		480,288	533,657
Other non-financial liabilities		655,297	594,700
Other provisions	14	276,803	227,155
Securities issued	15	8,772,205	8,203,145
Deferred tax liabilities	10.5	1,600,417	1,456,369
<b>Total liabilities</b>		<b>41,075,497</b>	<b>40,946,828</b>
<b>Equity</b>			
Capital issued		109,121	109,121
Share premium		3,290,767	3,290,767
Net income		169,449	1,525,537
Retained earnings		13,634,512	13,472,589
Other equity interest	17	2,787,419	2,424,607
Reserves		5,816,355	4,814,146
<b>Equity attributable to the holders of the controlling interest</b>		<b>25,807,623</b>	<b>25,636,767</b>
Non-controlling interest	18	2,504,481	2,454,235
<b>Total equity</b>		<b>28,312,104</b>	<b>28,091,002</b>
<b>Total equity and liabilities</b>		<b>69,387,601</b>	<b>69,037,830</b>

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas  
 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 14 August 2020)

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED INCOME**

At 30 June, 2020 (with comparative figures at June 30, 2019)

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

	Notes	Accumulated		Quarterly	
		June 2020	June 2019	June 2020	June 2019
Premiums issued	9.2	6,874,264	6,478,645	3,537,584	3,447,490
Premiums		6,697,240	6,301,017	3,456,421	3,356,050
Complementary insurance services		177,024	177,628	81,163	91,440
Premiums ceded	9.2	(1,500,281)	(1,149,994)	(891,417)	(600,140)
<b>Retained premiums (net)</b>		<b>5,373,983</b>	<b>5,328,651</b>	<b>2,646,167</b>	<b>2,847,350</b>
Commission income	20.1	1,351,676	1,333,741	656,170	680,240
Provision of services	21.1	2,289,383	1,905,003	1,126,043	977,566
Dividends		11,945	3,325	2,013	2,380
Investment income		542,554	404,758	64,310	199,459
Earnings at fair value - Investments		175,527	626,977	698,415	244,493
Profit by equity method of associates and joint ventures	12.1	153,248	672,702	58,242	332,333
(Loss) Profit from the sale of investments		(1,747)	50,593	(17,893)	35,850
Income from investment properties		6,444	7,498	2,497	4,385
Other income		129,715	119,411	60,872	58,737
<b>Operating income</b>		<b>10,032,728</b>	<b>10,452,659</b>	<b>5,296,836</b>	<b>5,382,793</b>
Total claims	9.3	(3,581,213)	(4,009,338)	(1,475,459)	(1,834,318)
Reimbursement claims	9.3	718,323	916,629	259,311	254,088
<b>Retained claims</b>		<b>(2,862,890)</b>	<b>(3,092,709)</b>	<b>(1,216,148)</b>	<b>(1,580,230)</b>
Reserves, net of production	9.4	147,975	(94,478)	(155,740)	(134,727)
Costs for the provision of services	21.2	(2,201,942)	(1,846,963)	(1,095,274)	(967,159)
Administrative expenses	23	(981,196)	(898,949)	(519,919)	(470,381)
Employee benefits		(1,071,170)	(1,024,152)	(507,983)	(528,962)
Fees	24	(247,573)	(232,028)	(121,380)	(122,131)
Broker commissions	20.2	(1,313,360)	(1,180,806)	(688,900)	(607,143)
Amortization		(148,381)	(143,429)	(74,046)	(73,003)
Depreciation		(109,597)	(104,164)	(54,579)	(54,554)
Other expenses		(286,183)	(305,109)	(156,960)	(163,665)
Impairment		(36,164)	(8,231)	(27,788)	(5,241)
<b>Operational expenses</b>		<b>(9,110,481)</b>	<b>(8,931,018)</b>	<b>(4,618,717)</b>	<b>(4,707,196)</b>

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED INCOME**

At 30 June, 2020 (with comparative figures at June 30, 2019)

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

	Notes	Accumulated		Quarterly	
		June 2020	June 2019	June 2020	June 2019
<b>Operating profit</b>		<b>922,247</b>	<b>1,521,639</b>	<b>678,119</b>	<b>675,597</b>
Profit, at fair value – Derivatives	22	167,828	(9,582)	(159,687)	(29,512)
Exchange differences (Net)	22	(216,811)	37,552	243,430	10,712
Interest	22	(379,439)	(350,511)	(188,013)	(179,749)
<b>Financial results</b>		<b>(428,422)</b>	<b>(322,541)</b>	<b>(104,270)</b>	<b>(198,549)</b>
<b>Pre-tax profit</b>		<b>493,825</b>	<b>1,199,100</b>	<b>573,849</b>	<b>477,048</b>
Income tax	10.3	(236,043)	(254,527)	(240,111)	(90,219)
<b>Profit, net continuing operations</b>		<b>257,782</b>	<b>944,573</b>	<b>333,738</b>	<b>386,829</b>
(Loss) Profit, net discontinued operations	13	(12,486)	6,144	(12,486)	3,613
<b>Net profit</b>		<b>245,296</b>	<b>950,717</b>	<b>321,252</b>	<b>390,442</b>
Controlling income		169,449	846,720	244,107	346,599
Non – controlling income		75,847	103,997	77,145	43,843
<b>Earnings per share</b>					
Net income per share from continuing operations	25	348	1,479	459	607
(Loss) Net income per share from discontinued operations	25	(22)	11	(22)	6

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas  
 Legal representative

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 (See my report of 14 August 2020)

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

At 30 June, 2020 (with comparative figures at June 30,2019)

(Values expressed in millions of Colombian pesos)

	Note	Accumulated		Quarterly	
		June 2020	June 2019	June 2020	June 2019
<b>Profit for the period</b>		<b>245,296</b>	<b>950,717</b>	<b>321,252</b>	<b>390,441</b>
Investments in equity instruments, net of taxes	17	(1,973)	7,995	8,123	34
Revaluation of properties net of taxes	17	(1,189)	(27,060)	(1,779)	4,233
New measurements of defined benefit plans, net of taxes	17	4,103	139	3,593	-
<b>Total other comprehensive income that will not be reclassified to the results of the period, net of taxes</b>		<b>941</b>	<b>(18,926)</b>	<b>9,937</b>	<b>4,267</b>
Profit for translation exchange differences, net of taxes	17	473,274	60,806	(559,445)	26,890
Cash flow hedge, net of tax	17	34,734	110,397	(93,710)	108,433
Net foreign investment hedge, net of tax	17	(49,352)	(95,711)	122,912	(95,709)
Participation in other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax	17	(23,066)	63,403	(417,635)	(37,609)
<b>Total other comprehensive income that will be reclassified to the results</b>		<b>435,590</b>	<b>138,895</b>	<b>(947,878)</b>	<b>2,005</b>
<b>Total other comprehensive income</b>		<b>436,531</b>	<b>119,969</b>	<b>(937,941)</b>	<b>6,272</b>
<b>Total comprehensive result</b>		<b>681,827</b>	<b>1,070,686</b>	<b>(616,689)</b>	<b>396,713</b>
Comprehensive income attributable to:					
Controlling interest		532,262	958,020	(603,396)	347,667
Non-controlling interest		149,565	112,666	(13,293)	49,046

The notes are an integral part of the financial statements.

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 (See my report of 14 August 2020)

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

Year ending 30 June 2020 (with comparative figures 30 June 2019)

(Values expressed in millions of Colombian pesos)

		Issued capital	Share premium	Retained earnings	Other Participation in equity (OCI)	Reserves	Net income	Equity attributable to controlling interest	Non -controlling interest	Total equity
Balance at January 1, 2019	Note	109,121	3,290,767	13,466,180	2,519,074	3,905,725	1,182,880	24,473,747	2,427,165	26,900,912
Other comprehensive income	17	-	-	-	111,844	-	-	111,844	8,124	119,968
<b>Net income</b>		-	-	-	-	-	846,720	846,720	103,997	950,717
<b>Total net comprehensive income for the period</b>		-	-	-	111,844	-	846,720	958,564	112,121	1,070,685
Transfer to retained earnings		-	-	1,182,880	-	-	-1,182,880	-	-	-
Distribution of 2018 results According to the minutes of Meeting of Shareholders No 24 of March 29, 2019:										
Dividends recognized as distributions to shareholders (550 per share)	16	-	-	(320,088)	-	-	-	(320,088)	(97,082)	(417,170)
Reserves for protection of investments		-	-	(328,507)	-	328,507	-	-	-	-
Dividend minimum preference shares		-	-	20,314	-	-	-	20,314	-	20,314
Increases from other equity changes		-	-	28,689	-	-	-	28,689	5,191	33,880
<b>Balance at 30 June, 2019</b>		109,121	3,290,767	14,049,468	2,630,918	4,234,232	846,720	25,161,226	2,447,395	27,608,621

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

Year ending 30 June 2020 (with comparative figures 30 June 2019)

(Values expressed in millions of Colombian pesos)

		Issued capital	Share premium	Retained earnings	Other Participation in equity (OCI)	Reserves	Net income	Equity attributable to controlling interest	Non - controlling interest	Total Equity
Balance at January 1, 2020	Note	109,121	3,290,767	13,472,589	2,424,607	4,814,146	1,525,537	25,636,767	2,454,235	28,091,002
Other comprehensive result	17	-	-	-	362,812	-	-	362,812	73,719	436,531
Profit for the year		-	-	-	-	-	169,449	169,449	75,847	245,296
<b>Total Net Income, for the period</b>		-	-	-	362,812	-	169,449	532,261	149,566	681,827
Transfer to accumulated earnings		-	-	1,525,537	-	-	(1,525,537)	-	-	-
<b>Distribution of results 2019 according to the meeting minutes No 25, of the shareholders Assembly of March 27, 2020:</b>										
Ordinary dividend (583 pesos per share) and extraordinary dividend (51 pesos per share) recognized as distributions to owners	16	-	-	(368,974)	-	-	-	(368,974)	(100,783)	(469,757)
Reserves for the protection of investments		-	-	(702,209)	-	702,209	-	-	-	-
Reserves for share repurchase		-	-	(300,000)	-	300,000	-	-	-	-
Dividend minimum preference shares		-	-	20,314	-	-	-	20,314	-	20,314
Withholding effect on dividends of stockholders		-	-	(4,509)	-	-	-	(4,509)	-	(4,509)
Increases (decreases) due to other exchanges, equity		-	-	(8,236)	-	-	-	(8,236)	1,463	(6,773)
<b>Balance at June 30, 2020</b>		<b>109,121</b>	<b>3,290,767</b>	<b>13,634,512</b>	<b>2,787,419</b>	<b>5,816,355</b>	<b>169,449</b>	<b>25,807,623</b>	<b>2,504,481</b>	<b>28,312,104</b>

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

Gonzalo Alberto Pérez Rojas  
 Legal representative

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

Mariana Milagros Rodríguez  
 Auditor  
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 Designated by Ernst & Young Audit S.A.S. TR-530  
 (See my report of 14 August 2020)

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

Year ending 30 June 2020 (with comparative figures 30 June 2019)

(Values expressed in millions of Colombian pesos)

	Note	June 2020	June 2019
<b>Profit for the period</b>		245,296	950,717
<b>Adjustments to reconcile income</b>			
Adjustments for income tax expenses	10	236,043	254,527
Interests	21	375,757	348,864
Adjustments for decreases (increases) in inventories		(31,127)	1,633
Adjustments for decreases (increases) in accounts receivable, insurance activity		(197,285)	347,122
Adjustments for the decrease of accounts receivable from trade sources		(50,168)	19,329
Adjustments for the increases in other accounts receivable from operating activities		2,849	(14,265)
Adjustments for the increase of accounts payable from trade sources		12,605	184,135
Adjustments for the increase (decrease) in accounts payable, insurance activity		(42,448)	(233,772)
Adjustments for depreciation and amortization expenses		266,622	346,898
Adjustments for impairment of value recognized in the profit and loss for the period		36,164	8,275
Adjustments for provisions		601	(79,337)
Adjustments for unrealized losses from foreign currency		(528,071)	(205,728)
Adjustments for fair value profit		(208,144)	(760,438)
Adjustments for undistributed earnings by application of the equity method	12	(153,248)	(672,702)
Other non-financial assets and liabilities	7.1.1	42,136	22,239
Adjustments for losses (profit) from the disposal of non-current assets		(8,394)	664,454
Valuation of investments at amortized cost and Profit on sale of investments	7.1.1	(206,272)	(519,168)
Variations of reserves		(1,420,611)	408,959
Dividends received, associates		362,877	286,772
Income tax paid		(303,679)	(376,956)
Other taxes		44,859	37,106
Other charges from the sale of equity or debt instruments of other entities	7.1.1	10,948,553	3,794,762
Other payments to acquire equity or debt instruments of other entities	7.1.1	(8,280,322)	(3,358,763)
<b>Net cash flows from operating activities</b>		<b>1,144,595</b>	<b>1,454,662</b>
<b>Cash flows from (used in) investment activities</b>			
Cash flows used to obtain control of subsidiaries or other businesses		(13,386)	(1,073)
Imports from the sale of property, plant and equipment		16,354	26,562
Purchase of property and equipment		(62,287)	(101,081)
Amounts from sales of intangible assets		9,844	(9,889)
Purchase of intangible assets		(93,077)	(149,537)
Resources for sales of other long-term assets		47,288	3
Purchases of other long-term assets		(65,117)	(716)
Payments derived from futures, forward contracts, financial options (swaps)		(480)	(100,033)
Collections from futures, forward contracts and financial options (swaps)		(73,263)	(26,022)
Dividends received financial instruments		-	-
Interest paid		118	383
Interest received		360,179	355,666
<b>Net cash flows from (used in) investment activities</b>		<b>126,173</b>	<b>(5,736)</b>

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

Year ending 30 June 2020 (with comparative figures 30 June 2019)

(Values expressed in millions of Colombian pesos)

	Note	June 2020	June 2019
<b>Cash flows from financing activities</b>			
Amounts from the issuance of shares		20,314	20,314
Proceeds from loans		1,177,732	203,193
Loan repayments		(1,376,000)	(662,189)
Payment of financial lease liabilities		(108,796)	(45,501)
Dividends paid	16	(164,660)	(155,178)
Dividends paid for non-controlling	16	(33,012)	(84,343)
Interest paid		(291,672)	(154,825)
Other cash outflows		1,137	(546)
<b>Net cash flows from financing activities</b>		<b>(774,958)</b>	<b>(879,075)</b>
<b>Net increase in cash and cash equivalents, prior to the effect of exchange rate changes</b>		<b>495,810</b>	<b>569,851</b>
Effects of exchange rate changes on cash and cash equivalents		40,963	4,103
<b>Net increase in cash and cash equivalents</b>		<b>536,774</b>	<b>573,954</b>
Cash and cash equivalents at the beginning of the year	7	2,346,157	1,878,040
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>2,882,930</b>	<b>2,451,994</b>

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas  
 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 14 August 2020)



## GRUPO DE INVERSIONES SURAMERICANA S.A.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2020 (with comparative figures at December 31, 2019, the figures of the statement of financial position and at June 30, 2019 are the figures for the income statement, the comprehensive income statement, the changes in equity statement and cash flows statement).

*(Values expressed in millions of Colombian pesos except for the net profit per share and exchange rates expressed in Colombian pesos)*

#### NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., is a corporation, established and domiciled in Colombia, whose shares are quoted on the stock exchange. As the result of the spin-off of Compañía Suramericana de Seguros S.A., according to Public deed No. 2295 of December 24, 1997 of Notary 14, in Medellín, formalized on January 1, 1998. The main domicile is in the city of Medellín, at carrera 43<sup>a</sup> # 5<sup>a</sup> – 113, Floor 13 – 15, but may have branches, agencies, offices, and representations in other places, in the country, and abroad, as determined by its 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 on the thirty-first (31st) of December.

The Company is subject to exclusive control by the Superintendencia Financiera de Colombia (Financial Superintendence of Colombia), given its role as the holding of Conglomerado Financiero SURA-Bancolombia through resolution No 156 of February of 2019 of the Superintendencia Financiera de Colombia.

Below is a detailed list of the entities in which Grupo SURA has control and which are part of the consolidation:

Entity	Main activity	June 2020	December 2019	Country	Functional currency
Grupo de Inversiones Suramericana S.A.	Holding Company			Headquarters	
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
NBM Innova S.A.S. <sup>5</sup>	The Company may carry out any lawful commercial or civil activity	83.58%	0.00%	Colombia	Colombian Peso
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.	Company 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 specialized in retirement funds	83.58%	83.58%	Mexico	Mexican Peso
AFP Integra S.A.	Pension Fund Administrator	83.58%	83.58%	Peru	Soles
SURA IM Gestora de Inversiones 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 services, promotion and dissemination of products of any kind	83.58%	83.58%	Mexico	Mexican Peso
Proyectos empresariales AI SURA S.A. de C.V. <sup>3</sup>	Performing the function of Trustee in Titling processes	83.58%	0.00%	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 dedicated to insurance activities, related to life	83.58%	83.58%	Chile	Chilean peso
Pensiones SURA S.A. de C.V. <sup>6</sup>	Pension Insurance	83.58%	83.58%	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 commercialization 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%	Mexico	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
Sociedad Titularizadora SURA S.A. <sup>4</sup>	Performing the function of Trustee in Titling processes	83.58%	0.00%	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%	Argentina	Argentine Peso
NBM Innova, S.A. de C.V.	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
Inversiones Suramericana Colombia S.A.S.	Conclusion of contracts of mutual and make investments	81.12%	81.12%	Colombia	Colombian Peso
Santa María del Sol S.A. (Argentina)	Investments	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	81.13%	Argentina	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%	Dominican Republic	Dominican Peso

Seguros Suramericana, S.A. (Panamá)	Insurance	81.13%	81.13%	Panamá	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	Investments	81.13%	81.13%	Brazil	Brazilian Real
Seguros Sura S.A (Argentina)	Insurance operations in general	80.67%	80.67%	Argentina	Argentine Peso
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
Suramericana Uruguay S.A. (Uruguay) <sup>1</sup>	Investments	81.13%	0.00%	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.S. (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%	Panamá	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.S.	Provision of medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian Peso
Diagnóstico y Asistencia Médica S.A.S. Dinámica IPS	Provision of diagnostic aid services in health	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A. (Colombia)	Personal Insurance	81.13%	81.13%	Colombia	Colombian Peso
Asesuisa Vida, S.A. Seguros de Personas	Personal 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. <sup>2</sup>	Investment in movable and immovable property	0.00%	95.28%	Panamá	Dollar
SURA Ventures S.A.	Investor	100.00%	100.00%	Panamá	Dollar
SURA Asset Management S.A.	Inversión en bienes muebles e inmuebles	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

### Changes in the perimeter of consolidation

## Year 2020

<sup>1</sup>On February 21st Suramericana S.A., together with its subsidiary Operaciones Generales S.A.S., constituted the corporation Suramericana Uruguay S.A., domiciled in the Republic of Uruguay.

The statutory capital of the company amounts to \$15,000 Uruguayan pesos, represented by 15,000 registered shares of \$1 Uruguayan peso each. The integrated (subscribed) capital of this new company amounts to \$14,332 Uruguayan pesos, for which its founders contributed \$7,166 Uruguayan pesos each, initially acquiring a 50% equity interest for both parties.

<sup>2</sup>On February 29, the administration of the company Planeco Panama S.A., delivered the assets of the company to the shareholders in their entirety, considering that the purposes for which it was constituted ceased and it is in the process of formalizing the documentation of the legal procedures for the dissolution and liquidation of the company. However, in consequence of the situation the world is currently going through due to the pandemic, these were suspended in view of the fact that the country is in a total mandatory quarantine.

<sup>3</sup>On March 27, Grupo SURA reports that its subsidiary SURA Asset Management S.A. established a company called Proyectos Empresariales Al Sura, S.A. de C.V., domiciled and governed by the laws of the United Mexican States, with the purpose of carrying out research and development activities to expand the investment products offered by the company in that country.

Grupo SURA and SURA Asset Management S.A. will have a 100% interest in the new company, directly and indirectly through the subordinate companies SURA Asset Management México, S.A. de C.V. (99%) and SURA Art Corporation, S.A. de C.V. (1%), both domiciled in Mexico. With a capital stock of 100 Mexican pesos divided into 100 registered shares.

<sup>4</sup>On March 27, Grupo SURA reports that its subsidiary SURA Asset Management S.A. incorporated the company Titulizadora Sura S.A., domiciled and governed by the laws of Peru, for the purpose of performing the function of Trustee in Titling processes, and may also engage in the acquisition of assets for the purpose of constituting trust assets to support the issuance of securities.

The participation of SURA Asset Management S.A. in the new company will be 100%, directly and indirectly through the subordinate SURA Asset Management Sociedad Agente de Bolsa Sura S.A., domiciled in Peru. With a share capital of 1,000 Peruvian soles divided into 1,000 nominative shares.

<sup>5</sup>On April 13, SURA Asset Management S.A. established a company called NBM Innova S.A.S., domiciled in Colombia, with the purpose of offering financial coaching services in that country, through a digital platform called QIIP. The qiip platform operates in Mexico since 2019, using pedagogical tools based on technology, focused on the generation of welfare for companies and individuals. The participation of Grupo SURA in the new company will be indirect through Sura Asset Management S.A. (100%), with an initial capital investment of USD 500 thousand.

<sup>6</sup>On May 7, regulatory authorizations were obtained from the Mexican authorities (National Insurance and Bonding Commission and Federal Economic Competition Commission), to proceed with the transfer of the life annuity portfolio that its subsidiary SURA Asset Management S.A. has been operating in that country, through its subsidiary Pensiones SURA S.A. de C.V. This operation will include the transfer of 15 thousand policies and an approximate value of MXN \$14,000 million (USD 574 million, approx.) of assets to Grupo Financiero Banorte de México. The definitive closing of the operation will be in the next few weeks, once the other contractual conditions agreed between the parties have been fulfilled. This press release complements the relevant information disclosed to the market on November 29, 2019.

<sup>2</sup> On June 5, the Meeting of Shareholders of Planeco Panama S.A. met in an important session with the objective of dissolving the company. The total number of shares represented was 13,798,276, which make up 100% of the subscribed and paid-in capital. The company was unanimously dissolved and liquidated, and this was recorded in minutes number 6.

<sup>1</sup>On June 17th Suramericana S.A., through its subsidiary Suramericana Uruguay S.A., as buyer, has signed a share purchase agreement with several individuals as sellers, for the acquisition of 100% of the shares that make up the capital of the companies VINNYC S.A. and RUSSMAN S.A.; for an approximate value of USD \$1.4 million. The participation of Grupo SURA in the acquired companies will be indirect. VINNYC S.A. and RUSSMAN S.A. are companies domiciled in Montevideo, Uruguay. They are not insurance companies; their economic activity consists of providing assistance services for automobile solutions. Through these companies, Suramericana S.A. will develop and structure assistance services and operations for insurance clients in that country.

## **Currency**

For the presentation of the consolidated financial statements of Grupo SURA, the assets and liabilities of the foreign businesses, including the goodwill and any adjustments to the fair value of the assets and liabilities arising from the acquisition, are translated into Colombian pesos at the exchange rate in effect 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.

The rates used for foreign currency translation in the consolidated financial statements are:

	Average rate		Closing rate	
	June 2020	June 2019	June 2020	December 2019
Colombian Peso (COP/USD)	3,690.82	3,189.40	3,756.28	3,277.14
Chilean Peso (CLP / USD)	813.32	675.45	815.65	752.78
Dominican Peso (DOP / USD)	54.64	50.58	58.25	52.98
Euro (EUR/USD)	0.91	0.89	0.89	0.89
Mexican Peso (MXN/USD)	21.67	19.16	22.78	18.88
Peruvian Nuevo Sol (PEN/USD)	3.41	3.32	3.54	3.31
Uruguayan Peso (UYU/USD)	41.39	33.84	42.05	37.22
Argentina (ARS/USD)	64.57	41.47	70.52	59.86
Brazil (BRS/USD)	4.91	3.85	5.48	4.03

## Hyperinflation

A hyperinflationary economy occurs when:

- the general population prefers to retain its wealth in the form of non-monetary assets, or in a relatively stable foreign currency the amounts of local currency obtained are immediately invested to maintain the purchasing power of the currency
- the general population does not consider monetary amounts in terms of local currency, but sees them in terms of another relatively stable foreign currency;
- sales and purchases on credit take place at prices that compensate for the loss of purchasing power expected during the deferment, even when the period is short;
- interest rates, wages and prices are linked to the evolution of a price index; and
- the cumulative rate of inflation over three years is close to or exceeds 100%.

The financial statements of Grupo SURA must be expressed in terms of the unit of measurement that is current on the closing date of the reporting period. This criterion is also applicable to the comparative figures for the prior period required by the financial statement presentation policy.

Re-expression of items in the statement of financial position:

- Monetary items and other items expressed at market value at year-end; no adjustment.
- Items that are contractually adjusted by reference to inflation such as indexed bonds; are modified according to the terms of the contract.
- Non-monetary items recorded at cost; they are updated by the evolution of the price index from their acquisition to the date of presentation of the financial statements.
- Non-monetary items recorded at fair value; they are updated by the movement of the price index since their last valuation until the date of presentation of the financial statements.
- Equity items; are re expressed by the evolution of the price index from the date of contribution or recognition to the date of presentation of the financial statements.

Re-expression of items from the statement of comprehensive income and cash flow:

- All items of income and expense should be restated for the changes in the price index from their date of recognition to the date of presentation of the financial statements.
- Depreciation and amortization expenses are adjusted on the same basis as the asset to which they relate.
- All items in the cash flow statement are restated to be expressed in the measuring unit current at the date of presentation of the financial statements.

In the case of subsidiaries whose functional currency corresponds to that of a hyperinflationary economy, all items in the financial statements are translated at the closing exchange rate for the presentation period. In this case, the comparative figures are presented in the same way as in previous periods, considering that they are being translated into the Colombian peso (COP), whose currency corresponds to that of a non-hyperinflationary economy, as provided for in paragraph 42(b) of IAS 21. Considering the above, during the time that Grupo SURA is applying the restatement and translation procedures determined by IAS 29, it will assume as realized all translation effects associated with subsidiaries that are in this situation.

### **Selection and use of a general price index**

For the reexpression of the financial statements, the index resulting from the junction between the Wholesale Price Index (WPI) and the Consumer Price Index (CPI) was used, in accordance with the pronouncement and recommendation of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), since the CPI was only published as from December 2016. For the time being, there are no indications of the use of another index to reflect the loss of purchasing power of the Argentine peso (ARS).

The inflation indexes 12 months to each of the following cuts have been:

June 2020	December 2019	December 2018	December 2017
42.80%	53.80%	47.60%	24.80%

Source: The Central Bank of the Argentine Republic

## **NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Statement of compliance**

The consolidated interim financial statements of Grupo de Inversiones Suramericana S.A., for the six-month period ended June 30, 2020, have been prepared in accordance with the International Accounting Standard - IAS 34 Interim Financial Reporting, which is part of the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by External Circular 038 of 2015 in the Sole Regulatory Decree 2420 of 2015 modified by Decree 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2018 and 2270 of 2019. The NCIF are based on International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB), officially translated and authorized by the International Accounting Standards Board (IASB) as of 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 amended part 2 of book 2 of decree 2420 of 2015 added by decree 2496 of 2015 allowing as of December 31, 2016 the determination of post-employment benefits for future retirement or disability pensions, 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 and following, and in the case of partial pension commutations in

accordance with the provisions of paragraph 5 of article 2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences with the calculation made in the terms of the technical framework under NFIC.

## **2.2. Financial statements for interim periods**

The condensed consolidated interim financial statements for the three-month period ended June 30, 2020, have been prepared in accordance with IAS 34 Interim Financial Reporting, included in "Compilatory Technical Annex No. 1, to IFRSs, Group 1" of Decree 2483 of 2018, accordingly, they do not include all the information and disclosures required by the annual financial statements. Therefore, these interim financial statements should be read in conjunction with the annual consolidated financial statements of Grupo SURA at December 31, 2019.

## **2.3. Basis of presentation**

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

#### *Presentation of financial statements*

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

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

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

The consolidated statement of cash flows is presented using the indirect method, whereby cash flows from operating activities are determined by adjusting profit for the effects of items not affecting cash flow, net changes in assets and liabilities relating to operating activities and



any other effects of items not classified as investing or financing activities. Interest income and expense are presented as components of operating activities.

### **2.3.2. Principles of consolidation**

#### *Subsidiaries*

The consolidated financial statements include the financial statements of Grupo SURA and its subsidiaries as of and for the years ended June 30, 2020, June 30 and December 31, 2019. Grupo SURA consolidates the assets, liabilities and financial results of the entities over which it has control.

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

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

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

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

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

The results, assets and liabilities of the associate are included in the consolidated financial statements using the equity method. The equity method is applied from the date of acquisition until significant influence over the entity is lost.

The share in the profit or loss of an associate is presented in the statement of income, net of taxes, and non-controlling interests in subsidiaries of the associate or joint venture, the share in changes recognized directly in equity and other comprehensive income of the associate are presented in the consolidated statement of changes in equity and the other consolidated comprehensive income.

Dividends received in cash from the associate are recognized by reducing the carrying value of the investment.

#### *Non-controlling interests*

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

Purchases or sales of investments in subsidiaries to non-controlling interests that do not result in a loss of control are recognized directly in equity.

### 2.3.3. Reclassifications

Some of the figures and disclosures in relation to December 31, 2019, presented in the statement of financial position and income statement for comparison purposes, may present variations from the information published to this cut-off date. The management of Grupo SURA considers that these adjustments do not affect the reasonableness of the information published previously.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 2019 Presentation	Reclassification	December 2019 Current
<b>Assets</b>			
Cash and cash equivalents	2,346,157	-	2,346,157
Investments	23,982,370	-	23,982,370
Trade and other accounts receivable	6,334,838	-	6,334,838
Accounts receivable, related parties and current associates	109,153	-	109,153
Technical reserves of insurance, reinsurer parties	4,103,398	-	4,103,398
Inventories	11,920	-	11,920
Current tax assets	231,720	-	231,720
Non-current assets held for sale	5,212	-	5,212
Other financial assets	594,249	-	594,249
Other non-financial assets	124,654	-	124,654
Investment properties	169,287	-	169,287
Properties and equipment	1,309,173	-	1,309,173
Right-of-use assets	645,484	-	645,484
Intangible assets other than goodwill	4,188,717	-	4,188,717
Goodwill	4,721,695	-	4,721,695
Investments accounted for using the equity method	19,965,689	-	19,965,689
Deferred tax assets	194,114	-	194,114
<b>Total assets</b>	<b>69,037,830</b>	<b>-</b>	<b>69,037,830</b>

<b>Liabilities</b>			
Other financial liabilities	1,889,749	-	1,889,749
Financial lease liabilities	666,663	-	666,663
Trade and other accounts payable	3,613,429	(62)	3,613,367
Accounts payable to related entities	81,949	62	82,011
Technical reserves	23,215,289	-	23,215,289
Current tax liabilities	464,723	-	464,723
Provisions for employee benefits	533,657	-	533,657
Other non-financial liabilities	594,700	-	594,700
Other provisions	227,155	-	227,155
Securities issued	8,203,145	-	8,203,145
Deferred tax liabilities	1,456,369	-	1,456,369
<b>Total liabilities</b>	<b>40,946,828</b>	<b>-</b>	<b>40,946,828</b>

<b>Equity</b>			
Capital issued	109,121	-	109,121
Share premium	3,290,767	-	3,290,767
Profit for the year	1,525,537	-	1,525,537
Retained earnings	14,080,389	(607,800)	13,472,589
Other equity participations	2,396,714	27,893	2,424,607
Reserves	4,234,232	579,914	4,814,146
<b>Equity attributable to the holders of the controlling interest</b>	<b>25,636,760</b>	<b>7</b>	<b>25,636,767</b>
Non-controlling interest	2,454,242	(7)	2,454,235
<b>Total equity</b>	<b>28,091,002</b>	<b>-</b>	<b>28,091,002</b>
<b>Total equity and liabilities</b>	<b>69,037,830</b>	<b>-</b>	<b>69,037,830</b>

The changes in the equity accounts correspond to the reclassification of retained earnings to reserves due to the adjustment in the equity elimination methodology.

## CONSOLIDATED STATEMENT OF INCOME

	June 2019 Presentation	Reclassification	June 2019 Current
Premiums issued	6,481,641	(2,996)	6,478,645
Premiums	6,304,013	(2,996)	6,301,017
Complementary insurance services	177,628	-	177,628
Premiums ceded	(1,149,994)	-	(1,149,994)
<b>Retained premiums (net)</b>	<b>5,331,647</b>	<b>(2,996)</b>	<b>5,328,651</b>
Commission income	1,333,741	-	1,333,741
Provision of services	1,905,003	-	1,905,003
Dividends	3,325	-	3,325
Investment income	469,123	(64,365)	404,758
Earnings at fair value - investments	638,662	(11,685)	626,977
Profit from equity method of associates and joint ventures	672,702	-	672,702
Profit from the sale of investments	37,274	13,319	50,593
Income from investment properties	3,335	4,163	7,498
Other income	123,602	(4,191)	119,411
<b>Operating income</b>	<b>10,518,414</b>	<b>(65,755)</b>	<b>10,452,659</b>
Total claims	(4,126,040)	116,702	(4,009,338)
Reimbursement claims	965,841	(49,212)	916,629
<b>Retained claims</b>	<b>(3,160,199)</b>	<b>67,490</b>	<b>(3,092,709)</b>
Reserves, net of production	(76,459)	(18,019)	(94,478)
Costs for the provision of services	(1,846,963)	-	(1,846,963)
Administrative expenses	(899,942)	993	(898,949)
Employee benefits	(1,024,152)	-	(1,024,152)
Fees	(233,008)	980	(232,028)
Broker commissions	(1,180,806)	-	(1,180,806)
Amortization	(143,429)	-	(143,429)
Depreciation	(104,165)	1	(104,164)
Other expenses	(305,140)	31	(305,109)
Impairment	(8,275)	44	(8,231)

<b>Operational expenses</b>	<b>(8,982,538)</b>	<b>51,520</b>	<b>(8,931,018)</b>
<b>Operating profit</b>	<b>1,535,876</b>	<b>(14,235)</b>	<b>1,521,641</b>
Profit, at fair value – Derivatives	(9,582)	-	(9,582)
Exchange differences (Net)	25,867	11,685	37,552
Interest	(350,511)	-	(350,511)
<b>Financial results</b>	<b>(334,226)</b>	<b>11,685</b>	<b>(322,541)</b>
<b>Pre-tax profit</b>	<b>1,201,650</b>	<b>(2,550)</b>	<b>1,199,100</b>
Income tax	(254,194)	(333)	(254,527)
<b>Profit, net continuing operations</b>	<b>947,456</b>	<b>(2,883)</b>	<b>944,573</b>
Profit, net discontinued operations	3,261	2,883	6,144
<b>Net profit</b>	<b>950,717</b>	<b>-</b>	<b>950,717</b>
Controlling income	846,720	-	846,720
Non – controlling income	103,997	-	103,997

The changes in presentation were mainly due to the reclassification of the discontinued operation of the life annuities in Mexico (See Note 13. Discontinued operations) and the reclassification of the insurance banking commissions between fees and intermediary commissions.

## 2.4. Significant accounting policies

The accompanying financial statements do not include all the information and disclosures required for a year-end financial statement and, therefore, these condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2019.

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

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

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

The determination of 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 is taxable profit 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 profit, together with future strategies of the tax planning of the company.

**d) Impairment of goodwill**

The determination of whether the goodwill is impaired requires an estimate of the value in use of the cash-generating units to which the goodwill has been allocated. The calculation of value in use requires Management to estimate the future cash flows of the CGU and an appropriate discount rate for calculating present value. When the actual future cash flows are lower than anticipated, an impairment loss may occur.

**e) 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.

**f) Leases term**

The lease term is established according to the contract and the expectations of the contracting company, for which the following terms should be taken into account:

- The established time for possible renewals
- The increases in fees with respect to the market
- Development of the strategic plans of the company
- The recovery expectations of the company regarding the investment made
- The cost to be paid in the event of leaving the contract (penalty)
- Additional costs incurred in the event of cancelling the contract and starting a new one

**g) Estimation of the incremental interest rate of the leases**

The Group is unable to easily establish the implied interest rate for all its leases, so it uses either the corporate bond rate or the company's average debt rate as the basis when applying adjustments for term, risk and type of collateral. This 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 the leases are not in the functional currency of the company).

**h) 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
- A reliable estimate of the value of the obligation can be made.

**i) Employee benefits**

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

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

## **j) Technical reserves - Insurance contracts**

Technical reserves of insurance contracts, and annuities, are recognized on the basis of the best estimated assumptions. Additionally, as all insurance contracts are subject to an annual test of adequacy of liabilities, which reflects the best estimated future flows of the administration. In the case of insufficiency, the assumptions could have been updated and remain fixed until the next revision or insufficiency, whichever occurs first.

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

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

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

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

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

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

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

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

## **k) 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 7.2 of financial instruments, in the impairment section.

### **I) Participation in other entities**

A subsidiary is an entity controlled by one of the companies of Grupo SURA. Control exists when any of the companies of the Group has the power to direct the relevant activities of the subsidiary, which are generally operating and financing activities, for the purpose of obtaining benefits from its activities and is exposed, or entitled, to the variable yields of the same.

An associate is an entity over which Grupo SURA has significant influence over financial and operating policy decisions, without having control or joint control.

A joint venture is an agreement whereby two or more parties maintain joint control.

The investments, that Grupo SURA classifies as subsidiaries, associates, or joint ventures, is because it considers that it exercises control, significant influence, or joint control, that is, the power to intervene in the financial or operational decisions of another company. In cases where Grupo SURA does not have the required percentage for the classification of an investment in a specific category, this classification is given, because Grupo SURA has representation in the management body, which allows it to have control.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended June 30, 2020 and December 31, 2019 is included in the following notes:

- Note 6. Business combinations: acquisition of subsidiaries: fair value assigned in accordance with IFRS 3 "Business combinations";
- Note 9. Insurance contracts: description of each of the reserves
- Note 10. Taxes: current, deferred and applicable regulations;
- Notes 14. Provisions: details of the recognition and measurement of provisions and contingencies: in accordance with the key assumptions relating to the probability and magnitude of an outflow of economic resources;
- 

The following notes include additional information about assumptions made in measuring fair values:

- Note 7. Financial instruments.

### **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 8. Leases
- Note 9. Insurance contracts
- Note 12. Investments in subsidiaries, associates and joint ventures: determination of the existence of control in the subsidiaries.
- Note 20. Commission income and expenses

## **NOTE 4. NORMS ISSUED WITHOUT EFFECTIVE APPLICATION**



The accounting policies adopted in the preparation of the condensed separate interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements at December 31, 2019, except for the adoption of new standards, effective January 1, 2020. The Group has not adopted in advance any standards, interpretations or amendments that have been issued but are not yet effective.

Several amendments and interpretations are applied for the first time in 2020, but have no impact on the separate condensed financial statements of the Group. These will be adopted on the date they become effective, in accordance with the decrees issued by local authorities.

#### **Amendments to IFRS 3: Definition of a Business**

The amendment to IFRS 3 clarifies that, to be considered a business, an integrated set of assets and activities must include, at a minimum, an input and a substantive process that together contribute significantly to the ability to generate outputs. In addition, it clarified that a business can be considered as such even if it does not include all the inputs and processes necessary to generate outputs. These amendments have no impact on the current financial statements of the Group, but may affect future periods if the Group enters into a business combination.

#### **Amendments to IAS 1 and IAS 8: Definition of Material**

The amendments provide a new definition of material if omission or misstatement would reasonably influence the decisions that the primary users of general-purpose financial statements make based on those statements, which provide information about a specific reporting entity.

The amendments clarify that materiality depends on the nature or extent of the information, either individually or in combination with other information, in the context of the financial statements. A misstatement is material if it would reasonably be expected to influence decisions made by primary users. These amendments had no impact on the present financial statements and are not expected to have an impact on the future financial statements of the Group.

#### **IFRS 17: Insurance contracts**

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

The overall objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike 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 direct participation features (variable rate approach).
- A simplified approach (the bonus assignment 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 effect of this standard on its financial statements.

#### **Amendments to IAS 19: Changes in the plan, curtailment or settlement**

The amendments to IAS 19 address accounting when there is a change, reduction or settlement of the plan during the reporting period. The amendments specify that when a plan modification, curtailment or settlement occurs during the annual reporting period, the entity is required to determine current service cost for the remainder of the period following the plan modification, curtailment or settlement, using the actuarial assumptions used to recover the net defined benefit liability (asset) reflecting the benefits provided under the plan and the plan assets after that event. An entity is also required to determine net interest for the remaining period after the plan is amended, curtailed or terminated by using the net defined benefit liability (asset) reflecting the benefits provided under the plan and plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These changes had no impact on the current financial statements of the Group, as there were no changes, reductions or settlements of a plan during the period.

#### **Conceptual framework for financial reporting issued on 29 March 2018**

The Conceptual Framework is not a standard, and none of the concepts contained in it overrides the concepts or requirements detailed in another standard. The purpose of the Framework is to assist the IASB in developing standards and preparers in determining consistent accounting policies where no specific standard exists and to help all parties understand and interpret standards. The revised conceptual framework includes some new concepts, provides updated definitions, recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the present financial statements of the Group.

### **NOTE 5. COVID – 19 CRISIS RESPONSE**

In December 2019 the World Health Organization (WHO) reported the appearance of cases of Severe Acute Respiratory Infection (SARI) caused by a new coronavirus (COVID - 19) in the Asian continent, specifically in the city of Wuhan in China. Subsequently, due to the spread of the virus to other continents, on March 11th this Organization declared the outbreak as a pandemic. In Latin America, the first case was registered in Brazil last February 26th, from then on, since the expansion of the virus through the countries of the region and the confirmation of the first case in Colombia on March 6th, the different governments have been taking measures in order to preserve the social balance, the economy, the health and the life of the population; among these measures, the restriction of trips and the social isolation (quarantine) stand out, which has the purpose of containing the virus, flattening the contagion curve. In this way, it is expected to avoid the collapse of health systems and guarantee specialized medical attention when required, preserving the lives of people who can be cured by being adequately assisted.

These measures, which so far have proven to be the most effective in containing the virus, have been gradually extended, bringing with them impacts on the activities of the different sectors of the economy, as well as on the habits and living conditions of the people, impacts to which Grupo SURA and its employees in the region are not indifferent. In this sense, the company has been preparing itself by constantly monitoring the evolution of the pandemic since its beginning, evaluating the impacts from different areas and undertaking the measures and strategies it considers appropriate.

## **Insurances**

Grupo de Inversiones Suramericana S.A. is characterized by its long term vision, which has historically guided its strategy and will continue to be a key factor in its growth path. Likewise, the experience acquired by the company over the years has allowed it to consolidate knowledge on issues associated with risk assessment and capital allocation, which are fundamental to ensure the continuity of its business and the well-being of its employees, clients and suppliers in times of high volatility and uncertainty such as those we are currently experiencing. This value-generating presence is materialized through a human talent committed to trend and risk management, which allows it to have the capacity to anticipate the demands of the world and its dynamics of change, as well as in the design of social protection systems that prioritize the care of people, responding to our commitment to society, this supported by a solid financial system and an appropriate technological environment.

## **Human Talent**

For Grupo de Inversiones Suramericana, the conservation of jobs and the care of people has been a priority. Nowadays, a high percentage of the collaborators work under the remote work modality, complying with the instruction of preventive social isolation given by the governments, similarly, all the protection measures have been taken with those who carry out sensitive functions for the continuity of the services or the processes in physical headquarters. Below are the main measures taken by the company in terms of protection and conservation of human talent and its performance:

- **Preserving employment:** Freezing hiring, firing and analysis of impacts on total employee compensation.
- **Accompaniment and care of all employees:** Monitoring of mental and physical health, psychological care for employees and their families, financial health, accompaniment of leaders, measurement of the collective mood and confidence of employees in the company, monitoring the evolution of the pandemic, accompaniment of employees with Covid-19 and their families with medical guidance and recommendations additional to those defined by the social security systems of each country.
- **Accompaniment and special care for employees in face-to-face work:** Training and encouragement for the appropriation of prevention habits, use of protective elements, reduction of transfers between sites, alternate schedules, transport and food facilities.
- **Communication:** Close relationship, sharing of recommendations and permanent quality information, keeping communication as a transversal process that supports the purposes and actions addressed to the employees.
- **Adaptation to the new normality** Accompanying the change in human relations, healthy habits in the new daily life, normalization of working life in the family environment and adaptation of work spaces at home.
- **Care for the performance of the strategy:** Platforms for the development of knowledge and skills, flexible organizations, evaluation of the focus, speed and good

performance of the projects, contribution of human talent to the development and fulfilment of the goals of the company.

- **Return to physical headquarters:** Accompanying the subsidiaries to define the guidelines for return to headquarters, taking into account as a premise the care of employees, their families and external relationship groups. These guidelines include the identification of the positions that require presence to fulfill their role and others that can remain in remote work, measures with the people related to their state of physical and psychosocial vulnerability before the contingency, measures with leaders to accompany them before the new challenges that distance work demands, measures in front of the physical work environment starting with previous prevention measures in home care, the management of social relations, physical distance, transfers to the headquarters and the biosecurity adjustments from the entrance, permanence and exit of the headquarters; and finally, company actions and policies that support the new forms of work, covering only some of them: Definitions regarding schedules, meetings and work places and locations, additionally, regarding the integral health process that includes the attention, report, accompaniment and reincorporation of employees who are affected by COVID-19.

In accordance with our commitment to contribute to the care of society in the countries in which we are present, it is a source of satisfaction for the company to mention that we have joined forces with Fundación Sura to deliver aid aimed at strengthening the capacities of the health system and helping families whose income is affected to acquire food and basic necessities, a purpose with which thousands of our employees have also been linked.

### **Property and Administrative Management**

The adoption of the remote work scheme for a large number of collaborators has generated that the physical headquarters that the company had been occupying for the development of its different administrative functions remain unoccupied, except for the Health Care Centers and the Clinical Laboratories of Sample Processing that the subsidiary Sura Colombia has for the provision of services, which have operated permanently given their nature and fundamental role in the face of the contingency generated by the COVID-19, our Centros de Servicio de Autos Sura (*Sura Car Service Centers*) have been gradually opened as the measures were made more flexible by the National and Regional Governments. Notwithstanding the rapid adaptation and the almost zero percentage of occupation of the headquarters, an agile and efficient transformation was required in their administration, seeking to preserve their good condition and the intelligent management of resources to optimize the costs that they demand.

In this sense, the constant monitoring of the evolution of the pandemic, the impact of this on the economic variables of the market, the continuity and good performance of the operation that we have been achieving under a home working scenario, allowed us to approach the transformation and optimization of the offices from different perspectives: return to the offices in the COVID-19 or post COVID-19 period in the short term and return to the new daily life post COVID-19 in the long term.

Under the first scenario, our focus was on transforming office management under a focus on healthy work environments that generate well-being for employees and third parties that occupy them. Thus, guidelines were established regarding the use of mask, mouthpiece or mouthpiece covers inside the offices; always maintaining the physical distance (2 meters)

between people; the demarcation of spaces or, alternatively, the installation of separating barriers; the installation of disinfection products in common areas or areas of high transit; the most frequent cleaning and disinfection of the spaces; the implementation of air conditioning systems with constant air renewal and filtration or cleaning of the same; the registration and taking of temperature at the entrances; the non-occupation of the spaces in rates higher than 35%; among other implementations, were indispensable to be executed during this short term period.

On the other hand, in a post COVID-19 long term scenario, the results of the current experience lead us to think about a new everyday life where remote work will have a greater participation and therefore offices will require a transformation towards more collaborative spaces that will bring us closer to the Flexible Organizations strategy and help us to complement what virtuality does not allow or facilitate, such as it is, the relationship from the physical presence, to learn, share, create, talk and enliven the organizational culture and take advantage of the different offices as meeting points and access to our customers facilitating the attention and giving greater visibility to the brand, among others.

Meanwhile, as we build this new model that responds to long-term needs, given the visible results of adaptation to remote work, the monitoring and careful review of the expiration dates of lease agreements in offices where at a strategic level there is another expectation and the constant search for intelligent management of resources has influenced subsidiaries such as Sura Argentina, Colombia, Panama and Uruguay to make decisions in some of their properties, making total or partial deliveries of square meters that represent annual savings of more than one million dollars in leases, administration, utilities, maintenance, surveillance, among others. Connected with these initiatives, in Sura Panama the decision was taken not to reoccupy one of the towers of the main building whose property is owned by the company.

Nevertheless, we continue to carry out improvement projects in Insurance Branches in subsidiaries such as Sura Argentina, Chile, Dominican Republic and Panama, taking into consideration financial and real estate analyses, evaluating whether the purchase or lease of the property is more optimal, location criteria for proximity and accessibility to customers, brand visibility, and adaptations that involve eco-efficient systems to optimize the use of resources and therefore costs.

On the other hand, understanding the general impact of the pandemic in all sectors and recognizing the importance of suppliers for the fulfillment of the objectives of the company and their role as boosters of the economy and the society in general, Grupo Sura has chosen from the beginning of the contingency to seek an approach so that under mutual agreement, a point of balance could be reached in which the contracted services would not be cancelled altogether, but if the frequency and therefore the costs were reduced, according to the volume of operation. Thus, in services related to cleaning, maintenance, supply of cleaning supplies, cafeteria, office supplies and document management in unoccupied buildings, were substantially reduced without affecting the proper functioning of systems and / or care of assets. On the contrary, services such as real estate taxes, administration and surveillance, continued without representative changes.

It is also worth mentioning that another economic effect presented during this second quarter is the reduction in costs of public services such as electricity and water, due to the non-occupation of the buildings and the non-operation of their systems and equipment.

In relation to the above, it is not a minor detail to mention that the implementation of technology and digitalization in the processes added to facilitate remote work and avoid displacements that put at risk the personnel, not only their own but also those of the suppliers. Among the

greatest economic benefits associated with the use of technology and digitalization, we can highlight services such as paper consumption, printing, mail and messenger services, archiving of physical documents, a high reduction in ground travel and the total suspension of employee air travel, the hiring of hotels and other travel expenses, which in the end also reduces the environmental impact of our operations.

With respect to real estate leases and maintenance services that have their payment stipulated in dollars according to the current exchange rate, a special approach was made with the counterpart, highlighting the impact that this implies due to the volatility of the currency. In this way, agreements were reached that result in mutual benefit and gave continuity to the good relationship.

The real estate strategy and its growth projection for the next years is in a new stage of revision that involves all areas and that connects the operative model and attention, the optimization of square meters, costs and other changes that the post COVID-19 era is proposing to us in the long term.

### **Regulatory Environment**

During the year 2020 different measures have been taken and others are expected in the near future that generate risks and opportunities for Grupo Sura and its operations in the region. Among others, in Colombia, regulations have been issued that require the return of premiums in branches with lower accident rates as a result of obligatory isolation, including SOAT; however, the return will not be to the policyholders but to the national government. The possibility of the same happening in other countries of the region, such as Argentina, where a judicial action was filed in this sense, and Mexico, is not discarded.

Generally speaking, there has been a constant dynamic on the part of the different governments and regulators in search of intervening and generating positive impacts on the economy and society. This is demonstrated by fiscal stimulus measures such as modifications in the tax calendar and the flexibility of tax payment methods for the year 2020. In labor matters, modifications have been made to the rules of teleworking, generating flexibility in this regard, which seems to remain in the long term. In this sense, taking the Colombian regulator as an example, it can be said that it has been broad in the interpretation of the norms in order to promote teleworking, and in countries such as Panama, and Chile, legislative reforms that were underway have been accelerated.

With regard to measures related to capital flow, we note that in countries such as Mexico and Chile, conversations have begun to be generated in the face of the impossibility of distributing dividends in 2020 by the companies to their parent companies, with the purpose of protecting the liquidity of the internal markets. In Mexico, the situation is based on a recommendation from the financial regulator to the insurance sector, while in the case of Chile it is a requirement to be able to access economic benefits or relief. We continue to permanently monitor the regulation, since it is not ruled out that similar measures will be adopted by other regulators in the region by 2021.

In the short term, given the fiscal crisis that is foreseen due to the increase in the expenditure of the countries, it is expected that between 2021 and 2022 structural fiscal reforms will be implemented that may affect the available resources of the citizens, thus limiting their capacity to access insurance services, and the increase of tax rates on assets, which may affect the results of the insurance industry. While this phenomenon is seen as a general measure in Latin

America, the presidential promises in Argentina and Uruguay seem to generate little probability of this happening.

In terms of social security in Colombia, regulations have been generated with great impact, especially those that oblige ARLs (*Administrator of occupational risks*) to allocate additional resources for elements of biosecurity and prevention at work for those employees with direct exposure to COVID-19. Similarly, the new regulation defines COVID-19 as a direct occupational disease for frontline occupations. Likewise, rules have been issued to regulate basic coverage baskets for COVID-19 care by the state, alleviating the economic burden of EPSs (*Health Providers*), and advances have been generated that allow more and more faculties for remote patient care under the modality of telemedicine.

## **Business**

For the second quarter of the year, the operating results of the subsidiaries of Grupo Sura have begun to show some impacts due to the effect of COVID-19, due to the evolution of the infection curve and the quarantines implemented in the region, which are having an impact on a slowdown in the economies. However, in this regard, the situation in Uruguay stands out positively, where a shorter quarantine was introduced, compromising local economic activity to a lesser extent.

At the end of June, the company had already developed initiatives to counteract the negative effects, such as measures to accompany and advise clients during renovations, transforming the solutions delivered so that they respond to the new conditions of the environment, granting additional terms for payments, promoting virtual platforms and new tools for distribution channels, as well as accelerating the implementation of initiatives associated with the transformation of the operating model, which tend towards greater agility, relevance in the offer of value, virtuality and efficiency in the new conditions in which the world moves.

Today, more than ever, the role of our service providers in the health sector in Colombia is relevant. They contribute to contain and mitigate the health emergency, in coordination with government authorities. Part of the actions with which we contribute to the solution are the expansion of capacities for assistance and services, increasing the number of health professionals, which today add up to nearly 10 thousand employees, as well as the implementation of technology for virtual attention, with a significant amount of daily care, the collection of samples in own IPS (*Health Provider Institute*), at home and in the modality of drive thru.

On March 27, 2020, the President of the Republic of Colombia issued Decree 488, which in its article 5. Resources of the System of Labor Risks to face the Coronavirus COVID-19, decreed that until the facts that gave rise to the economic, social and health emergency remain, the Administrators of Labor Risks, which in our case would be the company Seguros de Vida Suramericana S.A. with its subsidiary ARL SURA, must allocate the resources from the contributions on labor risks dealt with in Article 11 of Law 1562 of 2012, to activities of promotion and prevention of contagion, through the purchase of personal protection elements, frequent medical check-ups of a preventive and diagnostic nature, as well as to undertake direct intervention actions related to the containment, mitigation and care of the pandemic. These resources are destined to the workers of the affiliated companies, who on occasion of the tasks they perform, are directly exposed to the contagion of the virus.

Income from insurance premiums presents a lower dynamic in new businesses, with greater impacts on mobility solutions and the affinity channel due to economic closures during the

quarantines; on the other hand, renewals continue with similar levels to the same period of the previous year thanks to the initiatives to support the people and small and medium business segments. In addition, the dynamics of premiums issued reflect strategies that seek to reward customers for lower risk exposure, whether in the form of premium refunds, discounts or the addition of coverage.

Compulsory insurance in Colombia has presented a contraction in its income associated with the lower economic dynamics and higher unemployment in the country, with impacts mainly on the ARL which presents a decrease in income of 2%.

Similarly, in line with the reduction in income and lower economic activity, during the second quarter there was a decrease in risk exposure, mainly in mobility, property and asset solutions, which generated a reduction in the frequency of claims for these solutions. Additionally, fewer claims were filed in the health solution due to the postponement of medical procedures.

In countries where there is greater exposure due to Health and Life solutions, the infected curve has not reached the peak of infections and therefore the effects on the accident rate associated with COVID-19 are still in early stages, however, a greater impact has already been evidenced in Colombia.

## **Reserves**

During the last quarter, the reserves of the company did not show significant changes and it is considered that the levels of insurance reserves calculated and presented in its financial statements for June 30, 2020 are sufficient, and no additional impacts are expected based on the information known at that time, since the estimates of claims made for this cut are consistent with the evaluations that have been made on the possible effects derived from the COVID-19 pandemic.

However, everything will depend on the evolution of the measures taken by the governments, the health conditions of the population and their consequences on the macroeconomic variables of the different countries. Therefore, within the company, the evolution of the main variables, actions and their consequences continue to be permanently evaluated, with the purpose of capturing new information that will allow us to better understand the behavior of the risks and our exposure to them in the short and medium term. This allows the company to maintain an adequate diagnosis on the adequacy of its reserves, even given the atypical nature of the situation.

## **Investment Portfolio**

During the second quarter of 2020 the markets showed a significant recovery, especially the developed markets, returning to pre-COVID levels as in the case of the Dow Jones stock index which obtained an 18% advance during the quarter compared to the first three months of the year where it presented a 15% loss, this also generated confidence in the fixed income markets which presented important valuations along the entire yield curve. The gradual reopening of the different economies has allowed this recovery, generating generalized confidence in the stock markets.

On the other hand, the economic slowdown has led to the discounting of quite low inflation records for the year-end, which affects our investment portfolios that are highly indexed to this indicator. It is important to note that this impact of low inflation is negative for investment



income, but is compensated by the recalculation of insurance reserves that also respond to inflation-indexed bonds. This type of compensation is achieved with our ALM management model, mitigating the impact on the results as a company. This adequate management allows us to have budget fulfillment in the income from investments over 100%.

Once again, we highlight that the reserve matching levels in the subsidiaries have not shown any deterioration, even with significant excesses in each of them, the solvency margins at a regulatory and internal level are preserved without any effect despite the situation.

### Credit Risk

During the last quarter the credit risk situation in terms of investment portfolio issuers did not present significant changes. However, there were specific situations in Chile, Argentina and El Salvador, as detailed below:

- **Chile:** There was a significant operational deterioration in the bonds of one portfolio issuer. Its value at amortized cost at the end of June is USD 1.65 million and due to the analysis, continuous monitoring and methodology of investment impairment, a higher impairment value is being recognized for this investment.
- **Argentina:** Similar to the previous quarter, the country continues with its debt restructuring plans, which it had planned before the pandemic, in this sense, the company continues to prepare to face a possible liquidity risk due to the postponement in the payment of some coupons and maturity of securities, without implications of loss of capital so far.
- **El Salvador:** In this portfolio, two issuers presented capital payment grace period plans. These were approved by investors in order to provide liquidity relief. The book value of these investments amounts to USD 1.2 million.

In addition to the above points, there are no further significant impairments in the book value of the investments of the subsidiaries of Suramericana S.A., the above taking into account that the portfolio is diversified in issuers with good credit quality and high operational soundness that has allowed them to remain stable in the midst of the pandemic.

Currently, the countries in which we have financial instruments classified as amortized cost are Colombia, Dominican Republic, El Salvador, Panama and Chile, for these, an impact on investment portfolios and financial statements would be expected in the event of a downgrade in the credit rating of the issuers. Securities classified at market value permanently incorporate the effects of quotation and fluctuations in interest rates, therefore, they do not imply additional effects associated with prospective impairment analyses. Nevertheless, as a result of the downgrading of the credit rating of issuers, for those securities classified at market value with changes in other comprehensive income the company may reflect negative impacts on the results of the period associated with an estimated impairment.

With respect to accounts receivable from reinsurers and co-insurers, similar to the previous quarter, no major impact is perceived on the stability of the reinsurers and co-insurers with which the company currently carries out transactions, given their financial strength and stability in their operating performance, which is constantly validated within Grupo Sura. Nonetheless, we continue to constantly monitor the reality of the global reinsurance market and its

connection with the variables associated with the pandemic and macroeconomic variables in order to be able to anticipate any impact that may affect any of the companies in the Group.

Regarding accounts receivable from our clients, although in some countries longer terms are being granted to pay premiums due to government decisions generating an increase in the days of turnover of accounts receivable, mainly in the Dominican Republic and Panama, no significant risk has been identified that represents large losses for the company. It is important to take into account that in Sura Panama, there is evidence of a significant deterioration for this quarter in the auto and individual life portfolios, since there has been an increase in default, especially in accounts from 90 to 120 days. In addition, a detailed review process is being carried out with each of the subsidiaries in order to determine whether there are any additional issues to be considered with respect to the client portfolio.

Notwithstanding the above, with respect to not observing significant impacts associated with credit risk during this second quarter, we are aware of the volatility and high uncertainty generated by the current situation, so the company permanently monitors the measures adopted by governments and the implications these may have on the behavior of different sectors, among others, the interruption in supply chains, extensive suspension of productive activity, increased unemployment, income recession for some sectors, price behavior (inflation), economic slowdown, etc.

### **Exchange Rate Impacts**

Against the US dollar the emerging currencies have recovered significantly during the second quarter as expected, among other reasons due to the higher levels of confidence that have helped to present valorizations of the currencies in Latin America, as well as the abundant liquidity resulting from the aid from the governments in each of their economies. However, we expect volatility during the rest of the year as new virus outbreaks occur and access to some markets begins to be affected by high levels of debt and perception of greater risk, the company does not lose sight of the conditions and expectations associated with the behavior of currencies and the risks that this entails, so that it can implement new strategies in the management of its assets, prioritizing mitigation without losing sight of the opportunities for profitability offered by the market.

In any case, the exchange effects on operations and those arising from the translation of the results of the period and financial situation of the subsidiaries to the presentation currency of these financial statements (COP) have already been recognized and incorporated as of June 30, 2020.

### **Recoverability of deferred tax assets**

As a preventive measure in the face of the COVID-19 pandemic, as of June 30, 2020, the company evaluated the recoverability of deferred tax assets, concluding that no elements were identified that would generate the non-recoverability of these, however, it will continue to monitor the evolution of the business and the economic impacts derived from the situation in its financial statements, without losing sight of the possible effects on these positions.

### **Business continuity**

The management of the company believes that for the time being none of its operations present significant difficulties that would prevent it from continuing as a going concern. Our continuity plans have allowed the implementation of remote work to a high percentage of the collaborators and the qualification of technological capacities to attend the commercial and business processes, without incurring in material or disproportionate costs for it. In addition to the above, we are aware of the importance of maintaining the financial soundness and liquidity necessary to meet the needs of businesses at the present time. In this regard, we believe that the dynamics that operations bring, as well as the financial strategy that the company has followed over several periods, in relation to the optimization of resources and capital allocation decisions, place us in a suitable position.

### **Impairment of value**

At Grupo SURA we understand that the situation generated by COVID-19 represents, given its concentrated impact, principally in the short term, a deviation in some financial and operational indicators, initially considered in order to conclude whether it is pertinent to evaluate signs of deterioration in each of the subsidiaries. However, within the company we consider that for the time being we are beginning to dimension the situation and understand the impacts that we may have during the year 2020. Thus, in view of the high uncertainty, we do not possess solid bases to foresee the consequences derived from the contingency from the year 2021 onwards, which generates limitations when making any long-term financial assessment. In addition to the restrictions this brings from the modelling point of view.

The levels of matching and solvency that allow to define the capacity of distribution of dividends in the subsidiaries remain sufficient, which allows to infer that the value measured through the discount of future flows has not been impacted, equally, it is important to emphasize that there is still a high uncertainty due to the behavior of the main variables of the insurance business such as premium income, its cash collection and future claims payments, which makes it difficult to project behavior and results beyond this year, in relation to the information so far known.

We are constantly monitoring the capital needs of all our subsidiaries, whether due to deteriorating conditions or the growth of the different lines of business, as well as the impact this may have on the value of our companies.

### ***Pensions***

During the first months of the pandemic, the governments of the countries where SURA Asset Management operates defined quarantines with different degrees of restriction, in order to flatten the infection curves and not exceed the capabilities of the health services.

As this pandemic has evolved, some countries have made the measures more flexible, such as Colombia, where a "pico y cedula" (*Daily alternating system allowing citizens to go out depending on the last digit of their Identification document*) mechanism was established; or Peru, where quarantine was lifted in some cities such as Lima as of early July. In Uruguay, the government has opted for a gradual return to the "new normality", progressively resuming commercial and educational activities in the country. In Mexico, where the quarantine was more voluntary by region than ordered by the central government, activities are also gradually resuming.

On the other hand, Chile was forced to retake the restrictions after observing a rapid increase in cases of contagion when the quarantine was lifted in some sectors.

Given the above, at the end of the second quarter Colombia and Chile maintain restrictive and generalized quarantines, while Uruguay has lifted them completely and Peru in a localized manner. Quarantine conditions in Mexico have also been eased.

The Company has been continuously making different estimation and projection exercises of its results and the impact on the financial statements given the worldwide health crisis. At the end of the first quarter some impacts were identified in the countries derived mainly from economic and social measures adopted by the governments to face the crisis. The following are the impacts identified and updated at the end of the second quarter of the year:

In the mandatory business:

- The loss of profitability observed during the first quarter as a result of the reaction of the markets to the crisis has been almost completely recovered. Only in Peru and Colombia the recovery has not yet managed to reverse the accumulated negative result (materialized in the financial statements in the profitability of the Reserve Requirement and partially in the equity method), however, they have had a significant and positive recovery from the month of April onwards.
- Impact on the contribution rates of members and the level of wage bases due to unemployment triggered by quarantines and the general economic crisis: worldwide, an immediate and direct effect of the interruption of activities due to quarantines has been the temporary closure of different companies and the loss of jobs. While only a portion of these jobs are expected to be permanently lost given government initiatives, the Company has been monitoring official government projections in terms of unemployment. Starting in May, a decrease in these business variables was observed, which naturally has an impact on commission income.

At the end of the second quarter it is still premature to predict how much of the job losses observed so far will be structural and/or temporary. Nevertheless, the impacts on revenues observed do not jeopardize the ability of the Company to continue as a going concern, and are expected to be effects that will recover as countries lift the quarantine and employment generating economic activities are reactivated.

- Impact of government measures that directly affect mandatory business: during the first half of the year, legislative initiatives and government decrees have been presented to reduce the economic impacts of the pandemic, the most notable being:

- Peru:

- **Suspension of contributions** to the pension funds during the month of April: in order to provide more liquidity to formal workers, the government allowed the April contributions, as well as the respective fees for the administration of contributions, to be suspended. The impact of this measure is valued at 28,788 million COP<sup>1</sup> of lower income.
- **Withdrawal of inputs:**
  - Partial withdrawal of up to PEN 2,000 (approximately COP 2,162,573<sup>1</sup>) of the individual capitalization account (CIC): this measure, at the beginning, applied to people who had not reported contributions (that is, had no formal work) during the last 6 months counted up to 31/03. Days later, the decree was expanded to cover individuals:
    - That they have not reported contributions in February or March,
    - Whose employers have taken advantage of the Perfect Work Suspension scheme (temporary suspension of employment and payment)
    - Whose salaries are less than PEN 2,400 (approximately COP 2,595,088<sup>1</sup>), regardless of whether they are working or not.
  - Partial withdrawal of up to 25% of the CIC of the affiliate, with a minimum of PEN 4,300 (COP 4,649,532<sup>1</sup>) and a maximum of PEN 12,900 (COP 13,948,596<sup>1</sup>) This measure was enacted in May, allowing withdrawals to be requested up to 60 days after the publication of the regulation. This law provides for the optional withdrawal of all members of the system, without the condition of suspension from work or income limits.
  - Considering both provisions, between the months of April and June (until some days in July) around 1.5 million retirement requests were received, for a total equivalent to 8.9 billion COP<sup>2</sup> (14% of the assets managed by AFP Integra). It is worth mentioning that only a part of the income is charged on the assets managed; it is estimated that this reduction will have an impact of 9,596 million COP<sup>1</sup> less commissions by 2020.
- Chile:
  - A decree was issued allowing members and pensioners of pension funds to **withdraw 10%** of the funds accumulated in their accounts, up to 150 UFs (Unidades de Fomento) (approximately 19,908,284 million COP<sup>2</sup>)

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<sup>1</sup> At the average rate at the end of June.

<sup>2</sup> At June close rate.

- The impacts are currently being measured.

In the non-mandatory business:

- Potential reduction in assets under management due to negative performance in the financial markets: at the end of the second quarter the negative performance of previous months was mostly recovered (cumulative -0.2% return at the end of Q2, versus cumulative -5.2% return at the end of Q1 in the savings and investment business).
- Potential reduction in managed assets due to an increase in customer departures, due to liquidity needs: this situation has been counteracted by a strategy of proximity and retention, which is strongly supported by digital channels, and a better level of net commercial flow is evident during the second quarter.
- Potential reduction in average fees, due to the refuge in fixed income products instead of equity or alternative products: the reduction in the average fee of this business has materialized, however, these lower fees are partially compensated by the recovery of performance and positive net flows), and the fees show growth with respect to the previous year.

In general, as in other industries, the businesses in which SURA Asset Management operates have been affected by reduced mobility and quarantines, which has made it difficult to close affiliations or attract new clients. However, the focus on the client in previous years has allowed us to develop initiatives for digital acquisition and proximity, which were already in place at the beginning of the crisis, and have allowed us to maintain our approach to clients, digital consultancy and acquisition in some products where regulation allows for 100% remote processes.

- Colombia:
  - In June 2020, the Financial Superintendence of Colombia instructed insurers to pass on to consumers the benefits identified with the reduction of the insured risk by virtue of the mandatory preventive isolation. These measures apply to all branches of insurance, except life.
  - A bill was filed to carry out a health reform. One of its proposals is to remove from the system the EPSs that in recent years have not met their objective and financial indicators. The rest would be placed under the model of Health Insurance Companies. The initiative must be approved in 8 debates before it becomes a constitutional reform.
  - The Court declared unconstitutional the Decree that allowed companies and independents to reduce their Social Security contributions in April and May and authorized the transfer of some 25,000 pensioners from private AFPs (*Administrators of Pension Funds*) to Colpensiones. The ruling has retroactive effect and the State must decide how and when the required adjustments will be made.
  - A bill was presented so that members of the Individual Savings Regime with Solidarity (Rais), who stopped contributing in July 2020, can withdraw up to 10%

of the individual capitalization accounts for their pensions that are in the hands of the AFPs.

As mentioned, the Company has been continuously making projections and models that allow it to anticipate and quantify the impacts that the businesses will have, and as a consequence, the possible impacts on its Financial Statements. Given that the crisis is in full development and there is no solution or normalization date in sight, this is a year that will continue to develop during the next weeks and months, in which Grupo Sura will perform constant analysis to incorporate any effect.

At the end of the second quarter, in addition to the aforementioned impacts, it was identified:

- That there have been no significant changes to the lease agreements recognized under IFRS 16, which could require the remediation of the assets or liabilities in right of use. (There were no cancellations of contracts, nor renegotiation of conditions).
- That there are no indications of impairment requiring revaluation of investment properties held by the Company.
- That there is no evidence that the Company has difficulties in recovering long-term items (DAC, DIL, deferred tax assets).
- That there have been no changes in the dividend commitment flows for the year.

## **NOTE 6. BUSINESS COMBINATIONS**

### **Business combinations carried out in the period**

On February 28, 2018, Diagnóstico y Asistencia Médica S.A.S. Dinámica IPS signed an agreement with Fundación Institución de Alta Tecnología Médica "IATM" for the acquisition of three operational sites; along with other related assets and liabilities. Through this operation, the company seeks to consolidate its position in the diagnostic aid business in the city of Medellín. The effective date for accounting purposes of the business combination was November 1, 2018.

By June 30, 2019, the purchase price allocation process was completed in accordance with IFRS 3 "Business Combinations". The final fair values of the identifiable assets and liabilities of the business at the date control is obtained and the adjustments made in the measurement period are as follows:

	Fair value at November 1, 2018	Adjustments of the measurement period	Fair value at November 1, 2018
<b>Identifiable assets</b>			
Trade accounts receivable	1,894	-	1,894
Inventories	45	-	45
Properties, plant and equipment	14,800	-	14,800
Available	805	-	805
Investments	2	-	2
Intangible assets <sup>(1)</sup>	69	7,399	7,468
<b>Total identifiable assets</b>	<b>17,615</b>	<b>7,399</b>	<b>25,014</b>
<b>Identifiable liabilities</b>			
Financial obligations	848	-	848
Suppliers	148	-	148
Other Liabilities	275	-	275
Laboral obligations	395	-	395
Accounts payable	671	-	671
Deferred taxes	718	-	718
<b>Total identifiable liabilities</b>	<b>3,055</b>	<b>-</b>	<b>3,055</b>
<b>Net assets and liabilities</b>	<b>14,560</b>	<b>7,399</b>	<b>21,959</b>

<sup>(1)</sup> Includes the following assets:

- Client list in the amount of \$ 7,399, which is amortized over a term of 12 years, as of November 1, 2018.
- Software for \$69.

The value of the resulting goodwill is determined as follows:

	Fair value at November 1, 2018
Consideration transferred <sup>(2)</sup>	22,599
Provisional fair value of identifiable assets and liabilities	(21,959)
<b>Commercial credit generated in the acquisition</b>	<b>640</b>

(2) The value of the consideration transferred was paid in cash prior to June 30, 2019.

The goodwill is attributed to the expansion of the company strategy and the synergies expected from the integration with the current operations. According to what is indicated in subparagraph C, number 2 of article 74 and paragraph 3 of Article 143 of the tax statute, goodwill, determined in this business combinations, is not subject to amortization for tax purposes.

Transaction costs, related to the acquisition of the business, are not significant, which were recognized as other operating expenses, in the comprehensive income statement at December 31, 2018.



## NOTE 7. FINANCIAL INSTRUMENTS

The methodologies and assumptions used to determine the values of financial instruments that are not recorded at fair value (i.e., 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 (i.e., 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.

### *Financial instruments at agreed rate*

The 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.

### *Financial liabilities whose fair value approximates the carrying value*

For those obligations that have a short-term maturity, their carrying value approximates their fair value.

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 vary significantly; hence, the carrying value corresponds to an approximation of its fair value.

### 7.1. Financial assets

Current and non-current financial assets current, by type of financial asset, are as follows:  
June 2020

June 2020						
Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Cash and cash equivalents		-	-	-	2,829,674	2,829,674
Investments	7.1.1	298,358	7,909,792	-	-	8,208,150
Accounts receivable	7.1.2	6,541,171	-	-	-	6,541,171
Accounts receivable, related parties <sup>(1)</sup>		387,166	-	-	-	387,166
Derivatives (other financial assets)		-	221,399	-	-	221,399
<b>Total</b>		<b>7,226,695</b>	<b>8,131,191</b>	<b>-</b>	<b>2,829,674</b>	<b>18,187,560</b>

  

Non - current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Restricted cash		-	-	-	53,256	53,256
Investments	7.1.1	10,194,987	3,137,512	672,848	-	14,005,347
Derivatives (other financial assets)		-	1,107,787	-	-	1,107,787
<b>Total</b>		<b>10,194,987</b>	<b>4,245,299</b>	<b>672,848</b>	<b>53,256</b>	<b>15,166,390</b>

  

<b>Financial assets</b>		<b>17,421,682</b>	<b>12,376,490</b>	<b>672,848</b>	<b>2,882,930</b>	<b>33,353,950</b>
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December 2019

December 2019						
Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Cash and cash equivalents		-	-	-	2,256,625	2,256,625
Investments	7.1.1	56,743	7,337,006	-	-	7,393,749
Accounts receivable	7.1.2	6,184,875	-	-	-	6,184,875
Accounts receivable, related parties <sup>(1)</sup>		109,153	-	-	-	109,153
Derivatives (other financial assets)		-	51,363	-	-	51,363
<b>Total</b>		<b>6,350,771</b>	<b>7,388,369</b>	<b>-</b>	<b>2,256,625</b>	<b>15,995,765</b>

Non - current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Restricted cash		-	-	-	89,532	89,532
Investments	7.1.1	12,788,839	3,200,273	599,509	-	16,588,621
Accounts receivable	7.1.2	149,963	-	-	-	149,963
Derivatives (other financial assets)		-	542,886	-	-	542,886
<b>Total</b>		<b>12,938,802</b>	<b>3,743,159</b>	<b>599,509</b>	<b>89,532</b>	<b>17,371,002</b>

<b>Financial assets</b>	<b>19,289,573</b>	<b>11,131,528</b>	<b>599,509</b>	<b>2,346,157</b>	<b>33,366,767</b>
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(1) Accounts receivable, from related parties, corresponds to pending dividends receivable, from associated companies, and are as follows:

	June 2020	December 2019
Grupo Bancolombia S.A.	205,947	64,031
Grupo Nutresa S.A.	79,050	24,756
Grupo Argos S.A.	64,661	20,063
Protección S.A.	36,534	-
Others	974	303
<b>Total dividends, receivable</b>	<b>387,166</b>	<b>109,153</b>

A breakdown by financial assets and countries, is as follows:

	June 2020	December 2019
Colombia	16,951,871	15,090,900
Chile	9,453,029	9,026,418
Mexico	2,069,693	4,571,546
Argentina	999,888	871,227
Panama	901,400	767,649
Peru	876,203	969,120
El Salvador	644,753	544,795
Brazil	597,541	719,709
Uruguay	457,293	445,713
Dominican Republic	320,916	301,299
Bermudas Islands	81,363	58,391
<b>Total</b>	<b>33,353,950</b>	<b>33,366,767</b>

### 7.1.1. Investments

The breakdown of investments is as follows:

	June 2020	December 2019
National issuers	7,961,242	7,994,850
Treasury securities - TES	2,979,008	5,165,704
Foreign issuers	4,379,298	4,004,431
Legal reserve pension fund - Investments at fair value, with changes in profit and loss	6,558,338	6,489,116
Other Securities issued by the national government	355,096	340,599
Other	21,017	28,775
Impairment of equity investments instruments, through other comprehensive (Nota 7.2)	(36,878)	(34,318)
Impairment (Nota 7.2)	(3,624)	(6,787)
<b>Total</b>	<b>22,213,497</b>	<b>23,982,370</b>

The movement of the investment account, is as follows:

<b>Balance at January 1, 2019</b>	<b>22,696,482</b>
Additions	7,969,142
Derecognition	(8,090,685)
Interest received	(709,394)
Impairment	(15,385)
Valuation (net) of financial assets	977,225
Valuation of equity investments	12,335
Dividends received	(910)
Amortized cost valuation	1,088,590
Exchange differences	54,970
<b>Balance at December 31, 2019</b>	<b>23,982,370</b>
Additions	8,280,322
Derecognition	(10,950,300)
Interest received	(360,179)
Impairment	(1,064)
Financial instruments with changes OCI	(2,089)
Valuation (net) of financial assets	208,019
Valuation of investment at amortized cost	507,692
Dividends received	(118)
Exchange differences	548,844
<b>Balance at June 30, 2020</b>	<b>22,213,497</b>

### 7.1.2. Trade and other accounts receivables

The detail of accounts receivable as at 30 June 2020 is as follows:

	June 2020	December 2019
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Insurance activity	4,790,543	4,583,762
Debtors	793,649	772,903
Payments of customers, consumption accounts	417,034	413,808
Various	236,196	235,326
Judicial deposits	201,986	231,485
Commissions	118,153	118,315
Payments on behalf of customers, housing	108,278	96,006
Securities trading company	90,296	99,462
Advances to contracts and suppliers	87,190	36,185
Credits portfolio	38,903	44,816
To employees	25,282	25,626
Interests	5,398	-
Leases	1,537	1,522
Impairment of other loan portfolio items	(199)	(199)
General Impairment (provision)	(633)	(640)
Impairment (provision) accounts receivable, consumption	(5,236)	(4,494)
Impairment (provision) other accounts receivable	(19,212)	(23,845)
Impairment (provision) accounts receivable, insurance activity	(108,126)	(66,045)
Impairment (provision) trade accounts, receivable	(239,868)	(229,155)
<b>Total</b>	<b>6,541,171</b>	<b>6,334,838</b>

## 7.2. Impairment of financial assets

A breakdown, of the impairment of financial assets, is:

	June 2020	December 2019
Impairment accounts receivable	(373,274)	(324,378)
Impairment Investments	(40,502)	(41,105)
<b>Total</b>	<b>(413,776)</b>	<b>(365,483)</b>

## 7.3. Financial liabilities

The following are the financial liabilities of Grupo SURA:

	Note	June 2020	December 2019
Other financial liabilities	7.3.1	1,790,961	1,685,559
Derivatives	7.3.1	285,965	204,190
Trade and other accounts payable	7.3.2	3,583,586	3,613,367
Accounts payable, related parties		354,035	82,011
Securities issued	15	8,772,205	8,203,145
<b>Total</b>		<b>14,786,752</b>	<b>13,788,272</b>

The breakdown of financial liabilities in current and non-current and by type of financial liability is as follows:

## June 2020

June 2020				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	42,368	42,368
Accounts payable	7.3.2	3,583,586	-	3,583,586
Accounts payable, related parties		354,035	-	354,035
Other financial liabilities	7.3.1	1,273,929	28,296	1,302,225
Securities issued	15	1,132,865	-	1,132,865
<b>Total</b>		<b>6,344,415</b>	<b>70,664</b>	<b>6,415,079</b>

  

Non-current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	243,597	243,597
Other financial liabilities	7.3.1	488,736	-	488,736
Securities issued	15	7,639,340	-	7,639,340
<b>Total</b>		<b>8,128,076</b>	<b>243,597</b>	<b>8,371,673</b>
<b>Financial liabilities</b>		<b>14,472,491</b>	<b>314,261</b>	<b>14,786,752</b>

## December 2019

December 2019				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	21,501	21,501
Accounts payable	7.3.2	3,613,367	-	3,613,367
Accounts payable, related parties		82,011	-	82,011
Other financial liabilities	7.3.1	1,260,228	1,501	1,261,729
Securities issued	15	249,145	-	249,145
<b>Total</b>		<b>5,204,751</b>	<b>23,002</b>	<b>5,227,753</b>

  

Non - current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	182,689	182,689
Other financial liabilities	7.3.1	423,830	-	423,830
Securities issued	15	7,954,000	-	7,954,000
<b>Total</b>		<b>8,377,830</b>	<b>182,689</b>	<b>8,560,519</b>
<b>Financial liabilities</b>		<b>13,582,581</b>	<b>205,691</b>	<b>13,788,272</b>

Following is an overview of financial liabilities, by country:

	June 2020	December 2019
Colombia	12,663,268	11,620,705
Chile	1,018,617	1,083,286
Mexico	259,331	267,271
Brazil	199,349	222,144
Argentina	179,555	184,914
Dominican Republic	125,910	136,095
Panama	91,670	59,356
El Salvador	86,183	72,197
Peru	68,876	67,103
Uruguay	63,784	70,058
Bermuda Island	30,209	5,143
<b>Total</b>	<b>14,786,752</b>	<b>13,788,272</b>

### 7.3.1. Other financial liabilities

breakdown of other financial liabilities is as follows:

	June 2020	December 2019
Financial derivatives <sup>1</sup>	285,965	204,190
Financial obligations <sup>2</sup>	1,790,961	1,685,559
<b>Total</b>	<b>2,076,926</b>	<b>1,889,749</b>

<sup>(1)</sup> The variation is mainly due to market volatility, since this affects the respective curves with which derivatives are valued, and also to the trading of new hedging derivatives.

<sup>(2)</sup> The change is due to the exchange rate, since the company has financial obligations in USD and for new debt acquisition.

Grupo SURA has had no defaults on capital, interest or other liabilities during 2020 and 2019.

### 7.3.2. Accounts payable and other payables

The detail of accounts payable, is as follows:

	June 2020	December 2019
Accounts payable to insurance companies	2,110,538	2,152,984
Suppliers	581,143	599,672
Other accounts payable	891,905	860,711
<b>Total</b>	<b>3,583,586</b>	<b>3,613,367</b>

## NOTE 8. LEASES

Grupo SURA has lease agreements for assets such as land and buildings with terms of between 3 and 12 years and for vehicles between 3 and 7 years.

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

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

Grupo SURA also has equipment leases that are short term and/or of lesser amount. Grupo SURA applies the exception permitted by the rule for this type of contract.

The movements in assets by right of use and lease liabilities for the period ended 30 June 2020 are detailed below:

	Right-of use assets	Lease liabilities
<b>Balance at January 1, 2019</b>	<b>621,218</b>	<b>620,801</b>
Additions and increments	93,998	61,348
Decreases	7,734	(62,088)
Reclassifications	60,887	92,579
Depreciation and amortization	(128,288)	-
Adjustments for inflation	9,124	-
Interest expenditure	-	44,885
Interest payments	-	(94,802)
Difference in conversion	(19,189)	3,940
<b>Balance at December 31, 2019</b>	<b>645,484</b>	<b>666,663</b>
Additions and increments	65,117	22,545
Decreases	(42,292)	(77,785)
Depreciation and amortization	(66,735)	(1,083)
Adjustments for inflation	11,413	-
Reclassifications	44,525	-
Interest expenditure	-	19,987
Difference in conversion	(37,395)	(29,928)
<b>At 30 June, 2020</b>	<b>620,117</b>	<b>600,399</b>

## NOTE 9. INSURANCE CONTRACTS

### 9.1. Technical reserves part reinsurers

#### *Reinsurance*

Reinsurance assets represent the benefits derived from insurance contracts, at the date of the statement of financial position.

	June 2020	December 2019
Reinsurance of notified claims	2,655,360	2,578,747
Reinsurance of risk-in-progress	1,411,329	1,261,719
Reinsurance of unnotified claims	329,949	262,390
Reinsurance deposits	595	542
<b>Technical reserves of insurance, reinsurer parties</b>	<b>4,397,233</b>	<b>4,103,398</b>

Grupo SURA has a diversification of its insurance risk, by operating in different lines, and having a broad presence, in international markets.

Grupo SURA applies a system of procedures and limits that allow it to control the level of concentration of insurance risk. It is a common practice to use reinsurance contracts as an element to mitigate the risk of insurance, derived from concentrations or accumulations of guarantees higher than the maximum levels of acceptance.

The insurers of Grupo SURA have ceded part of the risk of their insurance contracts to the reinsurance companies, in order to share possible claims presented.

## 9.2. Premiums

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

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Life insurance contracts	2,891,173	2,760,479	1,415,549	1,484,748
Non-life insurance contracts	3,983,091	3,718,166	2,122,035	1,962,742
<b>Premiums issued</b>	<b>6,874,264</b>	<b>6,478,645</b>	<b>3,537,584</b>	<b>3,447,490</b>
Life insurance contracts - reinsurer party	(149,055)	(158,080)	(78,788)	(89,837)
Non-life insurance contracts - reinsurer party	(1,351,226)	(991,914)	(812,629)	(510,303)
<b>Ceded premiums</b>	<b>(1,500,281)</b>	<b>(1,149,994)</b>	<b>(891,417)</b>	<b>(600,140)</b>
<b>Total net premiums</b>	<b>5,373,983</b>	<b>5,328,651</b>	<b>2,646,167</b>	<b>2,847,350</b>

Premiums by country, are as follows:

June 2020	Accumulated						
	Life insurance contracts	Non-life insurance contracts	Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
Argentina	-	403,036	<b>403,036</b>	-	(55,368)	<b>(55,368)</b>	<b>347,668</b>
Bermuda	-	15,267	<b>15,267</b>	-	(23,919)	<b>(23,919)</b>	<b>(8,652)</b>
Brazil	-	272,615	<b>272,615</b>	-	(116,193)	<b>(116,193)</b>	<b>156,422</b>
Chile	403,971	1,024,359	<b>1,428,330</b>	(28,409)	(432,096)	<b>(460,505)</b>	<b>967,825</b>
Colombia	2,322,634	1,197,205	<b>3,519,839</b>	(82,411)	(445,801)	<b>(528,212)</b>	<b>2,991,627</b>
Mexico	-	430,927	<b>430,927</b>	-	(108,339)	<b>(108,339)</b>	<b>322,588</b>
Panama	-	252,892	<b>252,892</b>	-	(33,018)	<b>(33,018)</b>	<b>219,874</b>
Dominican Republic	-	156,346	<b>156,346</b>	-	(79,189)	<b>(79,189)</b>	<b>77,157</b>
El Salvador	164,568	87,740	<b>252,308</b>	(38,235)	(27,586)	<b>(65,821)</b>	<b>186,487</b>
Uruguay	-	142,704	<b>142,704</b>	-	(29,717)	<b>(29,717)</b>	<b>112,987</b>
<b>Total</b>	<b>2,891,173</b>	<b>3,983,091</b>	<b>6,874,264</b>	<b>(149,055)</b>	<b>(1,351,226)</b>	<b>(1,500,281)</b>	<b>5,373,983</b>

Quarter



June 2020	Life insurance contracts	Non-life insurance contracts	Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
Argentina	-	158,608	<b>158,608</b>	-	(21,443)	<b>(21,443)</b>	<b>137,165</b>
Bermuda	-	15,071	<b>15,071</b>	-	(23,913)	<b>(23,913)</b>	<b>(8,842)</b>
Brazil	-	124,354	<b>124,354</b>	-	(55,354)	<b>(55,354)</b>	<b>69,000</b>
Chile	194,526	677,736	<b>872,262</b>	(14,973)	(276,010)	<b>(290,983)</b>	<b>581,279</b>
Colombia	1,148,947	631,017	<b>1,779,964</b>	(45,700)	(293,008)	<b>(338,708)</b>	<b>1,441,256</b>
Mexico	(1,661)	183,621	<b>181,960</b>	-	(50,454)	<b>(50,454)</b>	<b>131,506</b>
Panama	-	126,445	<b>126,445</b>	-	(15,860)	<b>(15,860)</b>	<b>110,585</b>
Dominican Republic	-	79,312	<b>79,312</b>	-	(40,703)	<b>(40,703)</b>	<b>38,609</b>
El Salvador	73,738	47,980	<b>121,718</b>	(18,115)	(19,627)	<b>(37,742)</b>	<b>83,976</b>
Uruguay	-	77,890	<b>77,890</b>	-	(16,257)	<b>(16,257)</b>	<b>61,633</b>
<b>Total</b>	<b>1,415,550</b>	<b>2,122,034</b>	<b>3,537,584</b>	<b>(78,788)</b>	<b>(812,629)</b>	<b>(891,417)</b>	<b>2,646,167</b>

#### Accumulated

June 2019	Life insurance contracts	Non-life insurance contracts	Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
Argentina	-	446,333	<b>446,333</b>	-	(53,811)	<b>(53,811)</b>	<b>392,522</b>
Bermuda	-	18	<b>18</b>	-	-	-	<b>18</b>
Brazil	-	312,170	<b>312,170</b>	-	(74,667)	<b>(74,667)</b>	<b>237,503</b>
Chile	365,697	847,861	<b>1,213,558</b>	(23,088)	(348,829)	<b>(371,917)</b>	<b>841,641</b>
Colombia	2,131,756	1,166,338	<b>3,298,094</b>	(74,091)	(322,335)	<b>(396,426)</b>	<b>2,901,668</b>
Mexico	105,986	362,082	<b>468,068</b>	(25,529)	(71,233)	<b>(96,762)</b>	<b>371,306</b>
Panama	-	232,684	<b>232,684</b>	-	(31,367)	<b>(31,367)</b>	<b>201,317</b>
Dominican Republic	-	132,536	<b>132,536</b>	-	(63,815)	<b>(63,815)</b>	<b>68,721</b>
El Salvador	157,040	77,135	<b>234,175</b>	(35,372)	(11,296)	<b>(46,668)</b>	<b>187,507</b>
Uruguay	-	141,009	<b>141,009</b>	-	(14,561)	<b>(14,561)</b>	<b>126,448</b>
<b>Total</b>	<b>2,760,479</b>	<b>3,718,166</b>	<b>6,478,645</b>	<b>(158,080)</b>	<b>(991,914)</b>	<b>(1,149,994)</b>	<b>5,328,651</b>

#### Quarter

June 2019	Life insurance contracts	Non-life insurance contracts	Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
Argentina	-	247,890	<b>247,890</b>	-	(26,645)	<b>(26,645)</b>	<b>221,245</b>
Bermuda	-	18	<b>18</b>	-	-	-	<b>18</b>
Brazil	-	160,238	<b>160,238</b>	-	(33,220)	<b>(33,220)</b>	<b>127,018</b>
Chile	194,740	435,359	<b>630,099</b>	(10,906)	(151,066)	<b>(161,972)</b>	<b>468,127</b>
Colombia	1,154,785	622,996	<b>1,777,781</b>	(42,440)	(189,172)	<b>(231,612)</b>	<b>1,546,169</b>
Mexico	53,668	186,659	<b>240,327</b>	(17,646)	(39,029)	<b>(56,675)</b>	<b>183,652</b>
Panama	-	119,666	<b>119,666</b>	-	(16,670)	<b>(16,670)</b>	<b>102,996</b>
Dominican Republic	-	73,254	<b>73,254</b>	-	(36,727)	<b>(36,727)</b>	<b>36,527</b>
El Salvador	81,556	41,203	<b>122,759</b>	(18,845)	(8,391)	<b>(27,236)</b>	<b>95,523</b>
Uruguay	-	75,458	<b>75,458</b>	-	(9,383)	<b>(9,383)</b>	<b>66,075</b>
<b>Total</b>	<b>1,484,749</b>	<b>1,962,741</b>	<b>3,447,490</b>	<b>(89,837)</b>	<b>(510,303)</b>	<b>(600,140)</b>	<b>2,847,350</b>

### 9.3. Claims withheld

The claims incurred by Grupo SURA and subsidiaries for the years ended June 30, 2020 and 2019 are the following:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Total claims	3,581,213	4,009,338	1,475,459	1,834,318
Claim reimbursement	(718,323)	(916,629)	-259,311	-254,088
<b>Claims withheld</b>	<b>2,862,890</b>	<b>3,092,709</b>	<b>1,216,148</b>	<b>1,580,230</b>

Claims per country are detailed as follows:

June 2020	Accumulated						
	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	219,991	<b>219,991</b>	-	(17,376)	<b>(17,376)</b>	<b>202,615</b>
Bermuda	-	107	<b>107</b>	-	-	-	<b>107</b>
Brazil	-	158,349	<b>158,349</b>	-	(81,302)	<b>(81,302)</b>	<b>77,047</b>
Chile	348,796	316,908	<b>665,704</b>	(11,294)	(152,020)	<b>(163,314)</b>	<b>502,390</b>
Colombia	1,310,325	686,491	<b>1,996,816</b>	(130,632)	(210,348)	<b>(340,980)</b>	<b>1,655,836</b>
Mexico	-	216,854	<b>216,854</b>	-	(36,463)	<b>(36,463)</b>	<b>180,391</b>
Panama	-	84,882	<b>84,882</b>	-	(16,465)	<b>(16,465)</b>	<b>68,417</b>
Dominican Republic	-	42,727	<b>42,727</b>	-	(19,585)	<b>(19,585)</b>	<b>23,142</b>
El Salvador	92,702	31,558	<b>124,260</b>	(27,490)	(1,142)	<b>(28,632)</b>	<b>95,628</b>
Uruguay	-	71,523	<b>71,523</b>	-	(14,206)	<b>(14,206)</b>	<b>57,317</b>
<b>Total</b>	<b>1,751,823</b>	<b>1,829,390</b>	<b>3,581,213</b>	<b>(169,416)</b>	<b>(548,907)</b>	<b>(718,323)</b>	<b>2,862,890</b>

June 2020	Quarter						
	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	71,465	71,465	-	(189)	(189)	71,276
Bermuda	-	4	4	-	-	-	4
Brazil	-	54,284	54,284	-	(21,710)	(21,710)	32,574
Chile	150,714	71,666	222,380	(5,689)	(4,144)	(9,833)	212,547
Colombia	595,537	341,342	936,879	(49,667)	(127,444)	(177,111)	759,768
Mexico	(36,469)	90,972	54,503	-	(9,184)	(9,184)	45,319
Panama	-	32,917	32,917	-	(7,501)	(7,501)	25,416
Dominican Republic	-	21,357	21,357	-	(12,195)	(12,195)	9,162
El Salvador	34,988	12,856	47,844	(12,305)	(763)	(13,068)	34,776
Uruguay	-	33,826	33,826	-	(8,520)	(8,520)	25,306
<b>Total</b>	<b>744,770</b>	<b>730,689</b>	<b>1,475,459</b>	<b>(67,661)</b>	<b>(191,650)</b>	<b>(259,311)</b>	<b>1,216,148</b>

### Accumulated

June 2019	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	229,450	<b>229,450</b>	-	6,602	<b>6,602</b>	<b>236,052</b>
Brazil	-	172,454	<b>172,454</b>	-	(82,680)	<b>(82,680)</b>	<b>89,774</b>
Chile	365,151	555,748	<b>920,899</b>	(7,250)	(326,861)	<b>(334,111)</b>	<b>586,788</b>
Colombia	1,257,843	660,628	<b>1,918,471</b>	(83,434)	(161,861)	<b>(245,295)</b>	<b>1,673,176</b>
Mexico	106,119	262,835	<b>368,954</b>	(38,586)	(104,676)	<b>(143,262)</b>	<b>225,692</b>
Panama	1	110,563	<b>110,564</b>	-	(33,612)	<b>(33,612)</b>	<b>76,952</b>
Dominican Republic	(1)	67,395	<b>67,394</b>	-	(33,306)	<b>(33,306)</b>	<b>34,088</b>
El Salvador	103,893	36,434	<b>140,327</b>	(28,763)	(270)	<b>(29,033)</b>	<b>111,294</b>
Uruguay	-	80,825	<b>80,825</b>	-	(21,932)	<b>(21,932)</b>	<b>58,893</b>
<b>Total</b>	<b>1,833,006</b>	<b>2,176,332</b>	<b>4,009,338</b>	<b>(158,033)</b>	<b>(758,596)</b>	<b>(916,629)</b>	<b>3,092,709</b>

June 2019	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	122,913	<b>122,913</b>	-	7,321	<b>7,321</b>	<b>130,234</b>
Brazil	-	93,720	<b>93,720</b>	-	(45,710)	<b>(45,710)</b>	<b>48,010</b>
Chile	176,331	51,309	<b>227,640</b>	(3,009)	59,525	<b>56,516</b>	<b>284,156</b>
Colombia	691,284	350,647	<b>1,041,931</b>	(70,034)	(96,678)	<b>(166,712)</b>	<b>875,219</b>
Mexico	29,814	113,856	<b>143,670</b>	(20,917)	(23,266)	<b>(44,183)</b>	<b>99,487</b>
Panama	-	65,650	<b>65,650</b>	-	(26,492)	<b>(26,492)</b>	<b>39,158</b>
Dominican Republic	-	25,071	<b>25,071</b>	-	(7,956)	<b>(7,956)</b>	<b>17,115</b>
El Salvador	58,714	20,790	<b>79,504</b>	(20,278)	(248)	<b>(20,526)</b>	<b>58,978</b>
Uruguay	-	34,219	<b>34,219</b>	-	(6,346)	<b>(6,346)</b>	<b>27,873</b>
<b>Total</b>	<b>956,143</b>	<b>878,175</b>	<b>1,834,318</b>	<b>(114,238)</b>	<b>(139,850)</b>	<b>(254,088)</b>	<b>1,580,230</b>

#### 9.4. Technical reserves insurance contracts

##### Technical reserves

The items contained in the technical reserves are divided into:

- Reserves for claims: are provisions established to reflect the estimated cost of claims that have occurred and have not been paid. In this category, the following, are included:
- Claim reserves: corresponds to liabilities and direct settlement expenses for reported losses. The reserve is recognized on the date on which the insured and/or the beneficiary notifies the occurrence, of the covered loss, and is subject to a monthly recalculation.
- Reserve of unforeseen events (IBNR): this reserve is created to reflect those incidents that have occurred, but which at the date of the reporting period have not been reported by the insured and/or beneficiary.
- Reserves for future commitments: are provisions established to reflect future commitments expected, with the insured.
- Mathematical reserves for insurance (exclude annuities): insurance reserves are calculated on the basis of the actuarial method, taking the current conditions of the

insurance contracts. The liability is determined as the sum of the present value of expected future benefits, the handling of claims, and the administration expenses of the policies, options, and guarantees, and the usefulness of the investments of assets that support said liabilities, which are directly related to the contract, minus the discounted value of the premiums that are expected to be required to meet future payments based on the valuation assumptions used.

- Mathematical reserves for annuities: are calculated on the basis of the present value of the future benefits, committed to under the contract, and the direct operational expenses in which the company will incur for the payment of the contract commitments.
- Reserve of unearned premiums: are constituted for short-term insurance (both collective and individual) in which the periodicity of premium payment differs from the validity of the coverage and consequently, a premium has been received for future risk, which must be provisioned. The provision is determined as the premium paid net of expenses and is amortized over the term of coverage.
- Reserves by deposit (savings) components in life insurance or fund value reserve: For Unit linked and flexible products, the savings component is added to the reserve. In accordance with the frequency of premium payments, the value of the savings component provided by the insured is increased.
- Other reserves: Grupo SURA may recognize as "other", those reserves that are not covered in the descriptions developed above, and that are permitted under the guidelines of their accounting policies.

The technical reserves of Grupo SURA, and its subsidiaries, are the following:

	June 2020	December 2019
Mathematical reserves	5,543,474	7,508,261
Reserve of unearned premiums	7,981,951	7,845,487
Reserve of unnotified claims (IBNR)	1,922,788	1,503,463
Reserve of reported claims	6,066,939	5,818,924
Special reserves	231,494	216,447
Other reserves	341,868	322,707
<b>Total insurance technical reserves</b>	<b>22,088,514</b>	<b>23,215,289</b>

Grupo SURA considers that the adequacy of the premiums is an element of special importance and its determination is aided by specific computer applications. The treatment of benefits and the adequacy of provisions are fundamental principles of insurance management. Technical provisions are estimated by the actuarial teams in the various countries.

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

	Liabilities for insurance contracts	Assets from insurance contracts	Net
<b>At December 31, 2018</b>	<b>22,199,074</b>	<b>3,562,157</b>	<b>18,636,917</b>
Changes in reserves	4,806,238	633,101	4,173,137
Adjustments for conversion	(3,790,023)	(91,860)	(3,698,163)
<b>At December 31, 2019</b>	<b>23,215,289</b>	<b>4,103,398</b>	<b>19,111,891</b>
Changes in reserves	(1,686,133)	245,170	(1,931,303)
Adjustments for conversion	107,925	46,704	61,221
Adjustments for monetary correction	451,433	1,961	449,472
<b>At 30 June, 2020</b>	<b>22,088,514</b>	<b>4,397,233</b>	<b>17,691,280</b>

Technical reserves by country, are as follows:

Country	June 2020	December 2019
Argentina	935,097	868,314
Bermuda	28,284	13,023
Brazil	444,354	511,399
Chile	6,477,905	6,111,977
Colombia	11,636,853	10,901,047
Mexico	1,060,338	3,431,086
Panama	541,037	490,343
Dominican Republic	220,732	215,779
El Salvador	501,349	436,267
Uruguay	242,565	236,054
<b>Total insurance technical reserves</b>	<b>22,088,514</b>	<b>23,215,289</b>

## NOTE 10. TAXES

### 10.1. Applicable norms

Current and applicable tax provisions state that the nominal income tax rates for 2020 and 2019 applicable to Grupo SURA and its subsidiaries located in Colombia, Chile, Peru, Argentina, Brazil, Uruguay, Mexico, Panama, the Dominican Republic and El Salvador, are as follows:

Country	2020	2019	Country	2020	2019
Colombia	32%	33%	Mexico	30%	30%
Chile	27%	27%	Panama	25%	25%
Peru	29.5%	29.5%	Dominican Republic	27%	27%
Argentina	25%	30%	El Salvador	25%	25%
Brazil	40%	40%			
Uruguay	25%	25%			

**Colombia:** Tax income is taxed at the rate of 32% 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.

In 2019, the Financing Law 1943 of 2018 established a gradual decrease in the rental rate, from 33% in 2019 to 32% in 2020, 31% in 2021 and from 2022 onwards to 30%. It is also presumed that in 2019 and 2020 the net income may not be less than 1.5% and 0.5% 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 is worth noting that Law 1943 was declared unconstitutional in 2019. The declaration of unconstitutionality was intended 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; similarly, it gave Congress time to issue, before the end of 2019, a regulation 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)**

Below 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 reduced to 0.5% by 2020 and from 2021 it will be 0%.

A deduction is created for the first job, that is, 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%.

An 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 Fondos de Pensiones del Régimen de Ahorro Individual con Solidaridad (*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) provided they meet the minimum investment requirement of \$157 million in 3 years, generating at least 3 jobs without counting the managers.

The Holding Company Regime (CHC) was continued for companies whose main objective is the holding of securities, investment in shares or participations in national and/or foreign companies; provided that 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 that 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.

As a consequence of the spread of COVID-19, the National Government of Colombia took measures in the midst of the economic and social emergency, such as, extension of the deadline for payment of the second income tax instalment; additionally, the deadlines for filing the income tax return and payment of the third instalment were extended until June 2020; automatic refund of applications for the return of balances in favor of a maximum of 15 days; transitory exemption from the tax on financial movements for non-profit entities; The tax known as solidarity contribution is temporarily created, which applies to some public employees, state contractors and mega-pensions to help vulnerable people; during the contingency, donations of goods or services destined only and exclusively to the treatment of COVID 19 will not have VAT, furthermore, tariff exemptions and flexibility in the importation of medical devices and medicines are contemplated.

**Chile:** The Income Tax Law classifies income from "Capital" and "labor". The former is taxed with the First Category Tax, which mainly affects companies. Since the publication of Law N°. 20,780 in September 2014, and its subsequent amendment by Law N°. 20,899 in February 2016, two tax systems have been in place to determine the taxation of company owners. The attributed regime, whose rate is 25% and the partially integrated regime with a rate of 27%.

The general system will be the partially integrated system, which is calculated by adding to the financial results or deducting from them as required by law. In the event of tax losses, these may be offset in the following periods without any time restrictions.

The time of distribution of dividends from a company under the partially integrated regime, the first category tax paid by companies, may be charged against the final taxes (Global Complementary Tax or Additional Tax) with the obligation to refund 35% as tax liability (Not applicable when Chile has a treaty to avoid double taxation with another country), which taxes all income of individuals resident in the country; or the Additional Tax, which taxes Chilean source income, of individuals and legal entities residing outside the country, as the case may be.

In the area of transfer pricing, it is regulated by Article 41 E of the Income Tax Law ("LIR"), which establishes definitions on relationship rules, prices and returns that must be taken into account for transactions with related parties abroad. Among the formal obligations are the submission of an annual affidavit, supporting documentation depending on the amount of the operation and country by country report, which is submitted by the parent company.

To date, the congress of the country is discussing a new tax reform, whose main impacts at the level of companies are:

- It defines as a single taxation system the semi integrated system with a 27% rate, thus eliminating the attributed income option
- The ability to claim back taxes paid when a company is in a tax loss situation and receives dividends with credits will be eliminated from 2024.
- Article 14 of the Income Law includes the obligation to report investments made abroad until 30 June each year.
- A transitory rule is added for taxpayers who maintain a balance of accumulated taxable income generated until December 31, 2016, may pay a single and substitute tax for the final taxes, of a single and fixed rate of 30%, which is given preference for allocation purposes.

In the area of transfer pricing, this has been incorporated into Article 41 E of the Income Tax Law ("LIR"), as amended on September 27, 2012, where the securities, prices and returns to be taken into consideration for transactions with related parties abroad were defined. Among the formal obligations are the sworn statement, supporting documentation depending on the amount of the operation and country by country report as of 2016.

The Government of Chile took tax measures focused mainly on Small and Medium Enterprises, to mitigate the economic impact of COVID-19, such as: suspension for 3 months of provisional monthly income tax payments, transitory reduction of the stamp tax to 0% for all credit operations during the next 6 months, acceptance as tax expense of all associated disbursements to face the sanitary contingency generated by COVID-19, return of income tax in less time.

**Peru:** The income tax rate for 2019 and 2020 is 29.5% on taxable income after calculating the participation of workers, which, in accordance with current regulations, is calculated, in the case of the Company, by applying a rate of 5% to net taxable income. Losses may be offset within 4 years from the year following the generation of the loss.

The country applies the tax transparency regime (Foreign Controlled Entities) where passive income generated by non-domiciled controlled entities is attributed to taxpayers in Peru at the time it is generated. Income tax paid by non-domiciled controlled entities may be used as a credit against the tax.

Transfer pricing rules include the preparation of the Transfer Pricing Technical Study and the Transfer Pricing Information Affidavit, with respect to their operations or transactions with related companies. Country-by-country reporting obligations are included as a master report.

**Mexico:** The income tax (ISR) is a direct tax on the profit obtained from world income. During fiscal years 2019 and 2020, the income tax rate applicable in Mexico is 30%, in addition to the 10% employee profit sharing. Tax losses may be carried forward for a period not to exceed 10 years.

Legal entities resident in Mexico that engage in transactions with related parties, resident in Mexico and abroad are required to prove that such transactions have been concluded in accordance with the arm's length principle, i.e., as if they were concluded with an independent party. Similarly, the country-by-country information statement and master report have already been incorporated.



In December 2019 the authority published the tax reform for 2020, whose main provisions or changes are aimed at combating tax evasion through the incorporation of the general anti-abuse rule, the disclosure of tax schemes reportable to the authority, the fight against non-existent operations through the compacts between electronic invoicing (CFDI) and tax returns; as well as the establishment of limits and requirements for the deduction of payments abroad in operations with preferential tax territories (tax havens) either directly or through structured agreements or hybrid mechanisms; finally, the criminalization of the fiscal crimes of simulation, fraud and in general any wrongdoing against the federal treasury that will be considered a threat to national security.

With respect to the measures taken by the government in response to the COVID-19 health contingency, the federal Finance Ministry has not published, to date, any tax measures that modify, defer, extend or reduce income tax and VAT obligations; although in an isolated manner, some state governments have published incentives for discounting and deferring local obligations, mainly for payroll tax.

**Brazil:** In Brazil, taxes are based on worldwide income. There is a category of taxes on gross income and on net income.

On the net income taxes, there are taxes with a rate of 15% as income tax, plus 10% on the part of the taxable base higher than R\$ 240.000 Reales per fiscal year. There is no minimum alternative tax base and tax losses may be taken in future periods indefinitely as long as they do not exceed 30% of net income

To date, the country applies the regulations related to the transfer pricing regime applicable to transactions performed with economic affiliates domiciled abroad and third parties domiciled in tax havens.

As a result of COVID-19 The Brazilian Government has been implementing tax measures, of which the reduction of the federal import tariff rate to 0% for medical products until the end of 2020, exemption from the federal consumption tax (IPI) for imported products necessary to combat COVID-19, is noteworthy, alternatives to companies for the payment of the debt (reimbursement, renegotiation, payment in installments), Prohibition to banks to increase their interest rates, suspension until May 29, 2020 of administrative procedures, extension of the terms from April and May 2020 until July and September 2020 for companies and public agencies to collect and contribute PIS / COFINS..

**Argentina:** The country taxes income from global sources. Law 27,430 published on December 2017 establishes modifications to the Income Tax Law, among them the modification of the tax rate for capital companies which will be 30% for fiscal years starting on January 1, 2018 until December 31, 2019 and 25% for the following periods. Until 2018 there was an alternative minimum tax equivalent to 1% on assets held at the end of the tax period, which was repealed for tax years beginning in 2019. Tax losses can be carried forward for a maximum period of 5 years.

La Law 27,541 on social solidarity and productive reactivation published in December 2019, modified the Income Tax rate and for the years after 2019 established a rate of 30%, modifying the 25% reduction established by the previous Tax Reform. The withholding tax on dividends distributed to shareholders is maintained at a rate of 7%.

Law 27,468 of 2018 provided for the application of the Tax Inflation Adjustment effective for years beginning on or after January 1, 2018. Regarding the first and second year from its effective date, this procedure will be applicable in case the accumulated variation of the consumer price index, calculated from the beginning and until the end of each of those years, exceeds 55%, 30% and 15%, for the first, second and third year of application respectively. In accordance with Law 27,541 of 2019, the adjustment for inflation may be computed 1/6 for each fiscal period starting on January 1, 2020.

The regulations contemplate the transfer pricing regime for operations with foreign related parties and there is a country-by-country report, and the legislation also includes the Foreign Controlled Entities regime.

At the Provincial level, the Gross Income Tax is calculated, which includes within the base of the insurance companies the net premiums of annuities, financial income and other miscellaneous taxed income; this tax is regulated by the Fiscal Codes of each of the 24 jurisdictions and an average rate of 5.5% is applied, according to the Fiscal Ordinance of each Province. The most relevant jurisdictions are the Federal Capital and the Province of Buenos Aires.

In a third level are the Municipal Taxes. The Municipal Tax is applied in those jurisdictions where there is an authorized agency and its application is in relation to the agency's production. Its calculation depends on the legislation of the respective municipality.

**Panama:** The income tax rate for corporations in Panama is 25% for the years 2018 and 2019 on income earned from domestic sources. Law No.8 of March 15, 2010, eliminates the so-called Alternate Calculation of Income Tax (CAIR) and substitutes it with another modality of presumed income tax, obliging all legal entities that earn income in excess of B/.1,500,000 to determine as taxable base for said tax, the greater amount between: (a) the net taxable income calculated by the ordinary method established in the Fiscal Code and (b) the net taxable income resulting from applying 4.67% to the total taxable income.

Companies that incur losses as a result of the tax calculated under the presumptive method or that, by reason of the application of the presumptive method, their effective rate exceeds the tax rates applicable for the tax period in question, may apply to the Directorate-General of Revenue for authorization to calculate the tax under the traditional method.

According to current tax regulations, undistributed profits attributable to local operations of Insurance Companies registered under the laws of the Republic of Panama would be subject to a 4% complementary tax on undistributed profits and a 10% tax on dividends, at the time of distribution, subtracting in this case 4% of the complementary tax withheld and paid from such profits distributed in dividends.

In the matter of transfer pricing, it is obligatory to report the operations performed with related parties abroad regardless of the existence of a double taxation treaty. As of 2016, new reports are incorporated such as the master report and the country-by-country report.

**Dominican Republic:** The tax code of the Dominican Republic, establishes that the income tax to be paid will be the highest that results from the net taxable income or 1% of the taxable assets. The income tax rate for legal entities is 27% on income obtained in the country. If tax losses occur, taxpayers may offset them within 5 years after the year in which the loss was generated.

Its legislation has included the obligation to disclose transactions with domestic and foreign related entities, through transfer pricing studies and information returns.

**El Salvador:** Entities established in El Salvador pay income tax on income earned in the country, according to the Income Tax Law. Legal entities, whether domiciled or not, shall calculate their tax by applying to the taxable income the rate of thirty percent (30%), with the exception of companies that have obtained taxable income less than or equal to one hundred and fifty thousand dollars (\$150,000.00) which shall apply the rate of twenty-five percent (25%), excluding in addition to such calculation any income that would have been subject to a definitive income tax withholding at the legal percentages established by the Law.

In El Salvador there is no minimum alternative tax, and tax losses generated in any period may not be allocated in subsequent periods.

In September 2019 the General Directorate of Internal Taxes (DGII) issued the General Guidance Guide to Facilitate the Recognition of Countries, States or Territories with Preferred Tax Regimes and the Tax Treatment Applicable to them, which details the list of countries that fall within this category and which must be taken into account given that on a commercial transaction with a company domiciled in these countries, an income tax retention of 25% operates and the Transfer Pricing Regime obligation applies.

As a result of the worldwide spread of COVID-19, the Government of El Salvador not only implemented emergency measures to guarantee the well-being of families as the fundamental basis of society, but also established various fiscal and economic measures to provide temporary relief from the tax obligations of the Salvadoran economy, These include extending the deadline for paying income tax for the 2019 tax year to 31 May 2020 and making interest, surcharges and fines tax exempt (only for certain sectors), and extending the deadline for making advance payments of income tax from March, April and May 2020.

**Uruguay:** The income tax rate for companies is 25% and is based on territorial income with some exceptions, therefore, income outside the country is considered to be of foreign source and not subject to tax. The regulations do not imply a minimum alternative tax for companies and any tax loss can be imputed in the future within 5 years of its generation.

On the other hand, insurance companies must pay Income Tax whose rate varies between 5 and 7% depending on the portfolio and the National Blood Tax whose rate is 2% on the premiums issued.

Transfer pricing regulation is included in the income tax standard, based entirely on the principle of full competition and the OECD guidelines.

No relevant tax measures have been taken to date due to the COVID-19 pandemic, only measures related to the payment of taxes administered by the DGI of March that was extended until April 27, 2020 and the payment of the minimum VAT applicable to SMEs for the months of March and April in 6 equal instalments without interest or penalty as of May 2020.

**Bermuda:** In Bermuda, there are no taxes on profits, income, dividends or capital gains, nor are there any withholding taxes on such items. Profits can be accumulated and there is no obligation to pay dividends. In the event that direct taxes are levied, there is the possibility of access to legal stability contracts until 2035. Although there are no taxes on corporate income,

income from investments derived from foreign sources may be subject to a withholding tax. Interest generated for foreign currency deposits is tax exempt.

## 10.2. Current taxes

The following is the detail of current tax assets and liabilities, at 30 June 2020 and 31 December 2019:

	June 2020	December 2019
<b>Current tax assets</b>		
Income tax and complements	92,643	97,571
Local taxes	6,899	1,006
Withholdings	59,367	12,648
Sales tax	47,423	34,349
Tax in favor	35,145	66,946
Contributions	22,554	3,997
Others	4,726	15,203
<b>Total assets for current taxes</b>	<b>268,757</b>	<b>231,720</b>

	June 2020	December 2019
<b>Current tax liabilities</b>		
Income tax and complements	117,365	33,622
Local taxes	152,177	108,789
Sales tax, payable	315,719	321,378
Wealth tax	879	16
Others	887	918
<b>Total liability for current taxes</b>	<b>587,027</b>	<b>464,723</b>

Below are the current tax balances by country:

June 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	18,644	3,316	27,555	154,627	39,073	2,683	8,550	39	1,779	12,491	268,757
Current tax liabilities	46,887	10,576	203,778	181,318	74,200	3,283	3,411	26,761	11,906	24,907	587,027
<b>Total</b>	<b>(28,243)</b>	<b>(7,260)</b>	<b>(176,223)</b>	<b>(26,691)</b>	<b>(35,127)</b>	<b>(600)</b>	<b>5,139</b>	<b>(26,722)</b>	<b>(10,127)</b>	<b>(12,416)</b>	<b>(318,270)</b>

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	22,887	3,946	24,456	128,016	24,987	1,359	7,306	-	6,828	11,935	231,720
Current tax liabilities	18,511	11,961	165,891	88,338	109,131	6,433	3,420	23,643	11,701	25,694	464,723
<b>Total</b>	<b>4,376</b>	<b>(8,015)</b>	<b>(141,435)</b>	<b>39,678</b>	<b>(84,144)</b>	<b>(5,074)</b>	<b>3,886</b>	<b>(23,643)</b>	<b>(4,873)</b>	<b>(13,759)</b>	<b>(233,003)</b>

## 10.3. Tax recognized in profit or loss for the period

Current and deferred tax expense:

	Accumulated		Results for the period	
	June 2020	June 2019	June 2020	June 2019
<b>Current tax expense</b>	<b>(377,292)</b>	<b>(256,613)</b>	<b>(228,459)</b>	<b>(106,800)</b>
Current tax	(376,588)	(256,869)	(229,228)	(120,513)
Adjustment of previous periods	(704)	256	769	13,713
<b>Deferred tax expense</b>	<b>141,249</b>	<b>2,086</b>	<b>(11,652)</b>	<b>16,581</b>
Constitutions / reversal of temporary differences	138,473	1,570	(11,970)	18,991
Deferred tax adjustments	2,752	272	318	(2,410)
Exchange rates	24	244	-	-
<b>Tax expense</b>	<b>(236,043)</b>	<b>(254,527)</b>	<b>(240,111)</b>	<b>(90,219)</b>

Grupo SURA considers that the accumulated tax liabilities are appropriate for all open tax years based on an evaluation of many factors, including interpretations of tax laws and previous experience.

#### 10.4. Reconciliation of the effective rate

		June 2020	June 2019
<b>Profit before tax</b>		<b>493,825</b>	<b>1,199,100</b>
Income tax by applying the local tax rate	31.20%	154,074	41.29% 495,075
<b>Plus, tax impact from:</b>		<b>597,845</b>	<b>518,908</b>
Elimination effect in consolidated results		233,102	228,442
Tax revenues		-	99,316
Non-deductible expenses <sup>(1)</sup>		98,989	83,916
Investments		195,883	13,544
Properties and equipment		151	2,568
Tax losses		6,525	17,538
Financial liabilities		31,051	7,081
Adjustments in rate change		-	5,063
Other Alternative Taxation Income		20,781	2,853
Others		11,363	58,587
<b>Minus the tax effect of:</b>		<b>(515,876)</b>	<b>(759,456)</b>
Untaxed income		(10,800)	(208,470)
Financial assets <sup>(2)</sup>		(128,513)	(390,437)
Provisions and Contingencies		(4,291)	-
Dividends not recorded		(160,187)	-
Financial liabilities		-	(15,240)
Adjustment of previous periods		(2,225)	(4,926)
Tax Deductions/Deductions		(70,865)	(3,943)
Exempt income <sup>(3)</sup>		(125,316)	(91,632)
Others		(13,679)	(44,808)
<b>Income tax revenue</b>	<b>47.80%</b>	<b>236,043</b>	<b>21.23% 254,527</b>

<sup>(1)</sup> Includes expenses due to legal limitations and associated with management

<sup>(2)</sup> Includes valuation, impairment, difference in exchange

<sup>(3)</sup> Andean Community of Nations (CAN) dividends and other exempt income

The change in income tax is presented mainly due to the effect of the behavior of the difference in exchange and its effects on financial obligations and hedging operations, additional negative results of the legal reserve are presented.

The following are the tax balances, by Country:

### June 2020

	Consolidated	Colombia	Argentina	Chile	Mexico	Brazil	El Salvador	Panama	Dominican Republic	Bermuda	Peru	Uruguay
<b>Profit before tax</b>	<b>493,825</b>	<b>(180,522)</b>	<b>74,986</b>	<b>225,716</b>	<b>237,562</b>	<b>1,780</b>	<b>23,659</b>	<b>36,100</b>	<b>26,462</b>	<b>505</b>	<b>31,241</b>	<b>16,336</b>
Tax Rate	31.20%	32.00%	25.00%	27.00%	30.00%	40.00%	25.00%	25.00%	27.00%	0.00%	29.50%	25.00%
Income tax by applying the local tax rate	(129,289)	57,766	(18,747)	(60,943)	(71,269)	(712)	(5,915)	(9,025)	(7,145)	-	(9,216)	(4,084)
Tax effect, net	(106,755)	(113,996)	(3,252)	10,991	(3,048)	(353)	(1,908)	4,833	296	-	(2,714)	2,396
<b>Income Tax</b>	<b>(236,043)</b>	<b>(56,229)</b>	<b>(21,998)</b>	<b>(49,952)</b>	<b>(74,317)</b>	<b>(1,065)</b>	<b>(7,823)</b>	<b>(4,192)</b>	<b>(6,849)</b>	<b>-</b>	<b>(11,930)</b>	<b>(1,688)</b>
Effective rate	47.80%	31.15%	29.34%	22.13%	31.28%	59.83%	33.07%	11.61%	25.88%	0.00%	38.19%	10.33%
<b>Income tax paid</b>	<b>(303,679)</b>	<b>(114,977)</b>	<b>10,366</b>	<b>(58,841)</b>	<b>(91,074)</b>	<b>(154)</b>	<b>(4,797)</b>	<b>(10,657)</b>	<b>(2,101)</b>	<b>-</b>	<b>(29,470)</b>	<b>(1,974)</b>
<b>Effective Cash Rate</b>	<b>61.50%</b>	<b>63.69%</b>	<b>13.82%</b>	<b>26.07%</b>	<b>38.34%</b>	<b>8.65%</b>	<b>20.28%</b>	<b>29.52%</b>	<b>7.94%</b>	<b>0.00%</b>	<b>94.33%</b>	<b>12.08%</b>

### June 2019

	Consolidated	Colombia	Argentina	Chile	Mexico	Brazil	El Salvador	Panama	Dominican Republic	Bermuda	Peru	Uruguay	Spain
<b>Profit before tax</b>	<b>1,199,100</b>	<b>526,595</b>	<b>(14,008)</b>	<b>284,877</b>	<b>197,850</b>	<b>(10,736)</b>	<b>12,070</b>	<b>20,134</b>	<b>10,497</b>	<b>538</b>	<b>139,381</b>	<b>32,523</b>	<b>(621)</b>
Tax Rate	41.29%	33.00%	30.00%	27.00%	30.00%	40.00%	30.00%	25.00%	27.00%	0.00%	29.50%	25.00%	25.00%
Income tax by applying the local tax rate	(362,136)	(173,778)	4,202	(76,917)	(59,355)	4,294	(3,621)	(5,034)	(2,834)	-	(41,117)	(8,131)	155
Tax effect, net	616,662	231,537	1,764	142,589	123,671	(8,261)	7,938	9,666	5,495	-	84,031	18,388	(155)
<b>Income Tax</b>	<b>254,527</b>	<b>57,759</b>	<b>5,966</b>	<b>65,672</b>	<b>64,316</b>	<b>(3,967)</b>	<b>4,317</b>	<b>4,632</b>	<b>2,661</b>	<b>-</b>	<b>42,914</b>	<b>10,257</b>	<b>-</b>
Effective rate	21.23%	10.97%	42.59%	23.05%	32.51%	36.95%	35.77%	23.01%	25.35%	0.00%	30.79%	31.54%	0.00%
<b>Income tax paid</b>	<b>(376,998)</b>	<b>(86,844)</b>	<b>(15,969)</b>	<b>(46,985)</b>	<b>(136,939)</b>	<b>-</b>	<b>(8,502)</b>	<b>4,889</b>	<b>(1,353)</b>	<b>-</b>	<b>(80,454)</b>	<b>(4,841)</b>	<b>-</b>
<b>Effective Cash Rate</b>	<b>31.44%</b>	<b>16.49%</b>	<b>114.00%</b>	<b>16.49%</b>	<b>69.21%</b>	<b>0.00%</b>	<b>70.44%</b>	<b>24.28%</b>	<b>12.89%</b>	<b>0.00%</b>	<b>57.72%</b>	<b>14.88%</b>	<b>0.00%</b>

## 10.5. Deferred taxes

The balance of deferred tax assets and liabilities at 30 June 2020 and 31 December 2019 comprised

June 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax assets</b>											
Financial assets	-	350	-	212	2,615	-	-	-	288	-	<b>3,465</b>
Employee benefits	2,156	684	-	4,066	2,291	-	-	-	-	-	<b>9,197</b>
Investments	(11,965)	-	(87)	(170)	(5,187)	-	-	-	-	-	<b>(17,409)</b>
Intangibles	(19,451)	(1,892)	(1,792)	(1)	(18,274)	-	-	-	(7,854)	-	<b>(49,264)</b>
Other non-financial assets	8,676	1,399	-	612	592	-	-	-	-	-	<b>11,279</b>
Other liabilities	17,849	11,183	(2)	1,827	27,383	-	-	-	1,373	-	<b>59,613</b>
Financial liabilities	(7,673)	-	-	302,877	(936)	-	-	-	-	-	<b>294,268</b>
Tax losses	3,301	32,098	3,366	3,275	-	-	-	-	(423)	-	<b>41,617</b>
Properties and equipment	-	-	(81)	(2,675)	(10,153)	-	-	-	55	-	<b>(12,854)</b>
Right-of-use	(1,874)	(20)	-	19,383	-	-	-	-	289	-	<b>17,778</b>
Technical reserves of insurance	63,869	(1,399)	5,031	-	16,760	-	-	-	8,810	-	<b>93,071</b>
<b>Total deferred tax assets</b>	<b>54,888</b>	<b>42,403</b>	<b>6,435</b>	<b>329,406</b>	<b>15,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,538</b>	<b>-</b>	<b>450,761</b>

June 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax liabilities</b>											
Financial assets	-	-	26,855	178,486	(27,969)	(2,748)	(607)	(984)	(152)	(1,734)	<b>171,147</b>
Employee benefits	-	-	-	(8,650)	(552)	(137)	(3,685)	-	(225)	(4)	<b>(13,253)</b>
Investments	-	-	281,362	89,468	46,266	-	33,806	-	-	-	<b>450,902</b>
Intangibles	-	-	357,323	(1,035)	279,962	4,115	244,089	759	4,072	36,489	<b>925,774</b>
Other non-financial assets	-	-	(24)	-	-	-	-	(1,037)	-	1,839	<b>778</b>
Other liabilities	-	-	(16,133)	(3,907)	(40,759)	(2,315)	(6,437)	-	-	(1,932)	<b>(71,483)</b>
Financial liabilities	-	-	(29,007)	5,082	-	-	(4,323)	-	-	(217)	<b>(28,465)</b>
Tax losses	-	-	-	(2,137)	-	-	-	-	-	(4,468)	<b>(6,605)</b>
Properties and Equipment	-	-	26,155	53,942	36,340	7,074	-	5,933	-	(634)	<b>128,810</b>
Technical reserves of insurance	-	-	(34,748)	76,886	-	-	-	(4,604)	(3,235)	4,650	<b>38,949</b>
Right-of-use	-	-	(40)	4,080	-	-	-	(43)	-	(171)	<b>3,826</b>
Participation, Employee profit sharing	-	-	-	2	35	-	-	-	-	-	<b>37</b>
<b>Total, deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>611,743</b>	<b>392,217</b>	<b>293,323</b>	<b>5,989</b>	<b>262,843</b>	<b>24</b>	<b>460</b>	<b>33,818</b>	<b>1,600,417</b>
<b>Total net deferred tax</b>	<b>54,888</b>	<b>42,403</b>	<b>(605,308)</b>	<b>(62,811)</b>	<b>(278,232)</b>	<b>(5,989)</b>	<b>(262,843)</b>	<b>(24)</b>	<b>2,078</b>	<b>(33,818)</b>	<b>(1,149,656)</b>

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax assets</b>											
Financial assets	-	405	-	969	6,552	-	-	688	(23)	-	<b>8,591</b>
Employee benefits	1,198	1,277	-	6,876	2,929	-	-	304	-	-	<b>12,584</b>
Investments	(6,964)	-	(69)	1	(483)	-	-	40	-	-	<b>(7,475)</b>
Intangibles	(12,930)	(2,104)	(143)	(2)	(23,781)	-	-	3,574	(9,116)	-	<b>(44,502)</b>
Other non-financial assets	13,218	4,963	-	21	623	-	-	-	-	-	<b>18,825</b>
Other liabilities	42,046	15,418	(2)	376	28,776	-	-	1,779	1,287	-	<b>89,680</b>
Financial liabilities	(5,185)	-	-	44,258	446	-	-	-	-	-	<b>39,519</b>
Tax losses	3,056	38,410	3,000	6,062	-	-	-	-	-	-	<b>50,528</b>
Properties and equipment	-	-	(33)	(3,291)	(10,843)	-	-	(5,182)	(379)	-	<b>(19,728)</b>
Right-of-use	(400)	107	-	18,867	-	-	-	(333)	66	-	<b>18,307</b>
Technical reserves of insurance	8,826	(7,881)	3,374	-	14,577	-	-	72	8,817	-	<b>27,785</b>
<b>Total, deferred tax assets</b>	<b>42,865</b>	<b>50,595</b>	<b>6,127</b>	<b>74,137</b>	<b>18,796</b>	<b>-</b>	<b>-</b>	<b>942</b>	<b>652</b>	<b>-</b>	<b>194,114</b>

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax liabilities</b>											
Financial assets	-	-	1,370	(4,719)	(22,143)	-	6,849	-	(12)	(2,035)	<b>(20,690)</b>
Investments	-	-	(168)	113,889	-	-	-	-	-	-	<b>113,721</b>
Intangibles	-	-	285,208	(189)	343,040	2,992	227,855	-	8,414	34,379	<b>901,699</b>
Other liabilities	-	-	346,079	(11,599)	(205)	(2,156)	(8,359)	-	(194)	4,303	<b>327,869</b>
Financial liabilities	-	-	-	7,722	-	-	34,619	-	-	(488)	<b>41,853</b>
Tax losses	-	-	-	(1,981)	-	-	-	-	-	(4,217)	<b>(6,198)</b>
Properties and equipment	-	-	4,736	55,489	-	7,012	-	-	-	(656)	<b>66,581</b>
Technical reserves of insurance	-	-	(43,173)	77,119	-	-	-	-	(7,357)	5,305	<b>31,894</b>
Right-of-use	-	-	(31)	(1,311)	-	-	-	-	-	(109)	<b>(1,451)</b>
Participaciones en reparto de utilidades	-	-	-	-	1,091	-	-	-	-	-	<b>1,091</b>
<b>Total, deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>594,021</b>	<b>234,420</b>	<b>321,783</b>	<b>7,848</b>	<b>260,964</b>	<b>-</b>	<b>851</b>	<b>36,482</b>	<b>1,456,369</b>
<b>Net deferred tax</b>	<b>42,865</b>	<b>50,595</b>	<b>(587,894)</b>	<b>(160,283)</b>	<b>(302,987)</b>	<b>(7,848)</b>	<b>(260,964)</b>	<b>942</b>	<b>(199)</b>	<b>(36,482)</b>	<b>(1,262,255)</b>



## Deferred tax on unused tax losses and tax credits

The balance of deferred tax loss carryforwards originated in the companies in Argentina, Brazil, Mexico and Chile.

In Argentina a tax credit is presented mainly due to the adjustments for tax inflation and the loss on investment securities in the year 2019 and 2020, it is anticipated that by the end of the year 2020 part of the loss will be computed against the results of the period.

In the case of Mexico, the tax credits were generated mainly between 2011 and have a 10-year term.

In Brazil, the balance of \$32,098 has been carried forward since 2018; these are non-applicable credits that do not expire in accordance with Brazilian tax laws.

The tax credits generated in Chile correspond to the companies Seguros de Vida, Holding Spa and Inversiones Chile Ltda. were generated between the periods 2013 and 2019. Under Chilean tax regulations, the tax loss carryforwards that arise are not due.

### 10.6. Deferred tax movements

	June 2020	June 2019
<b>Initial balance, net liability</b>	<b>1,262,255</b>	<b>1,152,801</b>
Deferred tax expense recognized in the results for the period	137,741	1,948
Adjustments from previous periods	2,752	272
Adjustments for exchange rates	24	244
Income tax on other comprehensive income	3,968	2,330
Impact due to the variation in the exchange rates of foreign currency	(257,084)	2,907
<b>Final balance, liability, net</b>	<b>1,149,656</b>	<b>1,160,502</b>

### 10.7. Uncertainty over income tax treatments

IFRIC 23, or IFRIC 23, is an interpretation by the IASB that assumes that there may not be clarity about how tax law applies to a particular transaction or circumstance, so that the acceptability of a particular tax treatment under tax law may not be known until the relevant tax authority or courts make a decision in the future. Accordingly, a dispute or inspection of a particular tax treatment by the taxing authority may affect the accounting by an entity for a current or deferred tax asset or liability.

Accordingly, this interpretation applies only to income taxes, which are all taxes, domestic or foreign, that relate to taxable profit. "Uncertain tax treatment" means all those tax aspects that generate profits for the entity but that, nevertheless, there is uncertainty as to whether the tax authority will accept the tax treatment under the tax law.

Accordingly, IFRIC clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty about the income tax treatment. In this case, an entity

recognises and measures its current or deferred tax asset or liability by applying the requirements of IAS 12 on the basis of the taxable profit or tax loss, tax base, unused tax losses, unused tax credits and tax rates determined using that standard.

As of June 30, 2020, the company analyzed those tax issues that could be qualified as uncertain and disclosed in 2019, according to the tax legislation applicable to each jurisdiction, resulting in an uncertain tax treatment of 564 million pesos in the Dominican Republic and Mexico.

## NOTE 11. INTANGIBLE ASSETS

The classification of Grupo SURA intangible assets at 30 June is as follows:

	June 2020	December 2019
Goodwill	4,892,779	4,721,695
Intangible assets other than goodwill	4,264,437	4,188,717
<b>Total intangible assets, including goodwill</b>	<b>9,157,216</b>	<b>8,910,412</b>

### 11.1 Goodwill

A breakdown of goodwill, is as follows:

Company	June 2020	December 2019
AFP Capital S.A. Chile	1,671,069	1,579,673
AFP Integra S.A. Peru	1,425,290	1,327,347
AFORE Sura S.A. de C.V. Mexico	897,050	944,321
Seguros Generales Suramericana S.A. Chile	157,853	149,219
AFAP Sura S.A. Uruguay	129,448	127,609
Seguros Colombia S.A. e IATM	94,290	94,290
Seguros Sura S.A. Uruguay	92,675	91,358
Aseguradora Suiza Salvadoreña S.A. (Asesuisa)	76,026	66,328
Corredores de Bolsa Sura S.A. y Administradora General de Fondos Sura S.A. Chile	75,319	71,199
Fondos Sura SAF S.A.C. Peru	67,244	62,623
Seguros Suramericana S.A. Panama	63,058	55,015
Seguros Sura S.A. Mexico	46,564	49,018
Seguros Sura S.A. Brazil	33,941	40,231
Arus S.A. Colombia	25,429	25,429
Sura Investment Management S.A. de C.V. Mexico	21,268	22,389
Seguros Sura S.A. Dominican Republic	14,968	14,359
El Ciruelo	1,287	1,287
<b>Total</b>	<b>4,892,779</b>	<b>4,721,695</b>

In addition to business combinations arising in the period, goodwill is adjusted in each cut taking into account paragraph 47 of IAS 21, which indicates that goodwill should be expressed in the same functional currency of the foreign operation, and translated into the presentation currency at the closing exchange rate.

The following is a breakdown of goodwill, by country:

	June 2020	December 2019
Chile	1,904,242	1,733,748
Peru	1,492,535	1,389,970
Mexico	964,881	1,015,726
Uruguay	222,122	218,966
Colombia	121,006	121,006
El Salvador	76,026	66,328
Panama	63,058	55,015
Brazil	33,941	40,231
Dominican Republic	14,968	14,359
Holland	-	66,346
<b>Total</b>	<b>4,892,779</b>	<b>4,721,695</b>

## 11.2 Intangible assets other than goodwill

A breakdown of the movements, of the intangible assets, of Grupo SURA, is as follows:

	Acquired brands	Intangible assets related to clients	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
<b>Cost</b>							
Cost at 1 January, 2019	138,911	3,810,482	450,872	34,268	26,990	2,105,453	6,566,976
Additions	-	11,924	90,438	-	7,134	(12,620)	96,876
Provisions (-)	-	(2,002)	(230)	-	(1,562)	-	(3,794)
Exchange rate differences	(4,211)	(49,682)	8,998	230	(883)	154,149	108,601
<b>Cost in books at December 31, 2019</b>	<b>134,700</b>	<b>3,770,722</b>	<b>550,078</b>	<b>34,498</b>	<b>31,679</b>	<b>2,246,982</b>	<b>6,768,659</b>
<b>Accumulated amortization and impairment</b>							
Accumulated amortization and impairment at January 1, 2019	(2,995)	(1,193,226)	(215,873)	(24,563)	(10,543)	(721,953)	(2,169,153)
Amortization of the period	-	(211,430)	(70,320)	(6,116)	(4,470)	(197,560)	(489,896)
Provisions (-)	-	1,204	1,172	-	1,857	-	4,233
Exchange rate differences	(24)	22,066	40,469	(146)	1,441	11,068	74,874
<b>Accumulated amortization and impairment at December 31, 2019</b>	<b>(3,019)</b>	<b>(1,381,386)</b>	<b>(244,552)</b>	<b>(30,825)</b>	<b>(11,715)</b>	<b>(908,445)</b>	<b>(2,579,942)</b>
<b>Intangible assets other than capital gains and DAC at December 31, 2019</b>	<b>131,681</b>	<b>2,389,336</b>	<b>305,526</b>	<b>3,673</b>	<b>19,964</b>	<b>1,338,537</b>	<b>4,188,717</b>

	Acquired brands	Intangible assets related to clients	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
<b>Cost</b>							
Cost at January 1, 2020	134,700	3,770,722	550,078	34,498	31,679	2,246,982	6,768,659
Additions	893	6,767	75,705	-	1,599	888,252	973,216
Provisions (-)	-	(12,940)	(19,135)	-	(40)	76,179	44,065
Re-expression of assets	-	-	25	-	-	-	25
Exchange rate differences	8,014	103,870	717	4,027	(1,250)	5,545	120,923

Cost in books at June 30, 2020	143,607	3,868,419	607,390	38,525	31,988	3,216,959	7,906,887
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**Accumulated amortization and impairment**

Accumulated amortization and impairment at 1 January 2020	(3,019)	(1,381,386)	(244,552)	(30,825)	(11,715)	(908,445)	(2,579,942)
Amortization for the period	-	(103,299)	(40,413)	(3,102)	(2,115)	(888,355)	(1,037,284)
Re-expression of assets	-	(4,643)	(3,016)	-	(173)	-	(7,832)
Provisions (-)	-	12,990	9,191	-	761	-	22,942
Exchange rate differences	(441)	(39,564)	(977)	(3,546)	580	3,614	(40,334)
Accumulated amortization and impairment at June 30, 2020	(3,460)	(1,515,902)	(279,767)	(37,473)	(12,662)	(1,793,186)	(3,642,450)

Intangible assets other than capital gains and DAC at June 30, 2020	140,147	2,352,517	327,623	1,052	19,326	1,423,772	4,264,437
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The following are the useful lives of the most significant intangibles:

Company	Relationship with clients	Total useful life (years)	Remaining useful life (years)	Remaining useful life (years) to 2019
SURA AM	AFP Capital (Chile)	27	19.5	20
	Corredora de Bolsa SURA S.A. y Administradora General de Fondos S.A. (Chile)	10	2.5	3
	Seguros de Vida SURA S.A. (Chile)	14	6.5	7
	AFP Integra (Peru)	30	22.5	23
	AFAP Sura S.A. (Uruguay)	23	15.5	16
	Afore Sura S.A. de C.V. (Mexico)	27	19.5	20
	Seguros Sura S.A. (Peru)	15	7.5	8
	AFP Integra (Perú) AFP Horizonte	17	9.5	10
	Sociedad Agente de Bolsa Sura S.A. (Peru)	4	0	0
SURA	Seguros Suramericana S.A. (Panama)	9	4.2	4.7
	Aseguradora Suiza Salvadoreña S.A. Asesuisa (Salvador)	14	5.5	6
	Arus S.A. (Colombia)	66	8.5	9
	Seguros Sura S.A. (Brazil)	5	0.7	1.2
	Seguros Generales Suramericana S.A. (Chile)	7	2.8	3.3
	Seguros Generales Suramericana S. A.	5	0.8	1.3
	Seguros Sura S.A. (Argentina)	10.6	6.4	6.9
	Seguros Sura S.A. de C.V (Mexico)	4	0	0.4
	Seguros Sura S.A. (Uruguay)	16	12	12.5
Hábitat	Lista de clientes El Ciruelo	3	0.25	0.5
<b>Affinity Contracts</b>				
SURA	Seguros Sura S.A. (Brasil)	3	0	0
<b>Non-compete rights</b>				
SURA	Seguros Suramericana S.A. de Panama	5	1.2	1.7

Brands					
SURA AM	AFP Capital (Chile) (*)		Indefinite	Indefinite	Indefinite
	AFP Integra (Peru) (*)		Indefinite	Indefinite	Indefinite
SURA	Seguros Sura S.A. (Argentina) (*)		Indefinite	Indefinite	Indefinite
	Seguros Sura S.A. de C.V (Mexico) (*)		Indefinite	Indefinite	Indefinite

(\*) These assets have an indefinite useful life since, following the Purchase Price Allocation (PPA), it was not feasible to establish a foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Each year, Grupo SURA assesses whether these intangible assets continue to have an indefinite useful life, or whether there is evidence of impairment.

The book value of brands with an indefinite life is presented below:

Brands	Country	Valuation currency	Value in local currency	Total
ACG	Argentina	Argentine pesos	66	3,511
Answer	Argentina	Argentine pesos	78	4,160
<b>Seguros Argentina</b>			<b>144</b>	<b>7,671</b>
Hogar Master	Mexico	Mexican Pesos	8	1,319
Top driver	Mexico	Mexican Pesos	2	330
<b>Seguros México</b>			<b>10</b>	<b>1,649</b>
AFP Capital	Chile	Chilean Peso	18	81,401
AFP Integra	Peru	Peruvian Sol	47	49,425

### Restrictions

To date, there are no restrictions on the intangible assets of Grupo SURA.

### NOTE 12. INVESTMENTS ACCOUNTED FOR, USING THE EQUITY METHOD

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

	Note	June 2020	December 2019
Investments in associates	12.1	19,465,845	19,956,740
Joint ventures	12.2	4,042	8,949
<b>Total</b>		<b>19,469,887</b>	<b>19,965,689</b>

	June 2020	June 2019
Income using the equity method in associates	158,888	671,857
Income using the equity method in joint ventures	(5,640)	845
<b>Total</b>	<b>153,248</b>	<b>672,702</b>

## 12.1 Investment in associates

A breakdown of the associated companies, of Grupo SURA, at the date of the reporting period, is as follows:

Companies	Main activity	Country	June 2020			December 2019		
			% Participation	% right to vote	# Shares	% Participation.	% right to vote	# Shares
<b>Associates:</b>								
Grupo Bancolombia S.A.	Universal banking	Colombia	24.44%	46.12%	235,098,823	24.44%	46.12%	235,098,823
Grupo Argos S.A.	Cement, energy, real estate and ports	Colombia	26.75%	35.53%	229,295,179	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	Food and processed	Colombia	35.28%	35.28%	162,352,926	35.17%	35.17%	161,807,155
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Pension and severance fund	Colombia	49.36%	49.36%	12,541,088	49.36%	49.36%	12,541,088
Promotora de Proyectos	Logistics services	Colombia	48.26%	48.26%	11,076,087	48.26%	48.26%	11,076,087
Inversiones DCV S.A.	Shareholder registration management	Chile	34.82%	34.82%	3,431	34.82%	34.82%	3,431
Fondos de Cesantías Chile I S.A.	Pension and severance fund	Chile	29.40%	29.40%	167,580	29.40%	29.40%	167,580
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	168,806	22.64%	22.64%	168,806
Subocol S.A.	Marketing of spare parts for vehicle repair	Colombia	50.00%	50.00%	40,700	50.00%	50.00%	40,700
Acsendo S.A.S.	Investments	Colombia	25.80%	25.80%	63,570	25.80%	25.80%	63,570
<b>Joint Ventures:</b>								
Interejecutiva de Aviación S.A.S.	Air Transport Administration	Colombia	33.00%	33.00%	1,500,000	33.00%	33.00%	1,500,000
P.A Proyecto Crece	Technology Services	Colombia	50.00%	50.00%	-	50.00%	50.00%	-
Unión Para La Infraestructura S.A.S.	Fund	Colombia	50.00%	50.00%	150,000	50.00%	50.00%	150,000
Unión Para La Infraestructura S.A.S.	Fund	Peru	50.00%	50.00%	1,354,000	50.00%	50.00%	1,354,000
P.A Dinamarca	Mobility solutions	Medellin	33.33%	33.33%	-	33.33%	33.33%	-
P.A Servicios Tecnológicos	Technology Services	Colombia	50.00%	50.00%	-	50.00%	50.00%	-

### Corporate purpose of the associates and nature of the relationship

**Bancolombia S.A.:** It is a financial institution listed in the Colombian Stock Exchange (BVC), as well as in the New York Stock Exchange (NYSE), since 1981 and 1995 respectively, Grupo Bancolombia consolidates operations in the banking, trust, off-shore banking 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 June 2020 and December 2019 is 46.02%. The aforementioned taking into account the issuance of non-voting preferred shares emitted by this associate.

**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 June 2020 and December 2019 of Grupo Argos S.A. is 35.53%, taking into account the issue of non-voting preferred shares by this associate.

**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 processed food segment of the industrial sector include a 35.28% stake in Grupo Nutresa S.A., where Grupo SURA is the largest shareholder.

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

### Investment balances

The following are the balances of associates:

Investment in Associates	June 2020	December 2019
Bancolombia S.A.	8,610,966	8,711,435
Grupo Argos S.A.	5,237,873	5,126,177
Grupo Nutresa S.A.	4,371,129	4,815,632
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	1,203,979	1,269,336
Others	41,898	34,160
<b>Total</b>	<b>19,465,845</b>	<b>19,956,740</b>

### Financial information of the associates (Securities issuers)

The assets, liabilities, equity and results for the year of each of the associated companies included in the consolidated financial statements of the company as at 30 June 2020 and 31 December 2019 are as stated below:

The associate Bancolombia S.A. presents the statement of financial position in order of liquidity, and therefore does not include the detail of current and non-current financial assets and liabilities.

June 2020										
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
<b>Associates:</b>										
Bancolombia S.A. *	Colombia	267,545,373	-	239,036,829	-	28,508,544	4,256,048	283,424	844,713	1,128,137
Grupo Argos S.A. *	Colombia	8,410,095	45,502,224	8,355,283	18,600,618	26,956,418	6,961,592	88,211	1,169,229	1,257,440
Grupo Nutresa S.A. *	Colombia	3,865,805	10,994,188	2,509,455	4,954,658	7,395,880	5,324,782	331,293	(1,317,082)	(985,789)
Fondo de Pensiones y Cesantías Protección S.A. *	Colombia	723,312	1,993,878	280,596	725,908	1,710,686	1,056,334	(4,308)	10,040	5,732

\* Figures taken from the Consolidated Financial Statements

December 2019										
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
<b>Associates</b>										
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
Fondo de Pensiones y Cesantías Protección S.A. *	Colombia	700,916	1,931,845	257,039	547,872	1,827,850	1427,727	442,789	16,022	458,811

\* Figures taken from the Consolidated Financial Statement



The fair value of the investments in associates of Grupo SURA listed on the Colombian Stock Exchange at June 30, 2020 and December 2019 is as follows:

Associate	June 2020	December 2019
Bancolombia S.A.	5,642,372	10,344,348
Grupo Argos S.A.	2,270,022	4,081,454
Grupo Nutresa S.A.	3,393,176	4,109,902
Fondo de Pensiones y Cesantías Protección S.A. (*)	1,546,883	1,458,817

(\*) Although Protección shares are quoted on the stock exchange, they are classified as low-brokerage shares on the Colombian stock market, meaning that the formation of prices on the asset does not represent the best reference on the economic value of this company.

Associate movement	Bancolombia S.A.	Grupo argos S.A.	Grupo Nutresa S.A.	Administradora de fondos de Pensiones y cesantías Protección S.A.	Others	Total
<b>Balance at December 31, 2018</b>	<b>8,214,022</b>	<b>5,057,575</b>	<b>4,696,941</b>	<b>1,121,113</b>	<b>74,295</b>	<b>19,163,946</b>
Derecognition	-	-	-	-	(29,271)	(29,271)
Profit from the equity method	761,972	89,742	178,077	203,516	21,325	1,254,632
Property variation	(7,831)	59,113	39,640	(1,028)	4,170	94,064
(-) Dividends	(256,728)	(80,253)	(99,026)	(54,265)	(31,103)	(521,375)
Adjustment in conversion	-	-	-	-	(5,256)	(5,256)
<b>Balance at December 31, 2019</b>	<b>8,711,435</b>	<b>5,126,177</b>	<b>4,815,632</b>	<b>1,269,336</b>	<b>34,160</b>	<b>19,956,740</b>
Additions	-	-	10,447	-	-	10,447
Profit from the equity method	64,184	(18,439)	116,006	(9,649)	6,786	158,888
Property Variation	220,439	216,350	(465,558)	3,537	1,904	(23,328)
(-) Dividends	(385,092)	(86,215)	(105,398)	(59,245)	-	(635,950)
Adjustment in conversion	-	-	-	-	(952)	(952)
<b>Balance at June 30, 2020</b>	<b>8,610,966</b>	<b>5,237,873</b>	<b>4,371,129</b>	<b>1,203,979</b>	<b>41,898</b>	<b>19,465,845</b>

### Restrictions and commitments

At the cut-off date, there are no restrictions or commitments, with investments in associates.

## 12.2 Joint ventures

The following is a breakdown of the cost of investments June 30, 2020 and December 31, 2019:

	Interejecutiva	P.A Crece	UPI Colombia	UPI Peru	P.A Dinamarca	P. A Serv. Tecnológicos	Total
<b>Balance at December 31 2018</b>	<b>4,855</b>	<b>-</b>	<b>1,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,094</b>
Addition	-	2,200	-	1,345	506	250	4,301
Decrease - commission	-	(1,191)	-	-	-	-	(1,191)
Profit from the equity method	100	-	1,331	(786)	(3)	(52)	590
Property Variation	354	-	5	-	-	-	359
(-) Dividends	-	-	(1,193)	-	-	-	(1,193)
Adjustment in conversion	-	-	-	(11)	-	-	(11)
<b>Balance at December 31, 2019</b>	<b>5,309</b>	<b>1,009</b>	<b>1,382</b>	<b>548</b>	<b>503</b>	<b>198</b>	<b>8,949</b>
Addition	-	1,613	-	-	1,328	-	2,941
Profit from the equity method	(4,001)	(2,049)	587	388	(543)	(22)	(5,640)
Property Variation	(914)	-	-	41	(2)	-	(875)
(-) Dividends	-	-	(1,333)	-	-	-	(1,333)
<b>Balance at June 30, 2020</b>	<b>394</b>	<b>573</b>	<b>636</b>	<b>977</b>	<b>1,286</b>	<b>176</b>	<b>4,042</b>

At the cut-off date there are no restrictions on investments, in joint ventures.

### 12.3 Impairment of investments in subsidiaries and associates

The detection of signs of impairment is a critical step in the assessment process, as it will indicate whether or not an impairment test is required.

As established in the accounting policy of Grupo SURA: The entity will evaluate, at the end of each reporting period, whether there is any indication of impairment in the value of any asset. If such an indication exists, the entity estimates the recoverable amount of the asset.

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

1. Operating loss or negative cash flows in the current period compared to budget.
2. Increases during the year in interest rates associated with investments and debt.  
Information: Investments in securities with indexed rates, rates agreed for debt acquired with banks.
3. Important changes in the technological environment, understood as the risk associated with losses derived from technology (hardware or software) or its use.  
Information: Significant decrease in production associated with technology or high exposure to hacker risk.
4. Significant changes in the legal environment, established as losses from sanctions or lawsuits due to non-compliance with rules or contractual obligations.
5. Significant changes in the regulatory environment. Referring to the negative implications for a company resulting from changes in the regulatory framework in which it operates.
6. Changes in the competitive environment. Information: How much market share is lost (measuring growth and claims), new competitors or aggressiveness of current competitors and compliance in sales and marketing.
7. Significant changes in the way or extent to which the cash generating unit (CGU) is used or expected to be used.
8. Major reduction in the use of installed capacity

9. Generation of new debt
10. Discontinuance or significant reduction, other than mere fluctuation, of the demand for, or need for, services rendered with the asset.
11. For investments in associated companies quoted in the Stock Exchange of Colombia (BVC) an internal valuation model is used.

Each year, the Company assesses the existence of impairment in investments, if any of the indicators mentioned above are present; therefore, it is necessary to estimate the recoverable amount of the asset.

Based on the latest estimate of recoverable value at 31 December 2019, no impairment losses are recognized and this will be updated during the year for evaluation.

### NOTE 13. DISCONTINUED OPERATIONS

The following is a detail of the discontinued operation in the income statement:

At the end of April 2020, approval was received from COFECE in Mexico for the transfer of the Sura Pension portfolio. Despite the fact that a small portion remains for recomposition, in June we proceeded to reclassify the transfer amounts quantified to date, as well as to recognize the conventional penalty paid to Banorte in accordance with the transfer agreement.

	June 2020
Profitability of the entity	38,266
Penalty	(25,407)
Reserve Adjustment	(31,462)
Investment Adjustment	3,346
Deferred tax adjustment	2,771
<b>Total discontinued operations</b>	<b>(12,486)</b>

On December 31, 2019, the Chilean Financial Market Commission authorized the spin-off of the life annuity business by Seguros de Vida SURA S.A. (SURA Chile), a subsidiary of SURA AM, so the reclassification of the discontinued operation is made as of November 2018.

Following is a detail of the reclassification of the life annuity operation in Chile as of June 30, 2019:

	June 2019
Sale price	(696,212)
Investment cost	681,278
Operation Movement April 2019	13,148
Conversion reclassified to results April 2019	5,047
<b>Total discontinued operations annuities Chile</b>	<b>3,261</b>
Profit of the entity Mexico	2,883
<b>Total discontinued operations</b>	<b>6,144</b>

The following are the discontinued operations in the balance sheet:

	June 2020	December 2019
Suramericana <sup>(1)</sup>	13,605	5,212
<b>Total asset</b>	<b>13,605</b>	<b>5,212</b>

<sup>(1)</sup> The balance in Suramericana corresponds to land, buildings and investments in associates that are planned to be sold in a period of less than 1 year, below are the details:

#### **Assets held for sale corresponding to real estate**

The properties are in the companies, Seguros Generales Suramericana S.A., Servicios Generales Suramericana S.A.S. and Seguros Sura S.A. of Argentina, for each company you have:

In Seguros Generales Suramericana S.A., during 2019, certain properties were sold that became part of the company with the merger of RSA. Most of these properties are located in Cartagena and Bogotá, and they yielded a profit of \$490. As of December 2019, there are two properties for sale, the Banco Santander Building located in Cucuta, Colombia and the El Dorado Industrial and Commercial Centre, located in the city of Bogotá, Colombia.

In Servicios Generales Suramericana S.A.: As of December 31, 2017, due to the payment agreement entered into by a client from the financial services area in which to cover the debt with the company it delivers a house located in the Nogal neighborhood of Medellín, for which reason it is required to present this property within the group of assets for disposal held for sale the values received according to the independent appraisal of October 30, 2017. The book value of this property is \$653 and was sold in 2019, leaving a profit for sale of \$7.

Seguros Sura S.A de Argentina has several properties for sale located in the provinces of Córdoba, Buenos Aires, Rosario and Rio Negro, these properties have been decided to be sold during the year 2019.

#### **Assets held for sale corresponding to investments in associates**

During the year the following investments in associates were sold:

On 30 August 2019 Suramericana sold its shareholding in Administradora de Riesgos de Salud ARS Palic Salud S.A., an associate investment engaged in the business of managing and selling health plans in the Dominican Republic. These shares became directly owned by the company as part of the merger process in which it absorbed the net assets of its subsidiary Inversura Panama on December 31, 2018, the latter having acquired them since 2002. The sale corresponding to 247,665 common shares was carried out on August 30th to Centro Financiero BHD S.A., majority shareholder of said company, and was authorized on July 18th of this year by the Board of Directors of Suramericana. The sale generated a profit of \$ 41,440

In December 2019 Suramericana sold the shares it owned in Sodexo S.A.S. and Sodexo Servicios de Beneficios e Incentivos Colombia S.A., Colombian companies that offer food and facilities maintenance services for companies and incentives for the quality of life of employees in Colombia. This operation took place through its subsidiary Servicios Generales Suramericana S.A., which had legal ownership of the shares, and left a profit of \$59,334 from the sale.

#### **Restrictions**

As of June 30, 2019, Suramericana does not have assets that present legal restrictions, nor are they given as a guarantee.

## NOTE 14. PROVISIONS

The detail of Grupo SURA provisions is as follows:

	June 2020	December 2019
Lawsuits and litigation (*)	173,654	197,398
Other provisions (**)	102,756	28,918
Provisions for restructuring	393	839
<b>Total</b>	<b>276,803</b>	<b>227,155</b>

(\*) Includes, among others, the following concepts:

Seguros SURA S.A. in Brazil is involved in litigation for tax proceedings with the Brazilian Federal Justice System, and is suing COFINS for questioning on invoicing according to Law No. 9,718/98, the amount is \$127,410 in 2020 and \$149,373 in 2019.

(\*\*) The other miscellaneous provisions include costs and expenses payable by the company EPS Medicina Prepagada Suramericana S.A., costs that include disabilities, glosses, maternity leaves, among others. Additionally, the increase generated with respect to 2019, corresponds mainly to the constitution of new provisions as a result of the implementation of maximum budgets.

The following are provisions, by country:

	June 2020	December 2019
Brazil	127,410	149,373
Panama	-	8
Colombia	108,345	34,544
Mexico	35,667	37,650
Argentina	1,480	1,166
Chile	2,514	3,012
Uruguay	1,250	1,402
Dominican Republic	137	-
<b>Total</b>	<b>276,803</b>	<b>227,155</b>

## NOTE 15. SECURITIES ISSUED

The following is a summary of debt instruments issued:

	June 2020	December 2019
Bonds in circulation (1)	8,311,538	7,742,433
Preference shares (2)	460,667	460,712
<b>Total</b>	<b>8,772,205</b>	<b>8,203,145</b>

(1) **Bonds in circulation:** Below is a breakdown of the bonds issued:

Issue Date	Maturity Date	Nominal value	Issue rate	Amortized cost		Fair value	
				June 2020	December 2019	June 2020	December 2019
29-Apr-16	29- Apr -26	USD 550*	+ 5.50%	2,063,747	1,799,460	2,254,763	1,059,566
17-Apr-14	17-Apr-24	USD 500*	+ 4.875%	1,888,119	1,646,321	2,004,992	1,764,421
11-Apr-17	14-Apr-27	USD 350*	+ 4.375%	1,308,940	1,140,923	1,373,566	1,229,037
18-May-11	18- May -21	USD 300*	+ 5.70%	1,132,865	987,839	1,168,398	2,110,775
22-Jun-16	22- Jun -26	305,622	IPC + 4.09%	304,144	304,399	322,104	331,487
22-Jun-16	22- Jun -31	289,235	IPC + 4.29%	287,499	287,795	300,373	315,735
22-Jun-16	22- Jun -23	257,145	IPC + 3.90%	256,321	256,471	267,765	273,625
07-May-14	07- May -23	223,361	IPC + 3.80%	225,407	225,364	233,674	238,766
23-Feb-17	23- Feb -22	193,549	+ 7.21%	194,774	194,720	204,833	202,910
23-Feb-17	23- Feb -29	190,936	IPC + 3.58%	191,300	191,423	193,850	200,610
23-Feb-17	23- Feb -24	165,515	IPC + 3.19%	165,981	166,053	169,605	172,942
22-Jun-16	22- Jun -20	147,998	IPC + 3.39%	-	148,140	-	149,599
07-May-14	07- May -30	100,000	IPC + 4.15%	100,803	100,797	104,313	131,728
07-May-16	07- May -20	100,000	IPC + 3.55%	-	101,005	-	120,354
25-Nov-09	25- Nov -29	98,000	IPC + 5.90%	96,480	96,488	114,554	109,842
25-Nov-09	25- Nov -49	97,500	IPC + 6.98%	95,158	95,235	116,349	101,849
				<b>8,311,538</b>	<b>7,742,433</b>	<b>8,829,139</b>	<b>8,513,246</b>

(\*) Amounts in millions of dollars.

## (2) Preference shares

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

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

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

The above dividend shall be paid in preference to the dividend on ordinary shares.

Also, on March 31, 2017, the Board of Directors of the Company set at thirty-five thousand nine hundred and seventy-three pesos (\$35,973) the subscription price of the preferential shares that would be paid as dividends in shares.

The movements of the debt instruments issued for June 30, 2020 and December 31, 2019, are detailed below:

	Bonds	Preferred shares	Total
<b>At December 31, 2018</b>	<b>7,844,320</b>	<b>460,699</b>	<b>8,305,019</b>
Interest earned	428,555	40,641	469,196
Payments	(578,551)	(40,628)	(619,179)
Exchange rate	48,109	-	48,109
<b>At December 31, 2019</b>	<b>7,742,433</b>	<b>460,712</b>	<b>8,203,145</b>
Interest earned	251,186	20,269	271,455
Payments (*)	(496,658)	(20,314)	(516,972)
Exchange rate	814,577	-	814,577
<b>At June 30, 2020</b>	<b>8,311,538</b>	<b>460,667</b>	<b>8,772,205</b>

(\*) Includes payment of bonds maturing on May 7 and June 22, 2020

#### NOTE 16. DIVIDENDS PAID AND DECLARED

The General Assembly of Shareholders of Grupo SURA held on March 27, 2020, approved the following profit distribution project:

##### *Dividends*

An ordinary dividend of five hundred and eighty-three pesos (COP\$583) per share and an extraordinary dividend of fifty-one pesos (COP\$51) per share, on 581,977,548 ordinary and preferred shares.

This ordinary and extraordinary dividend was declared from the occasional reserves with profits generated until December 31, 2016, for \$368,974.

##### *Repurchase of Company Shares*

Authorization to reacquire shares of the Company up to the amount of three hundred billion pesos \$300,000 for a period of up to three years, counted from the approval of the Assembly.

In Colombia, the distribution of dividends is made on the basis of separate financial statements.

Dividends decreed	No. of shares	2020					2019		
		Annual per share ordinary dividend	Ordinary dividend balance	Annual per share extraordinary dividend	Extraordinary dividend balance	Total declared dividend	No. of shares	\$ Annual per share ordinary dividend	Ordinary dividend balance
Ordinary shares	469,037,260	583	273,449	51	23,921	297,370	469,037,260	550	257,971

Preference shares	112,940,288	583	65,844	51	5,760	71,604	112,940,288	550	62,117
	<b>581,977,548</b>		<b>339,293</b>		<b>29,681</b>	<b>368,974</b>	<b>581,977,548</b>		<b>320,088</b>

## NOTE 17. OTHER COMPREHENSIVE INCOME

The other comprehensive income for the period is presented below:

	June 2020			June 2019		
	Total	Other comprehensive income	Non-controlling participation OCI	Total	Other comprehensive income	Non-controlling participation OCI
<b>Opening balance other comprehensive income</b>	<b>2,701,376</b>	<b>2,424,607</b>	<b>276,769</b>	<b>2,838,707</b>	<b>2,519,074</b>	<b>319,633</b>
Financial instruments measured at fair value with changes in the OCI	(1,973)	(2,575)	602	7,995	6,956	1,039
Asset revaluation	(1,189)	(963)	(226)	(27,060)	(22,580)	(4,480)
Actuarial loss (gain) plans (post-employment)	4,103	4,006	97	139	113	26
Profit or loss from conversion of foreign business	473,274	398,674	74,600	60,806	51,367	9,440
Cash Flow derivatives hedge	34,734	29,120	5,614	110,397	92,034	18,363
Hedge with derivatives of net investments abroad	(49,352)	(41,247)	(8,105)	(95,711)	(79,993)	(15,718)
Surplus under the equity method Associates	(23,066)	(24,203)	1,137	63,403	63,949	(546)
<b>Other comprehensive income</b>	<b>436,531</b>	<b>362,812</b>	<b>73,719</b>	<b>119,969</b>	<b>111,846</b>	<b>8,124</b>
<b>Final balance other comprehensive income</b>	<b>3,137,907</b>	<b>2,787,419</b>	<b>350,488</b>	<b>2,958,676</b>	<b>2,630,920</b>	<b>327,758</b>

Other accumulated comprehensive income is as follows:

Component	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Revaluation of assets	220,391	144,195	(1,436)	3,544
New defined benefit plan measurement component	(13,231)	(8,715)	3,592	0
Equity investments measured at fair value through equity	(1,231)	(2,125)	5,611	108
Profit or loss from conversion of business abroad	1,536,367	1,489,091	(464,960)	22,312
Cash flow hedges	62,815	16,124	(75,820)	92,703
Net investment abroad coverage	(90,474)	(76,748)	102,726	(79,990)
Equity movement of investments in associated companies	1,072,782	1,069,095	(417,217)	(37,527)
<b>Total comprehensive income</b>	<b>2,787,419</b>	<b>2,630,918</b>	<b>(847,504)</b>	<b>1,150</b>



## NOTE 18. NON-CONTROLLING INTEREST

The following table shows summarized financial information as of June 2020 and 2019, for the main subsidiaries of the Group that have significant non-controlling interests. This information is prepared in accordance with the Colombian Accepted Accounting and Financial Reporting Standards (NCIF), which are based on International Financial Reporting Standards (IFRS), and is restated, when appropriate, by adjustments related to the homologation of accounting policies.

The values below are presented before eliminations between Group companies, and correspond to the values of each of the sub-consolidated companies:

	Suramericana S.A. y Subsidiarias		Sura Asset Management S.A. y Subsidiarias	
	June 2020	June 2019	June 2020	June 2019
Main domicile	Colombia		Colombia	
% Non-controlling interest	18.87%	18.87%	16.42%	16.42%
Ordinary income	8,326,344	7,753,575	1,456,421	2,039,342
Income from continuing operations	292,520	173,771	132,619	424,229
Income from discontinued operations	-	-	(12,486)	6,144
Other comprehensive income	90,722	(35,456)	333,805	70,546
Comprehensive result	383,242	138,315	453,938	500,919
Assets	29,911,152	26,911,484	19,494,766	21,136,780
Liabilities	24,715,606	22,126,422	10,339,147	11,846,670
Equity	5,195,546	4,785,062	9,155,619	9,290,110

The contribution of the main subsidiaries of the Group that have significant non-controlling interests to the consolidation is presented below:

	Suramericana S.A. y Subsidiarias		Sura Asset Management S.A. y Subsidiarias		Others		Grupo SURA y Subsidiarias	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
Non-controlling profit	55,831	32,908	20,043	71,199	(27)	(110)	75,847	103,997
Comprehensive result	73,830	26,135	75,377	82,840	358	(96)	149,565	108,879
Profit	857,841	850,058	1,416,683	1,379,055	4,545	5,406	2,279,069	2,234,519
<b>Total non-controlling interest equity</b>	<b>987,502</b>	<b>909,101</b>	<b>1,512,103</b>	<b>1,533,094</b>	<b>4,876</b>	<b>5,200</b>	<b>2,504,481</b>	<b>2,447,395</b>

## NOTE 19. OPERATING SEGMENTS

### 19.1. Segments to be informed about

For management purposes, Grupo SURA is structured into business units according to the services provided. These business units are divided into the following reportable segments

**1. Insurance:** this includes the companies dedicated to risk coverage, which are responsible for guaranteeing or compensating all or part of the damage caused by the occurrence of certain accidental occurrences.

1.1. Life: The companies in charge of covering risks against the individual are classified.

1.2. Non-life: Insurance companies that cover risks other than personal injury are classified in this segment.

## **2. Fund management:**

2.1. Mandatory: Its main activity refers to the collection and administration of contributions made by employees in individual mandatory savings accounts and, in turn, the administration and payment of benefits established by the pension system.

2.2. Voluntary: Its main activity is focused on voluntary savings pensions, life annuities, among others.

**3. Corporate:** this segment includes holding companies whose main objective is the acquisition of investment vehicles. Additionally, other services are reported that are not directly related to the business strategy, but that complement the service offer.

## **4. Services:**

4.1. Outsourcing: This segment includes companies dedicated to services and marketing of products and solutions in telecommunications and information processing services.

4.2. Health: Includes companies dedicated to the provision of health services, compulsory and prepaid medical care.

4.3. Others: other services are reported that are not directly related to the business strategy but complement the service offering.

The maximum authority for operating decisions in the segments in Grupo SURA is the financial vice-presidencies of the subsidiaries and Grupo SURA, which is responsible for monitoring the operating results of the operating segments separately for the purpose of making decisions on the allocation of resources and evaluating their performance.

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

## 19.2. Information about operating segments

### Consolidated income statement at June 30, 2020 by Segment

June 2020	Corporate	Fund Management		Insurance		Services			Eliminations	Total
		Mandatory	Voluntary	Lifetime	No lifetime	Health	Outsourcing	Others		
Premiums issued	-	-	264,205	2,636,264	3,999,619	-	-	-	(25,824)	6,874,264
Premiums	-	-	264,205	2,517,432	3,941,427	-	-	-	(25,824)	6,697,240
Complementary insurance services	-	-	-	118,832	58,192	-	-	-	-	177,024
Premiums ceded	-	-	(566)	(148,488)	(1,365,856)	-	-	-	14,629	(1,500,281)
<b>Retained premiums (net)</b>	-	-	<b>263,639</b>	<b>2,487,776</b>	<b>2,633,763</b>	-	-	-	<b>(11,195)</b>	<b>5,373,983</b>
Commission Income	34,280	970,039	166,719	14,547	222,381	23	589	3,169	(60,071)	1,351,676
Provision of Services	-	-	-	-	-	2,617,245	110,154	110,281	(548,297)	2,289,383
Dividends	10,000	-	1,632	200	113	-	-	-	-	11,945
Investment income	26,147	3,034	29,082	348,903	100,488	2	285	35,440	(827)	542,554
Gains at fair value- investments	(11,546)	29,878	(21,867)	(7,417)	173,292	13,133	(80)	(10)	144	175,527
Gains from equity method of Associates	152,015	(8,862)	10,117	-	-	-	(22)	-	-	153,248
Profit from sales of investments	(2,600)	(4)	(8,676)	(1,000)	9,460	112	-	(100)	1,061	(1,747)
Income from investment properties	306	-	3,673	2,227	6,474	1,010	-	2,156	(9,402)	6,444
Other income	10,327	11,355	25,637	27,090	82,438	15,693	2,039	4,675	(49,539)	129,715
<b>Operating income</b>	<b>218,929</b>	<b>1,005,440</b>	<b>469,956</b>	<b>2,872,326</b>	<b>3,228,409</b>	<b>2,647,218</b>	<b>112,965</b>	<b>155,611</b>	<b>(678,126)</b>	<b>10,032,728</b>
Total claims	-	-	(272,261)	(1,544,169)	(1,834,464)	-	-	-	69,681	(3,581,213)
Reimbursement of claims	-	-	-	169,507	549,519	-	-	-	(703)	718,323
<b>Retained claims</b>	-	-	<b>(272,261)</b>	<b>(1,374,662)</b>	<b>(1,284,945)</b>	-	-	-	<b>68,978</b>	<b>(2,862,890)</b>
Reserves net of production	-	-	35,638	50,558	61,779	-	-	-	-	147,975
Costs of provision of services	-	-	-	1	-	(2,354,995)	(86,818)	(82,348)	322,218	(2,201,942)
Administrative expenses	(51,533)	(191,622)	(48,896)	(320,540)	(331,444)	(136,597)	(7,932)	(20,909)	128,277	(981,196)
Employee benefits	(67,336)	(269,429)	(144,468)	(194,129)	(294,162)	(103,113)	(11,125)	(17,257)	29,849	(1,071,170)
Fees	(14,709)	(23,490)	(31,018)	(72,614)	(144,229)	(10,934)	(378)	(6,492)	56,291	(247,573)
Broker commissions	(983)	(9,765)	(32,936)	(556,281)	(741,317)	(3,465)	-	-	31,387	(1,313,360)
Amortization	(1,518)	(30,435)	(4,631)	(3,696)	(52,231)	(388)	(364)	(55,118)	-	(148,381)
Depreciation	(5,250)	(28,558)	(7,085)	(9,432)	(27,590)	(22,476)	(6,633)	(2,573)	-	(109,597)
Other expenses	(16)	(7,772)	(2,646)	(152,396)	(157,708)	(917)	(1)	(49)	35,322	(286,183)
Impairment	259	622	3,145	(9,815)	(26,284)	(2,687)	(397)	(1,162)	155	(36,164)
<b>Operating expenses</b>	<b>(141,086)</b>	<b>(560,449)</b>	<b>(505,158)</b>	<b>(2,643,006)</b>	<b>(2,998,131)</b>	<b>(2,635,572)</b>	<b>(113,648)</b>	<b>(185,908)</b>	<b>672,477</b>	<b>(9,110,481)</b>
<b>Operating profit</b>	<b>77,843</b>	<b>444,991</b>	<b>(35,202)</b>	<b>229,320</b>	<b>230,278</b>	<b>11,646</b>	<b>(683)</b>	<b>(30,297)</b>	<b>(5,649)</b>	<b>922,247</b>
Profit at fair value - Derivatives	170,058	-	(707)	(918)	(475)	-	(130)	-	-	167,828
Exchange differences (Net)	(231,885)	8,584	4,876	(214)	-	-	-	1,828	-	(216,811)
Interest	(347,998)	(4,568)	(2,757)	(1,624)	(4,874)	(9,963)	(1,416)	(11,895)	5,656	(379,439)

<b>Financial Results</b>	<b>(409,825)</b>	<b>4,016</b>	<b>1,412</b>	<b>(2,756)</b>	<b>(5,349)</b>	<b>(9,963)</b>	<b>(1,546)</b>	<b>(10,067)</b>	<b>5,656</b>	<b>(428,422)</b>
<b>Profit, before tax</b>	<b>(331,982)</b>	<b>449,007</b>	<b>(33,790)</b>	<b>226,564</b>	<b>224,929</b>	<b>1,683</b>	<b>(2,229)</b>	<b>(40,364)</b>	<b>7</b>	<b>493,825</b>
Income tax	(44,671)	(132,466)	(1,902)	(3,573)	(59,148)	(863)	(409)	6,989	-	(236,043)
<b>Net Profit, continued operations</b>	<b>(376,653)</b>	<b>316,541</b>	<b>(35,692)</b>	<b>222,991</b>	<b>165,781</b>	<b>820</b>	<b>(2,638)</b>	<b>(33,375)</b>	<b>7</b>	<b>257,782</b>
Net profit discontinued operations	-	-	-	(12,486)	-	-	-	-	-	(12,486)
<b>Profit, net</b>	<b>(376,653)</b>	<b>316,541</b>	<b>(35,692)</b>	<b>210,505</b>	<b>165,781</b>	<b>820</b>	<b>(2,638)</b>	<b>(33,375)</b>	<b>7</b>	<b>245,296</b>
Controlling profit	(376,782)	328,397	(34,105)	210,505	165,781	820	(2,638)	(36,777)	(85,752)	169,449
Non-controlling profit	129	(11,856)	(1,587)	-	-	-	-	3,402	85,759	75,847

### Consolidated income statement at June 30, 2019 by segment

June 2019	Corporate		Fund Management		Insurance		Services			Eliminations	Total
			Mandatory	Voluntary	Lifetime	No lifetime	Health	Outsourcing	Others		
Premiums issued	-	-	-	245,188	2,523,244	3,720,405	-	-	-	(10,192)	6,478,645
Premiums	-	-	-	245,188	2,405,523	3,660,498	-	-	-	(10,192)	6,301,017
Complementary insurance services	-	-	-	-	117,721	59,907	-	-	-	-	177,628
Premiums ceded	-	-	-	(262)	(157,818)	(993,249)	-	-	-	1,335	(1,149,994)
<b>Retained premiums (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>244,926</b>	<b>2,365,426</b>	<b>2,727,156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,857)</b>	<b>5,328,651</b>
Commission Income	29,984	987,528	-	144,668	13,024	202,342	44	145	2,749	(46,743)	1,333,741
Provision of Services	-	-	-	-	1	-	2,155,288	121,908	109,953	(482,147)	1,905,003
Dividends	(1,293)	-	-	2,247	562	79	-	-	1,730	-	3,325
Investment income	23,124	5,120	-	22,884	264,418	58,871	5	406	33,773	(3,843)	404,758
Profit at fair value-Investments	8,294	213,355	-	169,154	95,015	131,716	8,387	(150)	1,077	129	626,977
Profit from equity method of Associates	554,809	106,285	-	11,608	-	-	-	-	-	-	672,702
Profit from sales of investments	909	(5)	-	38,391	(171)	10,558	(6)	-	41	876	50,593
Income from investment properties	484	-	-	4,220	1,833	5,971	895	-	2,150	(8,055)	7,498
Other income	2,290	13,808	-	44,368	25,880	74,213	8,936	371	5,025	(55,480)	119,409
<b>Operating income</b>	<b>618,601</b>	<b>1,326,091</b>	<b>-</b>	<b>682,466</b>	<b>2,765,988</b>	<b>3,210,906</b>	<b>2,173,549</b>	<b>122,680</b>	<b>156,498</b>	<b>(604,120)</b>	<b>10,452,659</b>
Total claims	-	-	-	(305,980)	(1,595,468)	(2,181,050)	-	-	-	73,160	(4,009,338)
Reimbursement of claims	-	-	-	-	158,581	758,775	-	-	-	(727)	916,629
<b>Retained claims</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(305,980)</b>	<b>(1,436,887)</b>	<b>(1,422,275)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,433</b>	<b>(3,092,709)</b>
Reserves net of production	-	-	-	(137,474)	9,207	33,789	-	-	-	-	(94,478)
Costs of provision of services	-	-	-	-	-	-	(1,937,597)	(99,419)	(85,480)	275,533	(1,846,963)
Administrative expenses	(86,797)	(152,437)	-	(31,903)	(238,894)	(330,895)	(111,777)	(5,073)	(21,677)	80,504	(898,949)
Employee benefits	(54,915)	(252,682)	-	(148,593)	(204,695)	(280,580)	(91,954)	(13,114)	(16,538)	38,919	(1,024,152)
Fees	(14,613)	(24,114)	-	(17,688)	(67,000)	(148,700)	(10,771)	(451)	(6,429)	57,738	(232,028)
Broker commissions	(918)	(18,506)	-	(31,098)	(452,160)	(705,186)	(1,847)	-	-	28,909	(1,180,806)
Amortization	(1,215)	(24,255)	-	(4,681)	(4,108)	(54,323)	(1,005)	(126)	(53,716)	-	(143,429)
Depreciation	(7,421)	(27,370)	-	(10,136)	(5,669)	(28,060)	(18,864)	(4,293)	(2,351)	-	(104,164)
Other expenses	(36)	(7,116)	-	(1,975)	(143,484)	(194,057)	(1,317)	(261)	(29)	43,166	(305,109)
Impairment	(140)	327	-	695	(1,220)	(7,112)	1,569	38	(898)	(1,490)	(8,231)

Operating expenses	(166,055)	(506,153)	(688,833)	(2,544,910)	(3,137,399)	(2,173,563)	(122,699)	(187,118)	595,712	(8,931,018)
Operating profit	452,546	819,938	(6,367)	221,078	73,507	(14)	(19)	(30,620)	(8,408)	1,521,641
Profit at fair value - Derivatives	(9,535)	-	(36)	(11)	-	-	-	-	-	(9,582)
Exchange differences (Net)	29,076	8,244	(729)	1,257	-	-	-	(296)	-	37,552
Interest	(322,324)	(5,468)	(2,447)	(1,201)	(6,414)	(9,045)	(1,220)	(10,569)	8,177	(350,511)
<b>Financial Results</b>	<b>(302,783)</b>	<b>2,776</b>	<b>(3,212)</b>	<b>45</b>	<b>(6,414)</b>	<b>(9,045)</b>	<b>(1,220)</b>	<b>(10,865)</b>	<b>8,177</b>	<b>(322,541)</b>
<b>Profit, before tax</b>	<b>149,763</b>	<b>822,714</b>	<b>(9,579)</b>	<b>221,123</b>	<b>67,093</b>	<b>(9,059)</b>	<b>(1,239)</b>	<b>(41,485)</b>	<b>(231)</b>	<b>1,199,100</b>
Income Taxes	(33,629)	(203,917)	(1,626)	9,553	(24,346)	(6,878)	(462)	6,778	-	(254,527)
<b>Gain, net of continuing operations</b>	<b>116,134</b>	<b>618,797</b>	<b>(11,205)</b>	<b>230,676</b>	<b>42,747</b>	<b>(15,937)</b>	<b>(1,701)</b>	<b>(34,707)</b>	<b>(231)</b>	<b>944,573</b>
Profit, net of discontinued operations	(202,667)	-	-	208,811	-	-	-	-	-	6,144
<b>Profit, net</b>	<b>(86,533)</b>	<b>618,797</b>	<b>(11,205)</b>	<b>439,487</b>	<b>42,747</b>	<b>(15,937)</b>	<b>(1,701)</b>	<b>(34,707)</b>	<b>(231)</b>	<b>950,717</b>
Controller profit	(37,704)	618,797	(11,205)	439,487	42,747	(15,937)	(1,701)	(34,707)	(153,055)	846,720
Non-controlling profit	(48,829)	-	-	-	-	-	-	-	152,824	103,997

Inter-segment revenue is eliminated in consolidation and reflected in the "eliminations" column.

### 19.3. Geographic information

SURA Group has investments in the following countries: Colombia, Chile, Argentina, Brazil, El Salvador, Mexico, Panama, Peru, Dominican Republic, Bermuda and Uruguay.

Following table shows the distribution of income, by geographical area:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Colombia	6,011,557	6,037,943	2,908,855	3,152,549
Chile	1,469,773	1,705,102	1,116,061	880,562
Mexico	934,956	947,452	411,185	444,917
Argentina	524,801	513,129	279,046	271,540
Panama	241,030	225,027	124,304	114,691
El Salvador	211,268	209,348	96,860	106,822
Brazil	200,034	270,744	91,289	142,501
Peru	171,907	267,503	135,474	125,839
Uruguay	170,999	187,433	88,386	96,363
Dominican Republic	102,577	86,644	53,002	45,625
Bermuda	(6,174)	2,334	(7,626)	1,384
<b>Total</b>	<b>10,032,728</b>	<b>10,452,659</b>	<b>5,296,836</b>	<b>5,382,793</b>

Below is a table with the distribution of assets by geographic area:

	June 2020	December 2019
Colombia	53,139,436	51,165,553
Chile	8,555,866	7,934,103
Mexico	1,703,907	4,361,058
Peru	1,403,022	1,362,295
Argentina	1,341,004	1,128,691
Panama	807,223	669,981
El Salvador	757,586	635,496
Brazil	727,075	912,443
Dominican Republic	442,084	424,787
Uruguay	440,952	422,276
Bermuda	69,446	21,147
<b>Total</b>	<b>69,387,601</b>	<b>69,037,830</b>

The following table shows the net profit (loss) by country:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Chile	175,764	126,362	163,952	125,254
Mexico	150,759	136,417	91,633	62,915
Argentina	52,987	(19,973)	75,276	(24,571)
Panama	31,908	15,502	55,873	8,957
Dominican Republic	19,613	7,836	11,670	5,563
Peru	19,312	96,467	43,281	41,563
El Salvador	15,836	7,753	13,391	2,150
Uruguay	14,648	22,266	10,657	8,108
Brazil	715	(6,769)	4,635	(4,829)
Bermuda	505	539	220	295
Colombia	(236,751)	564,938	(149,336)	165,146
Spain	-	(621)	-	(109)
<b>Total</b>	<b>245,296</b>	<b>950,717</b>	<b>321,252</b>	<b>390,442</b>

#### 19.4. Income statement by company

The following is the income statement of Grupo de Inversiones Suramericana by company:

##### June 2020

June 2020	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management y Subsidiarias	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Premiums issued	-	6,596,034	279,457	-	-	(1,227)	6,874,264
Premiums	-	6,419,010	279,457	-	-	(1,227)	6,697,240
Complimentary insurance services	-	177,024	-	-	-	-	177,024
Premiums ceded	-	(1,495,336)	(4,945)	-	-	-	(1,500,281)
<b>Retained premiums (net)</b>	<b>-</b>	<b>5,100,698</b>	<b>274,512</b>	<b>-</b>	<b>-</b>	<b>(1,227)</b>	<b>5,373,983</b>
Commission Income	-	236,167	1,115,966	589	-	(1,046)	1,351,676
Provision of Services	-	2,194,138	-	110,154	9,105	(24,014)	2,289,383
Dividends	1,130,478	118	11,674	-	1,060	(1,131,385)	11,945
Investment income	2,149	479,596	60,448	288	74	(1)	542,554
Gains at fair value - investments	596	186,698	(11,833)	(80)	1	145	175,527
Gains from the equity method, Associates	-	(97)	1,255	(22)	(2,049)	154,161	153,248
Gains in sales of investments	-	8,363	(8,467)	-	(1,643)	-	(1,747)
Income from investment properties	-	1,414	4,749	-	281	-	6,444
Other income	356	119,249	8,116	2,039	46	(91)	129,715
<b>Operating income</b>	<b>1,133,579</b>	<b>8,326,344</b>	<b>1,456,420</b>	<b>112,968</b>	<b>6,875</b>	<b>(1,003,458)</b>	<b>10,032,728</b>
Total claims	-	(3,302,065)	(280,757)	-	-	1,609	(3,581,213)
Reimbursement of claims	-	718,323	-	-	-	-	718,323
<b>Retained claims</b>	<b>-</b>	<b>(2,583,742)</b>	<b>(280,757)</b>	<b>-</b>	<b>-</b>	<b>1,609</b>	<b>(2,862,890)</b>
Reserves net of production	-	107,344	40,630	-	-	1	147,975
Costs of provision of services	-	(2,109,513)	-	(86,818)	(5,801)	190	(2,201,942)
Administrative expenses	(18,666)	(739,619)	(237,344)	(7,934)	(1,037)	23,404	(981,196)
Employee benefits	(18,698)	(617,178)	(423,906)	(11,125)	(814)	551	(1,071,170)
Fees	(3,625)	(186,650)	(57,090)	(424)	(139)	355	(247,573)
Broker commissions	-	(1,296,632)	(16,848)	-	-	120	(1,313,360)
Amortization	-	(55,805)	(92,213)	(364)	-	1	(148,381)
Depreciation	(1,057)	(58,904)	(42,371)	(6,633)	(632)	-	(109,597)
Other expenses	-	(275,735)	(10,447)	(1)	-	-	(286,183)
Impairment	-	(40,173)	4,406	(397)	-	-	(36,164)
<b>Operating expenses</b>	<b>(42,046)</b>	<b>(7,856,607)</b>	<b>(1,115,940)</b>	<b>(113,696)</b>	<b>(8,423)</b>	<b>26,231</b>	<b>(9,110,481)</b>
<b>Operating profit</b>	<b>1,091,533</b>	<b>469,737</b>	<b>340,480</b>	<b>(728)</b>	<b>(1,548)</b>	<b>(977,227)</b>	<b>922,247</b>
Profit at fair value – derivatives	156,528	(1,187)	12,616	(130)	-	1	167,828
Exchange differences (Net)	(266,489)	-	49,679	-	-	(1)	(216,811)
Interest	(194,374)	(61,875)	(120,678)	(1,416)	(1,095)	(1)	(379,439)
<b>Financial Results</b>	<b>(304,335)</b>	<b>(63,062)</b>	<b>(58,383)</b>	<b>(1,546)</b>	<b>(1,095)</b>	<b>(1)</b>	<b>(428,422)</b>

<b>Gains, before taxes</b>	<b>787,198</b>	<b>406,675</b>	<b>282,097</b>	<b>(2,274)</b>	<b>(2,643)</b>	<b>(977,228)</b>	<b>493,825</b>
Income tax	27,834	(114,155)	(149,479)	(409)	166	-	(236,043)
<b>Net gains continuous operations</b>	<b>815,032</b>	<b>292,520</b>	<b>132,618</b>	<b>(2,683)</b>	<b>(2,477)</b>	<b>(977,228)</b>	<b>257,782</b>
Net gains from discontinued operations	-	-	(12,486)	-	-	-	(12,486)
<b>Net income</b>	<b>815,032</b>	<b>292,520</b>	<b>120,132</b>	<b>(2,683)</b>	<b>(2,477)</b>	<b>(977,228)</b>	<b>245,296</b>
Controlling gains	815,032	291,741	119,756	(2,552)	(2,449)	(1,052,079)	169,449
Non-controlling gains	-	779	376	(131)	(28)	74,851	75,847

## June 2019

June 2019	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Premiums issued	-	6,159,994	318,970	-	-	(319)	6,478,645
Premiums	-	5,982,366	318,970	-	-	(319)	6,301,017
Complimentary insurance services	-	177,628	-	-	-	-	177,628
Premiums ceded	-	(1,129,826)	(20,168)	-	-	-	(1,149,994)
<b>Retained premiums (net)</b>	<b>-</b>	<b>5,030,168</b>	<b>298,802</b>	<b>-</b>	<b>-</b>	<b>(319)</b>	<b>5,328,651</b>
Commission Income	-	216,698	1,117,720	145	-	(822)	1,333,741
Provision of Services	-	1,796,112	-	121,908	8,568	(21,585)	1,905,003
Dividends	435,403	513	2,375	-	3,205	(438,171)	3,325
Investment income	430	350,660	53,158	406	104	-	404,758
Gains at fair value - investments	(138)	235,749	391,391	(153)	(1)	129	626,977
Gains from the Equity Method, Associates	-	4,689	117,893	-	-	550,120	672,702
Gains in sales of investments	-	10,905	39,688	-	-	-	50,593
Income from investment properties	-	1,633	5,400	-	466	(1)	7,498
Other income	349	106,448	12,914	385	39	(724)	119,411
<b>Operating income</b>	<b>436,044</b>	<b>7,753,575</b>	<b>2,039,341</b>	<b>122,691</b>	<b>12,381</b>	<b>88,627</b>	<b>10,452,659</b>
Total claims	-	(3,662,079)	(349,426)	-	-	2,167	(4,009,338)
Reimbursement of claims	-	916,629	-	-	-	-	916,629
<b>Retained claims</b>	<b>-</b>	<b>(2,745,450)</b>	<b>(349,426)</b>	<b>-</b>	<b>-</b>	<b>2,167</b>	<b>(3,092,709)</b>
Reserves net of production	-	40,083	(134,561)	-	-	-	(94,478)
Costs of provision of services	-	(1,742,373)	-	(99,419)	(5,313)	142	(1,846,963)
Administrative expenses	(19,028)	(671,320)	(221,780)	(5,099)	(1,913)	20,191	(898,949)
Employee benefits	(11,424)	(595,489)	(403,839)	(13,114)	(795)	509	(1,024,152)
Fees	(5,435)	(182,849)	(44,718)	(504)	(95)	1,573	(232,028)
Broker commissions	-	(1,153,262)	(27,545)	-	-	1	(1,180,806)
Amortization	-	(59,124)	(84,179)	(126)	-	-	(143,429)
Depreciation	(1,124)	(55,219)	(41,293)	(4,293)	(2,237)	2	(104,164)
Other expenses	-	(295,722)	(9,126)	(261)	-	-	(305,109)
Impairment	-	(9,081)	2,059	38	2	(1,249)	(8,231)
<b>Operating expenses</b>	<b>(37,011)</b>	<b>(7,469,806)</b>	<b>(1,314,408)</b>	<b>(122,778)</b>	<b>(10,351)</b>	<b>23,336</b>	<b>(8,931,018)</b>
<b>Operating profit</b>	<b>399,033</b>	<b>283,769</b>	<b>724,933</b>	<b>(87)</b>	<b>2,030</b>	<b>111,963</b>	<b>1,521,641</b>
Profit at fair value – derivatives	(9,283)	-	(299)	-	-	-	(9,582)
Exchange differences (Net)	22,519	-	15,033	-	-	-	37,552



Interest	(169,034)	(59,726)	(118,242)	(1,223)	(2,286)	-	(350,511)
<b>Financial Results</b>	<b>(155,798)</b>	<b>(59,726)</b>	<b>(103,508)</b>	<b>(1,223)</b>	<b>(2,286)</b>	<b>-</b>	<b>(322,541)</b>
<b>Gains, before taxes</b>	<b>243,235</b>	<b>224,043</b>	<b>621,425</b>	<b>(1,310)</b>	<b>(256)</b>	<b>111,963</b>	<b>1,199,100</b>
Income tax	(6,664)	(50,273)	(197,197)	(462)	69	-	(254,527)
<b>Net gains continuous operations</b>	<b>236,571</b>	<b>173,770</b>	<b>424,228</b>	<b>(1,772)</b>	<b>(187)</b>	<b>111,963</b>	<b>944,573</b>
Net gains from discontinued operations	-	-	6,144	-	-	-	6,144
<b>Net Profit</b>	<b>236,571</b>	<b>173,770</b>	<b>430,372</b>	<b>(1,772)</b>	<b>(187)</b>	<b>111,963</b>	<b>950,717</b>
Controlling gains	236,571	173,625	429,753	(1,691)	(296)	8,758	846,720
Non-controlling gains	-	145	619	(81)	109	103,205	103,997

## NOTE 20. INCOMES AND EXPENSES FROM COMMISSIONS

### 20.1. Income from commissions

The income from commissions, of Grupo SURA, are as follows:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Administration of mandatory pension funds	969,911	988,428	465,264	505,930
Income on cession	228,813	212,148	115,661	106,621
Others (*)	84,012	75,777	42,637	39,129
Administration of voluntary pension funds	62,696	54,286	30,342	28,189
Participation in profits of reinsurers	5,407	2,254	2,061	1
Profit sharing of reinsurance	820	848	188	370
Income/Cancellations for reinsurance	17	-	17	-
<b>Total</b>	<b>1,351,676</b>	<b>1,333,741</b>	<b>656,170</b>	<b>680,240</b>

(\*) Includes mainly income from portfolio management of clients received.

The following is a breakdown of commission income, by country:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Mexico	512,757	459,007	249,915	239,915
Chile	447,797	450,576	225,066	228,256
Peru	191,294	222,164	84,334	110,768
Colombia	96,017	98,705	45,502	48,254
Uruguay	31,751	39,903	16,255	19,991
Brazil	22,941	19,806	10,760	9,640
Dominican Republic	15,658	13,241	7,991	6,777
Argentina	14,562	16,130	5,899	9,047
Panama	10,415	8,922	5,185	4,564
El Salvador	6,865	3,616	4,499	2,013
Bermuda	1,619	1,671	764	1,015
<b>Total</b>	<b>1,351,676</b>	<b>1,333,741</b>	<b>656,170</b>	<b>680,240</b>

### 20.2. Commission expenses

A breakdown of the commissions to intermediaries is as follows:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Deferred acquisition costs (DAC)	(888,096)	(822,981)	(474,264)	(413,200)
Insurance administration	(286,542)	(217,068)	(151,218)	(116,666)
Personal and damage insurance	(79,538)	(79,557)	(35,840)	(46,244)
Occupational Risks	(37,891)	-	(17,533)	-
Brokerage fees	(7,882)	(10,486)	(3,820)	(5,109)
Commission for data processing and collection of contributions	(4,530)	(4,146)	(2,174)	(1,629)
Compulsory insurance	(3,793)	(4,087)	(1,865)	(2,039)
Paid rebates	(3,177)	(2,672)	(1,556)	(1,442)
Co-insurance accepted	(1,625)	(1,469)	(478)	(577)
Social Security insurance	(215)	(38,340)	(81)	(20,288)
Acceptance expenses	(71)	-	(71)	51
<b>Total</b>	<b>(1,313,360)</b>	<b>(1,180,806)</b>	<b>(688,900)</b>	<b>(607,143)</b>

A breakdown of expenses to intermediaries, by country, is as follows:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Colombia	(634,529)	(511,865)	(333,160)	(271,346)
Chile	(205,142)	(217,620)	(108,860)	(108,303)
Argentina	(102,752)	(116,624)	(44,193)	(64,747)
Mexico	(92,580)	(98,636)	(59,632)	(42,636)
Brazil	(77,504)	(92,431)	(35,312)	(46,614)
El Salvador	(74,320)	(43,812)	(37,036)	(22,409)
Panama	(62,257)	(46,243)	(36,454)	(23,907)
Uruguay	(31,570)	(31,167)	(17,346)	(15,520)
Dominican Republic	(28,490)	(20,199)	(13,794)	(10,475)
Peru	(3,082)	(1,222)	(2,512)	(519)
Bermuda	(1,134)	(987)	(601)	(667)
<b>Total</b>	<b>(1,313,360)</b>	<b>(1,180,806)</b>	<b>(688,900)</b>	<b>(607,143)</b>

## NOTE 21. PROVISION OF SERVICES

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

### 21.1. Income from provision of services

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

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Income from health -promoting entities - EPS	2,107,036	1,679,571	1,058,024	866,717
Laboratory services	56,724	69,319	21,597	35,168
Maintenance and repairs	44,995	57,463	20,705	28,342
Income from health services entities - IPS	34,242	48,739	7,510	23,503
Data processing	19,206	22,208	6,584	8,104
Rental of machinery and equipment	9,997	12,071	4,370	5,947
Sales of office machinery, office equipment, and computer programs	9,756	8,494	4,424	5,932
Activities related to wiring	4,482	4,030	1,946	2,178
Sale of parts, pieces and accessories	1,932	1,665	537	843
Telecommunication services	812	880	401	447
Business consulting activities	137	477	(85)	331
Community, social, and personal service activities	62	52	30	24
Other	2	34	-	30
<b>Total</b>	<b>2,289,383</b>	<b>1,905,003</b>	<b>1,126,043</b>	<b>977,566</b>

A breakdown of income from services rendered, by country is as follows:

Accumulated

Quarter

	June 2020	June 2019	June 2020	June 2019
Colombia	2,289,269	1,904,801	1,125,949	977,460
Panama	114	202	94	106
<b>Total</b>	<b>2,289,383</b>	<b>1,905,003</b>	<b>1,126,043</b>	<b>977,566</b>

## 21.2. Costs for the provision of services

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

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Cost of sales of services EPS	(1,695,094)	(1,364,506)	(848,096)	(722,552)
Cost of sales of services IPS	(337,915)	(297,837)	(171,196)	(150,014)
Data processing	(55,972)	(65,851)	(27,556)	(34,857)
Business consulting activities	(39,470)	(38,976)	(20,348)	(20,467)
Sale of parts, pieces, and accessories	(34,246)	(37,520)	(11,763)	(18,588)
Consulting of computer equipment and software	(22,937)	(22,520)	(9,035)	(10,436)
Maintenance and repairs	(6,948)	(7,124)	(3,082)	(3,624)
Sale of office machinery equipment and computer programs	(5,351)	(6,475)	(2,215)	(3,628)
Contributions to pensions	(3,323)	(4,041)	(1,662)	(1,994)
Amortization	(686)	(458)	(321)	(225)
Depreciation	-	(1,655)	-	(774)
<b>Total</b>	<b>(2,201,942)</b>	<b>(1,846,963)</b>	<b>(1,095,274)</b>	<b>(967,159)</b>

A breakdown of the costs for services rendered, by country, is:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Colombia	(2,201,892)	(1,846,597)	(1,095,237)	(966,950)
Panama	(50)	(366)	(37)	(209)
<b>Total</b>	<b>(2,201,942)</b>	<b>(1,846,963)</b>	<b>(1,095,274)</b>	<b>(967,159)</b>

## NOTE 22. FINANCIAL RESULTS

The financial income and expenses of Grupo SURA and its subsidiaries at 30 June 2020 and 2019 are detailed below:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Earnings at fair value-Derivatives <sup>1</sup>	167,828	(9,582)	(159,687)	(29,512)
Exchange differences (Net) <sup>2</sup>	(216,811)	37,552	243,430	10,712
Interest <sup>3</sup>	(379,439)	(350,511)	(188,013)	(179,749)
<b>Financial Results</b>	<b>(428,422)</b>	<b>(322,541)</b>	<b>(104,270)</b>	<b>(198,549)</b>

(1) Corresponds to the valuation of derivatives

- (2) Corresponds to a difference in net exchange for financial liabilities.  
(3) The following is a detail of the interests as of the cut-off date:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Securities issued	(251,185)	(223,986)	(127,526)	(113,174)
Hedging operations	(42,709)	(29,027)	(19,414)	(29,027)
Bank loans	(39,685)	(50,774)	(19,022)	(14,691)
Financial leases (note 8)	(19,987)	(23,229)	(9,552)	(11,351)
Preference shares	(20,269)	(20,159)	(10,134)	(10,137)
Others	(3,682)	(1,648)	(1,472)	(489)
Amortization of investment securities	(1,398)	(927)	(611)	(336)
Repo operations	(524)	(761)	(282)	(544)
<b>Total</b>	<b>(379,439)</b>	<b>(350,511)</b>	<b>(188,013)</b>	<b>(179,749)</b>

### NOTE 23. ADMINISTRATIVE EXPENSES

The administrative expenses of Grupo SURA by company at 30 June 2020 and 2019 are detailed below:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Taxes	(157,535)	(163,667)	(73,489)	(85,406)
Commissions	(151,695)	(71,577)	(114,183)	(33,895)
Others (*)	(145,399)	(151,728)	(89,419)	(87,424)
Contributions	(82,530)	(76,768)	(40,298)	(39,603)
Maintenance and repairs	(77,917)	(76,348)	(34,922)	(37,447)
Advertising	(63,089)	(59,881)	(31,304)	(31,569)
Temporary services	(60,036)	(52,836)	(28,555)	(25,155)
Public services	(59,745)	(59,564)	(24,643)	(29,199)
Legal	(39,925)	(34,481)	(20,192)	(17,820)
Travel and representation expenses	(37,632)	(48,359)	(16,419)	(26,558)
Electronic data processing	(30,840)	(26,135)	(14,965)	(18,062)
Sales expenses	(21,640)	(30,691)	(9,727)	(17,307)
Insurance	(14,757)	(11,588)	(4,768)	(4,820)
Supplies and stationery	(11,172)	(16,312)	(3,512)	(7,857)
Leases	(10,966)	(11,686)	(3,648)	(4,228)
Other labor risk costs	(8,824)	-	(6,403)	-
Occupational risk fund	(7,494)	(7,328)	(3,472)	(4,031)
<b>Total</b>	<b>(981,196)</b>	<b>(898,949)</b>	<b>(519,919)</b>	<b>(470,381)</b>

(\*) Corresponds principally to expenses for cleaning and surveillance services, transport services and subscriptions, public relations expenses and donations.

The administrative expenses of Grupo SURA by country at 30 June 2020 and 2019 are detailed below:

Accumulated

Quarter

	June 2020	June 2019	June 2020	June 2019
Colombia	(551,120)	(494,124)	(318,791)	(268,706)
Mexico	(124,989)	(121,991)	(53,682)	(63,805)
Chile	(117,399)	(106,387)	(59,038)	(47,002)
Argentina	(55,341)	(59,036)	(22,831)	(31,141)
Peru	(40,259)	(31,608)	(23,071)	(14,235)
Uruguay	(27,344)	(21,902)	(13,263)	(12,183)
Brazil	(24,765)	(24,314)	(10,497)	(12,498)
Panama	(21,103)	(20,061)	(9,381)	(11,154)
El Salvador	(12,426)	(12,955)	(6,353)	(6,226)
Dominican Republic	(5,852)	(5,898)	(2,699)	(3,088)
Bermuda	(598)	(510)	(313)	(260)
Spain	-	(163)	-	(83)
<b>Total</b>	<b>(981,196)</b>	<b>(898,949)</b>	<b>(519,919)</b>	<b>(470,381)</b>

## NOTE 24. FEES

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

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Others *	(135,782)	(115,561)	(69,603)	(59,331)
Insurance promoters	(43,683)	(42,844)	(18,909)	(21,092)
Assistance	(31,718)	(31,884)	(15,688)	(17,974)
Commissions	(13,657)	(12,887)	(6,163)	(6,983)
Legal Advice	(7,741)	(8,874)	(4,104)	(4,679)
Tax Review	(6,308)	(11,302)	(3,382)	(8,460)
Board of Directors	(3,515)	(2,842)	(1,480)	(904)
Financial advice	(2,780)	(4,815)	(852)	(1,985)
Human talent management services	(2,152)	(842)	(1,010)	(633)
Appraisals	(237)	(177)	(189)	(90)
<b>Total</b>	<b>(247,573)</b>	<b>(232,028)</b>	<b>(121,380)</b>	<b>(122,131)</b>

(\*) Corresponds mainly to technical expenses of inspection and evaluation for entry into policies.

A breakdown of the income from fees of each country, is as follows:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Colombia	(139,536)	(137,605)	(70,568)	(73,028)
Chile	(32,304)	(32,932)	(18,372)	(16,851)
Mexico	(27,848)	(13,784)	(11,321)	(6,881)
Panama	(13,806)	(10,747)	(7,005)	(6,324)
Argentina	(13,737)	(13,898)	(5,250)	(7,299)
Uruguay	(8,464)	(9,725)	(3,333)	(4,837)
Brazil	(5,793)	(7,023)	(2,716)	(3,121)
Peru	(4,156)	(4,030)	(1,737)	(2,824)
El Salvador	(896)	(906)	(508)	(435)
Dominican Republic	(651)	(636)	(360)	(356)
Bermuda	(382)	(284)	(210)	(150)
Spain	-	(458)	-	(25)
<b>Total</b>	<b>(247,573)</b>	<b>(232,028)</b>	<b>(121,380)</b>	<b>(122,131)</b>

## NOTE 25. PROFIT 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:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Gain, net	245,296	950,717	321,252	390,442
Non-controlling gain	75,847	103,997	77,145	43,843
<b>Profit of the controlling company</b>	<b>169,449</b>	<b>846,720</b>	<b>244,107</b>	<b>346,599</b>
(Loss) profit, net of discontinued operations	(12,486)	6,144	(12,486)	3,613
(Loss) profit, net of non-controlling discontinued operations	(2,051)	1,009	(2,051)	593
<b>Profit, net of discontinued operations of the controlling company</b>	<b>(10,435)</b>	<b>5,135</b>	<b>(10,435)</b>	<b>3,020</b>
Plus: Interest expense on preferred shares (note 1) <sup>1</sup>	20,269	20,159	10,134	10,137
Less: Undistributed earnings to preferred stockholder <sup>2</sup>	(36,817)	(168,229)	(49,339)	(69,229)
<b>Profit from ordinary ongoing operations</b>	<b>163,336</b>	<b>693,515</b>	<b>215,338</b>	<b>284,487</b>
Ordinary shares	469,037,260	469,037,260	469,037,260	469,037,260
<b>Earnings per share from continuing operations</b>	<b>348</b>	<b>1,479</b>	<b>459</b>	<b>607</b>
<b>(Loss) profit from ordinary discontinued operations</b>	<b>(10,435)</b>	<b>5,135</b>	<b>(10,435)</b>	<b>3,020</b>
<b>(Loss) earnings per share from discontinued operations</b>	<b>(22)</b>	<b>11</b>	<b>(22)</b>	<b>6</b>

<sup>1</sup> Corresponds to the minimum guaranteed dividend of the preferred shares caused as an expense during the period.

<sup>2</sup> Corresponds to the portion of the controlling net income attributable to the preferred stock that has not been declared as a dividend.

## NOTE 26. OBJECTIVES AND POLICIES OF RISK MANAGEMENT

The following information describes the main characteristics of the Governance Framework of the Risk Management System in the Companies of the Business Group and some initial definitions in relation to the Conglomerates Law. Similarly, the most relevant risks to which the Companies are subject are analyzed, considering the characteristics, complexity and size of their businesses, and the particularities of the geographies where they are present.

### Governance Framework

For Grupo Empresarial SURA, risk management is a dynamic and interactive process, framed in the internal control system, whose purpose is to support the achievement of the strategic objectives and the sustainability of the Companies. The Risk Management System allows strategic, administrative and operational decision-making aimed at creating value, not only by maximising revenue under tolerable risk levels, but also by comprehending global trends and

the internal context of the Companies, creating the relevant control mechanisms and ensuring the sustainability and continuity of the business in the long term.

Grupo SURA, as the parent company, is exposed to both its own risks and those arising from its investments. For this reason, it has a risk management framework that allows companies to generate value through their interaction and to face the new challenges and opportunities of a changing environment.

The Board of Directors, its Committees and the Senior Management of each of the Companies are responsible for an adequate Risk Management System and for making decisions based on the understanding of the opportunities and risks involved in each strategic issue. These responsibilities are complemented by an organizational structure, policies and manuals, which seek consistency and feedback with the organizational risk strategy.

Grupo SURA has appropriate mechanisms for communication and interaction to follow up on the risk profile and management of the Group, including, among others, participation in the Boards of Directors, Committees and joint spaces to share best practices, make reports and execute projects.

Supplementing to the existing risk management system, the Conglomerates Law issued on September 21, 2017, imparts new obligations to Grupo SURA as the Financial Holding Company of the Conglomerate in terms of risk management. The coverage of this system includes 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 (CF), with emphasis on the development of guidelines to define risk appetite, adequate level of capital and management of strategic, contagion, concentration and reputational risks.

### **Measures taken in response to the COVID-19 pandemic**

It is important to emphasize that each company of the Business Group has a Business Continuity Plan designed with the objective of maintaining the operation of its critical activities in the face of interruption scenarios. These systems allow the establishment of measures to maintain an adequate level of operation during these events with all its stakeholders, including customer service, investor relations functions, accounting closure, consolidation and transmission of financial information, publication of Relevant Information and regulatory compliance, among others.

At the same time, with the aim of preserving the operation of critical business activities and protecting the health of employees, the activation of the remote work scheme for employees was established as a general measure, except for those who, due to the nature of their functions, must attend the respective facilities for the provision of services to customers. Likewise, all the necessary work has been done to ensure the protection of the health of the employees and, in turn, of the information, maintaining the controls and security schemes defined to mitigate the cyber security risks to which the Company may be exposed.

Similarly, the liquidity position of the Companies was evaluated, with the objective of ascertaining their financial capacity in the face of the scenario projected by the situation and thus, ensure the fulfilment of their obligations and the preservation of the operation.



Consequently, it became clear that Grupo Empresarial SURA has a liquidity and solvency position that allows it to adequately face the current situation.

## **Financial risks**

The Business Group has management systems that enable it to monitor exposure to different financial risks (credit, liquidity and market risks) from the management of treasuries, investment portfolios and the responsibility for managing the portfolios of third parties.

### **1. Credit risk**

Credit risk refers to the potential for loss arising from the failure of third parties to meet their financial obligations to the Companies.

For the quarter in question, there were no material impacts on this risk in the Companies under the COVID-19 scenario. The effects on business will be mentioned later in this chapter. In any case, as government measures are adopted, the evolution of accounts receivable, portfolio turnover, and potential devaluations in other assets will continue to be evaluated to capture the effects of quarantines such as: arrears in accounts receivable from customers, relief measures taken by the company, and updates of impairment percentages that could be reflected in the next quarter.

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

The management of credit risk seeks to reduce the probability of incurring losses, derived from the breach of financial obligations, contracted by third parties with the companies. To this end, policies and procedures have been defined, which facilitate the analysis and monitoring of issuers and counterparties, from the resources managed in the treasuries, the portfolios of the insurers, and the funds of third parties, in order to mitigate the exposure of the Companies.

#### **1.2. Methods used to measure risk**

In the treasuries of Grupo SURA, Suramericana, and SURA Asset Management, risk mitigation policies providing guidelines to ensure that investments are always backed by issuers and/or managers with adequate credit support.

On the other hand, the insurance companies, from the management of their portfolios, conformed by profitable and liquid assets, that support their technical reserves. They manage credit risk based on allocation policies, limits, and controls, as well as methodologies and procedures that adjust to the different assets of the portfolio and allow quantifying and monitoring the evolution of this risk. These methodologies include detailed analyzes of the strengths and financial conditions, and of different qualitative aspects of the issuers and managers of investment funds.

Likewise, in the activity of third-party resource management, and in compliance with its fiduciary duty, the management of the funds includes a due diligence process for the issuers, counterparties, and fund managers in which they are invested.

#### **1.3. Description of changes in objectives, policies, and processes to manage risk**

During the quarter, there were no significant changes in the policies and processes for credit risk management.

#### 1.4. Summary of quantitative data on risk exposure of the entity

Exposure of the resources administered in the treasuries:

At the end of the quarter, the treasury investments of the Companies are mostly focused on collective liquid portfolios managed by high quality credit managers, savings accounts and current accounts.

As of June 30, 2020, the portfolios of the insurance companies of Suramericana and SURA AM are distributed as follows:

Fixed Income Assets by Credit Rating 2Q 20 (International Scale)											
Rating Sovereign*	Suramericana							SURA AM			
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom. Rep.	Uruguay	Chile	Mexico
	Restricted Default	BB-	A	BBB-	B-	BBB-	BBB	BB-	BBB	A	BBB
<b>Government</b>	52%	98%	22%	18%	27%	71%	17%	45%	59%	28.1%	0.8%
AAA	0%	0%	0%	4%	1%	0%	0%	0%	3%	0.0%	0.0%
AA+	0%	0%	0%	0%	0%	0%	2%	0%	0%	0.0%	0.0%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	0.0%
AA-	0%	0%	0%	2%	0%	0%	0%	0%	0%	0.0%	0.0%
A+	0%	0%	0%	0%	0%	0%	1%	0%	0%	13.6%	0.0%
A	0%	0%	26%	1%	1%	0%	1%	0%	1%	9.8%	0.0%
A-	0%	0%	10%	1%	1%	0%	0%	0%	4%	22.5%	99.2%
BBB+	0%	0%	17%	0%	1%	0%	1%	0%	10%	17.8%	0.2%
BBB	0%	0%	13%	0%	0%	0%	2%	0%	10%	4.2%	0.0%
BBB-	0%	0%	3%	50%	0%	20%	3%	0%	13%	2.4%	0.0%
BB+	0%	0%	1%	15%	0%	1%	11%	0%	0%	1.5%	0.0%
BB	0%	0%	0%	1%	0%	3%	0%	0%	0%	0.0%	0.0%
BB-	0%	2%	0%	0%	0%	4%	19%	0%	0%	0.0%	0.0%
<b>Others</b>	48%	0%	8%	8%	69%	1%	43%	55%	0%	0.0%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Fixed Income Assets by Credit Rating 1Q 20 (International Scale)											
Rating Sovereign*	Suramericana							SURA AM			
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom. Rep.	Uruguay	Chile	Mexico
	CCC	BB-	A+	BBB-	B-	BBB	BBB	BB-	BBB	A	BBB
<b>Government</b>	44%	95%	20%	20%	33%	63%	19%	46%	20%	28.5%	98.3%
AAA	0%	0%	0%	0%	0%	0%	0%	0%	8%	0.0%	0.0%
AA+	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	0.0%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	0.0%
AA-	0%	0%	0%	2%	0%	0%	0%	0%	0%	0.0%	0.0%

<b>A+</b>	0%	0%	26%	0%	0%	0%	0%	0%	0%	15.5%	0.0%
<b>A</b>	0%	0%	3%	0%	0%	0%	0%	0%	1%	9.0%	0.0%
<b>A-</b>	0%	0%	24%	1%	1%	0%	0%	0%	3%	22.7%	1.2%
<b>BBB+</b>	0%	0%	17%	0%	1%	0%	4%	0%	15%	18.1%	0.2%
<b>BBB</b>	0%	0%	3%	3%	0%	28%	17%	0%	23%	3.8%	0.0%
<b>BBB-</b>	0%	0%	1%	56%	0%	4%	1%	0%	30%	1.9%	0.3%
<b>BB+</b>	0%	0%	0%	17%	2%	3%	0%	0%	0%	0.6%	0.0%
<b>BB</b>	0%	0%	0%	0%	0%	1%	3%	0%	0%	0.0%	0.0%
<b>BB-</b>	0%	5%	0%	0%	0%	0%	21%	1%	0%	0.0%	0.0%
<b>Others</b>	56%	0%	6%	1%	63%	1%	35%	53%	0%	0.0%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In South America, during the last quarter the credit risk situation in terms of investment portfolio issuers did not present significant changes. However, there were specific situations in Chile, Argentina and El Salvador, as detailed below:

- **Chile:** There was a significant operational deterioration in the bonds of one portfolio issuer. Its value at amortized cost at the end of June is USD 1.65 million and due to the analysis, continuous monitoring and methodology of investment impairment, a higher impairment value is being recognized for this investment.
- **Argentina:** Similar to the previous quarter, the country continues with its debt restructuring plans, which it had planned before the pandemic, in this sense, the company continues to prepare to face a possible liquidity risk due to the postponement in the payment of some coupons and maturity of securities, without implications of loss of capital so far.
- **El Salvador:** In this portfolio, two issuers presented capital payment grace period plans. These were approved by investors in order to provide liquidity relief. The book value of these investments amounts to USD 1.2 million.

Besides the previous points, there are no additional significant impairments in the book value of the investments of the subsidiaries of Suramericana S.A., the above taking into account that the portfolio is diversified in issuers with good credit quality and high operational soundness that has allowed them to remain stable in the midst of the pandemic.

Currently, the countries in which we have financial instruments classified as amortized cost are Colombia, Dominican Republic, El Salvador, Panama and Chile. For these countries, we expect an impact on the investment portfolios and the financial statements in case of significant declines in the credit rating of the issuers. Securities classified at market value permanently incorporate the effects of quotation and fluctuations in interest rates; therefore, they do not imply additional effects associated with prospective impairment analyses. However, as a result of the downgrading of the credit ratings of issuers, for those securities classified at market value with changes in the OCI the company may reflect negative impacts on the results of the period associated with an estimated impairment.

## 2. Liquidity risk

Liquidity risk refers to the ability of the Companies to generate the resources to meet the obligations acquired and the operation of the business.

In order to evaluate the exposure to this risk, a detailed review has been made of the liquidity and solvency levels of the Companies, as well as of those additional factors that could affect them in the current context. Based on these analyses, strategies were developed to strengthen the liquidity position, thus generating the capacity to respond to their short-term obligations and also the foreseeable effects derived from the situation.

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

To manage this risk, the companies guide their actions within the framework of a liquidity management strategy, for the short and long-term, in order to ensure compliance with the obligations acquired, under the initially agreed conditions and without incurring cost overruns.

### **2.2. Methods used to measure risk**

The Companies monitor their cash flows in the short term to manage cash collection and payment activities, and cash flow projections in the medium term to determine the liquidity position of the Companies and anticipate the necessary measures for proper management.

Furthermore, in order to face eventual situations, the Companies have credit lines available with national and international financial entities and have cash investments that could be sold as a mechanism to access immediate liquidity, in addition to other complementary liquidity sources.

### **2.3. Description of changes in risk exposure**

During the quarter, there were no negative impacts on the exposure to this risk in the business group.

## **3. Market risks**

Management of this risk focuses on how changes in market prices affect the value of the portfolios being managed and the revenues of the Companies. For this purpose, in the portfolios of the insurance companies and in the processes for managing portfolios and third-party resources, there are Market Risk Management Systems through which exposures are identified, measured and monitored.

Such systems are comprised of a set of policies, procedures and mechanisms for follow-up and internal control.

### **3.1. Risk of exchange rate**

Exchange rate risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates. The companies are exposed to this risk to the extent that they have assets or liabilities denominated in foreign currency.

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

To manage the exposure to this risk, the Companies monitor their exposures and, if required, determine the convenience of having some kind of coverage scheme, which is constantly monitored by the areas in charge and aligned with the guidelines given by their Boards of Directors.

### 3.1.2. Methods used to measure risk

The risk management in the portfolios of the Insurance Companies sets methodologies, limits and/or alerts according to the internal policies and rules applicable to each country. Some measures that are taken into account are: Value at Risk, Information Ratio, and Sensitivities and Simulations.

As part of its methodology, Suramericana makes use of Value at Risk (VaR) measurement tools, which estimate the maximum expected loss that could be incurred in a one-month period with a 95% confidence level. VaR can be expressed as a percentage of the investment portfolio value. Additionally, within the conformation of the portfolios, insurance companies take into account the characteristics of their liabilities, in order to optimize the risk/return ratio.

The methodology at SURA Asset Management consists of a dynamic and continuous ALM (Assets and Liabilities Management) process which starts with the analysis of the liability profile and, depending on the risk/return appetite, determines a strategic asset allocation.

As part of the ALM process, sensitivity analyses are performed on the impact on the balance sheet of changes in market value, exchange rates and inflation.

### 3.1.3. Summary of quantitative data on risk exposure of the entity

At June 2020, the following exposures are held:

Assets by company, by type of currency 2Q 20				
Company	Local currency	USD	Other	Total
<b>Suramericana</b>				
Argentina	74%	26%	0%	<b>100%</b>
Brazil	100%	0%	0%	<b>100%</b>
Chile	100%	0%	0%	<b>100%</b>
Colombia	94%	6%	0%	<b>100%</b>
El Salvador	0%	100%	0%	<b>100%</b>
Mexico	91%	9%	0%	<b>100%</b>
Panama	0%	100%	0%	<b>100%</b>
Dominican Republic	78%	22%	0%	<b>100%</b>
Uruguay	55%	45%	0%	<b>100%</b>
Bermuda	0%	100%	0%	<b>100%</b>
<b>SURA Asset Management</b>				
Chile	100%	0%	0%	<b>100%</b>
Mexico	100%	0%	0%	<b>100%</b>

Assets by type of company by currency 1Q 20				
Company	Local currency	USD	Other	Total
<b>Suramericana</b>				
Argentina	71%	29%	0%	<b>100%</b>
Brazil	100%	0%	0%	<b>100%</b>
Chile	100%	0%	0%	<b>100%</b>
Colombia	93%	7%	0%	<b>100%</b>
El Salvador	0%	100%	0%	<b>100%</b>
Mexico	93%	7%	0%	<b>100%</b>
Panama	0%	100%	0%	<b>100%</b>
Dominican Republic	77%	23%	0%	<b>100%</b>
Uruguay	50%	50%	0%	<b>100%</b>
Bermuda	0%	100%	0%	<b>100%</b>
<b>SURA Asset Management</b>				
Chile	100%	0%	-	<b>100%</b>
Mexico	100%	0%	-	<b>100%</b>

At SURA Asset Management, the objective is to reduce the gaps in currency exposure, between assets and liabilities, to minimize the possible mismatch. The exhibitions exclude Unit Link. Both real and nominal currency are included in local currency.

Grupo SURA continued with its strategy of hedging the nominal value of the bond issued for USD 550 million that matures in April 2026. With this measure, we finished covering the entire flow in dollars, leaving a historical minimum level of exchange rate exposure.

### 3.2. Interest rate risk

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

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

To manage exposure to this risk, the companies monitor their exposures and, if necessary, determine the advisability of having a coverage scheme, constantly monitored by the areas in charge and aligned with the guidelines, issued by their Directive Boards.

In the case of insurers, the aim is to support technical reserves, by matching liabilities, in terms of interest rates and terms, thus mitigating this risk. Additionally, through an adequate investment classification strategy, financial income is stabilized and exposure to risk is reduced.

#### 3.2.2 Methods used to measure risk

For the management of this risk, in the portfolios of the insurance companies, methodologies, limits and / or alerts are established, in accordance with the internal policies and rules applicable to each of the countries where they are present. Some measures that are taken into account are: Value at Risk, Information Ratio, and Sensibilities and Simulations.

Within its methodology, Suramericana uses Value-at-Risk (VaR) measurement tools, both regulatory and internal. The internal methodology is based on a MonteCarlo VaR. Additionally, in order to make the connections with the characteristics of the liability, it performs a constant monitoring of the match in durations, tranches and flows, between the liabilities and the assets of the insurers

For its part, the methodology in SURA Asset Management consists of a dynamic and continuous ALM (Assets and Liabilities Management) process that starts with the analysis of the liabilities profile and, based on the risk appetite / return, determines a strategic asset allocation. Likewise, it carries out the control of this risk by monitoring mismatch in duration, and a sensitivity analysis of the balance, at market value, before changes in interest rates and a passive adequacy test that allows quantifying the reinvestment risk of the portfolios.

### 3.2.3 Summary of quantitative data on risk exposure of the entity

From the resources administered in the treasuries, the exposure that the Companies have to this risk is given from the loans tied to the variable interest rate.

Exhibitions of the portfolios of Suramericana and SURA AM insurers:

In the portfolios of the insurers of Suramericana, the exposures to real estate assets are consolidated in the exposures to Variable Income.

Exposure to fixed income and equity assets 2Q 20					
Company	Fixed rate	Variable Income	Real Estate Assets	Mortgage Securities	Total
<b>Suramericana</b>					
Argentina	100%	0%	-	-	100%
Brazil	100%	0%	-	-	100%
Chile	91%	9%	-	-	100%
Colombia	90%	10%	-	-	100%
El Salvador	100%	0%	-	-	100%
Mexico	97%	3%	-	-	100%
Panama	95%	5%	-	-	100%
Dominican Republic	99%	1%	-	-	100%
Uruguay	100%	0%	-	-	100%
Bermuda	100%	0%	-	-	100%
<b>Sura Asset Management</b>					
Chile	89.7%	0.3%	10%	0%	100%
Mexico	100%	0%	0%	0%	100%

Exposure to Fixed Income and Equity Assets 1Q 20					
Company	Fixed rate	Variable Income	Real Estate Assets	Mortgage Securities	Total
<b>Suramericana</b>					
Argentina	100%	0%	-	-	<b>100%</b>
Brazil	100%	0%	-	-	<b>100%</b>
Chile	96%	4%	-	-	<b>100%</b>
Colombia	90%	10%	-	-	<b>100%</b>
El Salvador	100%	0%	-	-	<b>100%</b>
Mexico	97%	3%	-	-	<b>100%</b>
Panama	86%	14%	-	-	<b>100%</b>
Dominican Republic	99%	1%	-	-	<b>100%</b>
Uruguay	100%	0%	-	-	<b>100%</b>
Bermuda	100%	0%	-	-	<b>100%</b>
<b>Sura Asset Management</b>					
Chile	89.9%	0%	10.1%	0%	<b>100%</b>
Mexico	100%	0%	0%	0%	<b>100%</b>

In the case of SURA Asset Management, in Chile and Mexico, the fixed-income securities in its portfolio are mostly tied to a fixed rate.

### 3.3. Risk of price variation variable Income

Stock price risk refers to the risk that the fair value of a financial instrument will fluctuate as a result of changes in the price of shares or other equity assets. Since the portfolio of investments of the Companies has variable income assets, they are exposed to this risk.

The measures adopted by Latin American governments to control the spread of COVID-19 have generated direct impacts on the economy, and in turn, generated political and social instability in the region. This has translated into effects on the operation and results of the Business Group, as a result of the natural exposure of its businesses to this type of instrument.

Despite this, the mitigation mechanisms and policies adopted by each of the companies as part of their risk management systems have allowed the Group to resolve the effects that have been generated, without evidence of significant impacts that could represent direct threats to its sustainability.

#### 3.3.1 Description of risk management objectives, policies and processes

The Companies perform ongoing analysis and monitoring of the exposure to this risk, using the different tools that each has.

Some of the companies have regulatory limits with respect to exposure to local and foreign equity instruments, in addition to limitations on aggregate and individual exposure to financial instruments.



### **3.3.2 Methods used to measure risk**

The management of this risk in the portfolios of Insurance Companies establishes methodologies, limits and/or alerts according to the internal policies and rules applicable to each of the countries where they are located. Some measures that are taken into account are: Value at Risk, Information Ratio, Sensitivities and Simulations.

Value at Risk (VaR) measurement tools, both regulatory and internal. The internal methodology is based on MonteCarlo VaR.

The methodology at SURA Asset Management consists of a dynamic and continuous ALM (Assets and Liabilities Management) process that begins with the analysis of the liability profile and, based on the risk appetite/return, determines a strategic asset allocation.

### **3.3.3 Summary of quantitative data on the risk exposure of the institution**

As of June 2020, exposures in portfolio of SURA Asset Management, are not material, only 0.3% of the investment portfolio excluding Unit Link funds, in relation to 0.25% in the same period of 2019.

## **3.4. Price risk of real estate assets**

Real estate price risk relates to the risk that the market value of a property will be reduced.

### **3.4.1 Description of risk management objectives, policies and processes**

Those companies to which it is applicable, count with limits to the exposure in real estate and, if it is the case, they also count with internal limits regarding the exposure in Real Estate Assets.

### **3.4.2 Methods used to measure risk**

In its dynamic and continuous ALM (Assets and Liabilities Management) process, based on the analysis of the liability profile and depending on the risk/return appetite, SURA Asset Management establishes a strategic asset allocation, which serves as an input to determine the limit of investment in real estate assets, among others. Additionally, a sensitivity analysis of the balance sheet at market value is performed against variations in the value of the real estate assets in the investment portfolio.

### **3.4.3 Summary of quantitative data on risk exposure of the entity**

Exposure of insurance company portfolios:

The exposure to this type of asset in the portfolio of SURA Asset Management can be found in the table in section 3.2.3

## **NOTE 27. INFORMATION DISCLOSED ON RELATED PARTIES**

### **27.1. Related parties**

Subsidiaries, associated companies, key management personnel and entities over which key management personnel may exercise control are considered to be related parties of Grupo SURA.

The following is a detail of related parties at June 30, 2020, June 30, 2019 and December 31, 2019 of Grupo SURA:

a) Companies under direct or indirect control of Grupo SURA are listed in Note 1. Reporting Entity.

b) Investments in associates and joint ventures

Associates and joint ventures of Grupo SURA are listed in Note 12.1 Investments in Associates and Note 12.2 Joint ventures.

## 27.2. Related party transactions

Among the transactions recorded between related parties are:

- Loans between related companies, with contractually agreed terms and conditions and at interest rates established in accordance with market rates. All are paid off in the short term.
- Provision of financial services, management services, IT services, payroll services.
- Leases and sub-leases of office and commercial premises, and re-invoicing of related public services.
- Cash refunds

It is worth mentioning that all transactions are considered to be short term and are considered to be market transactions.

Balances are reconciled at the end of each year, in order to eliminate the corresponding transactions between related companies. The exchange difference generated by the difference in recording rates is charged to the results of the consolidated financial statements.

### June 2020

Entity	Operations with the parent company			Consolidated operations grupo empresarial			
	Asset accounts	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	-	307	(3)	(6,839)	(19,382)
AFAP Sura S.A.	-	-	-	-	(25)	-	-
Afore Sura S.A. de C.V.	-	-	-	25	-	7,005	(3,288)
AFP Capital S.A.	-	-	-	-	(30)	39	(19,334)
AFP Integra S.A.	-	-	-	-	-	-	(331)
Arus S.A.	-	-	-	3,531	(12,960)	15,323	(509)
Aseguradora de Créditos y Garantías S.A.	-	-	-	3,941	-	-	(749)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	-	1,012	(1,532)	4,473	(2,958)
Asesores Sura S.A. de C.V.	-	-	-	-	-	4,200	(54)
Asesuisa Vida, S.A. Seguros de Personas	-	-	-	141	(1,012)	91	(4,460)
Chilean Holding Suramericana SPA	-	-	-	-	(56,944)	-	(1,220)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	(6)	347	(387)	56,622	(755)
Corredores de Bolsa Sura S.A.	-	-	-	-	(2)	16,842	(5,674)
Diagnóstico y Asistencia Médica S.A.	-	-	-	14,834	(22,080)	114,551	(5,667)
Enlace Operativo S.A.	-	-	-	13,519	(320)	8,703	(23)
EPS y Medicina Prepagada Suramericana S.A.	-	-	-	66,820	(35,902)	929	(318,879)

Fondos Sura SAF S.A.C.	-	-	-	-	-	-	(52)
Habitat Adulto Mayor S.A.	-	-	-	-	-	-	(17)
Inversiones SURA Brasil Participacoes LTDA	-	-	-	-	(234)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	-	-	(766)	2	-	813	(1)
Operaciones Generales Suramericana S.A.S.	-	(1)	(6)	7,308	(40,119)	50,194	(2,107)
Pensiones Sura S.A. de C.V.	-	-	-	-	-	-	(978)
Promotora Sura AM S.A. de C.V.	-	-	-	509	-	4,776	(25)
Seguros de Vida Suramericana S.A.	64	(41)	-	9,156	(170,665)	9,956	(166,062)
Seguros Generales Suramericana S.A.	-	(13)	(8)	28,990	(39,831)	16,104	(57,071)
Seguros Sura, S.A de C.V. (México)	-	-	-	-	(696)	543	(640)
Seguros Suramericana Panamá S.A.	-	-	-	-	(25,355)	687	(11,121)
Servicios de Salud IPS Suramericana S.A.	-	-	-	33,024	(55,630)	305,497	(23,112)
Servicios Generales Suramericana S.A. (Panama)	-	-	-	372	-	2	-
Sociedad Agente de Bolsa S.A.	-	-	-	-	-	-	(2)
Sura Art Corporation S.A. de C.V.	-	-	-	-	-	597	(49)
Sura Asset Management México S.A. de C.V.	-	-	-	-	-	-	(50)
Sura Asset Management S.A.	191,952	-	-	53	(194,762)	92	(3,604)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	-	-	-	(130)
Sura Data Chile S.A.	-	-	-	-	-	5,245	(61)
Sura Investment Management S.A. de C.V.	-	-	-	162	-	1,404	(10,247)
Suramericana S.A.	133,888	(55)	-	180,075	(134,449)	-	(1,088)
Seguros Sura S.A. (Uruguay)	-	-	-	25	(61)	-	(145)
Agente de Valores Sura S.A.	-	-	-	61	-	144	-
Seguros de Vida Sura S.A.	-	-	-	-	(17)	20,716	(12,765)
Sura Chile S.A.	-	-	-	2,812	(2)	26,731	(87)
Sura S.A.	-	-	-	-	-	-	(883)
Seguros Generales Suramericana S.A. (Chile)	-	-	-	57,655	(321)	2,570	(366)
Seguros de Vida Suramericana S.A. (Chile)	-	-	-	36	(733)	-	(1,398)
Gestión patrimonial SURA asesores en inversiones S.A. de C.V.	-	-	-	-	-	17	(1,221)
NB innova S.A de C.V.	-	-	-	-	-	-	(1,086)
Servicios Generales Suramericana S.A.S.	-	(94)	-	42,190	(3,715)	2,247	(292)
Arus Holding S.A.S.	-	-	-	400	-	-	-
Seguros Sura S.A. (Dominican Republic)	-	-	-	-	(520)	74	(562)
Seguros Sura S.A. (Brasil)	-	-	-	234	-	-	-
Seguros Sura S.A. (Argentina)	-	-	-	-	(3,941)	(10)	759
Sura RE	-	-	-	9,007	-	9,371	-
Proyectos Empresariales AI SURA S.A. C.V.	-	-	-	-	-	-	(1,177)
	325,904	(204)	(786)	476,548	(802,248)	679,709	(678,923)

## December 2019

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Asset accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	578	(6,659)	-	(53,932)
AFAP Sura S.A.	-	-	-	(3)	222	(24)

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Asset accounts	Expense	Asset accounts	Liability accounts	Income	Expense
AFISA SURA S.A.	-	-	-	(252)	-	(2,058)
Afore Sura S.A. de C.V.	-	-	1,004	(1,975)	10,274	(13,155)
AFP Capital S.A.	-	-	-	(2,536)	415	(36,266)
AFP Integra S.A.	-	-	-	(285)	261	(1,173)
Arus S.A.	-	-	3,938	(10,291)	30,873	(300)
Aseguradora de Créditos y Garantías S.A.	-	-	-	-	-	(466)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	914	(229)	8,793	(501)
Asesores Sura S.A. de C.V.	-	-	3,067	(509)	31,329	(431)
Asesuisa Vida, S.A. Seguros de Personas	-	-	92	(914)	750	(8,744)
Chilean Holding Suramericana SPA	-	-	-	(52,669)	-	(2,514)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(14)	144	(788)	106,608	(791)
Corredor de Bolsa SURA S.A.	-	-	252	-	2,058	(222)
Corredores de Bolsa Sura S.A.	-	-	2,750	(141)	33,858	(9,421)
Diagnóstico y Asistencia Médica S.A.S.	-	-	14,262	(1,779)	214,336	(8,674)
Enlace Operativo S.A.	-	-	12,799	-	17,194	(50)
EPS y Medicina Prepagada Suramericana S.A.	-	-	11,758	(21,066)	4,840	(546,451)
Fondos Sura SAF S.A.C.	-	-	131	(113)	-	(1,315)
Hábitat Adulto Mayor S.A.	-	-	-	-	-	(119)
Inversiones SURA Brasil Participacoes LTDA	-	-	-	(271)	-	-
Inversiones Suramericana Chile Limitada	-	-	-	(212)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	(74,225)	(1,574)	74,234	-	1,665	-
NBM Innova, S.A de C.V	-	-	-	(93)	-	(1,140)
Operaciones Generales Suramericana S.A.S.	-	(19)	11,136	(38,740)	108,014	(3,506)
Pensiones Sura S.A. de C.V.	-	-	-	(2,386)	-	(7,956)
Promotora Sura AM S.A. de C.V.	-	-	5,855	-	22,273	-
Seguros de Vida Sura S.A. (Chile)	-	-	5,859	(996)	43,664	(20,898)
Seguros de Vida Suramericana S.A. (Chile)	-	-	1	(2,154)	-	(2,813)
Seguros de Vida Suramericana S.A.	(22)	-	17,528	(23,790)	12,483	(317,034)
Seguros Generales Suramericana S.A. (Chile)	-	-	54,761	(74)	5,238	(1,750)
Seguros Generales Suramericana S.A.	(111)	(357)	29,304	(15,626)	36,603	(118,229)
Seguros Sura S.A. (Argentina)	-	-	-	-	-	466
Seguros Sura S.A. (Brasil)	-	-	271	-	-	-
Seguros Sura S.A. (Dominican Republic)	-	-	-	(335)	10	(2,355)
Seguros Sura, S.A de C.V. (México)	-	-	-	(498)	-	(2,101)
Seguros Suramericana Panamá S.A.	-	-	-	(34,655)	520	(8,366)
Servicios de Salud IPS Suramericana S.A.S.	-	(3)	15,454	(15,307)	538,944	(62,934)
Servicios Generales Suramericana S.A.	(154)	-	41,445	(20,115)	5,238	(3,334)
Servicios Generales Suramericana S.A. (Panama)	-	-	327	-	502	-
Sociedad Agente de Bolsa S.A.	-	-	101	-	968	(3)
Sura Art Corporation S.A. de C.V.	-	-	126	(13)	1,247	(98)
Sura Asset Management Argentina S.A.	-	-	-	(1)	-	-
SURA Asset Management Chile S.A.	-	-	-	(258)	10,847	(2,294)
Sura Asset Management México S.A. de C.V.	-	-	-	(12)	-	(101)
Sura Asset Management Perú S.A.	-	-	343	-	443	-
Sura Asset Management S.A.	-	-	1,955	(3,587)	5,546	(22,670)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	101	5,552	(6,061)
Sura Data Chile S.A.	-	-	-	-	9,666	-
Sura Investment Management S.A. de C.V.	-	-	244	(6,883)	3,344	(48,619)
SURA Real Estate S.A.S.	-	-	-	-	-	(7)
SURA Servicios Profesionales S.A.	-	-	6,550	(799)	47,736	(675)
Suramericana S.A.	-	-	25,896	(1,318)	1,923	(1,354)
WM Asesores en inversiones S.A DE C.V.	-	-	-	(185)	-	(1,666)
Seguros Sura S.A. (Uruguay)	-	-	7	(69)	-	(267)
Sura RE	-	-	27	(116)	790	(688)

Entity	Operations with the parent company			Consolidated operations grupo empresarial			
	Asset accounts	Expense		Asset accounts	Liability accounts	Income	Expense
	(74,512)	(1,967)		343,113	(268,601)	1,325,027	(1,323,060)

## June 2019

Entity	Operations with the parent company			Consolidated operations grupo empresarial			
	Asset accounts	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	-	600	(5,370)	(2,783)	(1,721)
AFAP Sura S.A.	-	-	-	2	(1)	-	(1)
AFISA SURA S.A.	-	-	-	-	(177)	-	(143)
Afore Sura S.A. de C.V.	-	-	-	897	(1,975)	810	(960)
AFP Capital S.A.	-	-	-	15	(1,965)	44	(2,606)
AFP Integra S.A.	-	-	-	11	(160)	10	(52)
Arus Holding S.A.S	-	-	-	162	(14)	-	-
Arus S.A.	-	-	-	5,161	(8,445)	13,654	(176)
Aseguradora de Créditos y Garantías S.A.	-	-	-	(194)	176	-	(96)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	-	435	(603)	1,481	(124)
Asesores Sura S.A. de C.V.	-	-	-	5,686	-	2,154	-
Asesuisa Vida, S.A. Seguros de Personas	-	-	-	42	(1,052)	535	(1,434)
Chilean Holding Suramericana SPA	-	-	-	-	(55,566)	-	(1,263)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	(7)	52	(354)	53,302	(617)
Corredor de Bolsa SURA S.A.	-	-	-	177	(2)	143	-
Corredores de Bolsa Sura S.A.	-	-	-	2,751	(670)	2,802	(733)
Diagnóstico y Asistencia Médica S.A.	-	-	-	9,594	(925)	97,176	(3,261)
Enlace Operativo S.A.	-	-	-	10,063	(494)	7,864	(36)
EPS y Medicina Prepagada Suramericana S.A.	-	-	-	1,631	(18,963)	847	(261,841)
Fondos Sura SAF S.A.C.	-	-	-	-	(81)	-	(102)
Habitat Adulto Mayor S.A.	-	-	-	-	-	-	(8)
Inversiones SURA Brasil Participacoes LTDA	-	-	-	-	(166)	-	-
Inversiones Suramericana Chile Limitada	-	-	-	-	(229)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	-	(39,945)	(781)	39,946	-	819	-
NBM Innova, S.A de C.V	-	-	-	-	(133)	-	(113)
Operaciones Generales Suramericana S.A.S.	-	-	(10)	13,109	(40,502)	50,820	(2,203)
Pensiones Sura S.A. de C.V.	-	-	-	-	(618)	-	(534)
Promotora Sura AM S.A. de C.V.	-	-	-	3,297	-	1,454	-
Seguros de vida SURA México S.A. de C.V.	-	-	-	-	(1,512)	-	-
Seguros de Vida Sura S.A. (Chile)	-	-	-	6,739	(2,029)	3,793	(1,206)
Seguros de Vida Suramericana S.A (Chile)	-	-	-	22	(807)	-	(1,412)
Seguros de Vida Suramericana S.A.	-	(22)	-	3,556	(91,951)	7,861	(147,991)
Seguros Generales Suramericana S.A (Chile)	-	-	-	56,584	(226)	2,621	(638)
Seguros Generales Suramericana S.A.	-	(1)	(3)	28,103	(11,538)	10,350	(56,952)
Seguros Sura S.A (Argentina)	-	-	-	-	19	(6)	102
Seguros Sura S.A (Brasil)	-	-	-	166	-	-	-
Seguros Sura S.A.	-	-	-	-	(182)	-	(72)
Seguros Sura, S.A de C.V. (México)	-	-	-	-	(535)	-	(1,503)
Seguros Suramericana Panamá S.A.	-	-	-	-	(10,518)	134	(1,434)
Servicios de Salud IPS Suramericana S.A.	-	-	(1)	20,029	(6,678)	261,005	(29,621)
Servicios Generales Suramericana S.A.	-	(135)	-	42,263	(6)	2,063	(1,026)
Servicios Generales Suramericana S.A. (Panama)	-	-	-	162	-	292	-
Sociedad Agente de Bolsa S.A.	-	-	-	76	-	75	-
Sura Art Corporation S.A. de C.V.	-	-	-	103	(8)	83	(8)
Sura Asset Management Argentina S.A.	-	-	-	-	(1)	-	-
SURA Asset Management Chile S.A.	-	-	-	491,553	(436)	(103)	(767)

Entity	Operations with the parent company			Consolidated operations grupo empresarial			
	Asset accounts	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Sura Asset Management México S.A. de C.V.	-	-	-	-	(8)	-	(8)
Sura Asset Management Perú S.A.	-	-	-	36	(10)	36	-
Sura Asset Management S.A.	-	-	-	3,184	(495,807)	2,003	(2,355)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	-	(83)	-	(45)
Sura Data Chile S.A.	-	-	-	49	-	699	-
Sura Investment Management S.A. de C.V.	-	-	-	243	(8,586)	207	(3,306)
SURA Real Estate S.A.S.	-	-	-	-	(771)	-	(3)
SURA Servicios Profesionales S.A.	-	-	-	6,468	(2,895)	3,245	(27)
Suramericana S.A.	55,308	-	-	58,692	(55,966)	-	(460)
WM Asesores en inversiones S.A de C.V.	-	-	-	-	(85)	-	(73)
Seguros Sura S.A. (Uruguay)	-	-	-	-	(26)	-	(130)
	<b>55,308</b>	<b>(40,103)</b>	<b>(802)</b>	<b>811,465</b>	<b>(828,934)</b>	<b>525,490</b>	<b>(526,959)</b>

### 27.3. Transactions with directors

Members of the Board of Directors:

	Accumulated		Quarter	
	June 2020	June 2019	June 2020	June 2019
Fees for members of the Board of Directors	3,515	2,842	1,480	904

### NOTE 28. EVENTS AFTER THE REPORTING PERIOD

The present consolidated financial statements as of June 30, 2020 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on August 14, 2020, after the mentioned cut-off date and until its publication, no relevant facts involving adjustments have been presented, and the following additional information was presented:

- On July 10, 2020, Grupo SURA announced the closing of the acquisition of 100% of the capital of the company Gestión Fiduciaria S.A. by its subsidiary SURA Asset Management S.A. (SURA AM) and its subsidiary SURA Investment Management S.A.S. (SURA IM), to the companies Rienza S.A.S., Compañía Mercado de Capitales S.A.S. and other minorities; after obtaining the corresponding authorization from the Colombian Financial Superintendency and meeting the conditions for closing established in the contract..

The value of the transaction amounted to COP 11 billion.

- On August 10, 2020, Grupo SURA announced the public offering notice with the regulations for the issuance and placement of the Program (the "Issuance Regulations") and the Program Information Prospectus (the "Information Prospectus") for Lot 1 - Third Ordinary Bond Issue corresponding to the program for the issuance and placement of ordinary bonds and commercial papers of Grupo de Inversiones Suramericana S.A.

The global quota of the program is two trillion three hundred billion pesos (\$2,300,000,000,000). Of the global quota, ordinary bonds have been issued and placed in the public stock market for one trillion three hundred billion pesos. (\$1,300,000,000,000). After the publication of this public offering notice and considering the total amount of this issue, there is no balance available to be placed.

**TOTAL AMOUNT OF THE THIRD ISSUE:** The Issuer issues one million (1,000,000) ordinary bonds, in eighteen (18) series (the "Issue"). The total amount of the third issue is one trillion pesos (\$1,000,000,000,000). The placement of the Issue may be carried out in several lots. The ordinary bonds will be issued under the standardized modality.

## **NOTE 29. APPROVAL OF FINANCIAL STATEMENTS**

The issuance of the consolidated interim financial statements of Grupo SURA for the year ended June 30, 2020 was authorized by the Board of Directors for publication, as stated in Minute No. 315 of the Board of Directors dated August 14, 2020, for presentation to the market.

## ANALYSIS OF FINANCIAL RESULTS (unaudited)

The following is an analysis of the financial results for the period ended June 30, 2020, with comparative figures as of December 31, 2019. These analyses are performed by management and are not part of the Financial Statements.

	INDEX	June 2020	December 2019	INTERPRETATION	
	Solidity	41,075,497	40,946,828	Creditors own 59.2% as of June 2020 and 59.31% as of December 2019, with shareholders owning the complement: 40.8% in June 2020 and 40.69% as of December 2019	Total liability
		= 59.20%	= 59.31%		Total asset
		69,387,601	69,037,830		
INDEBTEDNESS	Total	41,075,497	40,946,828	Of each peso that the company has invested in assets, 59.2% as of June 2020 and 59.31% as of December 2019 have been financed by creditors	Total liability
		= 59.20%	= 59.31%		Total asset
		69,387,601	69,037,830		
	Coverage of interest	624,735	1,301,226	The Company generated a net profit equal to 164.65% at June 2020 and 371.24% at December 2019 of interest paid	Net profit + interest
		= 164.65%	= 371.24%		Financial expenses
		379,439	350,511		
	Leverage	41,075,497	40,946,828	Each peso (\$1.00) of the owners of the Company is committed 145.08% as of June 2020 and 145.76% as of December 2019	Total liabilities with third parties
		= 145.08%	= 145.76%		Equity
		28,312,104	28,091,002		
	Financiero Total	10,849,131	10,092,894	For each peso of equity, 38.32% is committed as of June 2020 and 35.93% as of December 2019	Total liabilities with financial entities
= 38.32%		= 35.93%	Equity		
	28,312,104	28,091,002			
PERFORMANCE	Net profit margin	245,296	950,717	Net profit corresponds to 2.44% of net income in June 2020 and 9.1% of net income in 2019	Net profit
		= 2.44%	= 9.10%		Net income
		10,032,728	10,452,659		
	Return on equity	245,296	950,717	The net results correspond to 0.87% of equity in June 2020 and 3.5% in December 2019	Net profit
		= 0.87%	= 3.50%		Equity - profit
		28,066,808	27,140,285		
Return on total assets	245,296	950,717	The net results with respect to total assets, correspond to 0.35% in June 2020 and 1.38% in December 2019	Net profit	
	= 0.35%	= 1.38%		Total assets	
	69,387,601	69,037,830			