Sura Asset Management S.A. and Subsidiaries

Consolidated Financial Statements at Year-End 2020 and 2019

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STATEMENT OF RESPONSABILITY

To the best of our knowledge, and in keeping with generally accepted accounting principles, these Consolidated Financial Statements drawn up under International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), provide a reasonable overview of the Group´s assets, liabilities, financial position and results. The accompanying report includes a reasonable account of the Group's business performance and results as well as its financial position together with a description of the main opportunities and risks going forward.

Medellín, Colombia
February 26, 2021

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Carlos Esteban Oquendo
Legal Representative
Sura Asset Management S.A.

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Report of the Independent Auditor on the Consolidated Financial Statements

To the Shareholders of:
Sura Asset Management S.A. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Sura Asset management S.A. and subsidiaries (hereinafter the Group), which comprise the consolidated statement of financial position as of December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing accepted in Colombia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Colombia, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key Audit Matter	How our audit addressed the KAM
Goodwill impairment test and investment in associate The recorded goodwill comprises 21% of total assets in the statement of financial position. Additionally, the investment in associates represents 7% of the total assets in the statement of financial position, which corresponds mainly to the associate Administradora de Fondos de Pensiones y Cesantías Protección SA, of which there is a 49.36% equity participation as stated disclosed in notes 8 and 30. Management performs an annual impairment test on the recoverability of goodwill and the associate's investment as required by International Financial Reporting Standards. As disclosed in note 29, the Group uses the income approach to determine the recoverable value of these assets. The most significant judgments arise about the forecasted cash flows, the discount rate, and the growth rate applied in the valuation models. The current economic climate also increases the complexity of forecasting, with a greater focus on the latest trends and less confidence in historical trends. Consequently, the impairment tests of the goodwill and the investment in the associate are considered a key audit matter due to the impact of the described assumptions.	• Understanding of the process for determining the recoverable value of goodwill and the investment of the associate Administradora de Fondos de Pensiones y Cesantías Protección S.A. • With the support of internal specialists, we evaluated the reasonableness of the significant assumptions applied to the model: projection period, terminal value, macroeconomic assumptions, working capital, business assumptions and discount rate. Additionally, I performed a sensitivity analysis around the key assumptions used in the models. • We carried out the arithmetic review of the valuation models and it was evaluated that the information used was complete, adequate and relevant. • We checked that the budget included in the projections was duly approved.

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Other information

Other information consists of the information included in the Management Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users based on these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing accepted in Colombia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain enough and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and therefore of the audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our Audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the safeguards applied.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Daniel Andrés Jaramillo Valencia
Independent Auditor and Partner in charge
Professional Card 140779 - T
Designated by Ernst & Young Audit S.A.S. TR - 530

Medellín, Colombia
February 26, 2021

Sura Asset Management S.A. and Subsidiaries
Consolidated Income Statement
(Stated in thousands of US dollars)

	Notes*	2020	2019
Commission income	5	633,020	698,602
Investment income	6	909	14,000
(Losses) gains at fair value, net	7.2	(4,919)	358
Revenues from legal reserve	7.1	67,272	112,645
Revenues from equity method of associates and joint ventures, net	8	39,674	69,392
Other operating income	9	5,116	8,804
Operating income - fund and pension management		**741,072**	**903,801**
Gross premiums	10	167,321	208,872
Premiums ceded to reinsurers	10	(2,149)	(10,687)
Net premiums	**10**	**165,172**	**198,185**
Revenues from investments backing insurance reserves	6	11,940	65,940
Fair value gains from investments underpinning insurance reserves, net	7.2	34,426	59,340
Claim expense, net	11	(157,247)	(237,758)
Movements in premium reserves, net	12	(30,798)	(55,337)
Insurance operating margin		**23,493**	**30,370**
Administrative and selling expense	13	(502,184)	(545,962)
Deferred acquisition costs (DAC)	13	5,979	5,554
Total operating and administrative expense	**13**	**(496,205)**	**(540,408)**
Operating earnings		**268,360**	**393,763**
Financial income	14	10,440	15,976
Financial expense	15	(64,249)	(71,436)
Derivative income (expense), net	16	3,407	(753)
Income from exchange differences, net	17	(8,162)	34,813
Net earnings before income tax from continuing operations		**209,796**	**372,363**
Income tax, net	22	(91,193)	(185,736)
Net income for the year from continuing operations		**118,603**	**186,627**
Net (losses) income for the year from discontinued operations	41	(1,806)	5,041
Net income for the year		**116,797**	**191,668**
Attributable to:			
Controlling interest		116,592	191,320
Non-controlling interest		205	348

** Please refer to the notes attached to the financial statements*

Sura Asset Management S.A. and Subsidiaries
Consolidated Statement of Other Comprehensive Income
(Stated in thousands of US dollars)

	Notes*	2020	2019
Net income for the year		**116,797**	**191,668**
Other comprehensive income to be reclassified to profit and loss in subsequent periods:			
Translation differences	40	14,588	(55,887)
Net (losses) gains on cash flow or net foreign investment hedges		(18,595)	5,491
Net losses on debt instruments measured at fair value	40	(208)	(320)
Other comprehensive income to be reclassified to profit or loss in subsequent years:		**(4,215)**	**(50,716)**
Other comprehensive income that shall not be reclassified to profit and loss in subsequent periods:			
Revaluations of tangible assets		590	5,382
Surplus (deficit) revenues from associates via equity method	40	331	(326)
Measured actuarial gains (losses) corresponding to defined benefit plans	40	50	(242)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**971**	**4,814**
Other comprehensive income for the year, after deferred tax		**(3,244)**	**(45,902)**
Total comprehensive income for the year		**113,553**	**145,766**
Attributable to:			
Controlling interest		113,132	145,600
Non-controlling interest		421	166

** Please refer to the notes attached to the financial statements*

Sura Asset Management S.A. and Subsidiaries
Consolidated Statement of Financial Position
(Stated in thousands of US dollars)

	Notes*	2020	2019
Assets			
Cash and cash equivalents	18	304,495	254,488
Investment portfolio	19.1	2,565,356	3,220,035
Accounts receivable, net	19.1 / 20	72,920	65,043
Accounts receivable from contracts with clients, net	19.1 / 20	37,089	36,096
Reinsurance assets	19.1 / 21	991	6,437
Current tax	22	15,231	14,537
Financial assets - hedging transactions	19.1 / 23.1	74,976	75,163
Other assets	24	14,772	14,300
Right of Use Assets	25	37,694	49,550
Deferred acquisition costs (DAC)	26	179,109	173,476
Investment properties	27	76,174	31,016
Property, plant and equipment, net	28	48,134	48,836
Intangible assets	29	1,927,969	1,997,490
Investments in associates and joint ventures	30	402,880	398,111
Deferred tax assets	22	8,871	1,860
Assets held for distribution to owners	41	25,420	-
Total assets		**5,792,081**	**6,386,438**
Liabilities and shareholders´ equity, net			
Liabilities			
Accounts payable	19.2 / 31	186,996	104,882
Account payable on contracts with clients	19.2 / 31	26,524	31,412
Financial liabilities at amortized cost	19.2 / 32	150,151	184,968
Financial liabilities - hedging transactions and derivatives	19.2 / 23.2	0	5,224
Right of use liabilities	25	37,106	49,578
Technical reserves - insurance contracts	33	1,312,869	1,920,410
Current tax liabilities	22	26,366	36,923
Employee benefits	34	44,293	43,971
Other liabilities	35	272	500
Provisions and contingencies	36	12,457	12,848
Deferred income liabilities (DIL)	37	17,728	18,285
Issued bonds	19.2/ 38	851,751	850,511
Deferred tax liability	22	356,734	360,334
Liabilities relating to assets held for distribution to owners	41	104	-
Total liabilities		**3,023,351**	**3,619,846**
Equity	**39**		
Subscribed and paid-in capital		1,360	1,360
Share premium		3,607,651	3,607,651
Other capital reserves		177,986	97,619
Other comprehensive income	40	(12,278)	5,556
Net income for the year		116,592	191,320
Translation differences	39b	(1,125,206)	(1,139,580)
Total shareholders´ equity		**2,766,105**	**2,763,926**
Non-controlling interest	39a	2,625	2,666
Total equity		**2,768,730**	**2,766,592**
Total liabilities and shareholders' equity		**5,792,081**	**6,386,438**

** Please refer to the notes attached to the financial statements*

Sura Asset Management S.A. and Subsidiaries
Consolidated Statement of Cash Flows
(Stated in thousands of US dollars)

	Notes	2020	2019**
Operating activities			
Net income for the year from continuing operations		**118,603**	**186,627**
Net income from discontinued operations		**(1,806)**	**5,041**
Net income		**116,797**	**191,668**
Adjustments to reconcile net income with net cash flows:			
Income tax	22	91,193	195,777
Depreciation of property and equipment	13 /28 /25	23,622	25,240
Amortizations of intangible assets	13 - 29	50,773	53,997
Amortizations of Deferred Acquisition Costs (DAC)	26	48,804	60,211
Gains and losses at net fair value		(101,891)	(177,476)
Financial returns at amortized cost		(14,982)	(71,700)
Accrued interest		62,827	68,686
Unrealized exchange differences		13,007	155
Impairment losses on financial assets	19.1	741	328
Adjustments to investments and equity on sale of subsidiaries		-	2,188
Revenues via the equity method from associates and joint ventures	8	(39,674)	(69,392)
Accrued provisions	36	131	185
Withholding tax attributable to shareholders		(1,383)	(30)
Adjustments for inflation and auditing adjustments on prior periods		427	532
Adjustments to working capital:			
(Increase) decrease in accounts receivable and other assets		(29,419)	36,637
Increase in deferred acquisition costs (DAC)	26	(54,783)	(65,765)
Decrease in reinsurance assets		5,446	691
(Decrease) increase in technical insurance reserves	33	(608,542)	52,073
Increase in accounts payable and other liabilities		77,041	3,813
Exchange differences on translating functional currency into the reporting currency		13,560	9,014
Paid income tax		(101,978)	(145,005)
Net cash flows (used in) sourced from operating activities		**(448,283)**	**171,827**
Investment activities			
Dividends received from associates and joint ventures		19,448	22,479
Proceeds from sale of subsidiaries or operations		-	204,309
Acquired property and equipment	28	(7,842)	(14,203)
Amounts from sales of property, plant and equipment	9	23	16
Sales of financial instruments		757,486	13,180
Acquired investment properties	27	(36,679)	-
Acquisitions of intangible assets	29	(19,119)	(18,804)
Net cash flows sourced from investing activities		**713,317**	**206,977**
Financing activities			
Reserve set up for donated funds - Sura-AM Colombia		-	(1,894)
Shareholder dividend payments	39	(109,997)	(189,114)
Dividends paid to non-controlling shareholders		(462)	(214)
Loans received	19.2	460,960	213,807
Loans paid	19.2	(484,971)	(222,278)
Paid lease obligations	25	(18,362)	(16,102)
Hedging transactions	19.1/23.2	(3,258)	(21,741)
Interest paid	19.2	(58,937)	(62,478)
Net cash flows used for financing activities		**(215,027)**	**(300,014)**
Increase in cash and cash equivalents		**52,587**	**75,790**
Effect of exchange differences		(2,580)	3,000
Cash and cash equivalents at January 1		**254,488**	**175,698**
Cash and cash equivalents at December 31	**18**	**304,495**	**254,488**

** Please refer to the notes attached to the financial statements*
*** Some of the comparative figures shown in the column corresponding to the year 2019 have been reclassified due to the change in the methodology used with these now based on net income instead of pre-tax income, so as to align our Statement of Cash Flows with the methodology used by Grupo Sura.*

Sura Asset Management S.A. and Subsidiaries
Consolidated Statement of Changes to Shareholders´ Equity
(Stated in thousands of US dollars)

				Reserves		Other comprehensive income							
	Notes	**Issued share capital**	**Share premium**	**Legal reserve**	**Other equity reserves**	**Revaluations of assets and liabilities with changes in equity**	**Cash flow / net foreign investment hedges**	**Debt instruments measured at fair value**	**Translation differences**	**Net income for the year**	**Controlling interest**	**Non-controlling interest**	**Total equity**
At Year-End 2018		**1,360**	**3,607,651**	**63,223**	**124,486**	**10,530**	**(15,900)**	**952**	**(1,083,886)**	**98,228**	**2,806,644**	**2,714**	**2,809,358**
Carry-backs					98,228					(98,228)	-		-
Other comprehensive income	40					5,181	10,806	(320)			15,667	11	15,678
Equity method - Protección S.A.	8					(378)				62,026	61,648		61,648
Divestiture - Seguros de Rentas Vitalicias Chile					5,315		(5,315)				-		-
Adjustments to investment vs. equity - Seguros Sura México					(3,127)						(3,127)		(3,127)
Legal reserve	39			7,469	(7,469)						-		-
Dividends declared	39				(189,114)						(189,114)	(214)	(189,328)
Donations					(1,894)						(1,894)		(1,894)
Withholding tax attributable to shareholders					(30)						(30)		(30)
Other movements					532						532		532
Translation differences	39								(55,694)		(55,694)	(193)	(55,887)
Net income for the year										129,294	129,294	348	129,642
At year-end 2019		**1,360**	**3,607,651**	**70,692**	**26,927**	**15,333**	**(10,409)**	**632**	**(1,139,580)**	**191,320**	**2,763,926**	**2,666**	**2,766,592**
Carry-backs					191,320					(191,320)	-		-
Other comprehensive income	40					541	(18,595)	(208)			(18,262)	2	(18,260)
Equity method - Protección S.A.	8					428				34,869	35,297		35,297
Legal reserve	39			8,287	(8,287)						-		-
Dividends declared	39				(109,997)						(109,997)	(462)	(110,459)
Withholding tax attributable to shareholders					(1,383)						(1,383)		(1,383)
Other movements					427						427		427
Translation differences	39								14,374		14,374	214	14,588
Net income for the year										81,723	81,723	205	81,928
At year-end 2020		**1,360**	**3,607,651**	**78,979**	**99,007**	**16,302**	**(29,004)**	**424**	**(1,125,206)**	**116,592**	**2,766,105**	**2,625**	**2,768,730**

** Please refer to the notes attached to the financial statements*

NOTE 1 - Corporate Information

Sura Asset Management S.A., was incorporated, under the name of Inversiones Internacionales Gruposura S.A. by means of Public Deed No 1548 drawn up September 15, 2011 before the Notary Public No. 14 of the Circuit of Medellin. However, by means of Public Deed No. 783, drawn up May 22, 2012 before Notary Public No. 14 of the Circuit of Medellin, it changed its corporate name to Sura Asset Management S.A.

Sura Asset Management S.A. is a Colombian company holding Taxpayer Identification No. 900.464.054 - 3. Its registered place of business is at Carrera 43 A No. 3 – 101, Medellin, but it is entitled to set up branches, agencies, and offices in other parts of the country as well as abroad, should its Board of Directors so decide. The Company has a term of duration that expires on September 15, 2111.

Its business purpose is to invest in real estate and personal property. In the case of the latter, it may invest in shares, participations or holdings in companies, entities, organizations, funds or any other mechanism recognized by law that allows for the investment of funds. Likewise, it may invest in commercial paper or securities yielding either a fixed or variable income, regardless of whether they are listed on a public stock exchange. In any case, the corresponding issuers and/or investees may belong to either the public or private sectors, both at home or abroad.

Sura Asset Management S.A., is a subsidiary of its parent company Grupo de Inversiones Suramericana S.A. (Grupo Sura), whose registered place of business is in Medellín, Colombia.

The Consolidated Financial Statements of Sura Asset Management S.A. and Subsidiaries correspond to the financial years of 2020 and 2019, beginning on January 1 and ending on December 31 of said periods. These financial statements were approved on February 25, 2021 by the Board of Directors by means of Minutes No. 76.

The Senior Management of Sura Asset Management S.A. and Subsidiaries is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as well as the internal controls required for ensuring that these Consolidated Financial Statements are free from any material misstatements, whether due to fraud or error.

Sura Asset Management S.A. and Subsidiaries operate in Colombia as well as certain countries in Latin America and the Caribbean including Chile, Mexico, Peru, Uruguay, Argentina and El Salvador.

Sura Asset Management constantly reviews the strategies deployed by its business units so as to maximize shareholder value, which is why we are seeing mergers, spin-offs, new companies being acquired or set up as well as divestitures of former business units so as to be able to fulfill our corporate strategy.

The following is a breakdown of the direct and indirect stakes held in the companies that form part of the Consolidated Financial Statements of Sura Asset Management S.A.:

2020

Name of Company	Type of Entity	Direct/Indirect Stake	Country
Activos Estratégicos Sura AM Colombia S.A.S.	Holding company	100%	Colombia
Sura Investment Management Colombia S.A.S.	Dedicated to managing investment funds	100%	Colombia
Sura IM Gestora de Inversiones S.A.S. (Formerly Sura Real Estate S.A.S.)	Dedicated to managing private capital funds and / or collective portfolios and / or investment vehicles for the purpose of investing in and / or developing and / or managing (Asset Management) and / or handling real estate assets	100%	Colombia
Fiduciaria Sura S.A.	Dedicated to managing traditional and alternative fixed income, equity, infrastructure, real estate and private debt assets.	100%	Colombia
NBM Innova S.A.S.	Offering its financial coaching services on a digital platform called “qiip, using pedagogical, technology-based tools aimed at creating well-being for both companies and private individuals.	100%	Colombia
Sura Asset Management Chile S.A.	Holding company	100%	Chile
AFP Capital S.A.	Dedicated to managing pension funds	99.71%	Chile
Administradora General de Fondos Sura S.A.	Dedicated to managing investment and mutual funds	100%	Chile
Seguros de Vida Sura S.A.	Dedicated to the life insurance and annuity business.	100%	Chile
Corredores de Bolsa Sura S.A.	Dedicated to buying and selling securities, for its own account or for third parties as well as providing its stock brokerage services	100%	Chile
Sura Data Chile S.A.	Vehicle dedicated to providing data processing services as well as leasing computer equipment	100%	Chile
Sura Servicios Profesionales S.A.	Vehicle dedicated to providing business consultancy services.	100%	Chile
Sura Asset Management México S.A. de C.V.	Holding company	100%	Mexico
Sura Art Corporation S.A. de C.V.	Dedicated to collecting Mexican works of art.	100%	Mexico
AFORE Sura S.A. de C.V.	Dedicated to managing investment firms specializing in retirement funds	100%	Mexico
Sura Investment Management S.A. de C.V.	Dedicated to managing investment companies.	100%	Mexico
Pensiones Sura S.A. de C.V.	Dedicated to entering into life insurance agreements for the exclusive handling of its pension insurance.	100%	Mexico
Asesores Sura S.A. de C.V.	Dedicated to providing its marketing, advertising and distribution services for both its products and financial services as well as recruiting and training personal, managing payrolls and handling labor relations together with other similar administrative service.	100%	Mexico
Promotora Sura AM S.A. de C.V.	Providing its marketing, promo and distribution services for any type of product	100%	Mexico
Gestión Patrimonial Sura asesores en inversiones S.A de C.V.	Dedicated to acquiring, using, negotiating, marketing and making any legal use of any kind of intellectual property, as well as franchises, concessions and authorizations, as permitted by applicable legislation.	100%	Mexico
NBM Innova S.A de C.V.	Dedicated to providing both individuals and legal entities, all kinds of services for handling, promoting, disseminating and/or marketing any type of goods and services, in its capacity as a brokerage firm.	100%	Mexico

Name of Company	Type of Entity	Direct/Indirect Stake	Country
Proyectos Empresariales Al Sura S.A. de C.V.	Dedicated to providing its savings and investment services.	100%	Mexico
Sura IM Gestora Mexico S.A de C.V.	Dedicated to administering, advising, managing and operating private and/or public capital investment vehicles created through trusts, or other types of legal entities, focusing on the administration of the investments made by said vehicles.	100%	Mexico
Sura Asset Management Perú S.A.	Holding company	100%	Peru
AFP Integra S.A.	Dedicated to managing pension funds on an individual account basis.	99.99%	Peru
Fondos Sura SAF S.A.C.	Dedicated to managing investment and mutual funds	100%	Peru
Sociedad Agente de Bolsa Sura S.A.	Dedicated exclusively to offering its professional and customary brokerage services between buyers and sellers as part of public and private offerings, in accordance with the law.	100%	Peru
Sociedad Titulizadora Sura S.A.	Dedicated to performing its role as trustee with regard to securitization processes, as well as acquiring assets for creating trust funds in order to support issues of securities.	100%	Peru
Sura Asset Management Uruguay Sociedad de Inversión S.A.	Holding company	100%	Uruguay
AFAP Sura S.A.	Dedicated to managing retirement savings funds.	100%	Uruguay
Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	Dedicated to managing investment funds	100%	Uruguay
Disgely S.A.	Dedicated to industrializing and marketing, in all their respective forms, merchandise, property leases, construction work as well as all forms of services	100%	Uruguay
Corredor de Bolsa Sura S.A.	Dedicated exclusively to offering its professional and customary brokerage services between buyers and sellers as part of public and private offerings, in accordance with the law.	100%	Uruguay
SUAM Corredora de Seguros S.A. de C.V.	Dedicated to all types of insurance and reinsurance activities.	100%	El Salvador
Sura Asset Management Argentina S.A.	Company providing its financial and investment management and consultancy services.	100%	Argentina

2019

Name of Company	Type of Entity	Direct/Indirect Stake	Country
Activos Estratégicos Sura AM Colombia S.A.S.	Holding company	100%	Colombia
Sura Investment Management Colombia S.A.S.	Dedicated to managing investment companies.	100%	Colombia
Sura Real Estate S.A.S.	Dedicated to managing private capital funds and / or collective portfolios and / or investment vehicles for the purpose of investing in and / or developing and / or managing (Asset Management) and / or handling real estate assets	100%	Colombia
Sura Asset Management Chile S.A.	Holding company	100%	Chile
AFP Capital S.A.	Dedicated to managing pension funds	99.71%	Chile
Administradora General de Fondos Sura S.A.	Dedicated to managing investment and mutual funds	100%	Chile
Seguros de Vida Sura S.A.	Dedicated to the life insurance and annuity business.	100%	Chile
Corredores de Bolsa Sura S.A.	Dedicated to buying and selling securities, for its own account or for third parties as well as providing its stock brokerage services	100%	Chile
Sura Data Chile S.A.	Vehicle dedicated to providing data processing services as well as leasing computer equipment	100%	Chile
Sura Servicios Profesionales S.A.	Vehicle dedicated to providing business consultancy services.	100%	Chile
Sura Asset Management México S.A. de C.V.	Holding company	100%	Mexico
Sura Art Corporation S.A. de C.V.	Dedicated to collecting Mexican works of art.	100%	Mexico
AFORE Sura S.A. de C.V.	Dedicated to managing investment firms specializing in retirement funds	100%	Mexico
Sura Investment Management S.A. de C.V.	Dedicated to managing investment companies.	100%	Mexico
Pensiones Sura S.A. de C.V.	Dedicated to entering into life insurance agreements for the exclusive handling of its pension insurance.	100%	Mexico
Asesores Sura S.A. de C.V.	Dedicated to providing its marketing, advertising and distribution services for both its products and financial services as well as recruiting and training personal, managing payrolls and handling labor relations together with other similar administrative service.	100%	Mexico
Promotora Sura AM S.A. de C.V.	Company providing its marketing and promo services for any type of product	100%	Mexico
Gestión Patrimonial Sura asesores en inversiones S.A de C.V. (formerly WM Asesores en Inversiones S.A de C.V.)	Dedicated to acquiring, using, negotiating, marketing and making any legal use of any kind of intellectual property, as well as franchises, concessions and authorizations, as permitted by applicable legislation.	100%	Mexico
NBM Innova S.A de C.V.	Dedicated to providing both individuals and legal entities, all kinds of services for handling, promoting, disseminating and/or marketing any type of goods and services, in its capacity as a brokerage firm.	100%	Mexico
Sura Asset Management Perú S.A.	Holding company	100%	Peru
AFP Integra S.A.	Dedicated to managing pension funds on an individual account basis.	99.99%	Peru
Fondos Sura SAF S.A.C.	Dedicated to managing investment and mutual funds	100%	Peru
Sociedad Agente de Bolsa Sura S.A.	Dedicated exclusively to offering its professional and customary brokerage services between buyers and	100%	Peru

Name of Company	Type of Entity	Direct/Indirect Stake	Country
	sellers as part of public and private offerings, in accordance with the law.		
Sura Asset Management Uruguay Sociedad de Inversión S.A.	Holding company	100%	Uruguay
AFAP Sura S.A.	Dedicated to managing retirement savings funds.	100%	Uruguay
Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	Dedicated to managing investment funds	100%	Uruguay
Disgely S.A.	Dedicated to industrializing and marketing, in all their respective forms, merchandise, property leases, construction work as well as all forms of services	100%	Uruguay
Corredor de Bolsa Sura S.A.	Dedicated exclusively to offering its professional and customary brokerage services between buyers and sellers as part of public and private offerings, in accordance with the law.	100%	Uruguay
SUAM Corredora de Seguros S.A. de C.V.	Dedicated to all types of insurance and reinsurance activities.	100%	El Salvador
Sura Asset Management Argentina S.A.	Company providing its financial and investment management and consultancy services.	100%	Argentina

The following table shows a breakdown of the assets, liabilities, shareholder´s equity and earnings for each of the subsidiaries included in the Company’s Consolidated Financial Statements at year-end 2020 and 2019.

2020	Assets	Liabilities	Equity	Earnings for the Year
Activos Estratégicos Sura AM Colombia S.A.S.	40	-	40	1
Sura Investment Management Colombia S.A.S.	8,322	314	8,008	271
Sura IM Gestora de Inversiones S.A.S. (Formerly Sura Real Estate S.A.S.)	1,542	533	1,009	65
Fiduciaria Sura S.A.	2,704	143	2,561	(233)
NBM Innova S.A.S.	3,665	5	3,661	(280)
Sura Asset Management Chile S.A.	1,029,455	4,141	1,025,314	136,891
AFP Capital S.A.	1,029,456	289,224	740,232	76,816
Administradora General de Fondos Sura S.A.	16,671	5,584	11,086	(585)
Seguros de Vida Sura S.A.	1,460,539	1,345,732	114,806	(181)
Corredores de Bolsa Sura S.A.	44,078	28,158	15,919	167
Sura Data Chile S.A.	3,687	1,598	2,089	62
Sura Servicios Profesionales S.A	13,194	5,790	7,403	681
Sura Asset Management México S.A. de C.V.	362,754	98	362,657	111,013
Sura Art Corporation S.A. de C.V.	11,436	307	11,129	(3)
AFORE Sura S.A. de C.V.	627,377	115,468	511,909	115,555
Sura Investment Management S.A. de C.V.	33,430	16,757	16,673	(4,502)
Pensiones Sura S.A. de C.V.	25,420	152	25,268	(3,122)
Asesores Sura S.A. de C.V.	4,598	2,587	2,010	137
Promotora Sura AM S.A. de C.V.	2,325	623	1,702	124
Gestión Patrimonial Sura asesores en inversiones S.A de C.V.	636	54	583	(701)
NBM Innova S.A de C.V.	4,408	249	4,159	(2,041)
Proyectos Empresariales AI Sura S.A. de C.V.	3,951	196	3,755	(5,836)
Sura Asset Management Perú S.A.	47,044	1,290	45,754	24,737
AFP Integra S.A.	400,087	72,637	327,450	37,171
Fondos Sura SAF S.A.C.	13,619	2,033	11,586	2,274
Sociedad Agente de Bolsa Sura S.A.	3,697	470	3,226	(527)
Sociedad Titulizadora Sura S.A.	415	-	415	-
Sura Asset Management Uruguay Sociedad de Inversión S.A.	59,101	1,609	57,492	2,597
AFAP Sura S.A.	29,237	3,946	25,292	6,873
Administradora de Fondos de Inversión S.A. AFISA Sura	1,483	229	1,254	55
Disgely S.A.	17	-	17	2
Corredor de Bolsa Sura S.A.	1,996	670	1,326	(1,349)
SUAM Corredora de Seguros S.A. de C.V.	252	10	242	3
Sura Asset Management Argentina S.A.	297	46	250	(186)

2019	Assets	Liabilities	Equity	Earnings for the Year
Activos Estratégicos Sura AM Colombia S.A.S. (SUAM S.A.S)	41	-	41	1
Sura Investment Management Colombia S.A.S. (SIM)	4,841	333	4,508	(142)
Sura Real Estate S.A.S.	2,198	1,215	983	(187)
Sura Asset Management Chile S.A.	924,394	12,322	912,072	52,645
AFP Capital S.A.	935,481	178,382	757,099	126,572
Corredores de Bolsa Sura S.A.	40,176	25,26	14,916	(1,597)
Administradora General de Fondos Sura S.A.	18,399	7,439	10,96	1,175
Seguros de Vida Sura S.A.	1,344,693	1,237,370	107,323	(17,664)
Sura Data Chile S.A.	2,374	490	1,884	42
Sura Servicios Profesionales S.A.	11,916	5,723	6,193	967
Sura Asset Management México S.A. de C.V.	360,171	71	360,1	97,527
Promotora Sura AM S.A. de C.V.	3,913	2,257	1,656	304
Gestión Patrimonial Sura Asesores en Inversiones S.A de C.V. (formerly WM Asesores en Inversiones S.A de C.V.)	951	228	723	(1,296)
NBM Innova S.A de C.V.	2,325	134	2,191	(870)
Sura Art Corporation S.A. de C.V. (Sura Art)	12,164	453	11,711	(1,776)
Afore Sura S.A. de C.V.	611,492	111,568	499,924	114,989
Asesores Sura S.A. de C.V.	4,826	2,86	1,966	281
Pensiones Sura S.A. de C.V.	803,92	740,522	63,398	29,416
Sura Investment Management S.A. de C.V.	33,001	10,467	22,534	(11,409)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	64,102	1,418	62,684	7,276
Disgely S.A.	537	8	529	18
Corredor de Bolsa Sura S.A.	2,876	914	1,962	(1,507)
AFAP Sura S.A.	30,895	4,957	25,938	11,491
Administradora de Fondos de Inversión S.A. AFISA Sura	1,725	356	1,369	(18)
SUAM Corredora de Seguros S.A. de C.V.	251	12	239	5
Sura Asset Management Perú S.A.	53,907	1,967	51,94	28,046
Sociedad Agente de Bolsa Sura S.A.	3,824	500	3,324	(1,351)
AFP Integra S.A.	452,263	79,588	372,675	57,11
Fondos Sura SAF S.A.C.	12,667	2,413	10,254	(114)
Sura Asset Management Argentina S.A.	178	49	129	(318)

The companies included in these consolidated financial statements operate mainly in the financial sector. The following table shows the products and services offered in each line of business:

In 2020 we changed the name of two of our operating segments (See Note 45), in order to better reflect their purpose and strategy.

Country	Company	Segment					
		Retirement Savings	**Investment Management Unit**	**Sura Investments**	**Life insurance and Annuities**	**New Lines of Business**	**Others**
Products or Services		Fund management services - mandatory pensions and severance	Mutual fund and investment management brokerage services	Voluntary pensions, mutual funds, savings and investment stock brokerage services	Life insurance, annuities and other branches of insurance	Financial coaching services	Corporate and other segments
Colombia	Sura Asset Management S.A.						X
Colombia	Activos Estratégicos Sura A.M. Colombia S.A.S.						X
Colombia	Sura Investment Management Colombia S.A.S.		X				
Colombia	Sura IM Gestora de Inversiones S.A.S (formerly Sura Real Estate S.A.S.)		X				
Colombia	Fiduciaria Sura S.A.		X				
Colombia	NBM Innova S.A.S.					X	
Chile	Sura Asset Management Chile S.A.						X
Chile	AFP Capital S.A.	X		X			
Chile	Administradora General de Fondos Sura S.A.		X	X			
Chile	Seguros de Vida Sura S.A.			X	X		
Chile	Corredores de Bolsa Sura S.A.			X			
Chile	Sura Data Chile S.A.						X
Chile	Sura Servicios Profesionales S. A.						X
Mexico	Sura Asset Management México S.A. de C.V.						X
Mexico	Sura Art Corporation S.A. de C.V.						X
Mexico	Afore Sura S.A. de C.V.	X		X			
Mexico	Sura Investment Management S.A. de C.V.		X	X			
Mexico	Pensiones Sura S.A. de C.V.				X		
Mexico	Asesores Sura S.A. de C.V.	X	X	X	X		
Mexico	Promotora Sura AM S.A. de C.V.	X	X	X	X		
Mexico	Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V.			X			
Mexico	NBM Innova S.A de C.V.					X	
Mexico	Proyectos Empresariales AI Sura S.A. de C.V.			X			
Peru	Sura Asset Management Peru S.A.						X
Peru	AFP Integra S.A.	X		X			
Peru	Fondos Sura SAF S.A.C.		X	X			
Peru	Sociedad Agente de Bolsa Sura S.A.			X			
Peru	Sociedad Titulizadora Sura S.A.			X			
Uruguay	Sura Asset Management Uruguay Sociedad de Inversión S.A.						X
Uruguay	AFAP Sura S.A.	X		X			
Uruguay	Administradora de Fondos de Inversión S.A. AFISA Sura		X	X			
Uruguay	Disgely S.A.			X			
Uruguay	Corredor de Bolsa Sura S.A.			X			
El Salvador	Suam Corredora De Seguros S.A. de C.V.			X			
Argentina	Sura Asset Management Argentina S.A.		X				

* Insurance policies incorporating savings plans that are offered by Administradora de Fondos de Pensiones and Cesantías Protección S.A. are recognized in the Company's books via the equity method.

Update on the Simplification of Sura Asset Management S.A.´s Corporate Structure.

In February 2019, a merger took place between Sura Asset Management España S.L. from Spain and Grupo Sura A.E. Chile Holding I B.V., from Holland, with the former taking over the latter, this as part of our corporate structure simplification initiative.

In November 2019, another merger took place between Sura Asset Management Chile S.A. And Sura Asset Management España S.L., with the former taking over the latter.

Our corporate structure simplification initiative concluded with the aforementioned merger between Sura Asset Management Chile S.A. and Sura Asset Management España S.L.; again, with the former taking over the latter, this as part of our corporate structure simplification initiative.

COVID 19

The World Health Organization reported the first cases of Serious Acute Respiratory Infection (SARI) caused by a new coronavirus (COVID 19) in Wuhan (China), in last week of December 2019. Later, on March 11, the WHO declared this outbreak to be a pandemic.

The first cases in Colombia, and in all those countries in Latin America where the Group operates, were reported at the beginning of March 2020 and thereinafter, the Governments of these countries have been taking measures to tackle this crisis from the health, social and economic standpoints.

The Company has carried out different initiatives in order to anticipate the effects that this pandemic could have on its subsidiaries and operations.

First and foremost, job preservation and the care of our people care have been one of our overarching priorities. Today, more than 90% of those employed by our Sura AM subsidiaries in Latin America along with 100% of those belonging to our Holding Company work remotely, thereby facilitating the preventive lockdown measures. Similarly, every protection measure has been taken with our front-line personnel so as to ensure the continuity of our service and the work carried out at our "bricks and mortar" offices.

Strengthening our remote channels and digital tools has been a crucial factor for facilitating access to our clients, who more than ever require guidance, assistance and value-added solutions so as to be able to cope with the situation today.

We also understand that helping to ensure economic growth is essential. Based on the different conditions of each Company and their market environments, various initiatives were carried out to mitigate the economic impact on our business areas and special payment plans were offered to our suppliers and service providers, especially to SMEs.

This has also been a time when savings and investment products have acquired particular relevance for our clients, this as a means to alleviate the economic effects of the COVID-19 crisis. Similarly, we understand that the exceptional measures taken so that people could withdraw their savings, did indeed provide them with the resources with which to tackle these difficult times. However, it is important to understand that these measures were only to be taken on an exceptional basis, so as not to affect the long-term savings that guarantee adequate levels of social protection.

During the first months after the pandemic was declared, the Governments of the countries where Sura AM is present defined different lockdown measures, with different degrees of restrictions, this in order to flatten out the contagion curves and not overwhelm the health care services of their respective countries.

As time went by and we became more knowledgeable of this virus, some countries began to relax their lockdown measures, including Colombia, where a "*pico y cédula*" mechanism was established whereby people could only go out on days on which it was permitted based on the last digit of their ID numbers, and blanket lockdowns were ordered during holiday periods in the main cities; or in the case of Peru, where lockdowns were lifted in some cities such as Lima at the beginning of July. In Uruguay, the Government opted for a gradual return to the "new normal", gradually opening up businesses and schools throughout the country by the third quarter of the year. In Mexico, business activities are also gradually being resumed. On the other hand, Chile was forced to retake the restrictions in a more targeted manner after observing a vertiginous growth in the number of infections, and these were subsequently lifted thereby opening up different geographical sectors.

By the third, and during the fourth quarter, practically all those countries where Sura AM is present had gradually opened up their economies, as lockdown measures became more flexible.

The Company was continuously estimating and forecasting its financial results along with the consequent impact on its financial statements given the global health crisis. Throughout all these months that the pandemic lasted, we were able to identify the impact on our countries mainly as a result of the economic and social measures adopted by governments to tackle the crisis.

Towards the end of the year, we saw the beginning of a recovery with our macroeconomic indicators, such as the job numbers, which had a direct impact on our Retirement Savings business. It is important to note that during the latter part of 2020 as well as in early 2021, second waves of infection began to take hold along with new, more contagious variants of the virus, which are forcing countries to establish new targeted containment measures. Likewise, countries worldwide have been initiating their vaccination programs. In Latin America, particularly in the countries where Sura AM is present, international agreements for acquiring vaccines have already been announced, and these are to be applied on a stage-by-stage basis, with many cases scheduled for February and March 2021.

The impacts identified at year-end 2020 are shown below:

Goodwill impairment and recoverability tests:

Sura AM continuously monitored the main business variables that could have had significant impacts on the recoverability of the goodwill acquired and the investment made in the different subsidiaries (based on each individual Cash-Generating Unit - CGU).

In spite of the impacts that the pandemic had on our different lines of business, Senior Management determined, based on valuation models and current risk-adjusted variables, that none of its investments were impaired, and that with the cash flows thus projected, even taking into account a certain amount of decline compared to projections conducted on prior years, the carrying value of the CGUs remains recoverable.

The models used by Sura AM contemplate a 5-year projection for the Retirement Savings line of business and another 10-year projection for the Sura Investments and Investment Management lines businesses (since these are still at an early stage of development).

Other long-term assets

In accordance with the Group's policies, the recoverability tests of long-term assets and valuations, such as financial instruments and investment properties, were carried out.

Impairment due to expected losses was only found in one debt instrument held by Compañía Sura Asset Management Peru, this being a securitized bond whose underlying is an office building. Consequently, this expected loss was posted in our income accounts, this representing approximately 18% of the value of this investment at year-end 2020 (Impairment value: USD 792,993).

Other assets that are recorded at fair value were also reviewed and updated in accordance with our accounting policies.

Other variables:

The Governments of all those countries where we are present implemented different measures to combat the economic impact caused by the lockdowns.

Some of the measures and their corresponding impact on the financial statements are described as follows:

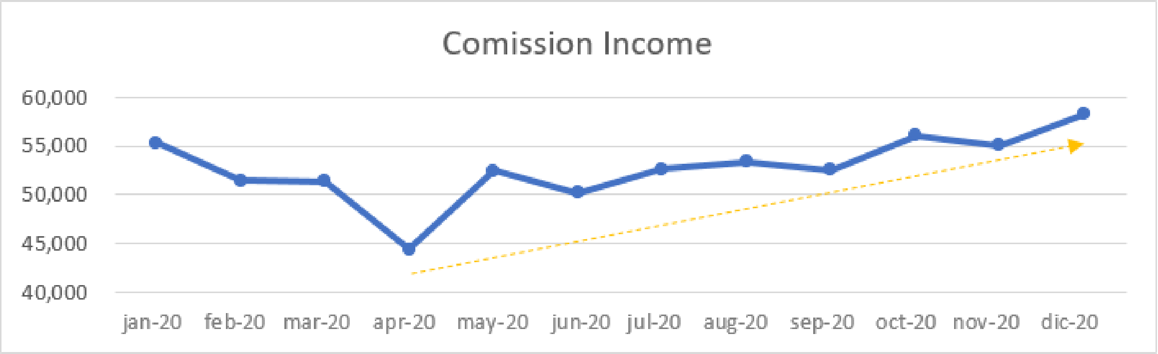
Impact on our Retirement Savings business

- Th loss in investment income recorded during the first quarter as a result of the markets' reaction to the COVID-19 crisis was fully recovered by the end of the year. All countries ended the year with positive returns from their legal reserves

Country	Q1	Q2	Q3	Q4	Total
Chile	(40,340)	45,122	429	17,865	23,076
Mexico	(12,854)	20,597	6,515	11,853	26,111
Peru	(20,146)	13,238	6,705	15,695	15,492
Uruguay	500	477	925	691	2,593
Total	**(72,840)**	**79,434**	**14,574**	**46,104**	**67,272**

- Impact on member contribution rates and on wage base levels due to the rise in unemployment triggered by the lockdowns and the economic crisis in general: the immediate and direct, worldwide effect of suspending activities due to lockdown measures, has been the temporary shutdown of different companies in various economic sectors together with the job losses thereby produced. Notwithstanding the above, towards the end of the year there was a certain recovery with the macroeconomic indicators in all those countries where Sura Asset Management operates, this resulting in improved revenues in the last months.

The Company shall continue to monitor official government unemployment forecasts.



- During the months in which the pandemic lasted, a series of legislative initiatives and government decrees were introduced to reduce the resulting economic impacts, the most significant of which are listed as follows:

    - Peru:

        - **Pension fund contributions suspended in April**: to provide greater liquidity to the formally-employed, the Government suspended pension fund contributions in April as well as the respective fees and commissions for pension fund management firms. The value of this measure is calculated at a loss in income of USD 6,299 thousand[1] .
          [Emergency Decree 033-2020 of 03/27/2020.]

        - **Pension fund contribution withdrawals:**
            - Partial withdrawals of up to PEN 2,000 (approximately USD 573[1]) from Individual Capitalization Accounts (ICC): this measure covered all those fund members:
                - Who had not reported contributions in February or March,
                - Who had not reported contributions in the previous 6 months until 03/31/2020,
                - Whose employers have adhered to the Complete Labor Stoppage regime (the employment relationship and wage/salary payments are temporarily suspended),
                - Whose wages are less than PEN 2,400 (approximately USD 687[1]), regardless of whether they are currently working or not.

            - Partial withdrawals of up to 25% of the member's ICC, account, amounting to a minimum of PEN 4,300 (USD 1,231[1]) and a maximum of PEN 12,900 (USD 3,693[1]). This measure was enacted in May, allowing the corresponding withdrawals to be requested up to 60 days after this new law was published. This Law provides for all members to optionally withdraw from the pension system, without necessary having their jobs suspended or meeting certain income thresholds.
              Law 31017 issued 05/01/2020.

[1]Based on the average exchange rate at year-end 2021.

- Withdrawals corresponding to 100% of the value of the fund member's ICC, capped at PEN 17,600 (USD 5,039[1]). This measure was passed in November 2020, and applies to people who wish to withdraw up to the aforementioned amount, providing that they had not made any pension contributions during the previous 12 consecutive months until 10/31/2020 or had been diagnosed with cancer, as duly verified by a state-owned health care entity. This decree also allowed people who had not made any contributions in October to make a withdrawal capped at PEN 4,400 (USD 1,260[1]).
- On the basis of all these legal provisions introduced between the months of April and December, more than 3 million requests were received, and pension withdrawals were carried out, these totaling the equivalent of USD 3.3 trillion[2]. It is worthwhile noting that only a part of our income is sourced from assets under management.

- The logistical and operational arrangements required for paying out the value of these withdrawals, in addition to the technological preparation and communications required for this process, represented USD 3,195 thousand[1] in additional expense for the Company.

- Chile:
    - On 07/24/2020, a decree was issued allowing pension fund members and retirees to withdraw 10% of the funds accumulated in their ICCs, that is to say up to a maximum of 150 UFs (Development Units) (approx. USD 6,600[1]). In November, additional withdrawals of another 10% were authorized, these to remain in force and effect for up to one year.

    - At year-end, almost 3 million requests had been received, and withdrawals for an amount equal to USD 6 trillion were paid out[2]. Important note: the income driver in Chile is 100% wage based for the Retirement Savings business, so therefore does not affect our fee and commission income.

    - The logistical and operational arrangements required for paying out the value of these withdrawals, in addition to the technological preparation and communications required for this process, represented USD 5,900 thousand[1] in additional expense for the Company.
- Mexico:
    - Here, the Mexican regulators allowed pension fund members to make withdrawals under the previously existing rules and regulations for unemployment withdrawals. AFORE Sura México paid out pension fund withdrawals amounting to USD 85 million.
- Colombia: (The results of our Colombian pension fund management firm, Proteccion are recorded using the equity method.)
    - Legislative Decree 558 of 2020, issued on 04/15/2020, which dictated the suspension of contributions to the General Pension System for the months of April and May 2020, as well as the transfer to Colpensiones (the Colombian Government's own pension fund management firm) of the portfolio of pensioners belonging to the programmed retirement plan who receive a pension allowance equivalent to the current legal

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[1] Based on the average exchange rate at year-end 2021.

[2] Based on the year-end exchange rate.

monthly minimum wage, was declared unconstitutional by the Constitutional Court of Colombia on 07/23/2020, thereby overruling said legislative decree.

- These measures did not generate any impact on the revenues obtained by Proteccion, and employers must make up the contributions they failed to make in the corresponding months in the individual accounts of their employees in such a way and at such a time that has still to be decided by the Colombian Government.
- The government authorized severance withdrawals as a way to get money into people's pockets. Proteccion paid out USD 38 million in severance pay.

The Sura Investment and Investment Management lines of business:

- Year-end returns for Sura AM's voluntary savings lines of business reached USD 1.2 billion.

- Clients found attractive investment and savings alternatives in this segment's portfolios. This line of business obtained positive net fund flows, which, together with the rates of return obtained, produced a growth in managed assets of 9.6%, these amounting to USD 17.1 trillion.

- The recovery of the financial markets as well as our digital proximity strategies allowed us to resume the pace of our business in spite of the lockdown effects thereby driving the growth of these segments in 2020, to such a point where this compensated for the drop in the fee and commission income from our Retirement Savings segment, thereby managing to maintain the same level of fee and commission income that Sura AM obtained in 2019.

Based on the results posted by all our segments, administrative, selling operating expenses recorded just a moderate growth, since it was possible to quickly implement cost containment strategies and rethink work plans, without neglecting help for our employees as well as our sustainability initiatives in the form of donations and support programs for SMEs, this for the purpose of preserving jobs.

Generally speaking, as with other industries, the business segments in which Sura Asset Management operates were affected by mobility restrictions and lockdowns. However, our client-centric focus that we have been building up over previous years, which was enhanced last year by our digital recruitment and proximity initiatives, have allowed us to remain close to our clients, to whom we have provided our digital client care and recruitment services in the case of certain products that can by 100% handled on line according to current rules and regulations.

Finally, the results obtained by Sura Asset Management S.A. and Subsidiaries showed a capacity for resilience, in spite of the onslaught of the pandemic, thanks to the plans put in place in previous years concerning our digitization and client proximity initiatives, as well as the firm commitment and ability to adapt on the part of our employees throughout the region.

NOTE 2 - Main accounting policies and practices

2.1. Basis for Preparing and Presenting the Financial Statements

The Consolidated Financial Statements of Sura Asset Management S.A. and Subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These Consolidated Financial Statements include all the Group's entities that form part of Sura Asset Management S.A.'s scope of consolidation regardless of their activity, form of business organization and nationality.

At year-end 2020 and 2019, in addition to meeting the requirements of IAS 1 - Presentation of the Financial Statements, a summary of assets and liabilities in order of liquidity is provided, this for greater convenience. However more detailed information is provided for the respective current and long-term portions in the disclosures that support the figures stated in said financial statement.

These Consolidated Financial Statements have been prepared using the historic cost method, except for investment properties, land, buildings and financial instruments which were measured at their fair value with the changes posted in the income and other comprehensive income accounts together with those measured at their amortized cost. The consolidated financial statements are presented in US dollars with amounts being rounded up to the nearest thousand (USD 000) except when otherwise stated.

Generally speaking, the historic cost method is based on the fair value of the transactions carried out. Their fair value is equal to the market price that would be received or paid should the asset or liability be sold or otherwise transferred.

In estimating the fair value of an asset or liability, the Company takes into account the same characteristics of the asset or liability that market participants would when setting the price of the asset or liability in question on the date the value of such is measured. The fair values arrived at for measurement and/or disclosure purposes in these Consolidated Financial Statements were determined on this basis.

Also, for financial reporting purposes, fair value measurements are classified as Level 1, 2 or 3 based on the degree to which the inputs to fair value measurements are observable and the importance of such inputs for measuring fair value in their entirety, as described below:

- Level 1 inputs are quoted prices (unadjusted) on active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are those other than quoted prices belonging to Level 1 that are observable for the asset or liability in question, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability in question.

Assets and liabilities have been converted to U.S. dollars using the exchange rates applicable at year-end 2020 and 2019 respectively; equity was converted using the historic exchange rate and the income accounts using the average exchange rate for the year in question.

Country	Currency	Year-End Rate	Average Rate	Year-End Rate	Average Rate
		2020	2020	2019	2019
Chile	CLP	702.47	791.59	752.78	702.94
Mexico	MXN	19.86	21.49	18.88	19.25
Peru	PEN	3.62	3.49	3.31	3.34
Uruguay	UYU	42.48	42.05	37.22	35.25
Colombia	COP	3,432.50	3,693.36	3,277.14	3,281.09
Argentina	ARG	84.71	70.63	59.86	48.24
El Salvador	USD	1.00	1.00	1.00	1.00

The Consolidated Financial Statements show comparative information corresponding to the financial years of 2020 and 2019.

2.2. Basis of consolidation

The Consolidated Financial Statements include the financial statements of Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 Control is gained when the company:

- Exercises power over the subsidiary;
- Is exposed or entitled to variable returns corresponding to the stake held in the subsidiary.
- Is able to use its power over the subsidiary to influence the value of investor returns to be paid.

The Company reevaluates whether it controls a subsidiary or not if the current facts and circumstances indicate any change to one or more of the three aforementioned aspects.

Should the Company hold less than the majority of the voting rights of a subsidiary, it can nevertheless maintain power over the subsidiary if its voting rights are sufficient to provide the practical ability to unilaterally direct the subsidiary´s activities. The Company considers all relevant facts and circumstances in assessing whether or not its voting rights in a subsidiary are sufficient to constitute power over such, including:

- The extent of the voting rights held in the investee company with regard to the size and dispersion of those held by other vote-holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights under other contractual arrangements, and
- All additional facts and circumstances indicating that the company has, or does not have, the current ability to direct the investee´s activities, at the time the decisions should be made, including voting patterns at previous shareholder meetings.

The consolidation of the corresponding accounts begins when the Company obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. More specifically, the income and expense corresponding to a subsidiary that was either acquired or divested during the year are included in the Consolidated Income and Other Comprehensive Income Statements from the date the Company obtains control until the date when the Company gives up control over the subsidiary.

The corresponding profit or loss and each component of other comprehensive income is attributed to the owners of the company as well as to non- controlling interests. Total comprehensive subsidiary income is attributed to the owners of the Company as well as any non- controlling interests even if this results in a deficit for the non-controlling interests.

Subsidiary financial statements are prepared for the same reporting period as those of the parent company, using uniform accounting policies. All balances, investments, transactions, profits and losses arising from transactions between Sura Asset Management S.A. and Subsidiaries, including dividends, are eliminated in their entirety. Total comprehensive income from a subsidiary is attributed to minority interests, even if a debit balance is involved.

A change in the ownership stake held in a subsidiary that does not involve a loss of control, is accounted for as an equity transaction. Any difference between the adjustment made to the non - controlling interest and the consideration paid or received is directly recognized in the equity accounts and attributed to the owners of the Company. Should Sura Asset Management S.A. lose control of a subsidiary, it would:

- Derecognize the subsidiary´s assets (including goodwill) and liabilities;
- Derecognize the book value of minority interests;
- Derecognize the accumulated translation differences as posted under net equity;
- Recognize the fair value of the consideration received for the transaction;
- Recognize the fair value of any retained investment;
- Recognize any surplus or shortfall obtained in the income accounts
- Reclassify to either the income accounts or retained earnings, as applicable, the portion corresponding to the controlling company with regard to the items previously recognized in other comprehensive income.

2.3 Summary of main accounting policies

In preparing the Consolidated Financial Statements the following accounting policies have been applied for Sura Asset Management S.A. and Subsidiaries:

a) Classification of Products under IFRS 4

In classifying its insurance portfolios Sura Asset Management takes into consideration the following criteria as stipulated in IFRS 4:

i. **Insurance Contracts:** are all those contracts where the company (the insurer) has accepted significant insurance risk from the counterparty (the policy holder) by agreeing to pay compensation in the case of any uncertain future event adversely affecting the policy holder. A significant insurance risk is considered to exist when the benefits to be paid out, should the insured event occur, differ to a substantial extent from those that would otherwise be paid out in the absence of such. Insurance contracts include those in which financial risks are transferred providing the insurance risk component is more significant.

ii. **Investment contracts:** are those contracts where the policy holder transfers significant financial risk as opposed to insurance risk. The definition of financial risk includes the risk of any future change in one or any combination of the following variables: interest rates, prices of financial instruments, commodity prices, exchange rates, price or rate indexes, credit risk or credit risk index or any other non-financial variable, as long as said variable is not specific to one of the parties to the contract.

Sura Asset Management's insurance companies do not possess any contracts that could be classified as investment contracts.

At the end of the reporting period in question, Sura Asset Management S.A.'s insurance companies did not hold any products carrying discretionary profit-sharing plans. These are understood to be contracts that grant the policy-holder participation rights in the profits obtained from assets over and above the guaranteed profits to be distributed; this at the discretion of the insurer with regard to the date on which these are to be paid and their corresponding amounts.

Under IFRS 4, as relating to insurance contracts, the insurer may continue using non-uniform accounting policies for subsidiary insurance contracts (as well as for deferred acquisition costs and related intangible assets). Although IFRS 4 does not relieve the Group from having to comply with certain requirements implicit to the criteria set out in paragraphs 10 to 12 of IAS 8.

Specifically, the Company:

i. Shall not recognize provisions for future claims as a liability when these arise from insurance contracts that were nonexistent at end of the reporting period (such as catastrophe and equalization provisions).
ii. Shall perform adequacy tests on liabilities.
iii. Shall remove an insurance contract liability (or a portion thereof) from its statement of financial position when, and only when, the obligation specified in the contract is discharged or canceled or expires.
iv. Not compensate (i) reinsurance assets with related insurance liabilities, or (ii) income or expense from reinsurance contracts along with the respective income or expense from related insurance contracts.
v. Shall take into consideration whether any impairment has occurred with its reinsurance assets.

Insurance risk is significant only if an insured event could cause an insurer to pay a significant amount in additional benefits under any scenario. Additional benefits relate to amounts that exceed those that would be paid if an event did not occur. A significant risk analysis is performed on a contract-by-contract basis.

According to the characteristics of our products, the portfolio is classified under the concept of an insurance contract. It is important to mention that, once a contract is classified as an insurance contract, said classification is maintained for the duration of such, even when the corresponding insurance risk is significantly reduced during its term.

These products are currently available in Chile

Permitted practices and policies include performing compulsory liability adequacy and impairment tests on reinsurance assets. Prohibited practices include setting up catastrophic reserves, maintaining or setting up contingent or equalization reserves and offsetting reinsurance assets and liabilities

b) Reinsurance

Sura Asset Management S.A.'s insurance companies, who have provided a specific coverage as part of an insurance contract entered into in exchange for a premium, may transfer some of the risk to another insurer, thus sharing the insured risk as well as a portion of the premium received.

Sura Asset Management S.A. determines the assets arising from ceded reinsurance contracts as the net contractual rights of the cedent in a reinsurance contract.

At least once a year, at the end of each reporting period, Sura Asset Management S.A. evaluates and monitors the changes in the level of exposure to reinsurance credit risk. When recognizing a reinsurance asset (when first ceded), an adequacy test is performed on this type of asset through every reinsurance contract thus transferred where the cedent reduces its value in books and recognizes an impairment loss in the income accounts.

A reinsurance asset is impaired if, and only if:

- There exists objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the cedent may not receive all the amounts owing in accordance with the terms and conditions of the respective contract.

- This event has an effect that can be reliably measured based on the amounts that the cedent shall receive from the reinsurer.

The following may not be offset:

- Reinsurance assets against liabilities corresponding to the insurance contract.

- The income or expense arising from reinsurance contracts against the corresponding income or expense obtained from or incurred by the corresponding insurance contracts.

The Reinsurance assets are assessed for impairment on a regular basis should any event arise that could cause an impairment to such. A trigger factor is considered to be the track record maintained in collecting from specific reinsurers when delays in honoring their commitments of 6 months or more are produced, this attributable to a credit event affecting the reinsurer.

c) Insurance contract reserve liabilities

Provisions for insurance and life annuities are recognized when signing the respective contracts and receiving the corresponding premiums. Provisions for insurance (excluding life annuities) are calculated as the estimated value of future commitments with policy-holders including expenses relating to the payment of claims based on the valuation assumptions used. In the case of life annuities, the mathematical reserve is calculated as the present value of commitments to policy-holders including the direct costs of handling the policy. Provisions may be calculated based on the assumptions held at the time the policy is issued or on the date such provisions are calculated, or assumptions have been updated as a result of periodic reviews. Assumptions regarding mortality rates, expense and returns are evaluated at regular intervals to ensure that they remain valid. Furthermore, the assumptions used may be re-evaluated between review schedules if an adequacy test shows that the reserve is not sufficient to cover future benefits. Consequently, the overriding principle is to maintain valid assumptions at the time policies are issued while conducting periodic reviews to conform their ongoing accuracy and / or performing adequacy tests to confirm that the reserves held are sufficient.

Provisions for insurance contracts include:

- ***Contingent or pension reserves***

This type of reserve corresponds, as in the case of Pensiones Sura México, to all those funds that the regulatory authorities hand over to the annuity companies for them to manage. In the event of a contingency or extreme longevity, it is the State that decides how said fund is to be released and used. The balancing entry to this reserve corresponds to all those assets received for subsequent management. This contingency or pension reserve shall be determined and set up separately for basic benefits on the one hand for additional benefits on the other. This reserve is to be calculated by applying 2% to the mathematical reserve corresponding to pensions and to the ongoing risk reserve for additional benefits, respectively, which cover the policies in force at the end of each month.

- ***Provisions for the savings components corresponding to life insurance***

These are the values corresponding to the Unit-Linked type of insurance funds and / or the Universal Life Insurance (including Flex) funds.

- ***Claim reserves***

These are calculated on a case-by-case basis or using an experience-based approach and include both the expected ultimate obligation corresponding to the claims that have effectively been reported to the company, as well as claims incurred but not reported (IBNR) together with the handling costs of future claims. These technical reserves are evaluated each year using standard actuarial techniques. Also, Sura Asset Management S.A. and Subsidiaries records expense for losses that have been incurred but not yet been reported in their IBNR reserves.

- ***Mathematical insurance reserves (excluding annuities)***

Insurance reserves are calculated on the basis of a prudent prospective actuarial method, taking into account the current terms and conditions of the insurance contracts issued. Specific methodologies may be used by business units to reflect local regulatory requirements and practices for products that are specific to the local markets.

These reserves are calculated based on assumptions regarding mortality and morbidity rates, expenditure, return on investment and policy duration. These assumptions are made on the date the policy is issued and are reviewed constantly throughout the life of the policy. If the assumptions remain valid, they are not modified, but should there be any departure from such, the change is recognized in the event of losses only in the case of insufficient reserves (Liability Adequacy Testing).

The liability is determined as the sum of the present value of expected future earnings, claim and policy handling expense, options and guarantees, and the returns on investment of the assets underlying these liabilities, which directly relate to the contract, less the discounted value of expected premiums required to meet future payments based on the valuation hypothesis used.

On the other hand, insurance contract liabilities consist of the provision set up for unearned premiums and quality shortcomings, as well as claims, including estimated claims that have not yet been reported to Sura Asset Management S.A.

Adjustments to these liabilities at each reporting date are recognized in the income accounts. Liabilities are derecognized when the contract expires or is otherwise discharged or canceled.

- ***Mathematical life annuity reserves***

Life annuity reserves are calculated based on the present value of future earnings from the contract and direct operating expenses that the company incurs in paying its contractual obligations. The present value is discounted based on the implicit rate applicable when the life annuity is issued which is equal to that used to match the technical reserve at the time of issuing the annuity with the premium received minus sales commissions.

The implicit rate is maintained throughout the life of the policy, unless a periodic review of the assumptions used show a change in said rate or the corresponding reserves become insufficient as evidenced by a liability adequacy test.

These reserves are calculated using mortality, morbidity and expenditure assumptions. These assumptions are made on the date the policy is issued and are reviewed constantly throughout the life of the policy. If the assumptions remain valid, they are not modified, but should there be any departure from such, the change is recognized in the event of losses only in the case of insufficient reserves (Liability Adequacy Testing).

Adjustments to these liabilities at each reporting date are recognized in the income statement. Liabilities are derecognized when the contract expires, or is otherwise discharged or canceled

- ***Ongoing Risk Reserves***

Ongoing risk or unearned premium reserves are set up for short-term insurance policies (both group and individual) in which the premium payment frequency differs from the effective coverage term and therefore a premium has been received for a future risk, which must be provisioned. The provision is determined on the basis of paid premiums net of expense and is amortized over the term of coverage.

No more technical reserve liabilities for annuities existed in 2020. See Note 41 - Discontinued Operations

- ***Provisions for the savings components corresponding to life insurance policies***

Provisions for insurance and life annuities are recognized when signing the respective contracts and receiving the corresponding premiums. These provisions are recognized at fair value (price excluding transaction expense directly attributable to issuing the policy). Subsequent to initial recognition, both investments and provisions are recognized at fair value through profit and loss.

Deposits and withdrawals are recorded as adjustments to the provision on the statement of financial position.

Fair value adjustments are recorded at each reporting date and are recognized on the income statement. The fair value of unit-linked contracts is determined on the amount of units allocated to each fund on the reporting date and the unit price of each fund unit at this same date. In the case of Universal Life (including flexible) insurance contracts, their fair value is determined as the value of the account, including credited interest based on the terms and conditions of the policy.

- ***Liability Adequacy Tests***

At the end of each reporting period, an adequacy test is performed on net DAC reserves. This test is performed in keeping with Sura Asset Management S.A.'s principles and policy guidelines, which are based on international accounting standards currently in force.

If the provisions are found to be insufficient to cover the Company's obligations with policy-holders as well as expected future expense, these are duly adjusted charging the results for the period, first with the accelerated release of DAC and should this not be sufficient an additional reserve is set up.

In performing this adequacy test on reserves, future contractual cash flows are used based on the best estimates available. Said cash flows are based on both assets and liabilities over time and are discounted using the rate of return associated with the investment portfolio underpinning the provisions as well as the Company´s reinvestment assumptions.

The methodology using in performing adequacy tests on reserves and assumptions include the following:

- Projecting contractual cash flows using assumptions based on the best estimates available at the time these are forecast. These assumptions are periodically reviewed and approved by the Sura Asset Management S.A.'s Models and Assumptions Committee.

- Scenarios for rates of return (taking into account the performance of each individual investment and divestiture of each Company subsidiary).

- Discounting flows from obligations (in order to obtain the current value of these same).

- Calculating the 50th percentile of the present values and comparing these with the reserves carried. In the case of Mexico, where contracts have no optionality (they are symmetrical), cash flows are projected symmetrically. However, in the case of Chile, which holds non- symmetrical contracts (for example: flexible contracts with guaranteed rates), stochastic projections are drawn up so as to proceed to calculate the 50th percentile.

The assumptions used to gauge the reserve adequacy tests that are performed include the following:

- Operating Assumptions:

  ✓ Exit rates, partial surrenders, payment collection factors: an experience-based analysis is periodically performed so as to be able to include the most recent behavioral patterns within the corresponding assumption. Analyses are performed on families of similar products.
  ✓ Operating Expense: operating expense assumptions are reviewed every year taking into account the best estimated expense (based on portfolio volume and levels of expenditure). The Company's annual strategic planning forms an important tool for gauging these assumptions.
  ✓ Mortality tables: since the Company does not have enough experience for drawing up its own tables, in the case of its life insurance portfolio, the assumptions used are based on the mortality tables provided by the reinsurer.

- Financial assumptions: the reinvestment model provides scenarios for rates of return based on updated assumptions both on a market as well as investment level at the end of the reporting period. The assumptions obtained from the reinvestment model include:

  ✓ Scenarios for Government Zero Coupon Rates; used in conjunction with the spread index in order to appraise the value of the assets held for investment / reinvestment purposes.
  ✓ Projected Spread Index: applicable to zero coupon rates
  ✓ Multiplicative Spread Factor.
  ✓ Depreciation Factor: applicable to real estate and equity securities
  ✓ Projected Asset and Liability Flows

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the amount of consideration transferred, which is recorded at fair value on the date of the corresponding acquisition, as well as the amount of any non-controlling interest held in the acquired company, should this be the case.

Upon allocating the purchase price, tangible net assets and acquired intangible assets (with both a definite and indefinite useful life) are identified and appraised, so as to reconcile the value paid with the value of the Company´s net assets (both tangible and intangible).

GW = VP – ANA + I (+/-) T

GW: Goodwill (residual value)

VP: Value Paid. Including the cash price paid and any future disbursements.

ANA: Acquired Net Assets at their market value

I: Intangible assets (client relations, trademarks, leases over/below their market value, others)

T: Deferred tax

In appraising the value of intangible assets acquired as part of business combinations, the methodologies used are as follows:

- The income approach: present value of the cash flows attributable to intangible assets.
- The " Relief from Royalty " method: this method of appraising the value of intangible assets consists of estimating the market value of the intangible asset in question as the present value of future savings from expected annual payments of royalties, generated by the fact of being the owner of the asset.
- The “Multi-period Excess Earnings Method (MEEM)": this valuation method is based on the principle that the value of an intangible asset is equal to the present value of incremental flows of funds after tax attributable to the asset in question, after deducting the charges for the cost of capital invested or the charge corresponding to supporting assets (tangible and intangible).
- The Incremental Flow Method: this method represents the present value of additional income or cash flows that the intangible asset enables its holder to obtain (e.g., price premiums or cost reductions).
- The Market Approach: this the process whereby the value of an intangible asset is established based on a comparison with the value resulting from actual market purchases and sales of comparable intangible assets. This requires performing an analysis of intangible assets recently bought or sold, and then comparing their characteristics with those of the asset in question.
- The Cost Approach Method: a valuation technique based on the asset´s replacement cost less adjustments for depreciation, amortization and obsolescence. This approach is used preferably when the asset can easily be replaced and when the replacement cost can be reasonably determined. It is used more frequently for assets that are not a direct source of cash flows for the entity, such as its workforce, internally developed software, websites.

Sura Asset Management S.A. applies the income approach in assessing the value of intangibles that are acquired as part of business combinations. On the other hand, the Multi-Period Excess Earnings Method (MEEM) is used to appraise the Company´s client relationships whereas the relief from royalty method is applied to the Company´s trademarks.

For each business combination, Sura Asset Management S.A. and Subsidiaries choose whether to appraise the value of non- controlling interest in the acquired company, as the proportional share of the identifiable net assets acquired or at their fair value. Acquisition costs are charged as expense during the periods in which they are incurred and the services have been received.

When Sura Asset Management S.A. acquires a business, it assesses the identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and other relevant conditions existing on the date the business is acquired. This includes separating embedded derivatives in the acquired company´s main contracts.

Should the business combination be carried out in stages, the stakes previously held in the acquired company´s equity are measured at fair value on the acquisition date and the resulting gains or losses are recognized on the income accounts.

Any contingent consideration that must be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent considerations which classify as financial assets or liabilities under IFRS 9 - Financial Instruments: Recognition and Measurement", are recognized and measured at fair value, and any changes to such are posted as a profit or loss or as a change to other comprehensive income.

In cases where the contingent considerations do not fall under the scope of the IFRS 9, these are measured in accordance with the applicable IFRS. Should the contingent consideration be classified as net equity this is not measured and any subsequent settlement is recorded in net equity.

Goodwill is initially measured at cost, as the excess between the sum of the consideration thus transferred and the amount recognized for non-controlling interest in respect of net identifiable acquired assets and net liabilities assumed. Should the fair value of the net acquired assets exceed the value of the consideration transferred, the difference is recognized in the income accounts.

After initial recognition, goodwill is carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, and as of the date when acquired, the goodwill from a business combination is assigned to each cash-generating unit belonging to Sura Asset Management S.A. and Subsidiaries that is expected to benefit from the business combination in question, regardless of whether other assets or liabilities belonging to the acquired company have been previously assigned to those units.

When goodwill forms part of a cash-generating unit and a portion of that unit´s operations is derecognized, the goodwill associated with these divested operations is included in the book value of the operation in question when determining the gain or loss obtained on such disposal. The goodwill derecognized in these circumstances is measured based on the relative values of the operation thus divested and the portion of the cash -generating unit retained.

A single business combination is shown for 2020 (see Note 4 Business Combinations) whereas no business combinations were recorded in 2019.

e) Intangible assets

The cost of intangible assets acquired through business combinations is posted at fair value on their respective acquisition dates. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss.

Intangible assets with finite useful lives are amortized over their useful economic life and assessed to determine any impairment to such whenever there is an indication that the intangible asset may have suffered such deterioration.

Intangible assets with indefinite useful lives are not amortized, but are tested every year to determine whether they have suffered any impairment to their value, either individually or at the level of the cash-generating unit to which they were assigned.

An indefinite useful life is assessed and reviewed on a yearly basis in order to determine whether this is still appropriate, if not, the change in their useful lives from indefinite to finite is made on a prospective basis.

The useful life and amortization method are reviewed by Senior Management, at least at the end of each reporting period on the basis of expected future economic benefits for the components of intangible items.

The useful lives of intangible assets are as follows:

	Estimated useful life
Client relations	Between 4 and 30 years
Acquired goodwill	Indefinite
Trademarks	Indefinite
Contracts and licenses	17 years
Software *	Between 1 and 5 years

** Not acquired as part of the business combination.*

The estimated indefinite useful life in the case of trademarks is determined based on their ability to survive over time, in terms of their market recognition, as well as the future flows these represent. Also, there are no restrictions existing on the right to their use and enjoyment.

Gains or losses arising from derecognizing an intangible asset are measured as the difference between the net income obtained from the sale and the carrying amount of the asset in question and these are recognized in the income accounts when said asset is derecognized.

f) Impairment of non- financial assets

Pursuant to that stipulated in IAS 36 - Impairment of assets, the carrying value of these should not exceed the recoverable value thereof, and any impairment to said value is recognized when the situation arises.

Consequently, Sura Asset Management S.A. as well as its Subsidiaries and Associates conduct annual reviews of their non-financial assets in order to ascertain any impairment to such.

Non-financial assets are classified according to their expected useful life:

- Assets with indefinite useful lives, for example, the goodwill determined in a business combination. With this type of asset, and in the light of these not being depreciable, a recoverability test is performed on a yearly basis.
- Assets with definite useful lives, such as fixed assets and long-term right of use assets such as customer relationships. Considering the fact that these assets are depreciated or amortized, recoverability tests are performed if there is any evidence of impairment.

Indications that impairment has occurred include:

- A significant decrease in the market value of the asset in question as a result of normal use or with the passing of time
- Significant changes having an adverse effect on either the company or the asset´s respective market, in terms of the corresponding economic, legal, technological and market conditions.
- Changes in market interest rates or other rates of return that significantly affect the calculation of the discount rate used for determining the value in use of the asset in question.
- The book value of the entity´s net assets is greater than the estimated fair value of the entity as a whole.
- Evidence of obsolescence or physical damage sustained by the asset in question;
- Changes in the use of the goods, producing a deterioration in these;
- Expected operating losses (idle capacity, scheduled outages, restructuring or disposing of assets);
- the asset´s economic output lower is than expected; its maintenance CAPEX is higher than expected, greater operating needs, negative operating margins or flows associated with asset in question, etc.).

Whenever there are indications of an impairment as previously stated, or whenever annual impairment tests must be carried out on an asset, Sura Asset Management S.A. and Subsidiaries estimate the recoverable value of said asset. The recoverable value of an asset corresponds to the higher of (i) its fair value less disposal costs, whether or not this is an asset or a cash-generating unit and (ii) its value in use. An asset´s recoverable value is determined on an individual basis, except when the asset in question does not produce cash flows that are largely separate from those from other assets. When the book value of an asset or a cash-generating unit exceeds its recoverable value, the asset is considered as impaired and its carrying value is reduced to its recoverable value.

In order to determine an asset´s value in use, its estimated cash flows are discounted at their present value by applying the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is highly sensitive to the discount rate used in the cash flow discount model, as well as the expected future flows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount of the different cash generating units, including the corresponding sensitivity analyses, are broken down and explained in greater detail in the Note to the Goodwill account.

In order to determine an asset´s fair value less selling costs, recent market transactions are taken into account, if these do in fact exist. If not, an appropriate valuation method is used based on the circumstances.

Sura Asset Management S.A. and Subsidiaries base their impairment calculations on line-item budgets and detailed forecasts that are drawn up separately for each of the identified cash-generating units to which individual assets have been assigned. Generally speaking, these line-item budgets and forecasts cover a period of five years; however, the aforementioned period may vary up to ten years for cash-generating units which, due to their nature and life cycle, require longer periods in order to better reflect and collect business flows. Forecasts do not include the restructuring activities to which the Group has yet to commit, nor any significant future investments that would increase the performance of the assets pertaining to the cash-generating unit in question. In the case of longer periods, a long-term growth rate is determined and applied to projected cash flows as of the fifth year.

Impairment losses are posted on the income statement, specifically in the expense accounts corresponding to the actual function of the impaired asset in question, except in the case of previously reappraised properties where the reappraised values are recorded in other comprehensive income. In these cases, an impairment is also posted in other comprehensive income until the amount of reappraised value, as previously recorded, is reached.

In the case of non-financial assets in general, excluding good will, an assessment is carried out at the end of each reporting period to determine whether there is any indication that any previously recorded impairment loss either no longer exists or has decreased. Should this be the case, the recoverable value of either the asset or the cash-generating unit in question shall be re-assessed, as applicable. A previously recorded impairment loss can only be reversed when there are changes in the assumptions used to determine the recoverable value since the last time said impairment loss was recognized. Such reversals are limited to the carrying value of the asset or cash-generating unit in question and shall not exceed its recoverable value or the carrying value, net of depreciation, that would have been determined if an impairment for such asset or cash-generating unit had not been recognized for prior periods. These reversals are recognized in the income statement, except when the asset is recorded at its reappraised value, in which case the reversal is treated as an increase in revaluation.

Goodwill is subject to impairment tests being performed each year on its year-end value as well as whenever there are indications of an impairment to its carrying value.

Impairment to goodwill is determined by assessing the recoverable value of each cash-generating unit (or group of cash-generating units) to which the goodwill is linked.

An impairment loss is recognized, whenever the recoverable value of a cash-generating unit is lower than it carrying value. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are subject to annual impairment tests at the end of each fiscal year, either individually or at the cash-generating unit level, as applicable, and whenever there are indications that their carrying values could be impaired (See Note 29).

g) Property, plant and equipment

Property for own use

This corresponds to the amounts invested in domestic and foreign real estate as well as buildings under construction, which are used solely by Sura Asset Management S.A. and Subsidiaries.

Subsequent to being recognized as an asset, land and buildings for the Company's own use are carried at fair value less accumulated depreciation and any accumulated impairment losses that may have been sustained.

If the carrying value of an asset increases as a result of a revaluation, this increase is recognized in the other comprehensive income accounts and charged to the equity accounts as a revaluation surplus.

When the corresponding carrying value is decreased as a result of a revaluation, this decrease is recognized in the income accounts for the period. However, this decrease shall only be recognized in the other comprehensive income accounts to the extent of any credit balance existing in the revaluation surplus account with regard to the asset in question. The decrease recognized in the other comprehensive income accounts reduces the amount accumulated in the equity account against the revaluation surplus account.

The fair value of land and buildings is based on periodic appraisals carried out both internally as well as externally by outside qualified appraisers. Subsequent disbursements are included in the carrying value of the asset when it is probable that economic benefits shall flow to Sura Asset Management S.A. and Subsidiaries, and the cost thereof can be reliably measured.

Depreciation of buildings is recognized based on their fair values and estimated useful life (usually between 20 and 50 years), and calculated using the straight-line method.

Other fixed assets

Equipment is posted at cost less accumulated depreciation and impairment losses. The cost of these assets is depreciated on a straight-line basis according to their estimated useful life, as shown below:

- Data processing equipment from 2 to 5 years,
- Furniture and fixtures from 4 to 10 years

Maintenance expense and repair costs are directly charged to the income accounts, and items corresponding to significant improvements are capitalized and depreciated thereafter.

The useful life and depreciation method are periodically reviewed at least once a year by Senior Management based on the expected economic benefits to be obtained from buildings, furniture and equipment.

Disposals

The difference between the proceeds of the sale of an asset and its net carrying value is recognized in the income statement under other income.

h) Investment properties

Investment properties consist of land and buildings (or portions thereof) which Sura Asset Management S.A. and Subsidiaries hold for the purpose of earning income or obtaining capital gains. Similarly, properties held for direct investment or those held under financial leasing arrangements are also considered to be investment properties

Sura Asset Management S.A. and Subsidiaries recognize investment property as an asset when, and only when, it is probable that future economic benefits associated with the property in question shall flow to the entity and the cost of the investment property can be reliably measured.

When a property is used both for investment purposes as well as for the Company´s own use, a portion thereof must be recorded as an investment property and another portion as property for its own use, this based on the use of each portion.

In this case, if the entire property is treated as an investment property and ten percent (10%) or less is used for the Company´s own purposes, then it must be recorded as an investment property

Investment properties are recognized at fair value. Any changes to such occurring as a result of revaluations are recognized in the income accounts. At the time of their disposal, the difference between the selling price and the carrying amount is recognized in the income accounts.

The fair values of investment properties are determined based on assessments from qualified appraisers.

The values thus recorded are based on the results of the independent appraisals carried out during the period in question. All properties are appraised separately over a period of three to five years.

Appraisals are performed on the assumption that the properties are leased and sold to third parties based on the current conditions of the lease agreement. Appraisals performed earlier on in the year are updated should there be a need to reflect the asset´s true value at year end.

Fair values are based on market prices, estimating the date on which the property is to be transferred between a buyer and a seller, as part of an arm´s length transaction between knowledgeable market participants. Market values are based on appraisals for which the following methods are used: comparable market transactions, capitalization methods for streams of revenues or discounted cash flows, whereby lease income and future expense is calculated according to the terms and conditions set out in existing leases as well as the estimated rental values when the lease agreements expire.

Any gains or losses arising from changes in their fair value are recognized on the income statement. Subsequent costs are only charged as a higher book value of the asset in question when it is probable that future economic benefits shall flow to Sura Asset Management S.A. and Subsidiaries and the expense can be reliably measured.

All maintenance expense and repair costs are charged to the income accounts.

Investment properties are derecognized when sold or permanently withdrawn from continued use and no future economic benefits are expected from their disposal. The difference between the net proceeds from the disposal of an asset and its corresponding carrying value is posted in the income accounts during the period in which it is derecognized.

In the case of reclassifying investment property as fixed assets, the estimated cost of the property is the fair value calculated at the date of the change in its use. If a fixed asset is reclassified as an investment property, Sura Asset Management S.A. and Subsidiaries account for such property in keeping with its established policy for fixed assets on the date when a change occurs with its use.

i) Investments in Associates

Investments in associates are initially recorded at cost. As of the date when the investment is acquired, its book value is adjusted using the equity method in the light of any significant influence exerted over the entity, in terms of changes to Sura Asset Management S.A.'s share of the associate's net assets.

A significant influence over the associate is presumed to be held, either directly or indirectly (that is to say, through its subsidiaries) when twenty per cent (20%) or more of the investee´s total voting shares is held, unless it can be clearly demonstrated that such influence does not exist.

The income statement reflects the portion of the associate´s operating revenues corresponding to Sura Asset Management S.A.

Whenever there is a change to the related party´s net equity and this is directly posted in the equity accounts, Sura Asset Management S.A. recognizes its corresponding portion of such change, where applicable, in its statement of changes to shareholders´ equity. Unrealized gains and losses resulting from transactions between Sura Asset Management S.A. and the associate are calculated based on Sura Asset Management S.A.´s stake in the associate. Sura Asset Management S.A.'s portion of the earnings obtained by its associates is shown directly in the income accounts and represents earnings after tax and any minority interests existing with regard to the associate´s subsidiaries.

The associate´s financial statements are prepared for the same reporting period as those of Sura Asset Management S.A. and adjustments are made, as required, in order to standardize any differences that might exist with respect to Sura Asset Management S.A.´s own accounting policies.

After applying the equity method, Sura Asset Management S.A. decides whether it is necessary to recognize impairment losses with regard to its net investment in the associate. Sura Asset Management S.A. determines at the end of each reporting period whether there is any objective evidence of any impairment to the corresponding investment in the associate. Should this be the case, Sura Asset Management S.A. calculates the amount of impairment as the difference between the associate´s recoverable value and its carrying value, and recognizes this amount as net income from associates for the period in question.

In the event of Sura Asset Management S.A. ceasing to have a significant influence over the associate in question, it proceeds to measure and recognize the investment held at fair value. Any difference between the carrying value of the associate at the moment when significant influence is lost and its fair value, plus the proceeds from its disposal, are recognized in the income accounts.

j) Financial instruments

A financial instrument is any contract that gives rise to an entity´s financial asset as well as a financial liability or equity instrument of another entity.

i. Financial assets:

Recognition, initial measurement and classification

Financial assets, including those which are subsequently measured at amortized cost, are initially recognized at fair value through other comprehensive income and at fair value through profit or loss.

Financial assets are initially recognized at fair value plus, in the case of those not carried at fair value through profit or loss, all those transaction costs that are directly attributable to the acquisition of the financial asset in question.

Financial assets are classified at amortized cost or fair value depending on:

(a) the entity´s business model for handling financial assets; and

(b) the characteristics of the contractual cash flows obtained from the financial asset in question.

Financial assets are measured at their amortized cost should both of the following conditions apply:

(a) the asset is held as part of a business model aimed at maintaining such assets in order to obtain contractual cash flows from such.

(b) the contractual conditions of the financial asset provide cash flows, on specific dates, these consisting solely of payments of principal and interest on the outstanding principal. Interest is the consideration paid on the value of money over time as well as the credit risk corresponding to the outstanding principal during a specific period of time.

A financial asset should be measured at fair value, unless it warrants being measured at amortized cost, based on that previously mentioned.

Subsequent Measurement of Financial Assets

After their initial recognition, financial assets are measured either at fair value or their amortized cost based on their corresponding classification, as outlined below:

- ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets that are not recorded at their amortized cost when first classified.

Derivatives, including separate embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value and any changes to their fair values are subsequently recognized as financial income or expense on the income statement.

Sura Asset Management S.A. and Subsidiaries evaluate financial assets held for trading that are not otherwise classified as derivatives, so as to determine whether they intend to sell these off in the short term.

When Sura Asset Management S.A. and Subsidiaries are unable to trade financial assets corresponding to debt securities due to the absence of an active market for such, this would significantly affect their original intention to sell them off in the short term, thus they could well decide to reclassify such financial assets at their amortized cost, but only in exceptional circumstances.

Derivatives embedded in hybrid contracts are posted in books as separate derivatives and are recorded at fair value if their economic characteristics and risks do not closely relate to those of their host contracts and if their host contracts are not held for trading or are assigned to the category of financial assets at fair value through profit or loss These embedded derivatives are measured at fair value, and any changes to such are recognized on the income statement. These are only re-appraised if there is any change in the corresponding contractual terms and conditions that could significantly modify their respective cash flows.

- ***Reserve requirement***

In the Mandatory Pension business, fund management firms must maintain, pursuant to current rules and regulations, a portion of each of the funds they manage in what is called a legal reserve. This legal reserve, as a percentage of the assets under management, varies by country, as shown below:

- Chile: 1.00%
- Mexico: 0.63%
- Peru: 1.00%
- Uruguay: Minimum 0.50% - Maximum 2%

This legal reserve represents a portion of the funds being managed and serves as a guarantee to maintain minimum rates of return in order to protect their fund members. This legal reserve must be used to supplement fund returns if performance sinks below a set tolerance margin (generally over a 36-month period compared to the industry average). Assets are valued on a daily basis and at their fair market values, since Senior Management uses total returns for evaluating fund performance. In the financial statements of the fund management subsidiaries, the legal reserve is measured at fair value through profit and loss, since it is a representation of the composition of the funds managed.

- ***Loans and accounts receivable***

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted on active markets. After initial recognition, these financial assets are measured at their amortized cost using the effective interest rate method, less any impairment that should have occurred. Amortized cost is calculated taking into account any discount or premium granted when these are initially acquired or upon accrual as well as any commissions or costs that form an integral part of the effective interest rate.

Earnings from the effective interest rate are recognized in the income statement as financial income. Losses arising from any impairment to their value are recognized in the income statement as financial costs.

- ***Financial assets at amortized cost***

Financial assets at amortized cost include debt securities that are classified in this category, based on the subsidiaries´ business models of holding assets in order to obtain contractual cash flows in the form of principal and interest.

Any gains or losses corresponding to a financial asset measured at amortized cost that does not form part of a hedging relationship as described in IFRS 9 must be recognized on the income statement at the corresponding effective interest rate, when the financial asset is de-recognized or has suffered an impairment or is reclassified, which shall imply being recognized to a certain degree on the income accounts.

With regard to the requirements for assessing impairment, the Group applies that stipulated in IFRS 9 - Financial Instruments.

- ***Derecognition***

A financial asset (or, where applicable, a portion of such or a part of a group of similar financial assets) is derecognized when:

- The contractual rights to the cash flows from the asset expire;
- The contractual rights to the asset´s cash flows are transferred or an obligation is incurred to pay all of said cash flows without significant delay to a third party, by means of a transfer agreement (pass -through arrangement) and (a) all risks and benefits inherent to owning the asset have been substantially transferred; and (b) all risks and benefits inherent to owning the asset have not been substantially transferred, but control over the asset has.

When Sura Asset Management S.A. and Subsidiaries transfer their contractual rights to receive cash flows from an asset or enter into a transfer agreement but have neither transferred nor retained a substantial portion of the risks and benefits inherent to owning the asset, nor transferred control over the asset, the asset continues to be recognized in books to the extent of the involvement of Sura Asset Management S.A. and Subsidiaries in said asset. In this case, the corresponding liability is also recognized. The transferred asset and the associated liability are measured in such a way as to reflect the rights and obligations that Sura Asset Management S.A. and Subsidiaries have retained. A continuing involvement that takes the form of a guarantee on the asset thus transferred is measured as the lower of the asset´s original carrying value and the maximum amount of consideration required to be paid back.

- ***Impairment to financial assets***

The Companies periodically analyze whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate.

The new IFRS 9 - Financial Instruments specifies the classification, measurement, impairment and hedge accounting for financial instruments and became of mandatory application for all annual financial statements as of January 1 2018. Sura Asset Management and Subsidiaries apply this impairment methodology on expected or prospective losses.

It is important to note that with regard to its third-party fund management as well as security and insurance brokerage services, and based on the current policy for recognizing income and measuring financial instruments, the new IFRS 9 - Financial Instruments, that recently came into full force and effect, shall not have any impact on the financial statements or on the financial position of Sura Asset Management and Subsidiaries.

ii. Financial liabilities

Initial recognition and measurement

When initially recognized, financial liabilities are classified as financial liabilities at fair value with changes through profit and loss, credits and loans, accounts payable or derivatives designated as hedging instruments forming part of effective hedging arrangements, as the case may be.

All financial liabilities are initially recognized at fair value, and in the case of credits, loans and accounts payable, these are recorded net of any directly attributable transaction costs.

Financial liabilities held by Sura Asset Management S.A. and Subsidiaries include trade payables, loans and other accounts payable, financial instruments and derivatives.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as listed below:

- ***Financial liabilities at fair value through profit or loss***

Financial liabilities are classified as held for trading if they are obtained for the purpose of being sold off in the near future. This category includes derivatives, if any, set up by Sura Asset Management S.A. and Subsidiaries that are not considered as hedging instruments forming part of effective hedging relationships as defined by the IFRS 9 - Financial Instruments. Derivatives, including separate embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Sura Asset Management S.A. uses derivatives such as forwards and swaps, to hedge its exchange rate and interest rate risk exposure. These derivatives are initially recognized at fair value on the date on which the corresponding agreement is signed and are subsequently remeasured at fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

- **Loans and accounts payable**

Subsequent to their initial recognition, interest-bearing loans and accounts payable are measured at their amortized cost using the effective interest rate method. Gains and losses are posted on the income statement when liabilities are derecognized, as well as when these are amortized using the effective interest rate method.

Amortized cost is calculated taking into account any discount or premium granted when said liabilities are acquired as well as commissions or costs that form an integral part of the effective interest rate. Accrued interest is posted on the income statement as financial expense.

- **Derecognition**

A financial liability is derecognized when the obligation specified in the corresponding contract is discharged, canceled or otherwise expires.

When an existing financial liability is replaced by another from the same lender but has substantially different terms and conditions, or the terms of an existing liability are substantially modified, this change is addressed by derecognizing the original liability and recognizing the new one. The difference in the respective carrying amounts is recognized on the income statement.

iii. Offsetting financial instruments

Financial assets and financial liabilities are offset and their net amounts are reported on the Statement of Financial Position, providing there is a currently enforceable legal right to offset the amounts thus recognized and the Company intends to settle these amounts on a net basis, simultaneously realizing the assets and settling the liabilities. (Paragraph 42 of IAS 32 – Financial Instruments – Presentation).

k) Fair value of financial instruments

At the end of each reporting period, the fair value of financial instruments traded on active markets is determined on the basis of quoted market prices or prices quoted by market players (purchase price for long positions and selling price for short positions), without any deduction for transaction costs.

For financial instruments not traded on active markets, their fair value is determined using appropriate valuation techniques. Such techniques may include the use of recent market transactions between knowledgeable, willing parties on an arm's length basis, the fair values of other financial instruments that are substantially similar, discounted cash flow analyses or other valuation models.

l) Cash and cash equivalents

Cash and cash equivalents correspond to short-term assets, presented in the statement of financial position.

Cash and cash equivalents include:

- Cash
- Bank balances
- Short-term investments that meet the conditions required to be considered as cash equivalents. These investments are highly liquid and can be readily converted to a known amount of cash while being subject to an insignificant risk of any change in their value.

This category includes investments that can be converted into cash within 3 months from the date of their acquisition.

m) Taxes

Current income tax

Current income tax assets and liabilities are measured on the basis of the amounts expected to be recovered from or paid to the corresponding tax authorities. The tax rates and taxation laws used to compute said amounts are those that are enacted or are due to be enacted on or near to the closing date for the reporting period in question, in all those countries where Sura Asset Management S.A. and Subsidiaries operate and produce taxable income.

Current income tax relating to items recognized directly in the equity accounts is recognized in said accounts and not on the income statement. Senior Management periodically evaluates the positions taken on the Company's tax returns with regard to situations in which applicable tax regulations are subject to interpretation and for which provisions are set up, where applicable.

Deferred income tax

Deferred income tax is recognized using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their respective book values at the end of the reporting period in question.

Deferred tax liabilities are recognized for all temporary taxable differences except:

- When the deferred tax liability arises from the initial recognition of goodwill in a business combination or from an asset or liability in a transaction that does not constitute a business combination and that, at the time of the transaction in question, affects neither book profits nor taxable profits or losses;

- With respect to taxable temporary differences relating to investments in subsidiaries or associates and interests in joint ventures, where the timing of the reversal of these temporary differences can be controlled and it is probable that these temporary differences shall not be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences and the future offsetting of non-used tax credits and losses, to the extent that it is probable that there shall be future taxable income available, against which these tax credits or tax losses are to be offset except:

- When the deferred tax asset corresponding to the temporary difference arises from the initial recognition of an asset or liability in a transaction that does not constitute a business combination and, at the time of the transaction in question, affects neither book profits nor taxable profits or losses.

- With respect to deductible temporary differences relating to investments in subsidiaries or associates and interests in joint ventures, the deferred tax assets are recognized only to the extent that it is probable that the temporary differences shall be reversed in the near future and there is a likelihood of future taxable income becoming available, against which these deductible temporary differences can be offset.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period, reducing these to the extent that it is no longer probable that there is sufficient taxable income to allow for all or a portion of those assets to be used. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it becomes probable that future taxable income shall allow for those assets to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be applied during the period in which the asset is realized or the liability is settled, based on the tax rates and the tax regulations in force at the end of the corresponding reporting period, or those that are expected to become applicable near said date.

Tax benefits obtained as part of a business combination that do not qualify to be recognized separately on the date these accrue shall be subsequently recognized upon obtaining any new information regarding any change to the corresponding facts and circumstances.

Any resulting adjustment shall be treated as a reduction in goodwill (providing said adjustment does not exceed the value of the goodwill account) if the change occurred during the measurement period, or as a reduction in the income accounts, should this occur at a later date.

Sura Asset Management S.A. has identified the following items that generate deferred tax:

- **Deferred Acquisition Costs (DAC)**: corresponding to the deferred cost of acquiring new clients. For tax purposes, this cost decreases the income tax base during the fiscal year in question, while according to international standards an amortizable intangible asset representing the Company's right to obtain economic benefits from managing investments for its fund members can be recognized, and this is amortized at the same rate as the Company recognizes the corresponding income for the period in which the client maintains his or her investment with the Company

- **Deferred Income Liability (DIL):** corresponding to the deferral of income received from fund members to cover maintenance expense and a reasonable level of profit, in the periods in which those members become either non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments, while from the tax standpoint, income is recognized in full for the year in which such income is obtained.

- **Property, Plant and Equipment:** a temporary difference is mainly caused by the difference in valuation criteria for the fixed asset in question given the reasons outlined below:

    - On an accounting basis and in some jurisdictions, no inflation or tax adjustments are recognized.
    - Fixed assets that for tax purposes relate to expenditure are recognized in books.
    - Difference between their useful book life versus tax life.
    - Revaluations of land and buildings for own use

- **Tax losses:** these correspond to recognizing assets in the form of tax losses generated during the year and that are expected to be amortized using taxable income for future years.

- **Investment valuations:** these correspond to the difference between valuation methods, that is to say their amortized cost or market values versus their tax values.

- **Hedging arrangements:** Upon recognizing the corresponding rights or obligations under IFRS, these are not considered to be rights or obligations for tax purposes until whenever these are subsequently realized.

- **Recognizing lease agreements under IFRS 16**: stemming from the depreciation of rights of use and the amortization of the corresponding financial liabilities for rights of use, based on the understanding that these are accounting items that do not have any impact on taxes.

Current and deferred taxes are recognized in the income accounts for the period in question, except when they relate to items recognized in Other Comprehensive Income or directly in the equity accounts, in which case current and deferred tax is also recognized in Other Comprehensive Income or directly in the equity accounts, respectively.

Uncertainty with Income Tax Treatments

IFRIC 23 is an interpretation made by the IASB based on the assumption that there may not be sufficient clarity as to how the tax law applies to a specific transaction or circumstance, which is why a specific tax treatment, based on current tax legislation may not be acceptable until the corresponding tax authority or the courts of justice issue a future ruling. Consequently, a dispute or an inspection of a particular tax treatment by the corresponding tax authority may affect an entity's accounting for a current or deferred tax asset or liability.

Based on the foregoing, it follows that this interpretation only applies to income taxes, these being understood as all those taxes levied on taxable income, whether these be local or foreign. "Uncertain tax treatment" is understood to be all those tax aspects that create benefits for the entity with regard to which uncertainty could exist as to whether the respective tax authority shall accept the tax treatment applied, according to that provided by current tax legislation.

Consequently, IFRIC 23 clarifies how to apply the recognition and measurement requirements of IAS 12 when uncertainty exists regarding income tax treatments. Under these circumstances, an entity shall recognize and measure its current or deferred tax assets or liabilities by applying the requirements of IAS 12 on the basis of tax profits or losses, tax bases, unused tax losses, unused tax credits and tax rates. determined by applying said standard.

Taking into account the criteria and judgments used for determining and recognizing income tax at year-end 2020, situations have been identified that create an amount of tax uncertainty; however, we have concluded that it is probable that these uncertain tax positions shall not produce any adverse ruling against the companies and therefore should not be recognized for accounting purposes or disclosed, in accordance with the framework defined by IFRIC 23.

n) Leases

Since January 1, 2019, Sura Asset Management S.A. and Subsidiaries have been recognizing leases based on that stipulated in IFRS 16 - Leases.

Sura Asset Management S.A. and Subsidiaries as lessees

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

Sura Asset Management excludes the following leases from the recognition of lease contracts:

- Leases of intangible assets, except when these are packaged together with tangible assets as part of a single contract.
- Short term leases, i.e., less than 12 months without renewals nor options.
- An underlying low-value asset.

Initial Recognition

A right-of-use asset and a lease liability are recognized at the beginning of the contract.

Right-of-Use Assets: These are is measured at cost is as follows:

The initially measured value of the liability
(+) advance payments
(-) incentives
(+) initial direct costs
(+) dismantling costs

Lease liability: is the present value of lease payments that have not been made at the date on which the lease contract begins.

Payments are defined as follows:

- Fixed payments: (fixed rental fee)
- Variable payments: (those amounts that are based on a specific rate or index)
- Purchase option: this is included should there be reasonable assurance that this shall be exercised
- Guaranteed residual value: For the lessor, this forms part of the residual value that has been guaranteed by the lessee or by a party not related to the lessor, who shall be financially capable of meeting the obligations arising from the guarantee thus provided.
- Penalties for terminating lease contracts: These are included unless there is no reasonable certainty of these being exercised

The implicit interest rate should be used in determining the lease liability, providing this can be determined. If not, the incremental borrowing rate should be used.

Subsequent measurement

After the beginning date of the lease contract, the lessee shall measure its right of use asset by applying the cost model. The amortization period for this type of asset should take into account the term of the contract and the expected use of the asset.

The lease liability is updated based on:

(+) interest expense
(-) payments
(+) any amendments made to the lease contract

Sura Asset Management S.A. and Subsidiaries as lessors

Leases in which Sura Asset Management S.A. and Subsidiaries retain a substantive portion of the risks and benefits inherent to the ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the book value of the leased asset and are recognized over the term of the lease using the same criteria as for rental income.

Embedded leases

Sura Asset Management S.A. and Subsidiaries take into account the following criteria to identify whether an agreement constitutes, or contains, a lease arrangement:

- Fulfilling the agreement in question depends on using a specific asset or assets.
- The agreement provides for using the asset for an agreed period of time, so that the buyer can exclude others from using such.
- When the payments stipulated in the agreement are made during the period of time that the asset is made available for use, and not during the term the asset is actually used.

o) Translating foreign currency

The amounts reported in the separate financial statements of Sura Asset Management S.A. and those of each of its Subsidiaries, are stated in the functional currency of the country where each entity operates:

Functional currency corresponding to each entity:

Country	Functional currency
Chile	Chilean pesos
Mexico	Mexican pesos
Peru	Peruvian soles
Uruguay	Uruguayan pesos
El Salvador	US dollars
Colombia	Colombian pesos
Argentina	Argentinian pesos

The Consolidated Financial Statements are presented in thousands of U.S. dollars which is Sura Asset Management S.A.´s reporting currency. Therefore, all balances and transactions denominated in currencies other than the U.S. dollar, are converted from their functional currencies to the reporting currency.

Sura Asset Management S.A. and Subsidiaries, in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates, may present its financial statements in any currency.

Here, Sura Asset Management S.A. and Subsidiaries determined their reporting currency as the U.S. dollar, as opposed to its functional currency, the Colombian peso and thus converted its statements of income and financial position into U.S. dollars

This decision was made given the fact that users from all over the world find that the U.S. dollar is more readily understood.

Sura Asset Management S.A. and Subsidiaries recorded all the Currency translation effects on its financial statements under IFRS, pursuant to *IAS 21 The Effects of Changes in Foreign Exchange Rates.*

Converting foreign currency into the functional currency:

The information reported in the Consolidated Financial Statements for Sura Asset Management S.A. and Subsidiaries was converted from the foreign to the functional currency as follows:

Monetary assets and liabilities, denominated in foreign currencies, are translated using the exchange rate applicable for the functional currency in question at the closing date of the corresponding reporting period. Non-monetary items that are measured in terms of their historical cost in a foreign currency are translated using the exchange rates applicable on the date of the original transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates on the date when these are recognized at fair value. All exchange differences are recognized as a separate component of net equity.

Translating functional currency into the reporting currency:

Assets and liabilities denominated in a functional currency other than the reporting currency are converted using the exchange rate applicable on the closing date of corresponding reporting period, and the income accounts are translated using average rates for said reporting period. The equity accounts were translated based on their respective historic rates.

Please refer to exchange rates section in Note 2.1 Basis for Preparing and Presenting the Financial Statements

p) Employee benefits

Sura Asset Management S.A. and Subsidiaries only offer their employees short-term benefits and defined contribution plans and to a lesser extent post-employment benefits. Sura Asset Management S.A. and Subsidiaries classify all employee benefits relating to the agreements in which they agree to provide benefits during the post-employment period, regardless of whether this requires setting up a separate entity to receive contributions and to pay the benefits corresponding to defined contribution plans.

The liabilities recognized on the balance sheet with regard to these benefits are posted as the employees provide their services, after deducting any amount already paid.

Should the amount paid be higher than the non-discounted amount of the benefits thus recorded, the entity shall recognize the difference as an asset (prepaid expense) providing that such prepayment shall lead to either a reduction in payments to be made in the future or a cash refund.

In the case of defined contribution plans, Sura Asset Management S.A. and Subsidiaries pay contributions to public or private pension fund management firms on a mandatory, contractual or voluntary basis. There are no other payment obligations once these contributions have been paid. The contributions are recognized as personnel expense. Prepaid contributions are recognized as an asset to the extent that they imply cash refunds or reductions in payments to be made or received in the future.

Employee benefits for the subsidiaries of Sura Asset Management S.A. include:

- **Legal employee benefits:** consisting of overtime; vacation, seniority and Christmas bonuses or gratuities; as well as maternity leave, and time off for breast-feeding and attending family funerals and weddings. All these benefits obey that provided by law in each country and their terms and conditions are also stipulated in the Company's own Internal Work Rules and Regulations.

- **Benefits relating to employee well-being and quality of life:** such as insurance policies (life, accident, cancer, dental), employee support program, recreation and cultural programs for employees and their families, housing and vehicle loans, student loans and subsidies, birthday and house-moving permissions, salary advances and loans, voluntary pension contributions (based on individual employee contributions).

- **Rank- and/or performance- based benefits:** including sustainability bonuses as well as performance and target fulfillment bonuses, company car, business club membership fees.

A breakdown of the aforementioned expense can be found in Note 34.

q) Recognizing revenue from normal business activities

Revenues relating to activities performed during the normal course of business are recognized based on the degree to which the transaction is completed during the respective reporting period. Revenues from a transaction can be reliably estimated providing all and every one of the following conditions are met:

- The amount of revenue from ordinary business activities can be measured reliably;
- There is a probability that the entity shall receive economic benefits associated with the transaction in question;
- The extent to which the transaction in question at the end of the reporting period in question can be measured reliably, and
- The costs already incurred with the transaction can be measured reliably along with the remaining costs to be incurred until the transaction is completed.

Sura Asset Management S.A. and Subsidiaries estimate the extent to which the service is provided as follows:

- The proportion of services already performed compared to the total extent of the services to be provided.

- The proportion of costs incurred and paid compared with the total amount of estimated costs. For this purpose, the costs incurred up to the present time include the costs incurred with the service provided up to said date; and with regard to the total estimated costs of the transaction itself, only the cost of the services that have been or shall be provided are included

Premium Income

A premium is the value paid by the policy-holder to the insurance company for assuming a risk covered by an insurance contract

Life insurance premiums are recognized as income on the income statement during the period in which the service is rendered.

Reinsurance premiums

Gross reinsurance premiums on life insurance contracts are recognized as an expense either when these are paid or whenever the policy comes into full force and effect, whichever date is the earliest, this corresponding to the portion of premiums ceded to reinsurers.

Unearned reinsurance premiums are deferred over the term of the insurance policies and the underlying risk inherent to said policies. This same deferral is also applied during the term of the reinsurance contract, including any losses sustained on the contract.

Dividend income

Dividends are posted in books when:

- The right to receive such has been determined by the associate´s governing body, and
- It is probable that Sura Asset Management S.A. shall receive the economic benefits inherent to such dividends when these are declared.

Investment income

Interest accruing on financial assets measured at their amortized cost is recognized on the income accounts based on their projected flows, as contractually defined.

Fees and commissions

Fees and commissions are generally recognized when the corresponding service is rendered. Those corresponding to negotiating, or participating in the negotiations of transactions with a third party such as disposals of purchased shares or other securities acquired or purchases or sales of business enterprises, are recognized when the underlying transaction is completed.

Fees for management consultancy and other services are recognized based on the applicable service contract when the service is rendered.

The asset management fees relating to investment funds and contractual investment rates are recognized on a proportional basis over the period in which the service is provided. The same principle applies in the case of wealth management, financial planning and safekeeping services performed continuously for a prolonged period of time. The rates charged and paid between banks in payment of services, are classified as fee and/or commission income and expense.

Revenues from contracts with clients

Sura AM recognizes income from its pension and investment fund management services as income from contracts with clients, which is posted when the control of the goods or services is transferred to the client for an amount reflecting the consideration that the company expects to be entitled to in exchange for said goods or services.

A comprehensive 5-step framework is used for recognizing revenues from ordinary activities carried out as part of contracts with clients as shown below:

1. <u>Identifying the specific contract with the client:</u>

Contracts with pension fund members or asset management contracts comply with the criteria established for identifying said contract, based on that provided in Paragraph 9 of IFRS 15: Revenues from Contracts with Clients:

a) There is evidence that both parties have agreed on the contract;
b) The rights of each party have been clearly identified;
c) The Company can identify the corresponding payment terms;
d) The contract is based on a business rationale; and
e) It is probable that the companies shall collect the consideration for transferring the committed services.

2. <u>Identifying the performance obligations in the contract:</u>

There may be one or several performance obligations, depending on the nature of each contract. The obligations to which our pension fund and other fund management firms are subject have been identified, these being:

a) Managing pension funds, granting and administering pension benefits and payments.
b) Collecting pension fund contributions, depositing these in individual capitalization accounts and investing the amounts thus received.
c) Maintaining an asset called a legal reserve so as to be able to honor the minimum returns required.
d) Managing and holding in safekeeping the investment portfolio containing the managed funds.

The aforementioned obligations are considered to be a single performance obligation, since the services provided are substantially the same, that is to say managing and administering client assets. These also have the same transfer pattern (the services are transferred to the client over time and the funding progress method is used which is a measurement based over time).

3. <u>Determining the price of the transaction</u>

The third step requires determining the contractual price of the transaction in question, which must reflect both the fixed and variable considerations to be paid. In the case of our fund management subsidiaries, the price charged corresponds to a percentage stipulated in the pension fund and portfolio management firms, which is calculated, charged and recorded based on the frequency established in said agreements.

Asset management contracts often carry variable considerations, since the corresponding fees and commissions are often based on the closing value of the respective assets under management (AuM) as well as other variables. A variable consideration is only included in the transaction price to the extent that it is highly probable that a significant reversal shall not occur with the recognized amount of cumulative revenue from ordinary activities, when the uncertainty associated with the variable consideration is subsequently resolved [IFRS 15.56].

Generally speaking, the agreed consideration for managing and administering funds and portfolios is calculated based on the volume of assets under management at a frequency that is duly stipulated in each contract, therefore the real amounts of fees and commissions received can be included in the transaction price.

4. Allocating the transaction price to the performance obligations in the contract;

The Company allocates the price of the transaction according to the real amount of fees and commissions received for its asset management services. There is no impact on allocating the transaction price based on that stipulated in IFRS 15.

5. Recognizing revenue from ordinary activities when (or as) the entity satisfies a performance obligation;

Fund management services are generally fulfilled over time since the individual accounts of each fund or fund member simultaneously receives the benefits provided by the asset management firm while the asset management firm provides its service.

Recognition of a contract asset

This consists of the right that Sura AM has to receiving a consideration in exchange for goods or services that have been transferred to a client when said right is conditional on something other than the passage of time.

Recognition of a contract liability

This consists of the obligation that Sura AM has to transfer the goods or services to a client in exchange for a consideration paid by or enforceable against the client.

Incremental costs of obtaining a contract

Sura Asset Management recognizes the incremental costs of obtaining a contract with a client as an asset, providing those costs are expected to be recovered.

The incremental costs of obtaining a contract are the costs incurred by an entity to obtain a contract with a client that would not have been incurred if the contract had not been obtained (for example, a sales commission).

Sura Asset Management's sales force, given the nature of the products it provides, has an important function of keeping clients, which means that the allocation of certain costs that do not directly relate to obtaining a contract is of lesser significance compared to the whole, and hence cannot be fully identifiable.

Sura Asset Management has identified the following types of costs that meet the established deferment criteria, since all of these are of an incremental nature:

- Variable commissions charged to new mandatory pension fund members.
- Variable commissions paid on transfers from other Pension Fund Management firms or State-Sponsored Mandatory Pension Systems (in countries where these exist)
- Variable commissions on new sales or deposits relating to the voluntary pension products offered.
- Volume-based bonuses and incentives paid to the sales force to achieve the productivity goals set.
- Costs associated with the payment of variable commissions, bonuses and incentives, as described above, such as taxes and social security payments

Amortization period:

The straight-line amortization methodology is used. The amortization period for deferred costs incurred in the calendar year "t" is determined based on the average duration of the expected revenues (financially discounted) from the new business obtained during the period beginning in the last quarter of the year " t-2 "and concludes at the end of the third quarter of the year" t-1 "using the most recent models and assumptions for projecting these costs. These assumptions are based on an analysis experience study and subsequently approved by the Models and Assumptions Committee.

Recoverability and impairment testing

Deferred costs are subject to recoverability testing when the asset is first set up. Month-end recoverability testing is performed on mandatory and voluntary pension products for each month of sales. In countries where sales are not recorded on a monthly basis (according to applicable local rules and regulations), the recoverability test may be performed at the same frequency as the sale is recorded (subject to authorization from the Models and Assumptions Committee). This test may be performed on a single product or group of products depending on the following non-exhaustive list: the entity´s own business strategy, the level of integration between the acquisition and / or operating costs of both products. In any case, the Models and Assumptions Committee must approve the methodology used for each country.

Recognition of Deferred Income Liabilities (DIL)

Sura Asset Management S.A.'s pension fund management companies offer mandatory pension products that consist of managing the retirement savings of its fund members. The corresponding commission income, depending on the local regulations applying to each country where the subsidiary is located, is recognized based on the following:

- On flows of member contributions paid into the individual capitalization account (wage-based commissions);

- On the balance held with regard to the members' individual capitalization accounts;
- On a combination of the above (partly on flow and partly on the balance held) This applied only until June 2019 in Peru.

Since Mandatory Pension Savings entail certain administrative costs, even when no management fees are received, it is important to note the rationale behind income recognition so as to be able to ensure the financing of these costs over time. For this reason, a Provision for Deferred Income Liabilities (DIL) is set up.

The purpose of DIL is to be able to defer income received from fund members to cover maintenance expense and a reasonable level of profit, in the periods in which those members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments.

This is because when fund members become non-contributors they do not generate any income to meet the costs. So, for this purpose a provision is set up and remains in place while the company collects the corresponding amounts and is released while the aforementioned cost is incurred.

This provision covers the members of the mandatory pension funds offered by Sura Asset Management S.A.'s pension fund subsidiaries in the case of those who charge mixed or flow-based commissions, as well as all those other pensioned off members who cannot be charged for the management of their funds and/or pension payments.

The following table shows the manner in which fees are charged by different subsidiaries belonging to Sura Asset Management S.A.:

Country - Entity	Basis for calculating pension commissions
Mexico - AFORE Sura	Balance managed
Peru– AFP Integra	Mixed until June 2019 and then only flow- or balance-based (*)
Chile - AFP Capital	On flows (basic wage)
Uruguay - – AFAP Sura	On flows (basic wage)

(*) In Peru there are 2 types of commission: purely flow and mixed. In the case of AFP Integra, the mixed commission charged until June 2019, gave way to a purely balance-based commission.

Methodology for Calculating DIL

This provision is calculated at least every quarter, in the currency in which the Company's collections and obligations are denominated. In the case of all those subsidiaries in which the provision is calculated on an inflation-indexed unit of account, said provision is re- stated in the country´s legal tender using the applicable exchange rate between the currency in question and the inflation-index unit rate on the closing date of the balance sheet or at the end of each month.

This provision is calculated on the basis of the estimated cost of non-contributing fund members as well as members who have already been pensioned off and who cannot be charged for the management of their funds and/or the pension payment, discounted using the AAA rated corporate bond rate with no prepayment option.

r) Provisions

Provisions are recognized when there is a (legal or implicit) obligation as a result of a past event for which the entity shall probably have to allocate funds, that would otherwise have provided economic benefits, this in order to pay off an obligation and when the value of such funds can be reliably estimated. In cases where the provision is expected to be reimbursed, either totally or partially, for example, under an insurance contract, this reimbursement is recognized as a separate asset but only in cases where it is virtually certain that it shall be reimbursed.

The expense corresponding to any provision is presented in the income statement, net of any reimbursement.

s) Information per individual operating segment

The Company reports its operations by business unit, according to the nature of the services provided.

These are divided up into the following six reporting segments:

(i) Retirement Savings (formerly Mandatory Pensions)
(ii) Investment Management Unit
(iii) Sura Investments (formerly Savings and Investments)
(iv) Insurance and Annuities
(v) New Business and
(vi) Others / Corporate

The Company's maximum governing body in charge of making operating decisions (its Board of Directors) monitors the performance of each business segment and assigns the corresponding resources based on various factors including (but not limited to) fees and commissions, net premiums, operating income and expense.

All income reported by each segment is obtained from external clients. Operating income and income per segment are attributed on a country level, based on the jurisdiction in which the business units provide their services.

The Company does not report total assets and total liabilities for each reporting segment, since such measurements are not routinely provided to its maximum governing body (the Board of Directors) in making the required operating decisions.

The New Business segment was created in order to group together the income, costs and expenses related to the initiatives aimed at exploring and developing new lines of business other than Retirement Savings, Investment Management and Sura Investments.

t) Non-Current Assets Held for Sale and Discontinued Operations

Non-current assets and groups of assets are classified as held for sale if their book value shall be recovered mainly through their sale rather than through their continued use.
Non-current assets and groups of assets classified as held for sale are appraised at whichever is the lower value between their carrying amount and their fair value less selling costs. Selling costs are the incremental costs directly attributable to de-recognizing the asset, excluding financial expenses and taxes.

The criteria for classifying non-current assets or group of assets as held for sale is considered to be met only when the sale is highly probable and the asset or group of assets has been made available, in their current conditions, for immediate sale. The steps to be taken in order to complete the sale indicate that it is unlikely that there shall be any significant changes to the sale to be made or that decision to sell shall be reversed. Senior Management must have undertaken to draw up a plan for selling the asset and the corresponding sale is expected to be completed during the year following the date on which it was classified as held for sale.

Property, plant and equipment or intangible assets classified as held for sale are not amortized.
Assets and liabilities classified as held for sale are classified separately as current items on the Statement of Financial Position.

A group of assets classified as held for sale qualifies as a discontinued operation if:

- It is a component of an entity that has been either disposed of, or classified as held for sale, and represents a line of business or a geographical area, which is significant and independent from the rest.
- It is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or that is significant and can be considered separated from the rest; or
- It is a subsidiary that has been acquired exclusively for the purpose of reselling this in the future.

Discontinued operations on the Comprehensive Income Statement are presented separately from the income and expense corresponding to continuing operations and are included in a single line as an after-tax result from discontinued operations.

u) Hyperinflation:

An economy becomes hyper-inflationary when:

- the general population prefers to retain their wealth in the form of non-monetary assets, or in a relatively stable foreign currency. amounts of local currency held are immediately invested to maintain purchasing power;

- the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;

- sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if said period is short;

- interest rates, wages, and prices are linked to a price index; and

- the cumulative inflation rate over three years nears, or exceeds 100%.

Sura Asset Management S.A. and Subsidiaries must state their financial statements in the unit of measurement current at the closing date of the reporting period in question. Both the comparative figures for the previous reporting period, as well as the information relating to previous reporting periods, must also be stated using the unit of measurement current at the closing date of the reporting period in question.

In restating the items contained on the Statement of Financial Position, the following factors are taken into account:

- Monetary items and items valued at year-end.
- If the items are contractually adjusted based on the current inflation rate, including CPI- indexed bonds, these are amended according to the terms of the contract.
- Monetary items recorded at cost: these are updated based on the CPI index as of the date these were acquired.
- Non-monetary items recorded at fair value: these are updated based on the CPI index as of the date these were first measured.

Restating items pertaining to the Comprehensive Income and Cash Flow Statements:

- All income and expense must be restated based on changes to the CPI index as of the date on which these were first posted.
- Depreciation is to be adjusted on the same basis as the asset to which it relates.
- Also, all items pertaining to the cash flow statement are updated so as to be able to state these using the unit of measurement current at the closing date of the reporting period in question.

In the case of foreign subsidiaries, their financial statements are to be converted based on the exchange rates applicable at the closing date.

In all those countries where Sura Asset Management is present, inflation adjustments are applied in Argentina only,

v) Hedge accounting:

Sura Asset Management S.A. must first identify the type of the hedge in question, so as to be able to proceed with its posting in books. These types are as follows:

a) Fair value hedges: used for compensating the risk existing with the volatility affecting the fair value of an asset or liability duly recognized for accounting purposes or for unrecognized firm commitments, or for an identified portion of said assets, liabilities or firm commitments. Common examples of fair value hedges include:

•An interest-rate swap that hedges changes in the fair value of a fixed-rate loan due to changes in interest rates.
•An acquired sales option that hedges changes in the fair value of a share, due to stock pricing risk.
•A futures contract for production inputs (raw materials) that hedges changes in the fair value of these inputs.

b) Cash flow hedges: these effectively reduce the variable nature of cash flows associated with future transactions by hedging the particular risk associated with an asset or liability recorded in books or highly probable transactions that are likely to affect earnings for the period.

Common examples of cash flow hedges are:

•Cross Currency Swaps (CCS) taken out to hedge fluctuations with the exchange rate when receiving future payments from investments in foreign currency.
•Currency call options for hedging the volatility risk relating to payments of obligations in foreign currency.
•Note: A foreign currency hedge for a firm commitment can be posted either as a fair value hedge or a cash flow hedge.

c)Net investment hedges for a foreign-based business have been defined in the "Effects of Changes in Foreign Currency Exchange Rates" Policy. Net investment is considered as a single asset, as opposed to the various individual assets and liabilities that make up the Subsidiary´s balance sheet. Hedges in the case of net investments in a foreign-based entity are accounted for in a similar manner as for cash flow hedges.

Based on the aforementioned standard, there are two types of hedges based on the nature and exposure of the underlying transaction.

i. A hedged item is considered to be a transaction-related hedged item when the nature of the hedged item is a specific transaction for which the time value (temporary value) is the hedged cost relating to said transaction, and as a result the time value is to be posted in profit and loss at the same time as the hedged transaction.

ii. An item qualifies as a time period-related hedged item when the nature of the hedged item is such that the time value is the cost of hedging against a risk for a specific period of time and, as a result the time value is to be distributed in profit and loss for the period amortizing such on a rational and systematic basis
Based on that described in the aforementioned section, the hedged item as defined in the corresponding hedging arrangement relates to a period of time, since the time value is the cost of hedging the risk exposure of the exchange rate during the period in question. Consequently, Paragraph B6.5.34 of IFRS 9 stipulates that the time value (or temporary value) must be recognized and accrued in the Other Comprehensive Income accounts, and then reclassified to and amortized in the Comprehensive Income accounts in a systematic and rational manner throughout the periods during which the hedged item affects profit and loss.

At Sura Asset Management S.A., the accounting for cash flow hedges and net investment abroad is based on items that have already been recognized on the Company's balance sheet, specifically in the debt security liabilities account (see Note 38).

The method used to measure the effectiveness for each of the hedging arrangements, is applied to changes in the hedging instrument compared to the changes in the hedged item, that is to say, in the case of debt, the exchange differences against the valuation of the exchange component of the USD/COP derivative is used; and in the case of net investments, the changes in the asset versus the changes in the COP derivative compared to other currencies (PEN, CLP, MXN) are taken. These changes are monitored so that they remain consistent and stable during the term of the exchange exposure. Due to the accounting asymmetry that arises from measuring a hedging instrument (at fair value), against the hedged item (at amortized cost), movements may arise given certain market situations that could at times fail to meet the established efficiency percentage, but these differences are expected to level out over the long term. If the hedging relationship consistently presents a structural inefficiency, the corresponding percentage is classified to the Comprehensive Income accounts and in this case the respective hedging strategy is re-evaluated so as to achieve the desired effectiveness.

Sura Asset Management S.A.'s hedging relationships meet all the following hedge effectiveness requirements:

1.Economic relationship: For cash flow hedging, the depreciation (appreciation) of the Colombian peso would generate a negative (positive) value in LC on the hedged item, which are the dollar-denominated bonds issued by Sura Asset Management S.A. on the international markets. This same movement in Colombian pesos created an opposite economic effect on the hedging instrument, thereby offsetting the impact of currency volatility on the Company's profit and loss accounts.

2.Risk dominance: credit risk is not dominant in the hedging relationship and the estimated impact on the valuation of the hedge is 1.7%. It is important to note that all the counterparties of Sura Asset Management S.A.'s hedges currently have a superior credit rating.

3.Hedge ratio: This is calculated based on the monthly changes in hedging instruments (swaps) and the hedged items (exchange difference corresponding to the issued bonds). Both instruments move in the opposite direction, which offsets the effect of the exchange rate for both the notional amount of the debt of USD 790 M and for the hedging of this same amount.

Financial Risk Management Objectives

This risk strategy consists of having foreign exchange hedges covering the Company's debt instruments denominated in foreign currency (bonds issued in USD and net foreign investments denominated in CLP, MXN, PEN and UYU, this pursuant to our internal policies and our appetite for cash management risk within the framework of the Company's risk management function, thereby minimizing our exposure to macroeconomic fluctuations and their impact on our financial statements. Our exposure mainly consists of market, liquidity and credit risks, especially in terms of the exchange rate factor.

When a bond is issued in dollars, there is a market exchange rate risk exposure, due to the volatility with dollar rates against the currencies of all those countries where Sura Asset Management S.A. holds investments or from which it receives income, these being Mexico, Colombia, Peru, Chile and Uruguay. For this reason, different types of derivative hedging with forwards, futures, options, swaps, among others, were analyzed, with the Cross Currency Swap being finally selected.

Counterparty credit risk refers to the possibility of any failure to comply with the contractual obligations in favor of Sura Asset Management S.A., resulting in a financial loss for the Company. It was decided to place our hedging instruments with a syndicate in order to improve the handling and performance of such, for which we analyzed the financial and technical capacities of all those banks with which we intended to organize said syndicate, and selected all those institutions offering the highest creditworthiness and limiting the concentration of such hedges to maximum limits per entity, this based on fundamental security and liquidity criteria. The result was well-hedging arrangements with 4 international banks, all of which provided signed ISDA agreements.

Sura Asset Management S.A., also includes, when measuring the fair value of the hedging derivative, the corresponding risk premium, so as to reflect the counterparty or default risk, whether this favor or constitutes an obligation for Sura Asset Management S.A. The methodology for incorporating counterparty risk is described below:

Expected Loss Calculation Methodology

To calculate counterparty risk, the Expected Loss methodology is used, which has 3 components:

1.Potential Future Exposure (PFE)
2.Probability of Default (PD)
3.Recovery Rate (RR)

Expected Loss = Potential Future Exposure x Probability of Default x (1-Recovery Rate)

This calculation is carried out for each of the counterparties and per individual type of currency.

General Definitions

- Potential Future Exposure: This is defined as the maximum expected credit risk exposure during a specific period of time, this calculated with some level of confidence.
- Probability of Default: this is a credit rating measure that is granted for a contractual arrangement in order to estimate its probability of default within a 12-month period beginning on the date when the contract was signed. The Probability of Default used for calculating the Expected Loss calculation is for the entire term of the hedge.
- Recovery Rate: this is defined as the percentage of the risk exposure that is expected to be recovered in the event of default.

Potential Future Exposure (PFE) Calculation Methodology

PFE (Potential Future Exposure): This is the maximum expected credit exposure during a specific period of time, calculated with some level of confidence. In this case, the 90th percentile is taken into account.

A simulation of 10,000 scenarios is carried out and used to calculate the PFE. This is based on:

- The flows of the swaps broken down by counterparty and currency.
- The dollar exchange rates with respect to the hedged currencies.
- 10-yr risk-free rates for each of the countries whose currencies are hedged.
- For both the 2nd and 3rd items, a 5-year timeline is taken into account for calculating the corresponding volatility and correlation parameters.

Based on the above, the PFE is obtained through simulations with a 90% level of confidence.

Probability of Default (PD) Calculation Methodology

To obtain the PDs to be used to calculate counterparty risk exposure, the PDs and transition matrices published by Fitch Ratings for financial entities taken into account (Global Corporate Finance Transition and Default Study - Appendix: Global Corporate Finance Transition Matrices).

These transition matrices are used for estimating the probability of going from a score of "x" in period t to a score of "y" in the period t + 1. These probabilities are then refined and calibrated.

Using a Markov chain model, the states of issuers with a specific initial rating are calculated for different time horizons.

Recovery Rate Calculation Methodology

The RR (Recovery Rate) used was obtained from the Annual Emerging Markets Default Study published by Moody's. This rate is calculated as the weighted average per issuer in advanced / mature markets based on data pertaining to the period 1995-2019, as corresponds to the category "Non-securitized Senior Bonds for Advanced Markets".

Parameter updates

The PFE is updated every month, based on its latest values. However, the parameters obtained for Items 2 and 3 of the PFE Calculation Methodology are updated every year.

These updates of both the PD and the RR are carried out on a yearly basis, unless there is a significant change and a more frequent updates are required.

On the other hand, the risk ratings of the counterparties are updated annually, or whenever a previous update needs to be modified.

Liquidity risk management on the other hand was carried out based on a hedging cost analysis and identifying hedging portfolios that would provide maximum risk reduction by minimizing the cost of our hedging strategies, while maintaining a tolerable pressure on the Company's cash flow, capital structure and return on investments (dividends). Our financial planning and cash management initiatives, based on policies ensuring a permanent monitoring of our cash flow as well as working capital needs, guarantee adequate financial flexibility that minimizes the liquidity risk inherent to hedging costs.

2.4 Changes to accounting policies and the information to be disclosed

Standards and their new and/or amended interpretations

IFRS 16 - Leases

Sura Asset Management S.A. and Subsidiaries have applied for the first time certain standards and amendments to such that have come into full force and effect on January 1, 2020 or later. Sura Asset Management S.A. and Subsidiaries has not applied ahead of time any standard, interpretation or modification that although has been issued has not as yet become effective. The nature and impact of these amendments are described as follows:

Amendment to IFRS 16

Sura Asset Management SA, and Subsidiaries applied the amendment issued in May 2020 to IFRS 16 addressing the way to account for concessions made with regard to leasing contracts as a direct consequence of the COVID 19 pandemic, thereby providing a practical solution so that lessees can account for such rent concessions as if they were not lease modifications, as long as there is no substantial change to the terms and conditions of the lease agreement itself. Upon applying this amendment, rental reductions are not accounted for as if they were changes made to the corresponding lease agreement, but rather are charged to income for the period. If the reductions in lease payments extend beyond June 30, 2021, these would not fall within the scope of this practical solution.

2.5 Significant accounting estimates, assumptions and judgments

The preparation of these Consolidated Financial Statements required the use of estimates and assumptions. Using these estimates and assumptions affect the amounts of assets, liabilities and contingent liabilities on the date of the Statement of Financial Position as well as revenues and expenses for the year. Actual results could differ from those estimated. The determination of these estimates and assumptions is subject to internal control procedures and approvals and takes into account both internal and external studies, industry statistics, factors and trends affecting the business environment as well as legal and regulatory requirements.

Key forward-looking assumptions that could lead to a certain degree of uncertainty regarding the estimates made at the closing date, and which run a significant risk of entailing material adjustments to the book values of assets and liabilities the following year. Sura Asset Management S.A. based its assumptions and estimates on the parameters that were available upon drawing up its Consolidated Financial Statements. However, existing circumstances and assumptions made with regard to future events may undergo changes due to market fluctuations or circumstances that are beyond the Company's control. Our assumptions are then amended to reflect such change, when and if such change is produced.

The more significant accounting estimates and assumptions include DAC (See Note 26), DIL (See Note 37) and deferred tax (See Note 22), whose regulatory treatment has been mentioned in the previous notes.

DAC includes the main accounting estimates and assumptions made for the corresponding amortization period and the discount rate.

Accounting estimates, assumptions and judgments

The following are the key assumptions used to estimate the future pattern of all those variables existing at the reporting date and which carry a significant risk of causing a material adjustment to the value of assets and liabilities to be reported on the next financial statement given the uncertainty prevailing with such.

a) Valuation of Technical Reserves - Insurance Contracts (See Note 33)

Provisions for life insurance contracts are recognized on the basis of the best estimate assumptions. Also, like all insurance contracts, these are subject to annual liability adequacy tests, which reflects Senior Management´s best estimates of future cash flows. In the event these reserves prove to be insufficient, the assumptions used are updated and remain locked-in until the next review or until these prove insufficient, whichever occurs the earliest

As described in the section corresponding to Deferred Acquisition Costs, expenses are deferred and amortized over the lifetime of the contracts. In the event that the assumptions regarding future contractual profitability prove erroneous, the amortization of costs is accelerated with the corresponding impact on the income accounts for the period.

The main assumptions used in calculating provisions include mortality, morbidity and longevity rates, returns on investment, expenses, fund exit and collection as well as surrender and discount rates.

The assumptions corresponding to the mortality, morbidity and longevity rates are based on the standards of the local industry for each subsidiary and are adjusted to reflect the Company's own risk exposure, where applicable, and where there is sufficient historic information to perform an experience-based analysis that would alter industry estimates. The longevity assumptions are introduced through future improvement factors for mortality rates.

For assumptions regarding rates of return, the proceeds received from investments (assets underlying the technical reserves corresponding to insurance contracts) are taken into account these based on market conditions on the date the contract is entered into, while factoring in future expectations of changes to local economic and financial conditions in all those markets where the companies operate together with the Company's own investment strategy.

Expense assumptions are based on expenditure levels prevailing when the contracts are signed which are then adjusted for expected inflation increases, where applicable

Exit, collection and surrender rates are based on an analysis of the subsidiary´s own experience in terms of the product itself or the respective family of products.

Discount rates are based on current industry and market rates and adjusted for the subsidiary´s own risk exposure.

In the case of insurance contracts with savings components based on unit-linked fund units, obligations are determined based on the value of the assets underlying the provisions as well as those arising from the value of each of the funds containing sums pertaining to deposit policies.

b) Revaluation of property for own use (See Note 28)

Sura Asset Management S.A. and Subsidiaries record properties for their own use at fair value and any changes to such are recognized in other comprehensive equity.

Revaluation gains are directly recognized in Other Comprehensive Income and accumulate in the equity accounts as a revaluation surplus. This revaluation is calculated each year.

When the corresponding carrying value is decreased as a result of a revaluation, this decrease is recognized in the income accounts for the period. However, this decrease shall only be recognized in the other comprehensive income accounts to the extent of any credit balance existing in the revaluation surplus account with regard to the asset in question. The decrease recognized in other comprehensive income reduces the amount accruing as a revaluation surplus in the equity accounts.

The fair value of land and buildings is based on periodic appraisals carried out both internally as well as externally by outside qualified appraisers.

c) Fair value of financial instruments (See Note 19)

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be obtained from active markets, this is determined using valuation techniques including the discounted cash flow model cash. The information that appears in these models is taken from observable markets where possible, but if not, some judgment is required for determining the respective fair values. These judgments are made on the basis of certain data including liquidity and credit risk as well as volatility.

Investment properties are recognized at fair value. Any subsequent revaluation changes are recognized in the income accounts. At the time of their disposal, the difference between the selling price and the carrying amount is recognized in the income accounts.

The fair values of investment properties are determined based on assessments from qualified appraisers. All properties are appraised separately in periods of between three to five years.

d) Taxes (See Note 22)

There is a certain degree of uncertainty regarding the interpretation of complex tax regulations, changes to tax legislation and the 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 could arise between the actual results and the estimates and assumptions used, or these could well be subject to future changes. This may require future adjustments to be made to the taxable income and expense already recorded. The Company establishes provisions, based on reasonable estimates, to cover the possible consequences of any audits performed by the tax authorities of the respective counties in which it operates. The scope of these provisions is based on several factors, including the Company´s past experience with previous audits conducted by the tax authorities on the taxpayer entity.

These discrepancies in interpretation arise from a variety of issues, depending on the actual conditions of each jurisdiction where the subsidiaries operate.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. A significant amount of judgment is required from Senior Management to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

There is a certain degree of uncertainty regarding the interpretation of complex tax rules and regulations as well as their corresponding amendments.

Deferred tax on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets from investment properties that are measured using the fair value approach, Senior Management has reviewed the real estate belonging to Sura Asset Management S.A. and concluded that the aim of its business model is maintain these with a view to obtaining revenues in the form of property gains or lease income.

Therefore, in determining the Group's deferred tax on investment properties, Senior Management has determined that there are no grounds for rebutting the presumption regarding the book values corresponding to its investment properties measured using the fair value approach and that said book values shall be recovered through the sale of the property itself.

e) Provision for expected credit losses (See Note 19)

In order to determine any significant increase in an instrument´s credit risk, Sura Asset Management takes into account the book value of each instrument, the probability of default over the next 12 months, this based on the credit rating applicable to the financial instrument in question, and the percentage risk of non-payment based on its seniority so as to be able to determine the provision to be set up for expected credit losses.

In the case of its accounts receivable, Sura Asset Management uses the historical information made available by each company in calculating the impairment to the portfolio going forward together with historic information for past periods the amount of which should be sufficient to reflect client payment patterns, taking care to balance out the statistical sufficiency of such information and changes in client payment behavior.

f) Measuring employee benefits (See Note 34)

Measuring post-employment and long-term benefits and obligations is based on a wide variety of premises as well as actuarial assumptions regarding future long-term events. The projected credit unit method is used to determine the present value of the obligation for defined benefits and their associated costs. Future measurements of liabilities may vary significantly from those presented in the financial statements, given changes in economic and demographic assumptions and significant events, among other factors.

g) Impairment to goodwill (See Note 29)

Determining whether goodwill is impaired requires estimating the value in use of the cash generating units to which said goodwill has been allocated. This requires Senior Management to estimate the expected future cash flows from the cash-generating unit and an appropriate discount rate to calculate the present value of the aforementioned value in use. In the event of future real cash flows being lower than expected, an impairment loss could occur.

NOTE 3 - Standards issued pending implementation

Standards Issued Not Yet in Force

The standards and interpretations that have so far been published, but are not applicable as of the date of these financial statements are listed below. Sura Asset Management S.A. and Subsidiaries shall adopt these standards on the date they come into full force and effect, in accordance with the decrees issued by local authorities.

IFRS 17: Insurance Contracts

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for measuring, recognizing, presenting and disclosing insurance contracts. Once IFRS 17 enters into full force and effect it shall replace IFRS 4 - Insurance Contracts, as issued in 2005. IFRS 17 shall apply to all types of insurance contracts, regardless of the type of entities that issue these, as well as certain guarantees and financial instruments with discretionary participation features. This standard includes few exceptions.

The general objective of this standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Contrary to the requirements of IFRS 4, primarily aimed at protecting previous local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant issues. At the core of this standard is a general model, supplemented by:

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

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

Improvements Introduced 2018 - 2020

Amendments to IFRS 9, IAS 39 and IFRS 7: Benchmark interest rate reforms

These amendments provide a number of exemptions that apply to all hedging relationships that are directly affected by the reform made to benchmark interest rates. A hedging relationship is affected if the reform gives rise to uncertainty regarding the timing and / or amount of cash flows based on benchmark indexes from the hedged item or hedging instrument.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

Amendments to IAS 1: Classifications of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 specifying the requirements for classifying liabilities as current or non-current. These amendments clarified the following:

- The meaning of the right to defer the settlement of a liability.
- That the right to defer the settlement of the liability should exist at the end of the reporting period.
- That the classification is unaffected by the probability of an entity exercising its right to defer settlement of a liability; and
- That only if any derivative embedded in a convertible liability itself represents an equity instrument in itself, the terms of the liability would not affect its classification.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

Amendments to IFRS 3: Reference to the standard's conceptual framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The purpose of these amendments was to substitute the Reference to the Framework for Preparing and Presenting the Financial Statements, issued in 1989, with a Reference to the Conceptual Framework for Reporting Financial Information, issued in March 2018, without introducing any significant change to its requirements. The Board also added an exception to the recognition principle stipulated in IFRS 3 to avoid the problem of potential "day 2" gains or losses arising from liabilities and contingent liabilities, which would fall within the scope of IAS 37 or IFRIC 21 Liens, if incurred separately.

At the same time, the Board decided to clarify the existing IFRS 3 guidelines with respect to contingent assets that would not be affected by substituting the Reference to the Framework for Preparing and Presenting the Financial Statements.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

Amendments to IAS 16: Property, Plant and Equipment: Proceeds before intended use

In May 2020, the IASB issued IAS 16 - Property, Plant and Equipment - Proceeds Before Intended Use, which prohibits entities from deducting the cost of an item of property, plant and equipment, i.e., any revenue from the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by Senior Management. Instead, the entity should recognize the proceeds from the sale of such items and the costs incurred in their production in its income accounts.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity should include in estimating the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous or liable to produce losses.

These amendments state that a "directly related cost approach" should be applied. Costs that relate directly to a contract for providing goods or services include both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. General and administrative costs that are not directly related to the contract should be excluded unless these are explicitly attributable to the counterparty under the contract in question.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

Amendments to IFRS 1: First-Time Adoption of International Financial Reporting Standards

This amendment allows subsidiaries choosing to apply that set out in paragraph D16 (a) of IFRS 1 to measure cumulative exchange differences using the amounts reported by the controlling entity, based on the date on which said controlling entity transitioned to IFRS. This amendment also applies to associates or joint ventures that choose to apply paragraph D16 (a) of IFRS 1.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

Amendments to IFRS 9: Fees in the '10 percent' test for determining the derecognition of financial liabilities

This amendment clarifies the fees that entities include when assessing whether the terms of any new or amended financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on behalf of the other. Entities must apply this amendment to financial liabilities that are modified or exchanged as of the beginning of the annual period in which they first apply this amendment.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

IAS 41 Agriculture - Taxation in fair value measurements

As part of its annual improvements to the IFRS process for the period 2018 to 2020, the IASB issued an amendment to IFRS 41, Agriculture. This amendment eliminates the requirement stipulated in paragraph 22 of IAS 41 that requires entities to exclude tax cash flows when measuring the fair value of assets that fall within the scope of IAS 41.

The Company does not expect any significant impact as a result of this amendment; however, it is evaluating the impact that this could have on its financial statements.

NOTE 4 - Business Combinations (Goodwill)

2020:

In 2020, a business combination was carried out with the newly acquired Fiduciaria Sura S.A. (formerly Gestión Fiduciaria S.A.). This trust fund management firm was incorporated in Cali, Colombia and comes under the oversight of the Financial Superintendence of Colombia.

This acquisition was performed for the purpose of continuing to implement Sura Investment Management's strategy, so as to be able to expand its coverage to all those countries where investment products are created and distributed among its institutional clients as its main focus.

The accounting treatment for the business combination in question is in accordance with IFRS 3 as described below.

Definitions

- **Closing Date:** July 10, 2020, the date of the takeover by Sura Asset Management.
- **Sellers:** refers to the shareholders who sold the shares belonging to Fiduciaria Sura S.A. (formerly Gestión Fiduciaria S.A.) to the Sura companies.
- **Buyers**: refers to the Sura AM companies: Sura Investment Management Colombia S.A.S., Sura Asset Management S.A., Activos Estratégicos Sura AM Colombia S.A.S., Inversiones y Construcciones Estratégicas S.A.S (ICE) and the Suramericana Foundation (SF). Only the first 3 companies from part of Sura Asset Management's consolidation tree.
- **Fiduciaria Sura S.A. (FS) (formerly Gestión Fiduciaria S.A.)**: company subject of the business combination performed. This company comes under the oversight of Financial Superintendence of Colombia.

Background Information

On November 1, 2019 Sura Investment Management Colombia S.A.S. (SIM), Sura Asset Management S.A. (Sura AM), Activos Estratégicos Sura AM Colombia S.A.S. (Aes), Inversiones and Construcciones Estratégicas S.A.S (ICE)) and the Suramericana Foundation (SF) signed a bill of sale for the purchase of the entire amount of shares representing the share capital of Gestión Fiduciaria S.A., a trust company incorporated in Cali, Colombia, whose main purpose is to the enter into and perform all those acts, contracts, services and operations inherent to a trust fund management company, this subject to applicable legislation, especially that stipulated in Heading XI of Book Four of the Code of Commerce, Law 45 of 1923, Law 45 of 1990, Law 510 of 1999, Law 795 of 2003 and all those additional rules and regulations that should modify or supplement said provisions.

The Financial Superintendence of Colombia authorized this purchase/sale transaction on 06/19/2020, which was subsequently concluded on its respective Closing Date, namely July 10, 2020.

The Company's share capital, on said closing date came to 9,265,000* shares, distributed as follows among the shareholders:

Seller's Name	ID Document No.	% Stake
Alejandro Zaccour Urdinola	Colombian Citizen's ID No.: 16.746.976	0.00001%
Compañía Mercado de Capitales S.A.S.	TIN: 900113762 - 4	33.33332%
Inversiones Independientes Siglo XXI S.A.S.	TIN: 805014799 – 7	23.38314%
Olindo Reis de Oliveira	Colombian Citizen's ID No.: 194.562	9.95019%
Rienza S.A.S.	TIN: 805031220 - 7	33.33334%
Total		**100.00000%**

*According to the corresponding bill of sale, the share capital of Gestión Fiduciaria S.A. consisted of 9,000,000 fully subscribed and paid-in shares. However, between the dates on which the bill of sale was signed and when the transaction was finally completed (the takeover), the shareholders had to make a capital contribution in order to comply with the minimum capital requirements established by the Colombian Superintendency of Finance.

As a result, the number of shares at the closing date came to 9,265,000.

Change of Corporate Name:

On September 8, 2020, the name of this newly acquired subsidiary was changed from Gestión Fiduciaria S.A. to Fiduciaria Sura S.A. and duly filed before the Chamber of Commerce of Cali.
See registration document filed before the Chamber of Commerce of Cali.

Buyers

Sura established the buyers and corresponding stakes as follows:

Purchaser	No. of Shares	Percentage share
Sura Investment Management Colombia S.A.S.	**8,801,498**	**94.99728%**
Sura Asset Management S.A.	463,499	5.00269%
Activos Estratégicos Sura AM Colombia S.A.S.	1	0.00001%
Inversiones y Construcciones Estratégicas S.A.S.	1	0.00001%
Suramericana Foundation	1	0.00001%
Total shares and percentage stakes	**9,265,000**	**100.00000%**

Current regulations required at least 5 shareholders. Sura Investment Management Colombia S.A.S., Sura Asset Management S.A. and Activos Estratégicos Sura AM Colombia S.A.S. form part of Sura Asset Management's consolidation tree.

Based on the Company's business strategy and organizational structure, this new company now belongs to our Investment Management Business Unit; therefore, it was determined that Sura Investment Management Colombia S.A.S. would be the majority shareholder for this operation.

Capital contribution after the business combination (July 2020):

On July 22, Sura Asset Management S.A. capitalized Fiduciaria Sura S.A. in the amount of COP 2,020,479,409 Colombian pesos (USD 553 thousand), this broken down as follows:

Contribution to capital	-
Contribution to additional paid-in capital	553
Total	**553**

This changes the number of Company shares as follows:

Purchaser	Issue of shares.	% Stake
Sura Investment Management Colombia S.A.S.	**8,801,498**	**94.99728%**
Sura Asset Management S.A.	463,500	5.00269%
Activos Estratégicos Sura AM Colombia S.A.S.	1	0.00001%
Inversiones y Construcciones Estratégicas S.A.S.	1	0.00001%
Suramericana Foundation	1	0.00001%
Total shares and percentage stakes	**9,265,001**	**100.00000%**

It is worth noting that this capital contribution and the change to the % stakes held on the part of the buyers was not taken into account for the subsequent price adjustments that were made, since this was a transaction that took place after the date of the business combination. Therefore, this has been deducted from Fiduciaria Sura S.A.'s equity at the end of July so as to be able to calculated the corresponding goodwill.

Purchase price

In the bill of sale, the original price was set at COP 11,000 million Colombian pesos (USD 3.2 billion), subject to certain adjustments in accordance with compliance with certain clauses agreed upon in said agreement.

As of the Closing Date (07/10/2020), and based on the adjustment clause introduced, the price was then set at COP 11,015,245,330 Colombian pesos (USD 3,210 thousand), which was distributed among the buyers as follows:

Shareholder	% Stake	Stake (in USD thousands)
Sura Investment Management Colombia S.A.S.	94.99728%	3,049
Sura Asset Management S.A.	5.00269%	161
Activos Estratégicos Sura AM Colombia S.A.S.	0.00001%	-
Inversiones y Construcciones Estratégicas S.A.S.	0.00001%	-
Suramericana Foundation	0.00001%	-
Total stakes	**100.00000%**	**3,210**

This amount was partially paid, that is to say,

- COP 9,215,245,330 Colombian pesos (USD 2,685 thousand) directly to the sellers this based on their percentage stakes.
- COP 1,800,000,000 Colombian pesos (USD 524 thousand) deposited in escrow to Alianza Fiduciaria S.A., which will be held as collateral to indemnify certain possible obligating events after the Closing Date, and which are stipulated in the corresponding contract. The guarantee shall be released to the buyers progressively over a period of 3 years after the Closing Date.

Contingent payment price adjustment

The conditions for calculating a contingent payment are set forth in the purchase contract. This stipulates that upon reaching a level of income within a set period of 6 months before and 6 months after the closing date, the buyers would pay the sellers an additional sum, as shown below:

Income during calculation period (USD thousands)		Value to be paid (USD thousands)
More than	685	291
To	685	277
From	627	
To	627	262
From	568	
To	568	248
From	510	
To	510	233
From	452	

For the purpose of calculating income, the period between 01/01/2020 and 12/31/2020 was taken into account as the set period of time. At the end of 2020, income subject to this contingent payment amounted to COP 2,532 million Colombian pesos (USD 738 thousand), thereby reaching the maximum level of the contingent payment.

The buyers proceeded to recognize this contingent liability as follows:

Buyers	% Originally Stipulated	Contingent Payment Based on Level of Actual Income (USD Thousands)
Sura Investment Management Colombia S.A.S.	94.99728%	**277**
Sura Asset Management S.A.	5.00269%	**15**
Activos Estratégicos Sura AM Colombia S.A.S.	0.00001%	**-**
Inversiones y Construcciones Estratégicas S.A.S.	0.00001%	**-**
Suramericana Foundation	0.00001%	**-**
Total	**100.000%**	**292**

This contingent liability was recorded in the financial statements based on the percentage shares held on the Closing Date. This was subsequently settled in February 2021.

Net cash position price adjustment

The corresponding bill of sale lays out the terms and conditions for calculating the price adjustment based on the Company's net cash position, this measured 45 days after the Closing Date.

In accordance with this measurement, and based on the conditions stipulated in the Supplementary Agreement No.1, the buyers were obliged to make 2 adjustments to the price:

- The first resulted in favor of the sellers, this corresponding to an amount equal to a reimbursement from the Colombian Tax Authority (DIAN) for credit balances to which Fiduciaria Sura S.A. was entitled and had applied for in the months prior to this acquisition. The final amount to be paid came to COP 367,198,720 Colombian pesos (USD 106,977 thousand).
- The second price adjustment was in favor of the buyers, and consisted of a difference in the cash balance held, which came to COP 14,475,490 Colombian pesos (USD 4,217 thousand).

Upon offsetting both adjustments a total of COP 352,723,230 million Colombian pesos (USD 102,760 thousand) was produced in favor of the sellers, which would be provided as follows:

Buyers	% Contractually stipulated	Initial price incl. adjustment (USD thousands)	Price adjustment due on cash position clause (USD thousands)
Sura Investment Management Colombia S.A.S.	94.99728%	3,049	**98**
Sura Asset Management S.A.	5.00269%	161	**5**
Activos Estratégicos Sura AM Colombia S.A.S.	0.00001%	-	**-**
Inversiones y Construcciones Estratégicas S.A.S.	0.00001%	-	**-**
Suramericana Foundation	0.00001%	-	**-**
Total	**100.0000000%**	**3,210**	**103**

This adjustment was recognized based on the percentage shares held on the transaction's Closing Date.

Result of the Business Combination

Fiduciaria Sura's financial statements for July form the starting point for this business combination.

Under IFRS the Company showed the following balances in USD thousands as of July 31, 2020:

	USD
Assets	
Cash and cash equivalents	58
Investment portfolio	2,057
Accounts receivable, net	85
Current tax	152
Other assets	43
Right of Use Assets	11
Property, plant and equipment, net	18
Intangible assets	10
Deferred tax assets	209
Total assets	**2,643**
Liabilities and shareholders´ equity, net	
Liabilities	
Accounts payable	29
Right of use liabilities	12
Current tax liabilities	6
Employee benefits	38
Total liabilities	**85**
Equity	
Subscribed and paid-in capital	3,097
Other capital reserves	(450)
Net income for the year	(27)
Translation differences	(62)
Total equity	**2,558**
Total liabilities and shareholders' equity	**2,643**

Upon evaluating the business combination, no intangible assets were identified such as customer relationships, brands, or other items and therefore, the entire difference between the value paid and net assets has been allocated to Goodwill, as follows (USD thousands):

Value paid by the Sura companies	Down payment	Price adjustment		Total
		Contingent payment	Net cash	
Amount	3,209	291	103	3,603
Equity acquired (excluding July result's and Sura's capitalization)				2,223
Goodwill				**1,380**

Based on the policy currently governing the companies belonging to Sura Asset Management, impairment tests are performed at least at the end of each fiscal year, or more frequently when there are indications of impairment.

As part of the business combination, a valuation was performed on Fiduciaria Sura S.A., taking into account the economic projections for the business to be deployed from this vehicle. This valuation resulted in a value which was higher than its book value, thus confirming the goodwill obtained. This same exercise was carried out at the end of 2020 which determined the same level of goodwill.

Other relevant aspects relating to the accounting treatment of this business combination on a consolidated level include the following:

- The result of Fiduciaria Sura S.A. between January and June was recorded as retained earnings. The result between July and December shall form part of the results for the year (period in which the Company already held control over Fiduciaria Sura S.A.).
- Fiduciaria Sura S.A. is a company that comes under the oversight of the Colombian Superintendency of Finance. As such, it is governed by currently applicable International Financial Reporting Standards as approved by this entity. Upon evaluating its line items, it was not determined that adjustments should be to made to the Company's financial statements this in accordance with the policies upheld by Sura Investment Management Colombia S.A.S., except for those relating to IFRS 16, which are shown below.

Other relevant matters

Carve out:

As part of the negotiations that took place prior to purchasing this Company, due diligence was performed with the assistance of various outside consultancy firms (KPMG and the Posse Herrera law firm). As a result of this due diligence, part of the negotiations prior to closing the agreement entailed Fiduciaria Sura S.A. dispensing with certain portions of the business along with all those financial instruments that did not represent any value for Sura Asset Management (a carve out). These line items no longer formed part of the financial statements at the end of July.

Fixed assets:

As part of this acquisition, a physical inventory along with appraisals of fixed assets, mainly furniture, fixtures and computer equipment, were conducted. The result of this inventory confirmed that all those items that were recognized in books had then been passed into the possession of Fiduciaria Sura S.A. at the time when the acquisition took place. Furthermore, the external appraisal firm that was hired for this purpose, produced a value that was higher than the book values of these inventoried assets.
Senior Management decided not to include this higher value of the assets involved, since there is a high probability that said assets shall be renewed in the short term. On the other hand, this higher value is considered to be immaterial for financial statement purposes.

Lease agreements:

As of the date on which Fiduciaria Sura S.A. was taken over, it held just 1 lease contract that had been recognized under IFRS 16. This has been evaluated in the light of the policy established by Sura Asset Management, and the corresponding adjustments in terms of the discounted cash flow rate have been recognized in the Company's financial statements at year-end.

No business combinations were recognized in 2019.

NOTE 5 - Revenues from contracts with clients

5.1 Breakdown

Revenues obtained by Sura Asset Management S.A. and Subsidiaries from contracts with clients at year-end 2020 and 2019 are broken down as follows:

	Retirement Savings	Investment Management	Sura Investments	Corporate and Others	Total
Mandatory Pension Fund Management	544,364	-	-	-	544,364
Voluntary Pension Fund Management	-	16,265	22,266	-	38,531
Client portfolio management	-	37,485	4,395	-	41,880
Other revenues from contracts with clients	333	3,283	3,944	685	8,245
Total revenues from contracts with clients - 2020	**544,697**	**57,033**	**30,605**	**685**	**633,020**

	Retirement Savings	Investment Management	Sura Investments	Corporate and Others	Total
Mandatory Pension Fund Management	602,802	-	-	-	602,802
Voluntary Pension Fund Management	11,442	15,502	20,519	-	47,463
Client portfolio management	-	38,418	3,448	-	41,866
Other revenues from contracts with clients	(712)	2,883	2,011	2,289	6,471
Total revenues from contracts with clients - 2019	**613,532**	**56,803**	**25,978**	**2,289**	**698,602**

Revenues from contracts with clients on an individual country basis are shown as follows:

	Retirement Savings	Investment Management	Sura Investments	Corporate and Others	Total
Chile	182,098	25,875	12,290	685	220,948
Mexico	261,520	16,499	13,200	-	291,219
Peru	89,759	10,792	4,278	-	104,829
Uruguay	11,320	1,669	774	-	13,763
Colombia	-	1,970	-	-	1,970
Others*	-	228	63	-	291
Total revenues from contracts with clients - 2020	**544,697**	**57,033**	**30,605**	**685**	**633,020**

	Retirement Savings	Investment Management	Sura Investments	Corporate and Others	Total
Chile	203,558	30,446	9,821	2,289	246,114
Mexico	272,391	15,502	11,611	-	299,504
Peru	118,547	7,392	3,950	-	129,889
Uruguay	19,036	1,477	527	-	21,040
Colombia	-	1,774	-	-	1,774
Others*	-	212	69	-	281
Total revenues from contracts with clients - 2019	**613,532**	**56,803**	**25,978**	**2,289**	**698,602**

*El Salvador and Argentina.

Revenues from contracts with external clients for each individual country is shown in the table below:

	Mandatory Pensions	Investment Management	Savings and Investment	Corporate and Others	Total
External clients	544,696	56,478	30,606	685	632,465
Intercompany transactions (excluding subsidiaries)	-	555	-	-	555
Total revenues from contracts with clients - 2020	**544,696**	**57,033**	**30,606**	**685**	**633,020**

	Mandatory Pensions	Investment Management	Savings and Investment	Corporate and Others	Total
External clients	613,533	56,393	25,977	2,289	698,192
Intercompany transactions (excluding subsidiaries)	-	409	1	-	410
Total revenues from contracts with clients - 2019	**613,533**	**56,802**	**25,978**	**2,289**	**698,602**

Revenues are recognized as described in Note 2.3 Section q.

5.2 Balances due on contracts

	2020	2019
Balances due on contracts		
Accounts receivable from contracts with clients (See Note 20)	37,089	36,096
Accounts payable from contracts with clients (See Note 31)	26,524	31,412

Accounts receivable from contracts with clients include amounts expected to be received or pending payment in exchange for pension fund management fees and commissions charged. Accounts payable consist of pension payments to retirees given programmed withdrawals, temporary annuities, pensions covered by insurance and voluntary pension contributions.

NOTE 6 - Investment Income

Investment income obtained by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Revenues from investments backing insurance reserves		
Interest income and returns	18,778	22,326
(Losses) gains from exchange differences	(12,797)	11,935
Earnings from sale of investments	5,306	29,020
Lease income obtained from the Company's investment property	2,075	2,433
Other investment (expense) income - insurance	(1,422)	226
Total income from investments underpinning insurance reserves	**11,940**	**65,940**
Investment income		
Interest income and returns	942	6,126
(Losses) gains on exchange differences	(3,478)	7,207
Earnings from sale of investments	3,494	888
Lease income obtained from the Company's investment property	5	9
Other investment expense - insurance	(54)	(230)
Total investment income	**909**	**14,000**
Total investment income	**12,849**	**79,940**

Investment income for each individual country is shown as follows:

	Chile	Mexico	Peru	Colombia	Total
Total investment income - 2020	11,953	384	568	(56)	12,849
Total investment income - 2019	78,181	872	887	-	79,940

NOTE 7 - Gains and losses on assets at fair value, net

Gains and losses on assets at fair value at year-end 2020 and 2019 are shown below:

7.1 Revenues from legal reserve

Income from legal reserve is broken down as follows:

	2020	2019
Income from legal reserve	67,272	112,645
Total Revenues from legal reserve	**67,272**	**112,645**

Income from legal reserve for each individual country is broken down as follows:

	Mexico	Chile	Peru	Uruguay	Total
Total Revenues from legal reserve - 2020	26,111	23,076	15,492	2,593	67,272
Total Revenues from legal reserve - 2019	29,708	60,928	20,190	1,819	112,645

7.2 Gains and losses at net fair value

Gains and losses at fair value on assets held at year-end are shown on the Company's Other Comprehensive Income accounts along with the portion corresponding to the insurance margin and other items, as shown below:

Fair value gains from investments underpinning insurance reserves, net	2020	2019
Non-derivative financial instruments	32,715	58,518
Investment properties	1,711	822
Fair value gains from investments underpinning insurance reserves, net	**34,426**	**59,340**
Gains and losses at fair value, net		
Non-derivative financial instruments	(4,919)	358
Total (losses) gains at fair value, net	**(4,919)**	**358**
Total gains and losses on assets at fair value, net	**29,507**	**59,698**

Gains and losses on assets at fair value for each individual country are shown as follows:

	Chile	Others*	Total
Total gains on assets at fair value for 2020	29,444	63	29,507
Total gains on assets at fair value for 2019	58,525	1,173	59,698

* Peru and Colombia.

NOTE 8 - Revenues obtained from associates and joint ventures via the equity method

Sura Asset Management applies the equity method for its investments in associates and joint ventures, which at year-end 2020 were as follows:

Name of Associate	Main business activity	Place of incorporation and operations	% stake held and corresponding voting rights
Associate			
Fondo de Pensiones y Cesantías Protección S.A.	Pension and severance fund	Colombia	49.36%
Inversiones DCV S.A.	Shareholder register management services	Chile	34.82%

Name of Associate	Main business activity	Place of incorporation and operations	% stake held and correspondin g voting rights
Fondos de Cesantías Chile II	Pension and severance fund	Chile	29.40%
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%
Joint ventures			
Unión para la infraestructura SAS (UPI)	Consultancy services for managing investment funds dedicated to financing infrastructure projects	Colombia	50%
Unión para la infraestructura Perú S.A.C. (UPI Perú)	Consultancy services for managing investment funds dedicated to financing infrastructure projects	Peru	50%

Revenues obtained from these investments via the equity method are shown as follows:

Equity method			
Company applying the equity method	**Associate**	**2020**	**2019**
Sura Asset Management S.A.	Fondo de Pensiones y Cesantías Protección S.A.*	34,870	62,026
AFP Capital S.A.	Servicios de Administración Previsional S.A.	3,216	4,047
AFP Capital S.A.	Fondos de Cesantías Chile II	838	2,873
AFP Capital S.A.	Inversiones DCV S.A.	325	280
Sura Investment Management Colombia S.A.S.	Unión para la infraestructura S.A.S (UPI)	335	406
Sura Investment Management Colombia S.A.S.	Unión para la Infraestructura Perú S.A.C. (UPI Perú)	90	(240)
Total revenues via the equity method from associates and joint ventures, net		**39,674**	**69,392**

*For more information on investments in associates, please refer to Note 30

NOTE 9 - Other operating income

Other operating income at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Recovered provisions	3,116	6,979
Discounts on lease rentals	359	-
Income from leases and services	118	374
Earnings on sales of property, plant and equipment for own use	23	16
Other income	1,500	1,435
Total other operating income	**5,116**	**8,804**

Other operating income for each individual country is shown as follows:

	Chile	Mexico	Peru	Uruguay	Colombia	Total
Total other operating income - 2020	1,988	2,367	694	4	63	5,116
Total other operating income - 2019	3,473	4,029	950	309	43	8,804

NOTE 10 - Net Premiums

Net premiums obtained by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Life insurance contracts (written premiums)	166,647	208,907
Favorable experience dividend - FED	674	(35)
Total gross premiums	**167,321**	**208,872**
Life insurance contracts- reinsurers	(2,149)	(10,687)
Total net premiums	**165,172**	**198,185**

All net premiums were obtained in Chile

Note 2 Summary of Accounting Policies, Sections 2.3.a) and j) contain further details relating to insurance contracts and reinsurance arrangements.

NOTE 11 - Claims

The following is a breakdown of claim expense at year-end 2020 and 2019:

	2020	2019
Gross benefits and claims paid		
Life insurance contracts	(159,281)	(248,389)
Total gross benefits and claims paid	**(159,281)**	**(248,389)**
Requests assigned to reinsurers		
Life insurance contracts	2,034	10,631
Total claims ceded to reinsurers	**2,034**	**10,631**
Total claim expense, net	**(157,247)**	**(237,758)**

All claim expense was incurred in Chile

NOTE 12 - Changes to premium reserves, net

Changes to premium reserves at year end are shown in the following table:

	2020	2019
Direct		
Fund value reserve	(29,565)	(50,640)
Mathematical reserve	(3,607)	(6,115)
Ongoing Risk Reserve	830	1,581
Other technical reserves	2,428	993
Contingency reserve	219	139
Subtotal	**(29,695)**	**(54,042)**
Ceded		
Other technical reserves	(795)	(963)

	2020	2019
Ongoing Risk Reserve	(307)	(310)
Mathematical reserve	(1)	(22)
Subtotal	**(1,103)**	**(1,295)**
Net		
Fund value reserve	(29,565)	(50,640)
Mathematical reserve	(3,608)	(6,137)
Ongoing Risk Reserve	523	1,271
Other technical reserves	1,633	30
Contingency reserve	219	139
Total movements in premium reserves, net	**(30,798)**	**(55,337)**

Movements with regard to technical insurance reserves were all performed in Chile.

NOTE 13 - Operating, administrative and selling expense

Operating, administrative and selling expense for Sura Asset Management S.A. and Subsidiaries at year-end is broken down as follows:

Operating, administrative and selling expense

	2020	2019
Administrative and selling expense		
Personnel expense	(241,139)	(266,740)
Amortization of intangibles	(50,773)	(53,997)
Fees	(36,640)	(33,222)
Service providers	(20,030)	(20,119)
Contributions and membership fees	(19,325)	(19,154)
Maintenance and repairs	(16,430)	(14,527)
Depreciation on Right-of-Use Assets	(14,942)	(15,456)
Taxes and rates	(13,613)	(17,760)
Advertising and publicity	(10,563)	(15,602)
Depreciation on goods and personal property	(8,680)	(9,785)
Brokerage commissions	(7,782)	(9,335)
Safekeeping expense - securities	(5,888)	(5,691)
Licenses	(5,581)	(8,177)
Security and cleaning expense	(5,469)	(5,101)
Operating financial expense	(5,202)	(1,706)
Public utilities	(5,089)	(9,610)
Medical expense	(2,951)	(2,630)
Donations	(2,769)	(871)
Insurance policies	(2,043)	(1,341)
Publications and subscriptions	(2,022)	(3,712)
Rebates paid	(1,744)	(2,499)
Assumed taxes	(1,495)	(1,659)
Electronic data processing	(1,344)	(1,468)
Public relations	(1,320)	(2,104)
Traveling expense	(1,248)	(5,025)
Leases	(1,148)	(3,318)
Transport, haulage and freight charges	(857)	(1,248)

	2020	2019
Administrative and selling expense		
Collection expense	(779)	(498)
Impairment to financial assets	(741)	(353)
Stationery and office supplies	(553)	(1,117)
Legal expense	(521)	(536)
Client service expense	(166)	(271)
Other operating expense *	(13,208)	(11,207)
Total administrative and selling expense	**(502,055)**	**(545,839)**
Deferred acquisition costs (DAC)		
Capitalized Deferred Acquisition Costs (DAC)	54,783	65,765
Amortized Deferred Acquisition Costs (DAC)	(48,804)	(60,211)
Total Deferred Acquisition Costs (DAC)	**5,979**	**5,554**
Wealth tax		
Wealth tax	(129)	(123)
Total wealth tax	**(129)**	**(123)**
Total operating and administrative expense	**(496,205)**	**(540,408)**

*Including investment platform expense

Operating expense for each individual country is shown as follows:

	Chile	Mexico	Peru	Uruguay	Colombia	Others*	Total
Total operating and administrative expense - 2020	(186,514)	(183,583)	(80,052)	(14,499)	(31,038)	(519)	(496,205)
Total operating and administrative expense - 2019	(209,483)	(198,562)	(80,642)	(16,263)	(34,855)	(603)	(540,408)

* El Salvador and Argentina

NOTE 14 - Financial income

Financial income at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Financial interest income	9,462	14,600
Earnings from sales of investments	300	478
Other financial income	678	898
Net financial income	**10,440**	**15,976**

The following is a breakdown of financial income on an individual country basis:

	Chile	Mexico	Peru	Uruguay	Others*	Total
Total financial income - 2020	4,221	2,442	2,233	722	822	10,440
Total financial income - 2019	9,811	2,427	1,973	961	804	15,976

* Including El Salvador and Colombia.

NOTE 15 - Financial expense

Financial expense at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Financial interest expense	(59,856)	(65,055)
Interest expense on Right-of-Use liabilities	(2,932)	(3,636)
Commissions and other financial expense	(1,945)	(2,661)
Profit (loss) on the sale of investments	484	(84)
Total financial expense	**(64,249)**	**(71,436)**

Financial expense for each individual country is broken down as follows:

	Chile	Mexico	Peru	Colombia	Others*	Total
Total financial expense - 2020	(862)	(2,230)	(781)	(60,293)	(83)	(64,249)
Total financial expense - 2019	(1,835)	(2,585)	(1,394)	(65,508)	(114)	(71,436)

* Uruguay and Argentina.

NOTE 16 - Derivative income (expense), net

	2020	2019
Derivative income	5,153	91
Derivative expense	(1,746)	(844)
Total derivative income (expense), net	**3,407**	**(753)**

Derivative income and expense, corresponding to the years 2020 and 2019, for each individual country is broken down as follows:

	Colombia	Chile	Total
Total derivative income (expense) - 2020	3,655	(248)	3,407
Total derivative income (expense) - 2019	(760)	7	(753)

NOTE 17 - Income from exchange differences, net

Exchange differences at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Expense on exchange differences	(142,620)	(76,759)
Income from exchange differences	134,458	111,572
Total (expense) income from exchange differences, net	**(8,162)**	**34,813**

Exchange differences for each individual country are broken down as follows:

	Colombia	Chile	Peru	Mexico	Others*	Total
Total income (expense) from exchange differences - 2020	(7,590)	(5,226)	2,364	1,364	926	(8,162)
Total income (expense) from exchange differences - 2019	(11,864)	45,448	(200)	910	519	34,813

* Uruguay and Argentina.

Exchange rates are discussed in Note 2.3 Section (n).

NOTE 18 - Cash and cash equivalents

Cash and cash equivalents for Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Banks	150,550	41,926
Cash	153,051	211,715
Restricted cash	894	847
Cash and cash equivalents	**304,495**	**254,488**

Cash and cash equivalents for each individual country at year-end 2020 and 2019 are broken down as follows:

	Chile	Mexico	Colombia	Peru	Others*	Total
Cash and cash equivalents - 2020	204,594	71,257	16,758	11,448	438	304,495
Cash and cash equivalents - 2019	160,095	73,882	10,237	9,747	527	254,488

* Uruguay, El Salvador and Argentina

Restricted cash at December 31, 2020:

Restricted cash 2020	Amounts subject to restrictions	Restriction description	Date on which restriction was lifted	Country
Bank deposits				
Banco Interactive Brokers (Investment Account) ME I1652772	866	Commission-related hedge funds - Foreign Brokerage Firm	Ongoing	Peru
Banco de La Nación (Tax Drawdown Account) M.N 00005171466	28	Funds used solely to pay taxes to the SUNAT Tax Authorities	Ongoing	Peru
Total restricted cash - 2020	**894**			

Restricted cash at December 31, 2019:

Restricted cash 2019	Amounts subject to restrictions	Restriction description	Date on which restriction was lifted	Country
Bank deposits				
Banco Interactive Brokers (Investment Account) ME I1652772	746	Commission-related hedge funds - Foreign Brokerage Firm	Ongoing	Peru
Banco de La Nación (Tax Drawdown Account) M.N 00-005-171466	101	Funds used solely to pay taxes to the SUNAT Tax Authorities	Ongoing	Peru
Total restricted cash - 2019	**847**			

NOTE 19 - Financial assets and liabilities

19.1 Financial assets

The balance of the financial asset account for Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Investment portfolio	2,565,356	3,220,035
Accounts receivable (Note 20)	110,009	101,139
Reinsurance assets (Note 21)	991	6,437
Hedging assets (Note 23.1)	74,976	75,163
Total financial instrument assets	**2,751,332**	**3,402,774**

The classification of financial assets at year-end 2020 and 2019 is as follows:

	2020	2019
Financial instruments at amortized cost		
Investments	403,407	1,165,737
Accounts receivable (Note 20)	110,009	101,139
Reinsurance assets (Note 21)	991	6,437
Total financial instrument assets at amortized cost	**514,407**	**1,273,313**
Financial instruments at fair value through profit or loss		
Investments	2,153,719	2,050,472
Total financial instrument assets at fair value through profit or loss	**2,153,719**	**2,050,472**
Financial instruments at fair value through Other Comprehensive Income		
Investments	8,230	3,826
Hedging assets (Note 23.1)	74,976	75,163
Total financial instrument assets at fair value through Other Comprehensive Income	**83,206**	**78,989**
Total financial instrument assets	**2,751,332**	**3,402,774**

The following is a breakdown of the investment portfolios held:

Type of security	Currency	2020	2019
Fixed Income	USD	302,665	256,823
	Local currency	879,411	1,587,897
	Others	302	83,416
Equity	USD	399,399	242,570
	Local currency	983,579	1,049,329
Total investment portfolio		**2,565,356**	**3,220,035**

The balance of the financial assets held at year-end 2020 and 2019, which classify as current and non-current, is broken down as follows:

	2020	2019
Investments	1,235,177	1,979,747
Accounts receivable	569	531
Reinsurance assets	1	2
Hedging assets	74,976	75,163
Non-current financial instruments	**1,310,723**	**2,055,443**
Investments	1,330,179	1,240,288
Accounts receivable	109,440	100,608
Reinsurance assets	990	6,435
Current financial instruments	**1,440,609**	**1,347,331**
Total financial instrument assets	**2,751,332**	**3,402,774**

Financial assets for each individual country at year-end 2020 and 2019 are broken down as follows:

	Chile	Mexico	Peru	Uruguay	Colombia	Others*	Total
Financial instruments at amortized cost							
Investments	397,494	-	17	5,786	-	110	403,407
Accounts receivable (Note 20)	76,850	7,797	10,357	3,458	11,505	42	110,009
Reinsurance assets (Note 21)	991	-	-	-	-	-	991
Total financial instrument assets at amortized cost	**475,335**	**7,797**	**10,374**	**9,244**	**11,505**	**152**	**514,407**
Financial instruments at fair value through profit or loss							
Investments	1,649,769	234,356	238,225	25,895	5,474	-	2,153,719
Total financial instrument assets at fair value through profit or loss	**1,649,769**	**234,356**	**238,225**	**25,895**	**5,474**	**-**	**2,153,719**
Financial instruments at fair value through Other Comprehensive Income							
Investments	3,848	-	4,382	-	-	-	8,230
Hedging assets (Note 23.1)	-	-	-	-	74,976	-	74,976
Total financial instrument assets at fair value through Other Comprehensive Income	**3,848**	**-**	**4,382**	**-**	**74,976**	**-**	**83,206**
Total financial instrument assets - 2020	**2,128,952**	**242,153**	**252,981**	**35,139**	**91,955**	**152**	**2,751,332**

* El Salvador and Argentina

	Chile	Mexico	Peru	Uruguay	Colombia	Others*	Total
Financial instruments at amortized cost							
Investments	397,244	758,165	7	10,140	-	181	1,165,737
Accounts receivable (Note 20)	70,130	13,090	12,768	4,509	598	44	101,139
Reinsurance assets (Note 21)	6,437	-	-	-	-	-	6,437
Total financial instrument assets at amortized cost	**473,811**	**771,255**	**12,775**	**14,649**	**598**	**225**	**1,273,313**
Financial instruments at fair value through profit or loss							
Investments	1,504,404	240,137	273,199	21,490	11,242	-	2,050,472
Total financial instrument assets at fair value through profit or loss	**1,504,404**	**240,137**	**273,199**	**21,490**	**11,242**	**-**	**2,050,472**
Financial instruments at fair value through Other Comprehensive Income							
Investments	3,826	-	-	-	-	-	3,826
Hedging assets (Note 23.1)	-	-	-	-	75,163	-	75,163
Total financial instrument assets at fair value through Other Comprehensive Income	**3,826**	**-**	**-**	**-**	**75,163**	**-**	**78,989**
Total financial instrument assets - 2019	**1,982,041**	**1,011,392**	**285,974**	**36,139**	**87,003**	**225**	**3,402,774**

* El Salvador and Argentina

Fair value of assets not carried at fair value

The methodologies and assumptions used to determine the fair values of financial instruments not recorded at fair value in the financial statements (i.e., at amortized cost as well as loans and accounts receivable) are broken down as follows:

Assets whose fair value is approximated to their book values

For short-term financial assets (maturing in less than three months), demand deposits and savings accounts without no specific maturity, the carrying amounts in books are approximated to their fair value. In the case of other equity instruments, adjustments are also made to reflect the change in the required credit spread, given the fact that these instruments are initially recognized.

The book values of short-term receivables, which are measured at their amortized cost, are approximated to their fair value.

Financial instruments at agreed rates

The fair value of fixed-income assets valued at amortized cost is calculated by comparing the market interest rates used for their initial recognition with current market rates for similar financial instruments. The estimated fair value of term deposits is based on discounted cash flows using current money market interest rates as well as those applicable to debt securities carrying similar risks and maturities.

The book values of financial assets at fair value through profit and loss for year-end 2020 and 2019 were adjusted to reflect their fair values.

Fair Value Hierarchy

Financial assets and liabilities carried at fair value by Sura Asset Management S.A. and Subsidiaries are classified based on a fair value hierarchy, as shown below:

Level 1 - Prices listed on active markets

Inputs for Level 1 consist of unadjusted prices listed on active markets for identical assets and liabilities. An active market is one in which transactions for the asset or liability in question occur frequently providing sufficient volume on which to provide pricing information.

Level 2 - Modeling with input data from observable markets

Level 2 inputs are those other than quoted prices belonging to Level 1 that are observable for the asset or liability in question, either directly or indirectly. Inputs for Level 2 include:

- Listed prices for similar assets or liabilities on active markets;
- Listed prices for identical or similar assets or liabilities on inactive markets; and
- Input data other than listed prices, i.e., interest or exchange rates.

Level 3 - Modeling with unobservable inputs

Inputs for Level 3 are unobservable for the asset and liability in question. These can be used to determine fair value when observable inputs are not available. These valuations reflect assumptions that the business unit takes into account based on other market players, i.e., yields for non-listed shares. Most financial assets and liabilities are measured using observable inputs (Level 1). Sura Asset Management S.A. and Subsidiaries have no financial assets or liabilities measured using unobservable input (Level 3).

The financial assets of Sura Asset Management S.A. and Subsidiaries, at year-end 2020 and 2019 are classified as follows on the fair value hierarchy

	Level 1	Level 2	Level 3	Subtotal	Amortized cost	Total
Investments	11,624	2,142,095	8,230	**2,161,949**	403,407	**2,565,356**
Accounts receivable (Note 20)	-	-	-	**-**	110,009	**110,009**
Reinsurance assets (Note 21)	-	-	-	**-**	991	**991**
Hedging assets (Note 23.1)	-	74,976	-	**74,976**	-	**74,976**
Total financial assets - 2020	**11,624**	**2,217,071**	**8,230**	**2,236,925**	**514,407**	**2,751,332**
Investments	8,401	2,036,174	9,723	**2,054,298**	1,165,737	**3,220,035**
Accounts receivable (Note 20)	-	-	-	**-**	101,139	**101,139**
Reinsurance assets (Note 21)	-	-	-	**-**	6,437	**6,437**
Hedging assets (Note 23.1)	-	75,163	-	**75,163**	-	**75,163**
Total financial assets - 2019	**8,401**	**2,111,337**	**9,723**	**2,129,461**	**1,273,313**	**3,402,774**

The following are the movements recorded in the financial asset account at year-end 2020 and 2019:

a) **Financial assets at amortized cost**

	Investments	Accounts receivable (Note 20)	Reinsurance assets (Note 21)	Total
At January 01, 2019	**1,149,289**	**141,520**	**7,128**	**1,297,937**
Additions	129,626	359,978	15,552	505,156
Net returns on financial assets	71,700	-	-	71,700
Write-offs	(180,060)	(403,090)	(16,243)	(599,393)
Impairment	(132)	(196)	-	(328)
Exchange differences	(4,686)	2,927	-	(1,759)
At year-end 2019	**1,165,737**	**101,139**	**6,437**	**1,273,313**
Additions	(617,375)	7,961,682	2,977	7,347,284
Net returns on financial assets	28,886	135	-	29,021
Write-offs	(105,238)	(7,956,370)	(8,219)	(8,069,827)
Impairment	(808)	67	-	(741)
Reclassified non-current assets held for sale	(7,072)	-	-	(7,072)
Exchange differences	(60,723)	3,356	(204)	(57,571)
At year-end 2020	**403,407**	**110,009**	**991**	**514,407**

b) **Assets at fair value through profit or loss**

	Investments
At January 01, 2019	**1,927,516**
Additions	1,920,834
Net valuations of financial assets	177,407
Write-offs	(1,883,580)
Exchange differences	(91,705)
At year-end 2019	**2,050,472**
Additions	3,079,000
Net valuations of financial assets	99,860
Write-offs	(3,134,079)
Exchange differences	58,466
At year-end 2020	**2,153,719**

c) **Assets at fair value through Other Comprehensive Income**

	Investments
At January 01, 2019	**4,452**
Net valuations of financial assets	(320)
Exchange differences	(306)
At year-end 2019	**3,826**

Additions	4,106
Net valuations of financial assets	(209)
Returns	433
Exchange differences	74
At year-end 2020	**8,230**

d) **Financial instruments designated as hedging instruments**

	Cash flow hedging assets (Note 23.1)	Foreign investment hedging assets (Note 23.1)	Total hedging assets (Note 23.1)
At January 01, 2019	**78,488**	**(26,264)**	**52,224**
Net valuations of financial assets (Note 16)	6,595	-	6,595
Valuations on changes through Other Comprehensive Income	31,485	(20,249)	11,236
Hedging costs	5,516	-	5,516
Exchange differences	(27,764)	27,356	(408)
At year-end 2019	**94,320**	**(19,157)**	**75,163**
Net valuations of financial assets (Note 16)	33,231	-	33,231
Valuations on changes through Other Comprehensive Income	(9,898)	(16,739)	(26,637)
Hedging costs	(3,155)	-	(3,155)
Exchange differences	(5,130)	1,504	(3,626)
At year-end 2020	**109,368**	**(34,392)**	**74,976**

19.2 Financial liabilities

The financial liabilities held by Sura Asset Management S.A. and Subsidiaries, including accounts payable at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Financial liabilities at amortized cost		
Issued bonds (Note 38)	851,751	850,511
Financial obligations (Note 32)	150,151	184,968
Accounts payable (Note 31)	213,520	136,294
Total other financial liabilities at amortized cost	**1,215,422**	**1,171,773**
Financial liabilities at fair value through profit or loss		
Hedging liabilities (Note 23.2)	-	5,224
Total financial liabilities at fair value through profit or loss	**-**	**5,224**
Total financial liabilities	**1,215,422**	**1,176,997**

The following is a breakdown of financial liabilities on an individual country basis:

	Chile	Mexico	Peru	Colombia	Other countries*	Total
Issued bonds (Note 38)	-	-	-	851,751	-	851,751
Financial obligations (Note 32)	2,491	-	-	147,660	-	150,151
Accounts payable (Note 31)	172,260	20,369	18,897	1,549	445	213,520
Total financial liabilities - 2020	**174,751**	**20,369**	**18,897**	**1,000,960**	**445**	**1,215,422**

* “Other Countries” include El Salvador, Uruguay and Argentina

	Chile	Mexico	Peru	Colombia	Other countries*	Total
Issued bonds (Note 38)	-	-	-	850,511	-	850,511
Financial obligations (Note 32)	429	-	-	184,539	-	184,968
Accounts payable (Note 31)	89,182	19,208	20,476	6,530	898	136,294
Hedging liabilities (Note 23.2)	-	-	-	5,224	-	5,224
Total financial liabilities - 2019	**89,611**	**19,208**	**20,476**	**1,046,804**	**898**	**1,176,997**

* “Other Countries” include El Salvador, Uruguay and Argentina

Financial liabilities and accounts payable are classified based on their maturities, as shown below

	2020	2019
Financial liabilities at amortized cost		
Issued bonds	851,751	850,511
Financial obligations	26,811	427
Hedging liabilities	-	5,224
Total non-current financial liabilities	**878,562**	**856,162**
Financial obligations	123,340	184,541
Accounts payable	213,520	136,294
Total current financial liabilities	**336,860**	**320,835**
Total financial liabilities	**1,215,422**	**1,176,997**

The maturities and description of the financial obligations held by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are as follows:

	Interest rate	Maturing in	2020	2019
Non-current financial liabilities				
BBVA Colombia S.A.	3.9%	2022	15,878	-
Banco de Bogotá S.A.	3.2%	2022	10,342	-
Total bank loans			**26,220**	**-**
Security deposits	0.00%	2022	591	427
Total security deposits			**591**	**427**
Total non-current financial liabilities			**26,811**	**427**

	Interest rate	Maturing in	2020	2019
Current financial liabilities				
Bancolombia S.A.	2.84%	2021	29,133	-
Bancolombia S.A.	2.97%	2021	29,133	-

	Interest rate	Maturing in	2020	2019
Citibank Colombia S.A.	4.00%	2021	21,996	-
Banco de Bogotá S.A.	1.86%	2021	40,787	-
BBVA Colombia S.A.	7.70%	2020	-	10,628
Bancolombia S.A.	4.87%	2020	-	76,286
Bancolombia S.A.	4.99%	2020	-	10,833
Bancolombia S.A.	5.27%	2020	-	35,092
Citibank Colombia S.A.	5.35%	2020	-	6,103
Citibank Colombia S.A.	5.00%	2020	-	9,154
Citibank Colombia S.A.	5.27%	2020	-	35,092
Bank loan current credit - AFP Capital	0.00%	2020	1,526	2
Bank loan current credit - AGF	0.00%	2021	374	-
Interest on financial obligations		2021	391	1,351
Total bank loans			**123,340**	**184,541**
Total current financial liabilities			**123,340**	**184,541**
Total financial obligations			**150,151**	**184,968**

The maturities of the financial obligations held at year-end 2020 and 2019 are shown as follows:

Obligation	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Long term bank loans	-	26,220	-	-	26,220
Long term security deposits	-	241	90	260	591
Short term bank loans	123,340	-	-	-	123,340
Total 2020	**123,340**	**26,461**	**90**	**260**	**150,151**

Obligation	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Long term security deposits	-	-	-	427	427
Short term bank loans	184,541	-	-	-	184,541
Total - 2019	**184,541**	**-**	**-**	**427**	**184,968**

Financial liabilities whose fair value is approximated to their book values

For short-term financial liabilities, their carrying amounts in books are approximated to their fair values.

All long-term financial liabilities, that are measured and amortized at cost, consist of loans bearing variable interest rates, except for two loans that were negotiated with a fixed interest rate in Colombia.

In the case of loans bearing variable interest rates, their book values are reasonable approximations to their fair values. As for loans bearing fixed interest rates, market interest rates for similar loans do not vary to any significant degree, and therefore their book values consist of reasonable approximations to their fair values.

Changes to liabilities arising from financing activities (amendment to IAS 7)

	Financial obligations	Issued bonds	Obligations - derivatives	Lease liabilities	Total debt
Opening Balance - January 1, 2020	**184,968**	**850,511**	**5,224**	**49,578**	**1,090,281**
New loans	460,960	-	-	-	460,960
Cancellations and write-offs	(484,971)	-	(6,413)	(18,730)	(510,114)
Accrued interest	18,624	41,271	-	2,932	62,827
Interest paid	(19,343)	(39,594)	-	-	(58,937)
Additions	-	-	-	4,659	4,659
Fair value through profit and loss	-	-	1,746	-	1,746
Unrealized exchange differences	21	2,394	-	579	2,994
Unrealized exchange differences (efficacy)	-	32,858	-	-	32,858
Currency translation effect	(10,108)	(35,689)	(557)	(1,912)	(48,266)
At year-end 2020	**150,151**	**851,751**	**-**	**37,106**	**1,039,008**

NOTE 20 - Accounts receivable

Accounts payable at year-end 2020 and 2019 for Sura Asset Management S.A. and Subsidiaries are broken down as follows:

	2020	2019
Accounts receivable due on Mandatory Pension business	4,542	3,002
Accounts receivable due on contracts with clients (See Note 5)	37,089	36,096
Accounts receivable due on insurance business	7,836	11,888
Accounts receivable due on fund management business	5,009	978
Accounts receivable from personnel	1,062	4,089
Commissions, leases and related parties	2,352	420
Other accounts receivable	54,470	47,564
Subtotal - accounts receivable	**112,360**	**104,037**
Impairment	(2,351)	(2,898)
Total accounts receivable, net	**110,009**	**101,139**

Accounts receivable for each individual country at year-end 2020 and 2019 are broken down as follows

	Chile	Mexico	Peru	Uruguay	Colombia	Others*	Total
Total accounts receivable - 2020	76,849	7,797	10,357	3,458	11,505	43	110,009
Total accounts receivable - 2019	70,130	13,090	12,768	4,509	598	44	101,139

*El Salvador and Argentina.

The aging of accounts receivable for 2020, is as follows:

Country	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Chile	76,849	-	-	-	76,849
Mexico	7,797	-	-	-	7,797
Peru	10,357	-	-	-	10,357

Country	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Uruguay[1]	2,889	-	-	569	3,458
Colombia	11,505	-	-	-	11,505
*Others	43	-	-	-	43
Total accounts receivable - 2020	**109,440**	**-**	**-**	**569**	**110,009**

The aging of accounts receivable for 2020, is as follows:

Country	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Chile	70,130	-	-	-	70,130
Mexico	13,090	-	-	-	13,090
Peru	12,768	-	-	-	12,768
Uruguay[1]	3,979	-	-	531	4,510
*Others	641	-	-	-	641
Total accounts receivable - 2019	**100,608**	**-**	**-**	**531**	**101,139**

[1]The balance shown over the last 5 years in Uruguay corresponds to security deposits held with the Uruguayan Central Bank.

Changes to the provision for accounts receivable for the years 2020 and 2019 are shown as follows:

	2020	2019
Total Opening Balance	**(2,898)**	**(3,557)**
Write-offs	354	667
Decreases (increases) in the receivables provision	67	(196)
Exchange differences through profit and loss	126	188
Closing balance	**(2,351)**	**(2,898)**

NOTE 21 - Reinsurance assets

Reinsurance assets at year-end 2020 and 2019 for Sura Asset Management S.A. and Subsidiaries are broken down as follows:

	2020	2019
Reinsured insurance contracts	991	6,437
Total reinsurance assets	**991**	**6,437**

Total reinsurance receivables for the years 2020 and 2019 were only obtained in Chile

The insurance companies belonging to Sura Asset Management S.A. have transferred part of the risk of their insurance contracts to reinsurance companies so as to be able to share possible future claims.

Sura Asset Management S.A. and Subsidiaries classify their reinsurance contracts, based on their individual features, given the extent of the major risk covered Sura Asset Management S.A. and Subsidiaries consider all claims arising from ceded reinsurance contracts as net contractual rights on the part of the cedent as stipulated in the corresponding reinsurance contracts.

Impairment to reinsurance assets

When recognizing ceded reinsurance assets as part of an insurance contract, the insurance companies belonging to Sura Asset Management S.A. reduce their book values and recognize any impairment loss, if applicable, in the income accounts.

Reinsurance assets are assessed for impairment on a regular basis so as to be able to detect any circumstance that could cause an impairment to such. Impairment triggers may include legal disputes with third parties, changes to the Company's capital and capital surplus levels, changes to counterparty credit ratings as well as historical experience based on collection statistics with specific reinsurers. In the case of the insurance companies belonging to Sura Asset Management S.A. no impairment was recorded to their reinsurance assets.

NOTE 22 - Taxes

Sura Asset Management S.A. and Subsidiaries offset tax assets and liabilities only if it has a legally enforceable right to do so with current and deferred income tax assets and liabilities as provided by the respective tax authorities.

Current tax assets and liabilities, as shown below, correspond to the income tax required by the tax authorities in each country where Sura Asset Management S.A.'s Subsidiaries operate.

Deferred tax assets correspond mainly to tax losses in the countries of the acquired entities, which can be offset against future taxable income and temporary differences between tax and book income.

Deferred tax liabilities correspond mainly to taxable temporary differences arising between the tax base and the book value for each of the subsidiaries.

Deferred tax liabilities also include the intangibles identified with the purchase of the ING companies during the period and the temporary differences in measuring and recognizing DAC and DIL, which are not recognized locally in the countries where the acquired companies operate.

Deferred income tax

Deferred income tax is recognized using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their respective book values at the end of the reporting period in question.

Deferred tax assets are recognized for all deductible temporary differences and the future offsetting of non-used tax credits and losses, to the extent that it is probable that there shall be available future taxable income against which these tax credits or tax losses are to be offset except:

When the deferred tax asset corresponding to the temporary difference arises from the initial recognition of an asset or liability in a transaction that does not constitute a business combination and, at the time of the transaction in question, affects neither book profits nor taxable profits or losses.

With respect to deductible temporary differences relating to investments in subsidiaries, associates and interests in joint ventures, the deferred tax assets are recognized only to the extent that it is probable that the temporary differences shall be reversed in the near future and it is probable that there shall be available future taxable profits against which these deductible temporary differences can be offset.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period, reducing these to the extent that it is no longer probable that there is sufficient taxable income to allow for all or a portion of those assets to be used. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it becomes probable that future taxable income shall allow for those assets to be recovered.

For further information regarding tax rates, please refer the section dealing with the conciliation of effective rates.

Chile

The amount of tax due as determined by the subsidiaries of Sura AM Chile at year-end 2020 and 2019, differs from that recorded in books for said years, given permanent differences such as the percentage of revenues due from subsidiaries and associates, annual adjustments for inflation, non-deductible expense, as well as temporary differences from provisioned expense that are gradually reduced until they are entirely paid off. At year-end 2020 and 2019, tax profits or losses were determined by the different subsidiaries.

Disallowed expense must be calculated taking into account a penalty tax equivalent to 40% of the total amount of said expense, and if such expenses are attributable to a shareholder, a surtax of 10% is applied.

On February 24, 2020, Law No. 21.210 as published in the Chilean Official Gazette, modernized the tax system, establishing a single taxation system for companies calculating their taxable income using the effective income system, with this applying to all Sura Asset Management subsidiaries in Chile.

A taxpayer ombudsman's office (DEDECON) was created to protect taxpayers' rights.

A transitory rule was established, in order to anticipate the payment of the final tax due at a reduced rate, when dividends are distributed to their final beneficiaries. This Single Substitute Tax has the following features.

- 30% tax rate carrying the right to a reduction for the first category tax credit.
- This applies only to accumulated earnings at 12.31.2016 that are still held at 12.31.2019.
- Total balance of taxable income or record of taxable income: the lesser between the balance of taxable income or that shown on the record of taxable income forms the basis for this calculation.
- This option may be exercised (for tax return and payment purposes) up to:

Balance of taxable income	Option available up to
31.12.2020	Last banking day of 2021
31.12.2021	Last banking day of 2022

The possibility of requesting tax refunds on dividends received from other companies is limited to when the recipient company suffers tax losses, and to when a gradual recovery was temporarily introduced as shown below:

- Beginning in 2024, the tax loss shall not be charged to taxable withdrawals and taxed dividends received.
- The aforementioned tax losses are carried forward to the following year or subsequent years until this is offset with taxable income obtained by the same taxpayer company.
- Tax credits for First Category Tax on withdrawals or dividends received shall be included the Accumulated Balance of Tax Credits and can only be used for final tax payments. There shall be no right to a refund as applies under the advance tax payment regime.
- Temporarily, the tax loss shall be imputed and carry the right to a refund based on the following gradual schedule:

Business year	Tax loss
2020	90%
2021	80%
2022	70%
2023	50%
2024	0%

Mexico

Sura Asset Management S.A. and Subsidiaries in Mexico recognizes a single deferred income tax asset for those items where there is a high probability that these may be recovered, this arising from fiscal losses pending amortization, since the Company considers that there is a high certainty of sufficient future taxable earnings to offset the effect of have reversed temporary deductible differences or against which tax losses may be amortized.

The fact that the Company is able to provide sufficient future taxable income for amortizing tax losses, is based on financial and fiscal projections that include assumptions such as: assets under management and revenues, as well as future expense.

The realization of the deferred tax asset depends on the assumptions used to determine future taxable earnings, consequently this estimation on the part of Senior Management is highly sensitive to any change in the assumptions used.

Income tax

When posting income tax, Sura AM Mexico determines the amount of tax current and deferred for the reporting period in question. The amount of current tax due is that which is attributed to the tax effects of certain operations carried out by the subsidiaries of SUAM Mexico, while the amount of deferred tax corresponds to the effect of temporary differences on assets and liabilities as well as tax credits and losses that occurred during the reporting period and are recognized for tax purposes at different times.

The amount of current tax is determined based on the tax regulations currently in force. This tax represents a liability for a term less than one year net of any advance payments made during the year. Should the advance payments made exceed the amount of tax due for the year, this surplus constitutes an account receivable.

Deferred tax is determined based on the asset and liability method, applying the income tax rate on the differences resulting from comparing their book and tax values, as well as tax losses and credits. The deferred tax rate used is that set out in the tax regulations as applicable to the reporting date of the financial statements or that which is in full force and effect when temporary differences are estimated to be recovered or settled against the amount of current tax for the period, that is to say the same temporary differences on which the deferred tax was based or the tax losses amortized or the tax credits applied.

Current Income Tax (ISR in Spanish)

The amount of tax due as determined by the subsidiaries of SUAM Mexico at year-end 2020 and 2019, differs from that recorded in books for said years, given permanent differences such as the percentage of revenues due from subsidiaries and associates, annual adjustments for inflation, non-deductible expense, as well as temporary differences from provisioned expense that are gradually reduced until they are entirely paid off. At year-end 2020 and 2019, tax profits or losses were determined by the different subsidiaries. The income tax rate for the years 2020 and 2019 is 30%.

Peru

The income tax rate at year-end 2020 and 2019 came to 29.5% of taxable income after calculating employee profit sharing interests, which, in accordance with current regulations, are calculated, in the Company's specific case, by applying a rate of 5% on net taxable income.

Legal entities as well as private individuals that are not domiciled in Peru are subject to the withholding of an additional tax on the dividends received. The current dividend tax rate stands at 5%, for all earnings accruing from 2017 onwards. In the case of earnings obtained from 2015 to 2016, the dividend tax rate is set at 6.8%, while for years preceding 2015 the corresponding tax rate is 4.1%.

In 2018, powers were to granted to the Peruvian Executive branch to legislate in the country´s tax matters. This gave rise to several amendments that were made to tax legislation. The most relevant changes made are described as follows:

- The treatment applicable to royalties and remuneration for services rendered on the part of non-domiciled legal entities and private individuals was amended as of January 1, 2019, thereby eliminating the obligation to pay the amount corresponding to withholding tax with regard to recording the cost or expense of such in books, and consequently the amount of income tax due on the accredited payment or remuneration of the aforementioned services rendered must now be withheld (Legislative Decree No. 1369).
- Rules and regulations were introduced regulating the obligation on the part of legal persons and / or legal entities to provide the ID information of their final beneficiaries (Legislative Decree No. 1372). These rules and regulations are applicable to legal entities domiciled in Peru, in accordance with the provisions of Article 7 of the Income Tax Code, as well as legal entities incorporated in this part of the world. This obligation also includes non-domiciled legal persons as well as legal entities incorporated abroad, providing these: a) possesses a branch, agency or other permanent establishment in Peru; b) the private individual or legal person who manages the stand-alone trust or the foreign investment funds or the private individual or legal person who acts as custodian or administrator of such, is domiciled in Peru; c) any party to a consortium which is domiciled in Peru. This obligation shall be satisfied by providing the Peruvian Tax Authorities a sworn affidavit, which shall contain the information corresponding to the final beneficiary and be submitted, in accordance with the corresponding rules and regulations and within the time frame stipulated in the respective resolution as issued by the Peruvian tax authorities (SUNAT).
- The Peruvian Tax Code was also amended in order to provide more guarantees to taxpayers when applying the application of the Anti-Tax-Evasion provision (Rule XVI of the Introductory Title to the Peruvian Tax Code); as well as to equip the tax authorities with tools for its effective implementation (Legislative Decree No. 1422).

  As part of this amendment, a new assumption of joint and several liability is introduced, whereby the persons liable for tax are subject to measures being imposed upon them in the event of these engaging in tax evasion, as stipulated in Regulation XVI. In this case, their legal representatives shall be considered as having joint and several liability for such tax evasion, providing these have collaborated with designing, approving or carrying out any act or situation or economic relationship whose purpose is to evade paying taxes, as stipulated in the aforementioned Regulation XVI. In the case of all those companies that have a Board of Directors, it is up to this corporate body to define the Company's tax strategy, and these shall be responsible for the decisions made when approving or rejecting, as the case may be, of any act or situation or economic relationship that falls under the scope of the Company's tax planning framework, this being a non-delegable power. Any act or situation or economic relationship that falls under the scope of the Company's tax planning framework, and which takes place on the date when Legislative Decree No. 1422 enters into full force and effect (September 14, 2018) and which is not remedied and continues in effect, must be evaluated by the legal entity´s Board of Directors for the purpose of ratifying or amending such before the deadline of March 29, 2019, regardless of whether the entity´s management or senior management had given their prior authorization to the aforementioned act, situation or economic relationship.

Another regulation was introduced, namely Regulation XVI, which governs the recharacterization of cases of alleged tax evasion, which shall apply to all official tax audits detecting any of the aforementioned acts or situations produced since July 19, 2012. Notes to the Consolidated Financial Statements (continued):

- Amendments to the Income Tax law, which entered into full force and effect as of January 1, 2019, were included in Legislative Decree No. 1424 for the purpose of improving the tax treatment to be applied to the following items:

- Income obtained from the indirect transfer of shares or ownership interests that represent the capital held by legal persons domiciled in Peru. The most representative changes include a new assumption of indirect sales of shares or ownership interests, which applies whenever the total amount of the shares held by the domiciled legal person subject to indirect disposal is equal or greater than 40.000 ITUs (Peruvian tax units).
- Permanent establishments in Peru of any type of single owner businesses, companies and entities that have been incorporated abroad. Here, new permanent establishment assumptions have been introduced, including whenever services are provided by the aforementioned entities, with respect to the same or related project or service, for a period exceeding 183 calendar days within any twelve-month period.
- The income tax credit system on taxes paid abroad has been extended to include indirect tax credits (corporate tax paid by foreign-based subsidiaries) to be offset against the income tax due from domiciled legal persons this in order to avoid double taxation.
- Interest expense can be deducted when determining the amount of corporate income tax due. Here, limits were set for both loans with related parties, as well as for loans with third parties taken out as of September 14, 2018 this based on the Company's equity and EBITDA.
- Rules and regulations were also introduced for accruing income and expense for tax purposes as of January 1, 2019 (Legislative Decree No. 1425). There was no regulatory definition of this concept until 2018, so in many cases accounting rules and regulations were relied on for its interpretation. Generally speaking, given the new criteria that has been introduced for the purpose of determining income tax, it is now important to establish whether or not there have been any material facts affecting the amount of income or expenditure agreed upon by the parties, and which are not subject to a condition precedent, in which case said income and expense shall be recorded upon accrual and the dates on which these are paid or charged shall not be taken into account.

The Peruvian Tax Authorities are empowered to revise and, if applicable, correct the Company's income and sales tax returns corresponding to the four years preceding the date on which said tax returns are filed. The Company's sworn income and sales tax returns for the years 2016 through to 2020 remain subject to the corresponding audits on the part of the Peruvian Tax Authorities.

Uruguay

Corporate Income Tax (IRAE in Spanish)

Corporate Income tax is levied at a rate of 25% on all corporate income obtained in Uruguay on any type of economic activity.

Corporate income in Uruguay is considered to be income sourced from business activities conducted, or goods or rights used for economic purposes in Uruguay, regardless of the nationality, domicile or residence of the parties involved in the aforementioned transactions or the place in which these are carried out. Income earned or received from abroad by a local taxpayer are not subject to this tax.

Fixed tax on dividends and undistributed earnings

Effective as of March 1, 2017 (pursuant to Accounting Law 19.438) dividends and undistributed earnings that have remained outstanding for more than 3 tax years, and which have not been reinvested in fixed assets, intangibles, shares in local companies or in real increases of working capital (the latter, with a maximum limit of 80% of the value of other investments) shall be taxed at a rate of 7% in the form of IRPF / IRNR tax (natural persons and non-residents).
At the end of the fiscal year 2017, none of the companies belonging to Sura Uruguay held retained earnings that had remained outstanding for said period, and therefore are unaffected by this new law.

Admitted expenditure

As a general principle, the amount of net income subject to corporate income tax is determined by deducting the expense incurred in obtaining and maintaining such income from gross taxable income.
The only expense that may be deducted is that allocated to the counterparty (resident or non-resident) income subject to income taxes, either on a corporate or private individual basis, or in the proportion arising from applying the coefficient produced between the maximum counterparty income tax rate and the 25% corporate income tax rate.
Our Uruguayan Subsidiaries record expenses that are partially deductible including lease agreements with resident private individuals and services hired from non-resident entities, including related companies.

Tax losses

In 2020, the National Budget Act was passed for the period 2020-2022. One of the main changes enacted regarded limitations to recovering tax losses, which previously were 50% deductible and now are 100% deductible. This is to be applied within the statute of limitations period, which is 5 years, for all those fiscal years ending on December 31, 2020.

Colombia

Tax Reforms

a) Economic Growth Law

On December 27, 2019, Law 2010, known as the "Economic Growth Law" was enacted. This effectively replaced the previous tax reform law 1943 enacted in 2018 which was declared unconstitutional. It was proposed that this law was to become unconstitutional as of January 1, 2020, based on the understanding that the effects of this ruling would only produce effects in the future and would not affect consolidated legal situations; for this reason, the Economic Growth Law was passed.

The following is a summary of the most important changes introduced by this latest law to the Colombian tax regime governing legal entities for the years 2020 onwards:

Income tax A gradual reduction in the general income tax rate for legal entities was introduced, as shown in the following table:

Year	General presumptive income tax rate
2020	32%
2021	31%
2022 onwards	30%

Presumptive income: The general presumptive income tax is reduced as follows:

Year	General presumptive income tax rate
2020	0.5%
2021 onwards	0%

Corporate dividend tax

- The income tax rate for dividends received by foreign companies, non-resident individuals and permanent establishments was increased from 7.5% to 10%.

- As of 2019, dividends received by Colombian companies are subject to a withholding tax rate of 7.5%, and shall only apply to companies receiving dividends for the first time. This tax may be deducted in the case of all those final beneficiaries who are private individuals.

- Dividends which are distributed between entities belonging to the same business group as registered before the Chamber of Commerce shall not be subject to this tax provided that they are not willing entities for the purpose of deferring tax.

Colombian Holding Companies Regime

The Holding Company Regime (CHC) is maintained for companies whose main purpose holding securities, investments, shares or interests in domestic and/or foreign companies, providing that the direct or indirect share or interest exceeds 10% of the capital corresponding to 2 or more companies for a minimum period of 12 months, and that said companies have sufficient human and material resources to carry out their business activities (3 employees and its own management). Dividends received by Colombian Holding Companies from foreign entities shall be exempt from income tax.

The purpose of this regime is to create incentives for multinational groups to establish their international investment headquarters in Colombia.

Deductions

- A first job deduction is created, that is to say, a deductible of 120% of salary payments to employees under 28 years of age, who are in new jobs and where the Colombian Ministry of Labor provides due certification that this is their new job.

- A 100% tax deduction is maintained for the tax which was actually paid during the tax period by any taxpayer that may have a causal relationship with their economic activity, with the exception of any supplementary income tax that the taxpayer may have paid.

- The taxpayer may take advantage of a 50% income tax deduction corresponding to 50% of the Industry and Commerce as well as signage and bill board which shall increase to a 100% tax rate as of the year 2022.

- In the case of financial transaction tax, 50% of said tax that was actually paid by the taxpayer during the respective tax year shall be deductible.

Undercapitalization rules and regulations:

Undercapitalization rules and regulations specify a limit for the deducting debt liabilities from income tax during the respective tax year.

- These undercapitalization limits shall only apply to the amount of indebtedness providing interest obtained between related parties, which exceeds twice the amount of equity that the taxpayer records for the previous year.

Discounts for taxes paid abroad:

- Private individuals resident in Colombia as well as Colombian based companies and entities, who pay income and complementary taxes and who receive income sourced abroad that is subject to income tax in the country of origin, are entitled to deduct the amount of tax paid abroad from the amount of Colombian income and complementary tax due, whatever the type of tax levied on such income, providing that the aforementioned deduction does not exceed the amount of the tax payable by the taxpayer in Colombia on said income. For purposes of this general limitation, income from abroad must specify the corresponding income, costs and expense components.

Tax Audit Benefit:

- A tax audit benefit is again maintained for the tax years of 2020 and 2021, upholding the tax return for 6 months providing that net income tax increases by at least 30% compared to the previous year. In the event that such increase is at least 20%, tax returns are upheld for 12 months.

  This benefit shall not apply for the purposes of VAT and withholding tax returns.

b) Financing Law

Law 1943 commonly known as the "Financing Law" was enacted on December 28, 2018, which introduced important amendments to the Colombian tax system mainly with regard to VAT sales tax, income tax for legal persons and private individuals plus a new wealth tax was created affecting private individuals. Also, a special “Mega-investment” regime was also introduced along with another special regime for Colombian Holding Companies (CHC).

The following are some of the more significant amendments affecting legal entities:

- General tax rate set at 33%.

- Basis for calculating presumptive income corresponding to 1.5% of the net assets obtained for the previous year.

- Deductions are permitted for all taxes, fees and contributions, as effectively paid during the taxable year or period and that causally relate to economic activity. Also, 50% of the ICA and Notice and Boards tax paid can be deducted from the amount of income tax owing from 2019 to 2021, with this rising to a 100% deduction as of 2022.

- The 4-year time limit for using tax credits for taxes paid abroad is now eliminated.

- A dividend tax is created for legal entities applicable on profits obtained as of 2019, in the form of a withholding tax at source and is transferable to the final beneficiary, that is to say a natural person who is a resident in Colombia or an investor residing abroad.

- The sales tax paid on the purchasing, building, forming and importing real productive fixed assets, as well as the services required to put such assets to use, can be deducted from income tax during the year in which such tax is paid, or in any subsequent taxable period, even if said assets are acquired through a lease agreement.

Reconciliation of Effective Tax Rate

The tax rates used in these calculations were as follows:

	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina
Tax Rate - 2020	27.00%	30.00%	29.50%	25.00%	30.00%	32.00%	35.00%
Tax Rate - 2019	27.00%	30.00%	29.50%	25.00%	30.00%	33.00%	35.00%

Income tax broken up into current and deferred at year-end 2020 and 2019:

2020 Consolidated Income Statement	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2020
Current income tax								
Current income tax expense for the period	(19,056)	(41,819)	(15,430)	(1,646)	(1)	(12,718)	-	(90,670)
Current income tax expense for prior periods	(89)	(1)	-	-	-	34		(56)
Deferred income tax								
Corresponding to the sources and reversals of temporary differences	1,239	(1,692)	892	1,004	-	(1,944)	34	(467)
Income tax expense attributable to continued operations	**(17,906)**	**(43,512)**	**(14,538)**	**(642)**	**(1)**	**(14,628)**	**34**	**(91,193)**
Income tax expense on the Consolidated Statement of Income	**(17,906)**	**(43,512)**	**(14,538)**	**(642)**	**(1)**	**(14,628)**	**34**	**(91,193)**

2019 Consolidated Income Statement	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2019
Current income tax								
Current income tax expense for the period	(38,895)	(39,139)	(22,225)	(3,674)	(2)	(40,761)	-	(144,696)
Current income tax expense for prior periods	(1,732)	(282)	-	-		2,631		617
Deferred income tax								
Corresponding to the sources and reversals of temporary differences	(25,831)	(5,613)	(1,107)	711	-	(9,817)	-	(41,657)
Income tax expense attributable to continued operations	**(66,458)**	**(45,034)**	**(23,332)**	**(2,963)**	**(2)**	**(47,947)**	**-**	**(185,736)**
Income tax expense on the Consolidated Statement of Income	**(66,458)**	**(45,034)**	**(23,332)**	**(2,963)**	**(2)**	**(47,947)**	**-**	**(185,736)**

The following is a reconciliation between tax expense and book income multiplied by the tax rates applicable in the different countries at year-end 2020 and 2019:

2020	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2020
Earnings (losses) before income tax from continuing operations	80,287	138,073	45,480	3,427	5	(57,255)	(221)	209,796
Book income before income tax	**80,287**	**138,073**	**45,480**	**3,427**	**5**	**(57,255)**	**(221)**	**209,796**
At the corresponding tax rate	**(21,677)**	**(41,422)**	**(13,417)**	**(857)**	**(2)**	**18,322**	**77**	**(58,976)**
Effects of consolidation effects[1]	(38,422)	(33,258)	(8,448)	(1,017)	-	(73,340)	-	(154,485)
Adjustments relating to current income tax for the previous tax year	202	1	93	-	-	(17)	-	279
Adjustments for tax losses	(3,648)	(3,522)	81	(171)	-	-	-	(7,260)
Non-deductible expense	(436)	(708)	(3,947)	(556)	-	(2,037)	-	(7,684)
Dividend tax	-	-	-	-	-	(2,394)	-	(2,394)
Tax-exempt dividends received	272	-	-	-	-	5,248	-	5,520
Other non-cumulative income	-	-	-	-	1	-	(43)	(42)
Inflation effects	(16)	226	1	-	-	(52)	-	159
Tax exempt income/earnings	-	-	-	-	-	11,633	-	11,633
Other non-deductible expense	13,146	9	(496)	(492)	-	(213)	-	11,954
Provisions and contingencies	303	20	3,560	-	-	(65)	-	3,818
Property, plant and equipment	(152)	(59)	(68)	56	-	39	-	(184)
Investments	32,522	35,201	8,103	2,395	-	28,248	-	106,469
At the tax rate for 2020	**(17,906)**	**(43,512)**	**(14,538)**	**(642)**	**(1)**	**(14,628)**	**34**	**(91,193)**

2019	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2019
Earnings (losses) before income tax from continuing operations	210,407	134,872	71,592	8,110	6	(52,306)	(318)	372,363
Book income before income tax	**210,407**	**134,872**	**71,592**	**8,110**	**6**	**(52,306)**	**(318)**	**372,363**
At the corresponding tax rate	**(56,810)**	**(40,462)**	**(21,120)**	**(2,028)**	**(2)**	**16,738**	**111**	**(103,573)**
Elimination effects on the consolidated accounts[1]	(15,787)	(30,227)	(9,193)	(2,631)	-	(108,061)	-	(165,899)
Adjustments relating to current income tax for the previous tax year	(15,308)	(303)	-	-	-	1,996	-	(13,615)
Adjustments to tax losses	(2,370)	(4,112)	(478)	(340)	-	(8)	(111)	(7,419)
Non-deductible expense	(317)	(684)	(4,243)	(1,057)	-	(3,689)	-	(9,990)
Dividend tax	-	-	-	-	-	(2,324)	-	(2,324)
Tax-exempt dividends received	8	-	-	-	-	5,578	-	5,586
Other non-cumulative income	-	-	2,091	120	-	-	-	2,211
Inflation effects	(32)	332	-	-	-	-	-	300
Tax exempt income/earnings	-	-	-	-	-	10,167	-	10,167
Other non-deductible expense	12,262	1,117	-	-	-	1,693	-	15,072
Provisions and contingencies	554	(517)	414	14	-	362	-	827
Property, plant and equipment	(209)	(130)	(64)	99	-	-	-	(304)
Investments	11,551	29,952	9,261	2,860	-	29,601	-	83,225
At the tax rate for 2019	**(66,458)**	**(45,034)**	**(23,332)**	**(2,963)**	**(2)**	**(47,947)**	**-**	**(185,736)**

[1]The effects of eliminating these from the consolidated accounts are mainly due to having reclassified dividend income, amortized intangibles and, to a lesser extent, eliminations from reciprocal operations. These bases are multiplied by the nominal rate factor of each country.

As a result, the effective rates of each country are as follows:

	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina
Tax Rate - 2020	22.30%	31.51%	31.97%	18.73%	20.00%	-25.55%	15.38%
Tax Rate - 2019	31.59%	33.39%	32.59%	36.54%	33.33%	-91.67%	0.00%

The effective rate at year-end came to 43.47%, for a decline of 6.41% compared to the 49.88% levied the previous year.

Income tax shows a lower expense of USD 94,543 thousand, which is mainly explained by: Chile, given the level of business performance obtained in 2020, which caused a decrease in the amount of current income tax due, this along with a significant recovery of the deferred tax liability due to a non-recurring effect in 2019 (derecognition of a deferred tax asset for which no recovery was estimated). As for Colombia, the drop is mainly due to lower dividends from Chile in 2019, since this was the first year when these were recognized in books a situation that leveled out in 2020.

Current tax assets and liabilities as posted by Sura Asset Management S.A. and Subsidiaries are broken down as follows:

	2020	2019
Current income tax		
Current tax assets	15,231	14,537
Current tax liabilities	(26,366)	(36,923)
Total current income tax	**(11,135)**	**(22,386)**

Current tax assets and liabilities for each individual country are broken down as follows:

2020	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total
Current income tax								
Current tax assets	6,232	3,817	2,045	436	1	2,665	35	15,231
Current tax liabilities	(9,515)	(12,910)	(2,410)	(138)	(1)	(1,391)	(1)	(26,366)
Current tax, net	**(3,283)**	**(9,093)**	**(3,65)**	**298**	**-**	**1,274**	**34**	**(11,135)**

2019	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total
Current income tax								
Current tax assets	1,788	2,609	2,229	270	0	7,615	26	14,537
Current tax liabilities	(14,328)	(17,226)	(1,044)	(462)	(1)	(3,860)	(2)	(36,923)
Current tax, net	**(12,540)**	**(14,617)**	**1,185**	**(192)**	**(1)**	**3,755**	**24**	**(22,386)**

Deferred tax for Sura Asset Management S.A. and Subsidiaries is broken down as follows:

	2020	2019

Deferred income tax		
Deferred tax assets	8,871	1,860
Deferred tax liability	(356,734)	(360,334)
Deferred tax, net	**(347,863)**	**(358,474)**

Deferred tax for each individual country is broken down as follows:

Total - 2020	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2020
Deferred income tax								
Deferred tax assets	-	-	-	-	1	8,765	105	8,871
Deferred tax liability	(185,711)	(94,488)	(70,354)	(6,136)	-	(45)	-	(356,734)
Deferred tax, net	**(185,711)**	**(94,488)**	**(70,354)**	**(6,136)**	**1**	**8,720**	**105**	**(347,863)**

Total 2019	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2019
Deferred income tax								
Deferred tax assets	-	-	-	-	-	1,850	10	1,860
Deferred tax liability	(174,374)	(98,190)	(79,632)	(8,138)	-	-	-	(360,334)
Deferred tax, net	**(174,374)**	**(98,190)**	**(79,632)**	**(8,138)**	**-**	**1,850**	**10**	**(358,474)**

Deferred tax was produced by the following items:

Total 2020	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2020
On changes in measuring financial assets	(7,731)	9,800	162	240	1	(23,520)	-	(21,048)
On changes in measuring investments	(93,114)	(18,236)	(13,223)	-	-	(9,520)	-	(134,093)
On valuations of derivatives	(7,054)	(13,745)	(427)	-	-	(1,089)	-	(22,315)
On changes in measuring employee benefits	-	502	1,164	-	-	376	-	2,042
On financial obligations	-	-	1,685	542	-	-	-	2,227
On recognizing Deferred Acquisition Costs (DAC)	(18,915)	-	(2,332)	(730)	-	-	-	(21,977)
On provisions for estimated expense	-	11,128	-	359	-	190	-	11,677
On financial obligations	11,224	-	1,125	132	-	41,773	-	54,254
On recognizing identified intangibles relating to the acquisition	(64,315)	(83,937)	(56,606)	(6,136)	-	-	-	(210,994)
On recognizing tax losses	2,550	-	-	-	-	511	105	3,166
Other items	(8,356)	-	(1,902)	(543)	-	(1)	-	(10,802)
Total Deferred Tax Assets	**-**	**-**	**-**	**-**	**1**	**8,765**	**105**	**8,871**
Total Deferred Tax Liabilities	**(185,711)**	**(94,488)**	**(70,354)**	**(6,136)**	**-**	**(45)**	**-**	**(356,734)**
Deferred tax, net	**(185,711)**	**(94,488)**	**(70,354)**	**(6,136)**	**1**	**8,720**	**105**	**(347,863)**

Total 2019	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Argentina	Total 2019
On changes in measuring financial assets	(62,358)	6,757	157	364	-	-	-	(55,080)
On changes in measuring investments	(80,706)	(12,983)	(466)	-	-	-	-	(94,155)
On valuations of derivatives	-	-	-	-	-	1,850	-	1,850
On changes in measuring employee benefits	-	62	538	1	-	-	-	601
On recognizing Deferred Acquisition Costs (DAC)	(17,679)	-	(3,125)	-	-	-	-	(20,804)
On financial obligations	-	-	(10,564)	271	-	-	-	(10,293)
On recognizing identified intangibles relating to the acquisition	-	(91,694)	(65,938)	(7,461)	-	-	-	(165,093)
On recognizing tax losses	1,643	-	-	-	-	-	8	1,651
Other items	(15,274)	(332)	(234)	(1,313)	-	-	2	(17,151)
Total Deferred Tax Assets	**-**	**-**	**-**	**-**	**-**	**1,850**	**10**	**1,860**
Total Deferred Tax Liabilities	**(174,374)**	**(98,190)**	**(79,632)**	**(8,138)**	**-**	**-**	**-**	**(360,334)**
Deferred tax, net	**(174,374)**	**(98,190)**	**(79,632)**	**(8,138)**	**-**	**1,850**	**10**	**(358,474)**

NOTE 23 - Financial instruments held as hedging derivatives

Sura Asset Management S.A., uses derivatives such as forwards and swaps, to hedge its exposure to exchange rates. These derivatives are initially recognized (on the date the corresponding contract is entered into) and later (when their value is updated) at their fair values. Any gain or loss arising from changes to the fair value of derivatives are directly charged to the income accounts, except for the effective portion that may be generated from hedges of cash flows and net investments abroad, which are posted in the other comprehensive income accounts and subsequently reclassified to the Statement of Income when the hedged item affects other comprehensive income.

The Group´s risk management strategy and its application are explained in greater detail in Note 2.3 Section V.

At year-end 2020 and 2019, Sura Asset Management S.A. held derivatives that were recorded in books either as financial assets or as financial liabilities, based on their respective positive or negative fair values.

Sura Asset Management Colombia has hedged its issues of bonds maturing in 2024 and 2027 as well as on its net investment abroad, through the accounting bifurcation method, which consists of the following steps:

i. Principal Only Swaps (POS) from USD to COP.

   Hedged exposure:

- Economic risks generated by the uncertainty of the corresponding ability to pay the debt in USD.
- Accounting risks generated by unrealized exchange differences on the nominal values of the respective bond issued.
- Cash flow hedges with the valuation of the derivative charged to the Other Comprehensive Income accounts and the foreign exchange component of the swap´s intrinsic value is charged to the comprehensive income accounts, both of which must fit perfectly with the difference in the changes in the amounts owed.

ii. Principal Only Swap (POS) from COP to the other currencies in which the net investment abroad is denominated by a nominal amount based on a determined percentage and based on each one of the risks identified for each country where Sura AM has investments.

Hedged exposure:

- Economic risks generated by the uncertainty of paying the coupons in USD when the corresponding income is sourced in the currencies in which investments abroad are denominated.
- Economic risks given the fact that there are investments that are currently without any hedging arrangements.
- A combination of currencies that would positively affect EBITDA and thus protect the debt/EBITDA ratio.

The net foreign investment hedge component shall be valued and posted in the Other Comprehensive Income accounts. This hedging component was due to the Company's investments in Chile, Mexico and Peru, whose currencies form part of the basket of currencies hedged by the Principal Only Swaps (POS).

<u>Identification of the hedged items</u>

- Bonds issued on April 11, 2017, as part of a placement of debt securities carried out on the Luxembourg Stock Exchange, under the Regulation S and Rule 144A of the Securities Act in the United States. The characteristics of this bond are as follows:

Issuer	Sura Asset Management S.A.
Type of debt instrument:	International bonds
Type of placement:	Public
Value	USD 350,000,000*
Coupon	4,375%
Settlement date:	April 11, 2017
Maturity date:	April 11, 2027
Offering price:	99.07%
Amount received:	USD 346,759,000
Yield to maturity:	4,491%
Interest payment dates:	11 April and 11 October each year, beginning October 11th, 2017.
Joint guarantors:	Sura Asset Management Chile, S.A. Sura Asset Management México S.A. Sura Asset Management Perú S.A. Sura Asset Management Uruguay Sociedad de Inversión S.A.

* The nominal value of this issue comes to USD 350,000,000 But the hedged portion of such (82.86% or USD 290,000,000) is hedged, this defined as the corresponding risk exposure.

- Bonds issued on April 17, 2014, as part of a placement of debt securities carried out on the Luxembourg Stock Exchange, under the Regulation S and Rule 144A of the Securities Act in the United States. The characteristics of this bond are as follows:

Issuer	SUAM Finance B.V. - Merged with Sura Asset Management S.A.
Type of debt instrument:	International bonds
Type of placement:	Public
Value	US 500, 000,000*

Coupon	4,875%
Settlement date:	April 17, 2014
Maturity date:	April 17, 2024
Offering price:	99.57%
Amount received:	USD 494,850,000
Yield to maturity:	4.93%
Interest payment dates:	17 April and 17 October of each year
Joint guarantors:	Sura Asset Management S.A., Sura Asset Management Chile S.A. Sura Asset Management México S.A. de C.V., Sura Asset Management Perú S.A., Sura Asset Management Uruguay Sociedad de Inversión S.A.

* The hedged portion comes to 100% or USD 500,000,000, this defined as the corresponding risk exposure.

- Net investments abroad: the exchange differences relating to converting the income and net assets of Company's subsidiaries in Mexico, Chile and Peru from their functional currency to Sura AM's reporting currency, are directly recognized in the other comprehensive income accounts. The gains and losses incurred with swaps hedging the bonds maturing in 2024 and 2027 are produced by the CLP/USD, MEX/USD and PEN/USD foreign exchange curves, these being designated as hedging instruments for net investments held in foreign-based subsidiaries and operations and subsequently included in the other comprehensive income accounts.

Currency	Investment expense in USD	Hedged Value in USD	% Hedged
MXN	788,743	80,000	10%
CLP	1,392,084	380,000	27%
PEN	276,298	85,000	31%

The values used for these calculations were the values of the investments held by Sura AM on July 31, 2018 multiplied by the exchange rates corresponding to this same date. Under this accounting rule, there are two types of hedged items, this based on the nature of the transaction and its inherent exposure.

- Financial obligations in U.S. dollars are permanently exposed to fluctuations with the USD/COP exchange rate. Based on the hedges set up to avoid this exposure to the forex market, the exchange difference is calculated based on the monthly currency changes, the effect of which will be reflected in profit and loss. This valuation method means that if the COP depreciates, its effect will be a right and when it gains in value it shall create an obligation in profit and loss. There is also an exposure to fluctuations with the CLP, MXN and PEN currencies, the effects of which shall be reflected in the Other Comprehensive Income accounts.

Our closing data shows that for 2019 the valuation performed stood at 72 million dollars whereas for 2020 this came to 75 million dollars.

The fair value of these is arrived at by bringing to present value the cash flows distributed over time based on the discount curves for each of the hedged currencies, all this using an accounting bifurcation strategy to allocate future cash flows (from USD to COP) so as to eliminate the effect of exchange differences on the Statement of Income as well as a translation effect for net investments abroad (from COP to MXN, CLP, PEN) that in turn has an effect on the Other Comprehensive Income accounts.

Based on that described in the aforementioned section, the hedged item as defined in the corresponding hedging arrangement relates to a period of time; since the time element is characterized by the cost of protecting against the risk exposure associated with exchange rates during a specific period of time. Accordingly, Paragraph B6.5.34 of IFRS 9 stipulates that the time value must be recognized and accumulated in the Other Comprehensive Income accounts, and then reclassified and amortized to the Comprehensive Income accounts in a systematic and rational manner throughout the periods during which the hedged item affects profit and loss.

This hedge is performed on items that are recognized on the balance sheet. Please refer to Note 38.

Hedging instruments - description

The proposed strategy is based on carrying out a cash flow swap that hedges the impact of the exchange differences produced by the financial obligation as well as net investments abroad.

Upon evaluating the actual design for the Company's hedging strategy, all strategic variables were taken into account, such as preserving the stability of our debt/EBITDA ratio as well as the probability of being able to comply with the dividend payments due and the Company's cash flow.

The hedging instrument used is a Principal Only Swap (POS), which effectively immunizes our Statement of Income against exchange differences, protects the nominal value of our net investments abroad and reduces risk to our cash flow. This also maintains the aforementioned variables on stable levels.

Economic relationship:

An economic relationship between a hedged item and a hedging instrument exists when an entity expects that the values of the hedged item and the hedging instrument shall normally move in opposite directions in response to movements with the same risk (exchange risk). For further illustration, we have listed the following examples:

- In the case of the financial obligation, if the Colombian Peso depreciates against the US dollar, this causes a negative exchange difference, whereas the time element of the derivative would move in the opposite direction so as to mitigate is loss incurred with the exchange differences posted on the Comprehensive Income Statement.
- In the case of net investments abroad, any currency depreciation (CLP, MXN, PEN) would produce a loss with the value of the net investments abroad, therefore the derivative component as recorded in the Other Comprehensive Income Statement would compensate a certain percentage of the loss, thereby mitigating the foreign exchange risk.

Measuring effectiveness

The method used to measure the effectiveness of each of the hedging arrangements, is comparing the change in the value of the hedging instrument with the change in the hedged item, that is to say, in the case of debt the exchange differences are taken against the valuation of the exchange component of the USD/COP derivative. In the case of net investments, the changes in the value of the asset held versus the change in the COP derivative protecting against other currencies (PEN, CLP, MXN) is taken. These changes are duly monitored so to ensure that they remain consistent and stable over the duration of the exchange rate exposure of the bonds issued in 2014 and 2017. Due to the accounting asymmetry that arises from valuing the hedging instrument (at fair value) as opposed to the hedged item (at amortized cost), movements may arise due to market prices, at certain moments in time, that could fail to meet the defined efficiency percentage, but over the long term these differences are expected to neutralize. Should there be consistent evidence of the existence of a structural inefficiency, this percentage is reclassified to the Statement of Comprehensive Income and in this specific case the hedging strategy is re-assessed so as to achieve the desired effectiveness.

Sura Asset Management S.A.’s hedging relationships meet all the following hedge effectiveness requirements:

Economic relationship: For cash flow hedging, the depreciation (appreciation) of the Colombian peso would generate a negative (positive) value in LC on the hedged item, which are the dollar-denominated bonds issued by Sura AM on the international markets. This same movement in Colombian pesos creates an opposite economic effect on the hedging instrument, thereby offsetting the impact of currency volatility on the Company's profit and loss accounts.

Risk dominance: credit risk is not dominant in the hedging relationship and the estimated impact on the valuation of the hedge is 1.7%. It is important to note that all the counterparties of Sura AM’s hedges currently have a superior credit rating.

Hedge ratio: This is calculated based on the monthly changes in hedging instruments (swaps) and the hedged items (exchange difference corresponding to the issued bonds). Both instruments move in the opposite direction, which offsets the effect of the exchange rate for both the notional amount of the debt of USD 790 M and for the hedging of this same amount.

The balances of the hedging assets and liabilities held by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019, are shown below.

23.1. Hedging assets

Hedging assets held by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Cash flow hedging assets	109,368	94,320
Foreign investment hedging assets	(34,392)	(19,157)
Total financial assets - hedging transactions	**74,976**	**75,163**

All hedging assets at year-end 2020 and 2019 are held by Colombia only.

The aging of hedging assets is as follows:

	Between 3 and 5 years	More than 5 years	Total
Colombia	50,126	24,850	74,976
Total hedging assets - 2020	**50,126**	**24,850**	**74,976**
Colombia	51,719	23,444	75,163
Total hedging assets - 2019	**51,719**	**23,444**	**75,163**

23.2 Derivative and hedging financial liabilities

Derivative liabilities held by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Trading swaps	-	5,224
Total financial liabilities – hedging transactions and derivatives	**-**	**5,224**

The following are the movements recorded in the derivative liability account at year-end 2020 and 2019:

	2020	2019
Opening balance at January 1	5,224	14,101
At fair value through the income accounts	1,746	7,348
Additions - write-offs	(6,413)	(16,225)
Translation differences	(557)	-
Closing balance	**-**	**5,224**

<u>NOTE 24</u> - Other assets

Other assets and pre-paid expense, as recorded by Sura Asset Management S.A. and Subsidiaries for the years 2020 and 2019, are broken down as follows:

	2020	2019
Other assets - non-current		
Works of art (1)	10,917	11,471
Deferred expense and charges	1	3
Total other assets - non-current	**10,918**	**11,474**
Other assets - current		
Pre-paid expense	3,854	2,826
Total other assets - current	**3,854**	**2,826**
Total other assets	**14,772**	**14,300**

(1) The works of art belonging to Sura Art S.A. of C.V in Mexico are loaned to museums for their art exhibitions and at the same time used to promote the services of Sura Mexico's subsidiaries. The entire collection consists of 367 works of art by celebrated artists such as Frida Kahlo, Diego Rivera, Gerardo Murillo, Pedro Coronel, among others. AFP Integra Peru and Fiduciaria Sura Colombia have other works of art valued at smaller values.

Other assets for each individual country are broken down as follows:

	Chile	Mexico	Colombia	Others*	Total
Total Other Assets 2020	1,886	11,048	1,543	295	14,772
Total Other Assets 2019	1,561	11,637	768	334	14,300

* Peru Uruguay and Argentina.

NOTE 25 - Right-of-use assets and leasing liabilities

Sura Asset Management holds lease agreements that include extension and early termination options; there are also variable lease payment agreements. Leased assets generally have no restrictions on whether these can be subleased.

Sura Asset Management leases equipment, this in the form of regular installments and/or for minor amounts, for which it applies the exception permitted by accounting standards.

The carrying value of assets subject to financial leasing agreements at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Buildings	33,490	45,616
Office equipment	24	1,905
Vehicles	107	522
Computer and communications equipment	694	542
Improvements to leased property	3,379	965
Total right of use assets	**37,694**	**49,550**
Right of use liabilities	37,106	49,578
Total right of use liabilities	**37,106**	**49,578**

The following are the movements recorded in assets subject to financial leasing arrangements:

	Buildings	Office equipment	Vehicles	Computer equipment	Improvements to leased property	Total
Cost						
Additions	59,689	-	679	1,298	125	61,791
Transfers from PPE	-	6,532	-	-	4,063	10,595
Currency translation effect	(1,202)	(482)	(6)	(60)	(58)	(1,808)
At year-end 2019	**58,487**	**6,050**	**673**	**1,238**	**4,130**	**70,578**
Additions	5,259	-	-	1,244	8,450	14,953
Write-offs	(6,694)	(5,205)	(437)	(1,290)	(542)	(14,168)

	Buildings	Office equipment	Vehicles	Computer equipment	Improvements to leased property	Total
Currency translation effects	(370)	(226)	(64)	(1)	860	199
At year-end 2020	**56,682**	**619**	**172**	**1,191**	**12,898**	**71,562**
Depreciation						
Depreciation for the year	(13,220)	(741)	(155)	(740)	(599)	(15,455)
Withdrawals	-	354	-	-	216	570
Transfers from PPE	-	(3,728)	-	-	(2,734)	(6,462)
Currency translation effects	349	(30)	4	44	(48)	319
At year-end 2019	**(12,871)**	**(4,145)**	**(151)**	**(696)**	**(3,165)**	**(21,028)**
Depreciation for the year	(12,230)	(610)	(131)	(751)	(1,220)	(14,942)
Withdrawals	2,852	4,023	205	943	(4,517)	3,506
Currency translation effect	(943)	137	12	7	(617)	(1,404)
At year-end 2020	**(23,192)**	**(595)**	**(65)**	**(497)**	**(9,519)**	**(33,868)**
Net book value						
At year-end 2020	**33,490**	**24**	**107**	**694**	**3,379**	**37,694**
At year-end 2019	**45,616**	**1,905**	**522**	**542**	**965**	**49,550**

The following are the movements recorded in liabilities subject to financial leasing arrangements:

	Liabilities on Financial Leasing Agreements
Additions	62,649
Withdrawals	(16,390)
Accrued interest	3,636
Adjustments for exchange differences	(166)
Currency translation effects	(151)
At year-end 2019	**49,578**
Additions	4,659
Withdrawals	(18,730)
Accrued interest	2,932
Adjustments for exchange differences	579
Currency translation effect	(1,912)
At year-end 2020	**37,106**

The following is a breakdown of terms governing financial leasing arrangements:

	Minimum amounts payable	Present value of minimum amounts payable	Future interest charges - 2020
Less than 1 year	677	647	30
Between 1 and 5 years	34,395	31,141	3,254
More than 5 years	6,426	5,318	1,108
Total leasing arrangements	**41,498**	**37,106**	**4,392**

The following is a breakdown of the payments on lease contracts as recognized in the income accounts for the period

	2020
Expense incurred on low value assets	50
Expense incurred with short term asset leasing arrangements	987
Variable lease payments	102
Total recognized in the income accounts	**1,139**

The following is a breakdown of possible future undiscounted lease payments relating to periods subsequent to the reporting period:

	Less than 5 years	More than 5 years
Lease agreements with extension options that are not expected to be renewed	1,290	-
Lease agreements with extension options that not expected to be renewed	30,119	5,697
Total leasing arrangements	**31,409**	**5,697**

Concessions received in connection with the COVID 19 pandemic were recorded in accordance with the amendment introduced to IFRS 16 - Leases. Please refer to Note 2.4 Changes to accounting policies and the information to be disclosed

NOTE 26 - Deferred Acquisition Costs (DAC)

The balance of the Deferred Acquisition Costs - DAC - account for Sura Asset Management S.A. and Subsidiaries is broken down as follows:

	2020	2019
Deferred acquisition costs (DAC)	179,109	173,476
Total DAC	**179,109**	**173,476**

Movements in the Deferred Acquisition Costs - DAC - account at year-end 2020 and 2019 are as follows:

	Total
Opening Balance - January 1, 2019	170,246
Additions	65,765
Exchange differences	(2,324)
Amortizations	(60,211)
At year-end 2019	**173,476**
Additions	54,783
Exchange differences	(346)
Amortizations	(48,804)
At year-end 2020	**179,109**

Deferred Acquisition Costs (DAC) for each individual country for the years 2020 and 2019 are as follows:

	Chile	Mexico	Peru	Uruguay	Total
Life insurance policies incorporating savings plans	7,227	-	-	-	7,227
Mandatory pensions:	62,828	96,214	6,829	2,922	168,793
Voluntary pensions	-	-	1,075	-	1,075
Retirement savings plans	2,014	-	-	-	2,014
Total Deferred Acquisition Costs (DAC) - 2020	**72,069**	**96,214**	**7,904**	**2,922**	**179,109**

	Chile	Mexico	Peru	Uruguay	Total
Life insurance policies incorporating savings plans	7,511	-	-	-	7,511
Mandatory pensions:	57,966	92,521	9,554	3,201	163,242
Voluntary pensions	-	-	1,039	-	1,039
Retirement savings plans	1,684	-	-	-	1,684
Total Deferred Acquisition Costs (DAC) - 2019	**67,161**	**92,521**	**10,593**	**3,201**	**173,476**

NOTE 27 - Investment properties

The balance of the investment properties held by Sura Asset Management S.A. and Subsidiaries for at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Buildings	72,180	30,555
Land	3,994	461
Total investment properties	**76,174**	**31,016**

Investment property at year-end 2020 and 2019 are broken down by individual country as follows:

	Chile	Peru	Total
Buildings	69,702	2,478	72,180
Land	3,559	435	3,994
Total investment properties - 2020	**73,261**	**2,913**	**76,174**
Buildings	29,311	1,244	30,555
Land	-	461	461
Total investment properties - 2019	**29,311**	**1,705**	**31,016**

The investment property account for the years 2020 and 2019 is shown as follows:

	2020	2019
Balance at January 1	31,016	32,490
Additions[1]	36,679	-
Fair value	1,860	822
Currency translation effect	6,619	(2,296)
Balance at December 31	**76,174**	**31,016**

[1] Seguros de Vida Chile purchased the Coprum building in 2020 for the purpose of underpinning its insurance reserves.

Lease income obtained from the Company's investment property at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Lease income	2,080	2,442
Total lease income	**2,080**	**2,442**

Lease income for each individual country at year-end 2020 and 2019 is broken down as follows:

	Chile	Peru	Total
Total lease income - 2020	2,078	2	2,080
Total lease income - 2019	2,440	2	2,442

Sura Asset Management S.A. and Subsidiaries are not in any way restricted with regard to disposing of or selling their investment properties, neither do they have any contractual obligations to purchase, construct or develop investment property or carry out repairs or maintenance work and / or build property extensions.

These investment properties are stated at fair value based on appraisals performed by independent outside professionals who are completely unrelated to the Group. These appraisal firms offer the experience and expertise required for valuing property in their respective geographic locations. The fair value of these properties was determined based on observable market transactions, given the nature of the property, in compliance with the valuation model contained in the recommendations made by the International Valuation Standards Council (IVSC).

All these investment properties belong to Sura Asset Management S.A. and Subsidiaries. Lease contracts are of an operating nature and at the present time Sura Asset Management S.A. and Subsidiaries do not have any lease agreements that could be classified as of a financial nature. Sura Asset Management S.A. and Subsidiaries pay property taxes and property insurance on all its investment properties.

Appraisals and valuation assumptions

1. **Independent appraiser information.**

The property belonging to Sura Asset Management S.A. and Subsidiaries have been measured by the following appraisers and appraisal firms:

- Real & Data Consultores Inmobiliarios, an independent appraisal firm registered with the Financial Market Commission (Comisión del Mercado Financiero - CMF) in Chile and Tinsa Chile S.A., another independent appraisal firm also registered with the CMF in Chile.
- Ingeniero Gino Layseca Zoppi CIP, N° 48728, REPEV 10812-2011 in Perú.

2. The appraisal methods and assumptions used:

The fair values arrived at in the appraisals performed are supported by market evidence and represent the values for which the asset could be purchased and sold between knowledgeable informed buyers and sellers on an arm's length basis on the date on which such property is appraised, this in accordance with that stipulated by the International Valuation Standards Council (IVSC). Valuations are performed on an annual basis and the fair value gains and losses are recorded within the income statement.

A categorization level 3 is assigned based on market assumptions, but in terms of the specific characteristics of each asset, consolidated cases must be reviewed so as to arrive at their individual values.

3. The extent to which fair value is calculated using observable variables in an active market

The parameters used to perform these appraisals are conservative in nature compared to the market prices normally obtained, both in terms of the CAP rates that are observed, evaluated and traded during the last half the 2020, as well as in terms of lease income, this being based on current contracts and future projections in keeping with current market vacancy rates.

Finally, based on the conservative parameters taken into account when conducting these appraisals, under IFRS these provide sufficient margin for protecting against eventual market fluctuations.

The investment properties held by Sura Asset Management S.A. and Subsidiaries at year-end 2020 are broken down as follows:

Total investment properties - 2020	Maximum contractual term (in years)	Maximum term elapsed (in years)	Appraisal date	Current status	Country
Millenium	10	1	At year-end 2020	Leased to third parties.	Chile
Nueva Los Leones	-	-	At year-end 2020	Leased to third parties.	Chile
Paseo Las Palmas - Renta	17	13	At year-end 2020	Leased to third parties.	Chile
Coyancura	5	4	At year-end 2020	Leased to third parties.	Chile
Cuprum Building	-	-	At year-end 2020	Leased to third parties.	Chile
Bandera Building	-	-	At year-end 2020	Leased to third parties.	Chile
Apoquindo Building	-	-	At year-end 2020	Leased to third parties.	Chile
Adoquindo Plot of Land	-	-	At year-end 2020	Leased to third parties.	Chile
Land (aliquot) Sura Tower	1	-	November 25, 2020	Leased to related parties	Peru
Building and parking space - Sura Tower	1	-	November 25, 2020	Leased to related parties	Peru

The investment properties held by Sura Asset Management S.A. and Subsidiaries at year-end 2019 are shown below:

Total investment properties - 2019	Maximum contractual term (in years)	Maximum term elapsed (in years)	Appraisal date	Current status	Country
Millenium	10	9	At year-end 2019	Leased to third parties.	Chile
Nueva Los Leones	-	-	At year-end 2019	Leased to third parties.	Chile
Paseo Las Palmas - Renta	17	13	At year-end 2019	Leased to third parties.	Chile
Coyancura	5	4	At year-end 2019	Leased to third parties.	Chile
Land (aliquot) Sura Tower	1	-	November 25, 2019	Leased to related parties	Peru
Building and parking space - Sura Tower	1	-	November 25, 2019	Leased to related parties	Peru

None of the Company's investment properties had been used to secure or guarantee loans at year-end 2020 and 2019. No property has been pledged to a third party in the form of collateral All land and buildings used for leasing purposes are free of any encumbrance or pledge.

The investment properties of Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 correspond to Level 3 on the Fair Value Hierarchy

<u>NOTE 28</u> - Property, plant and equipment

The classification of the net Property, Plant and Equipment account belonging to Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Buildings	24,715	22,389
Computer, communication and other equipment	16,256	15,080
Vehicles	3,388	3,263
Land	3,013	3,276
Office furniture and fixtures	725	1,725
Improvements to leased property	37	3,103
Total property, plant and equipment, net	**48,134**	**48,836**

Property, plant and equipment for each individual country for year-end 2020 and 2019 is broken down as follows

	Chile	Mexico	Peru	Uruguay	Colombia	El Salvador	Total
Buildings	13,277	5,922	4,486	1,030	-	-	24,715
Computer, communication and other equipment	5,459	9,733	589	157	317	1	16,256
Vehicles	4	3,037	-	-	347	-	3,388
Land	186	37	2,436	354	-	-	3,013
Office furniture and fixtures	691	-518	428	67	57	-	725
Improvements to leased property	-	-	-	37	-	-	37
Total property, plant and equipment - 2020	**19,617**	**18,211**	**7,939**	**1,645**	**721**	**1**	**48,134**

	Chile	Mexico	Peru	Uruguay	Colombia	El Salvador	Total
Buildings	10,177	5,707	5,307	1,198	-	-	22,389
Computer, communication and other equipment	3,219	10,516	997	170	177	1	15,080
Vehicles	7	3,175	11	-	70	-	3,263
Land	174	39	2,658	405	-	-	3,276
Office furniture and fixtures	630	424	562	84	25	-	1,725

	Chile	Mexico	Peru	Uruguay	Colombia	El Salvador	Total
Improvements to leased property	3,103	-	-	-	-	-	3,103
Total property, plant and equipment - 2019	**17,310**	**19,861**	**9,535**	**1,857**	**272**	**1**	**48,836**

Changes to Property, Plant and Equipment held by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are shown as follows:

	Buildings	Office furniture and fixtures	Computer, communication and other equipment	Land	Improvements to leased property	Vehicles	Total
Cost							
Opening Balance - January 1, 2019	**26,548**	**14,399**	**40,739**	**3,237**	**12,140**	**3,718**	**100,781**
Additions	5,784	1,793	7,160	-	1,575	1,725	18,037
Write-offs	(2,195)	(158)	(3,712)	-	-	(1,276)	(7,341)
Revaluation	5,187	-	-	59	-	-	5,246
Transfers to right-of-use assets	-	(6,532)	-	-	(4,063)	-	(10,595)
Currency translation effects	(598)	88	(114)	(20)	(816)	132	(1,328)
Closing balance - December 31, 2019	**34,726**	**9,590**	**44,073**	**3,276**	**8,836**	**4,299**	**104,800**
Additions	8,068	555	6,677	-	882	1,449	17,631
Write-offs	(1,378)	(63)	(2,514)	-	(8,300)	(936)	(13,191)
Revaluation	807	-	-	-	-	-	807
Currency translation effect	(39)	(383)	(668)	(263)	(443)	(170)	(1,966)
At year-end 2020	**42,184**	**9,699**	**47,568**	**3,013**	**975**	**4,642**	**108,081**
Depreciation							
Opening Balance - January 1, 2019	**(10,609)**	**(10,357)**	**(27,502)**	**-**	**(7,432)**	**(801)**	**(56,701)**
Depreciation for the year	(1,874)	(1,304)	(4,500)	-	(1,487)	(620)	(9,785)
Withdrawals	218	172	2,796	-	(103)	408	3,491
Transfers to right-of-use assets	-	3,728	-	-	2,734	-	6,462
Currency translation effect	(72)	(104)	213	-	555	(23)	569
At year-end 2019	**(12,337)**	**(7,865)**	**(28,993)**	**-**	**(5,733)**	**(1,036)**	**(55,964)**
Depreciation for the year	(1,853)	(1,420)	(4,806)	-	-	(601)	(8,680)
Withdrawals	(3,493)	25	1,992	-	4,503	352	3,379
Currency translation effect	214	286	495	-	292	31	1,318
At year-end 2020	**(17,469)**	**(8,974)**	**(31,312)**	**-**	**(938)**	**(1,254)**	**(59,947)**

	Buildings	Office furniture and fixtures	Computer, communication and other equipment	Land	Improvements to leased property	Vehicles	Total
Net book value							
At year-end 2020	**24,715**	**725**	**16,256**	**3,013**	**37**	**3,388**	**48,134**
Closing balance - December 31, 2019	**22,389**	**1,725**	**15,080**	**3,276**	**3,103**	**3,263**	**48,836**

Property, plant and equipment are initially measured at cost, which includes all the expense required in order to get them ready for their subsequent use. After being recognized as an asset, land and buildings for the Company's own use are carried at fair value less accumulated depreciation and any accumulated impairment losses that may have been sustained.

The straight-line method is used to calculate depreciation on property, plant and equipment based on their estimated useful life in years.

The useful lives of the property plant and equipment belonging to Sura Asset Management S.A. and Subsidiaries are shown below:

	Useful life
Buildings	Between 20 and 50 years
Office furniture and fixtures	Between 7 and 10 years
Computer, communication and other equipment	Between 3 and 10 years
Land	Indefinite
Improvements to leased property	Depending on the lease agreement
Vehicles	Between 5 and 10 years

Based on the accounting policy upheld by Sura Asset Management S.A. and Subsidiaries, the revaluation model is used for any subsequent measurement of buildings and land, whereas the cost model is applied when measuring other fixed assets.

The fair value of buildings and land was based on appraisals carried out by independent professionals.

Their fair values were determined in keeping with market-based evidence. This means that the appraisals performed were based on prices quoted in active markets, which were duly adjusted for differences in the nature, location or condition of the property in question.

There are no restrictions relating to property, plant and equipment.

An analysis was performed at the end of period to detect whether there were indications of any impairment to the property, plant and equipment belonging to Sura Asset Management S.A. and Subsidiaries. As a result, it was determined that:

- During the period in question, the market value of these same assets had not decreased more than expected with the passage of time or the normal use of such.

- No significant changes in their value are expected due to situations that could have an adverse effect on the Company.
- There is no evidence of these assets having become obsolete or suffering any physical deterioration.
- No changes are expected in the near future with regard to how assets are used and which could have an adverse effect on the Company.
- No evidence has been found that indicates that the economic performance of the asset is, or shall be, worse than expected going forward.

After analyzing all impairment indicators, no evidence was found of any such impairment being sustained by the Company's property and equipment on the date of this report.

NOTE 29 - Intangible assets

Intangible assets for Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Goodwill [1]	1,244,198	1,261,820
Trademarks	38,026	37,526
Client relations	603,599	659,173
Software and applications	41,449	38,238
Other Intangible Assets	697	733
Total Intangible Assets	**1,927,969**	**1,997,490**

[1] Goodwill corresponding to business combinations held by Sura Asset Management S.A. as posted at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Acquisition of the ING companies	970,210	989,212
Acquisition of AFP Horizonte	272,608	272,608
Acquisition of Fiduciaria Sura S.A. (formerly Gestión Fiduciaria S.A.)	1,380	-
Total Goodwill	**1,244,198**	**1,261,820**

Intangible assets broken down for each individual country for 2020 are as follows:

	Chile	Mexico	Peru	Uruguay	Colombia	Total
Goodwill	539,834	280,418	388,449	34,117	1,380	1,244,198
Trademarks	25,163	-	12,863	-	-	38,026
Client relations	207,474	195,003	176,579	24,543	-	603,599
Software and applications	9,666	21,793	4,005	676	5,309	41,449
Other Intangible Assets	697	-	-	-	-	697
Total intangible assets 2020	**782,834**	**497,214**	**581,896**	**59,336**	**6,689**	**1,927,969**

Intangible assets broken down for each individual country for 2019 are as follows:

	Chile	Mexico	Peru	Uruguay	Colombia	Total
Goodwill	503,755	294,985	424,141	38,939	-	1,261,820
Trademarks	23,481	-	14,045	-	-	37,526
Client relations	206,729	216,529	205,902	30,013	-	659,173
Software and applications	8,674	17,454	5,159	951	6,000	38,238
Other Intangible Assets	733	-	-	-	-	733
Total intangible assets 2019	**743,372**	**528,968**	**649,247**	**69,903**	**6,000**	**1,997,490**

Changes to the intangible asset account belonging to Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are as following:

	Goodwill	Brands	Client relations	Software and applications	Licenses	Other intangible assets	Total
Cost							
Opening Balance - January 1, 2019	1,289,604	39,145	983,385	63,843	-	1,586	2,377,563
Additions	-	-	-	25,124	-	-	25,124
Write-offs	-	-	-	(15,786)	-	-	(15,786)
Currency translation effects	(27,784)	(1,619)	(15,255)	(1,331)	-	(122)	(46,111)
Closing balance - December 31, 2019	**1,261,820**	**37,526**	**968,130**	**71,850**	**-**	**1,464**	**2,340,790**
Additions	1,282	-	1,017	25,420	84	68	27,871
Write-offs	-	-	(1,072)	(13,515)	(84)	-	(14,671)
Currency translation effects	(18,904)	500	(23,988)	137	-	94	(42,161)
At December 31, 2020	**1,244,198**	**38,026**	**944,087**	**83,892**	**-**	**1,626**	**2,311,829**
Amortizations							
At January 1, 2019	-	-	(274,378)	(30,855)	-	(707)	(305,940)
Amortizations	-	-	(40,555)	(13,355)	-	(87)	(53,997)
Withdrawals	-	-	-	9,466	-	-	9,466
Currency translation effect	-	-	5,976	1,132	-	63	7,171
At December 31, 2019	**-**	**-**	**(308,957)**	**(33,612)**	**-**	**(731)**	**(343,300)**
Amortizations	-	-	(36,692)	(14,004)	-	(77)	(50,773)
Withdrawals	-	-	55	5,932	-	(68)	5,919
Currency translation effect	-	-	5,106	(759)	-	(53)	4,294
At December 31, 2020	**-**	**-**	**(340,488)**	**(42,443)**	**-**	**(929)**	**(383,860)**
At December 31, 2020	**1,244,198**	**38,026**	**603,599**	**41,449**	**-**	**697**	**1,927,969**
At December 31, 2019	**1,261,820**	**37,526**	**659,173**	**38,238**	**-**	**733**	**1,997,490**

The following are the useful lives corresponding to the more representative intangible assets at year-end 2020:

Client relations	Total useful life	Remaining useful life
AFP Capital S.A. (Chile)	27	18
Corredora de Bolsa and Administradora General de Fondos S.A. (Chile)	10	1
Seguros de Vida S.A. (Chile)	14	5
AFP Integra (Peru)	30	21

Client relations	Total useful life	Remaining useful life
AFAP Sura S.A. (Uruguay)	23	14
Afore Sura S.A. De C.V.	27	18

Impairment tests

Goodwill acquired through business combinations as well as trademarks with indefinite useful lives have been allocated to the following Companies for the purpose of performing individual impairment tests: These Companies make up the Cash Generating Units (CGUs) in each country. The values assigned to the Companies that make up the CGUs at December 31, 2020 are as follows:

	2020	2019
CGUs in Chile		
AFP Capital S.A. (Chile)	516,552	482,028
Corredora de Bolsa Sura S.A.(Chile) and Administradora General de Fondos S.A. (Chile).	23,282	21,726
CGUs in Mexico		
Afore Sura S.A. de C.V. (Mexico)	273,924	288,154
Sura Investment Management México S.A. de C.V. (Mexico)	6,494	6,832
CGUs in Peru		
AFP Integra S.A. (Peru)	370,948	405,032
Fondos Sura SAF S.A.C. (Peru)	17,501	19,109
CGU in Uruguay		
AFAP Sura S.A. (Uruguay)	34,117	38,939
CGU Fiduciaria Sura		
FIDUCIARIA Sura S.A. (Colombia)	1,380	-
Total	**1,244,198**	**1,261,820**

The above-mentioned entities represent the more relevant operating companies when the business combination was first carried out, through which Sura Asset Management manages, controls and projects its business throughout the region based on an individual country focus.

Sura Asset Management S.A. and Subsidiaries performed impairment tests throughout the year, the results of which showed no indication of any impairment either to goodwill or to trademarks with indefinite useful lives. The change in the values of the CGUs from one period to the other corresponds to adjustments made to the projected cash flows as well as the variables used to determine the present value of such (such as discount rates for example), which are updated taking into account changes in their respective business environments along with their projected growth. The general assumptions applied are described in this note.

Also, certain trademarks have been associated to the business of the two CGUs, namely the AFP Capital trademark belonging to AFP Capital S.A. as well as the AFP trademark belonging to AFP Integra S.A.

The above-mentioned entities represent the more relevant operating companies when the business combination was first carried out, through which Sura Asset Management manages, controls and projects its business throughout the region based on an individual country focus.

Sura Asset Management S.A. and Subsidiaries performed impairment tests throughout the year, the results of which showed no indication of any impairment either to goodwill or to trademarks with indefinite useful lives.

Also, certain trademarks have been associated to the business of the two CGUs, namely the AFP Capital trademark belonging to AFP Capital S.A. as well as the AFP trademark belonging to AFP Integra S.A.

Methodology for Estimating Value in Use: the value in use for the Group´s CGUs was estimated using the income approach.

General assumptions used in applying the income approach:

The calculation of the value in use for all CGUs is sensitive to the following assumptions:

- *Time horizon*: The time horizon of the projection corresponding to the estimated duration of the CGUs analyzed. For more information see below.

- *Forecasting horizon*: Based on the current macroeconomic conditions and the general characteristics and maturity of the different CGUs in question as well as all available information, we have considered the following specific forecasting horizons:

  - Corredora de Bolsa Sura S.A. and Administradora General de Fondos Sura S.A.: 10 years
  - AFP Capital S.A. 5 years
  - Afore Sura S.A. de C.V. 5 years
  - Sura Investment Management México S.A. de C.V. 10 years
  - AFP Integra S.A.: 5 years
  - Fondos Sura SAF S.A.C. 10 years
  - AFAP Sura S.A: 5 years
  - Fiduciaria Sura S.A.: 10 years

Broadly speaking, it is understood that at the end of the each of the aforementioned horizons, the CGUs in question shall achieve a degree of business maturity with the consequent stabilization of their cash flows.

- *Residual value*: Since the CGUs in question are expected to continue operating and generating positive cash flows beyond the forecasting horizon, as mentioned above, the perpetual performance of said CGUs was estimated. This value is known as the residual or terminal value.

  In order to estimate the residual value, standardized cash flows were projected in perpetuity, duly adjusted according to the same growth expectations as defined using the guidelines suggested in the applicable standard.

- *Year-end closing date*: The cut-off date corresponding to the fiscal year on which the CGU´s financial projections were estimated on the date the analysis was performed, that is to say December 31, which coincides with the closing date of the financial statements of the legal entities pertaining to said CGUs.

- *Currency Unit*: Sura Asset Management S.A. and Subsidiaries have estimated their cash flows in the functional currency of each of their markets, in keeping with that stated in the applicable standards.

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

The discount rates used for these projections correspond to the cost of equity (Ke) for each company that makes up the CGU. The cost of equity takes into account the risk-free rate (using the 10-year US treasury rate as a benchmark), the equity risk premium, the country risk, the sector's beta, and the difference between long-term local inflation rates and that expected for the US economy. In the light of the above, the discount rates used range between 8.8% and 14.2% depending on the corresponding country and sector to which the CGU belongs.

- *Income tax rates:* Projected cash flows are estimated after tax. Here, the tax rates that were applied to current earnings in each country at year-end 2020, came to 27% in the case of Chile, 30% in Mexico, 29.5% in Peru, 25% in Uruguay and 33% in Colombia (See Note 22).

- *Macroeconomic Assumptions:* financial projections for the CGUs in question, have been prepared based on macroeconomic variables projected by external sources of information.

The following assumptions were used for the impairment tests performed on trademarks:

- *Projection Horizon*: to estimate the value in use corresponding to trademarks their indefinite useful life was used, based on the brand positioning and track records, as well as the market focus of each CGU. Therefore, a specific projection was drawn up over a 5-year time frame for the AFP Capital and AFP Integra trademarks respectively, and then the present value of a perpetual stream of net royalties based on nominal increases in U.S. dollars of 4% for AFP Capital and 3.4% for AFP Integra was projected over the long term on stabilized cash flows.

- *Projected Income:* To estimate the value in use of the AFP Capital and AFP Integra trademarks, operating income from both companies was used. This corresponds to commission income and returns on their legal reserves on both their mandatory and voluntary pension business.

- *Market royalties and trademark attributes:* The market royalty rate was estimated for the purposes of applying the Relief from Royalty methodology. Also, in order to define the royalties corresponding to these trademarks, an estimated range of market royalties was taken as a basis, bearing in mind the trademark´s relative strength and positioning based on the following attributes:

- *Momentum:* the current status and potential for future growth of both trademarks were taken into account.

- *Recognition:* the degree of brand awareness or "top of the mind" of both trademarks was evaluated based on market research.

- *Brand loyalty:* the degree of client loyalty towards the trademarks was evaluated according to market research.

- *Market share:* the brands´ market shares were evaluated on the Chilean and Peruvian markets, this based on market research.

- Longevity: brand seniority on the Chilean and Peruvian markets were evaluated, based on market research.

- Based on the above procedures, royalties of 1.05% were estimated for the trademarks AFP Capital and AFP Integra respectively.

- *Taxation* For the purpose of calculating after-tax streams of royalties, the tax rates current in each country were used. These came to 27% in the case of Chile and 29.5% for Peru.

<u>NOTA 30</u> - Investments in associates and joint ventures

Investments in Associates at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	390,245	387,330
Inversiones DCV S.A.	1,988	1,531
Fondos de Cesantías Chile II	5,738	4,547
Servicios de Administración Previsional S.A.	4,292	3,827
Procesar	-	286
Total investments in associates	**402,263**	**397,521**
Unión para la infraestructura S.A.S. (UPI)	376	422
Unión para la infraestructura Perú S.A.C.	241	168
Total investments in joint ventures	**617**	**590**
Investments in associates and joint ventures	**402,880**	**398,111**

Sura Asset Management S.A.'s associates and joint ventures at year-end 2020 and 2019 are listed below:

Name of Company	Status	Main business activity	Country	% Voting rights	# Shares held
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Associate	Pension and severance fund	Colombia	49.36%	25,407,446
Inversiones DCV S.A.	Associate	Shareholder register management services	Chile	35.82%	9,854
Fondos de Cesantías Chile II	Associate	Pension and severance fund	Chile	29.40%	570,000
Servicios de Administración Previsional S.A.	Associate	Voluntary funds	Chile	22.64%	745,614
Unión para la infraestructura Perú S.A.C.	Joint venture	Funds	Peru	50.00%	300,000
Unión para la infraestructura S.A.S. (UPI)	Joint venture	Funds	Colombia	50.00%	2,708,000

The financial information corresponding to the associates of Sura Asset Management is summarized as follows:

2020	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Earnings	Other Comprehensive Income	Comprehensive income
Fondo de Pensiones y Cesantías Protección S.A.	223,644	694,136	(88,380)	(246,585)	(582,815)	534,591	78,896	294	79,190
Inversiones DCV S.A.	898	7,775	(848)	-	(7,825)	1,339	1,069	-	1,069
Servicios de Administración Previsional S.A.	22,389	11,557	(20,191)	(178)	(13,577)	34,714	10,462	-	10,462
Fondos de Cesantías Chile II	23,206	17,147	(13,367)	(7,468)	(19,518)	46,480	3,237	(188)	3,049
Unión para la infraestructura Perú S.A.C.	843	108	(451)	(18)	(482)	1,223	1	-	1
Unión para la infraestructura S.A.S. (UPI)	1,720	237	(1,005)	(200)	(752)	3	133	-	133

2019	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Earnings	Other Comprehensive Income	Comprehensive income
Fondo de Pensiones y Cesantías Protección S.A.	213,880	589,491	(78,434)	(167,180)	(557,757)	431,688	134,952	(2,258)	132,694
Inversiones DCV S.A.	365	6,422	(370)	-	(6,417)	1,285	1,276	-	1,276
Servicios de Administración Previsional S.A.	18,336	12,779	(17,904)	(197)	(13,014)	40,851	17,965	-	17,965
Fondos de Cesantías Chile II	13,567	19,257	(9,802)	(7,557)	(15,465)	48,503	9,515	(567)	8,948
Unión para la infraestructura Perú S.A.C.	8,978	-	(4)	-	(8,974)	-	537	-	537
Unión para la infraestructura S.A.S. (UPI)	1,530	316	(991)	(285)	(570)	2,095	-	-	-

NOTE 31 - Accounts payable

Accounts payable at year-end 2020 and 2019 for Sura Asset Management S.A. and Subsidiaries are broken down as follows:

Accounts payable - current	2020	2019
Accounts payable on mandatory pension business - contracts with clients	26,524	31,412
Accounts payable on mandatory pension business	109,987	18,110
Account payables on insurance business	29,035	30,411
Accounts payable to suppliers	27,974	20,044
Employment contributions and retentions payable	5,895	6,209
Reinsurance operations	1,032	5,820
Accounts payable on fund management business	-	73
Favorable experience dividends (FED) payable	403	1,071
Dividends payable	99	84
Other accounts payable - short term	12,571	23,060
Total current accounts payable	**213,520**	**136,294**
Total accounts payable	**213,520**	**136,294**

Accounts payable for each individual country is shown as follows:

	Chile	Mexico	Peru	Uruguay	Colombia	Other Countries*	Total
Accounts payable	172,260	20,369	18,897	435	1,549	10	213,520
Total accounts payable - 2020	**172,260**	**20,369**	**18,897**	**435**	**1,549**	**10**	**213,520**
Accounts payable	89,182	19,208	20,476	867	6,530	31	136,294
Total accounts payable - 2019	**89,182**	**19,208**	**20,476**	**867**	**6,530**	**31**	**136,294**

* “Other Countries” include El Salvador and Argentina

An aging analysis performed on the accounts payable held at year-end 2020 and 2019 showed the following results:

In thousands of USD	Less than 1 year	Total
Chile	172,260	172,260
Mexico	20,369	20,369
Peru	18,897	18,897
Uruguay	435	435
Colombia	1,549	1,549
Others*	10	10
Total accounts payable - 2020	**213,520**	**213,520**

* Argentina and Salvador.

In thousands of USD	Less than 1 year	Total
Chile	89,182	89,182
Mexico	19,208	19,208
Peru	20,476	20,476
Uruguay	867	867
Colombia	6,530	6,530
Others*	31	31
Total accounts payable - 2019	**136,294**	**136,294**

* Argentina and Salvador.

NOTE 32 - Financial obligations at amortized cost

Financial obligations held by Sura Asset Management S.A. at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Financial obligations	150,151	184,968
Total Financial liabilities at amortized cost	**150,151**	**184,968**

The balance of financial obligations held at year-end 2020 and 2019, classified as current and non-current, is broken down as follows:

	2020	2019
Non-current financial obligations	26,811	427
Total non-current financial obligations	**26,811**	**427**
Current financial obligations	123,340	184,541
Total current financial obligations	**123,340**	**184,541**

Financial obligations for each individual country are broken down as follows:

	Colombia	Chile	Total
Financial obligations	147,660	2,491	150,151
Total Financial Obligations - 2020	**147,660**	**2,491**	**150,151**
Financial obligations	184,539	429	184,968
Total Financial Obligations - 2019	**184,539**	**429**	**184,968**

The maturities and description of the financial obligations held at year-end 2020 and 2019 can be found in Note 19.2 - Financial Liabilities

NOTA 33 – Technical Reserves - Insurance Contracts

Technical reserves

Items contained in the Technical Reserve Account fall into the following categories:

Claim reserves: these are provisions set up on the estimated costs of the claims that have occurred but have not been paid. This includes:

- The loss reserve: corresponding to the liabilities and direct settlement expense on reported claims This reserve is set up on the date the policy-holder and / or beneficiary informs the Company of an insurance claim and this is subject to monthly recalculations.

- The Incurred But Not Reported (IBNR) loss reserve: set up on incidents that have occurred, but have not been reported by the policy-holder and / or beneficiary on the corresponding reporting date.

Reserves for future commitments: consisting of provisions set up on expected future commitments to policy-holders. This includes:

- Mathematical insurance reserves (excluding annuities): calculated on the current terms and conditions of the insurance contracts in place using a prudent prospective actuarial method. This liability is determined as the sum of the present value of expected future earnings, claims and policy handling expense, options and guarantees, and the returns on investment corresponding to the assets underlying these liabilities, and that are directly related to the contract, less the discounted value of the expected premiums required to meet future payments based on the valuation assumptions used.

- Mathematical life annuity reserves: are calculated based on the present value of future earnings from the contract as well as the direct operating expenses that the company incurs upon paying its contractual obligations.

- Unearned Premium Reserves: these are set up for short-term insurance (both group and individual) in which the premium payment frequency differs from the effective coverage term and therefore a premium has been received for a future risk, which must be provisioned. This provision is determined on the basis of paid premiums, net of expense, and is amortized over the term of coverage.

Reserves for the deposit (savings) components of life insurance policies or fund value reserves: for the unit linked, universal life (including flexible) insurance and other products that include a deposit component (savings component that recognizes the value of policy-holder´s fund).

Other reserves: Sura Asset Management may recognize those reserves which are not mentioned above as belonging to the "Other Reserves" account, as permitted according to current accounting policies and guidelines.

The only subsidiary dedicated to the insurance business is Seguros de Vida Sura S.A. Chile.

The technical reserves held by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Mathematical reserve[1]	129,718	827,601
Non-current reserves	**129,718**	**827,601**

Other reserves	4,351	18,536
Reserve for unearned premiums	920	1,732
IBNR reserves	3,154	4,796
Loss reserves	3,787	6,154
Fund value reserves	1,170,939	1,061,591
Current reserves	**1,183,151**	**1,092,809**
Total technical reserves - insurance contracts	**1,312,869**	**1,920,410**

[1] This change with the mathematical reserve corresponds to the sale of the portfolio held by Pensiones Sura Mexico. (See Note 41)

Technical reserves held by each individual country are shown as follows:

	Chile	Mexico	Total
Total technical reserves - 2020	1,312,869	-	1,312,869
Total technical reserves - 2019	1,193,899	726,511	1,920,410

The breakdown per type of reserve held at year-end, including the retained as well as the reinsured portions, is shown as follows:

	Retained portion (liability)	Reinsured portion (asset)	Total
Mathematical reserve	129,718	1	129,717
Other reserves	4,351	-	4,351
Reserve for unearned premiums	920	24	896
IBNR reserves	3,154	420	2,734
Loss reserves	3,787	546	3,241
Fund value reserves	1,170,939	-	1,170,939
Total reserves- 2020	**1,312,869**	**991**	**1,311,878**

	Retained portion (liability)	Reinsured portion (asset)	Total
Mathematical reserve	827,601	2	827,599
Other reserves	18,536	-	18,536
Reserve for unearned premiums	1,732	345	1,387
IBNR reserves	4,796	4,745	51
Loss reserves	6,154	1,345	4,809
Fund value reserves	1,061,591	-	1,061,591
Total reserves- 2019	**1,920,410**	**6,437**	**1,913,973**

The breakdown by type of reserve shown as follows:

	Individual protection *	Unit-linked	Group insurance	Annuities and others	Total
Mathematical reserve	110,302	-	19,416	-	129,718
Other reserves	371	3,981	-	-	4,352
Reserve for unearned premiums	545	344	32	-	921
IBNR reserves	2,500	436	219	-	3,155
Loss reserves	421	2,114	1,249	-	3,784
Fund value reserves	-	1,170,939	-	-	1,170,939
Total reserves- 2020	**114,139**	**1,177,814**	**20,916**	**-**	**1,312,869**

* The reserve corresponding to individual protection includes our traditional, universal life and individual health care policies.

	Individual protection *	Unit-linked	Group insurance	Annuities and others	Total
Mathematical reserve	102,132	0	15,124	710,345	827,601
Other reserves	314	3,966	73	14,183	18,536
Reserve for unearned premiums	817	0	915	0	1,732
IBNR reserves	1,826	0	2,970	0	4,796
Loss reserves	3,125	0	1,047	1,982	6,154
Fund value reserves	0	1,061,591	0	0	1,061,591
Total reserves- 2019	**108,214**	**1,065,557**	**20,129**	**726,510**	**1,920,410**

* The reserve corresponding to individual protection includes our traditional, universal life and individual health care policies.

The movements and the effects of measuring insurance and reinsurance liabilities are shown as follows

	Liabilities - insurance contracts with no DPFs	Total insurance contract liabilities	Assets - insurance contracts with no DPFs	Total insurance contract assets	Net
At January 1, 2019	1,940,044	1,940,044	7,128	7,128	1,932,916
Changes in reserves (set up for premiums, losses)	229,854	229,854	(753)	(753)	230,607
Monetary correction - reserves	33,809	33,809	-	-	33,809
Freed up reserves	(211,590)	(211,590)	-	-	(211,590)
Currency translation adjustments	(71,707)	(71,707)	62	62	(71,769)
At December 31, 2019	**1,920,410**	**1,920,410**	**6,437**	**6,437**	**1,913,973**
Changes in reserves (set up for premiums, losses)	148,752	148,752	(5,242)	(5,242)	153,994
Monetary correction - reserves	29,932	29,932	-	-	29,932
Freed up reserves	(147,885)	(147,885)	-	-	(147,885)
Other changes to reserves[1]	(639,341)	(639,341)			(639,341)
Currency translation adjustments	1,001	1,001	(204)	(204)	1,205
At December 31, 2020	**1,312,869**	**1,312,869**	**991**	**991**	**1,311,878**

[1] The most significant "other change to reserves" corresponds to the sale of the portfolio held by Pensiones Sura Mexico. (See Note 41)

NOTE 34 - Employee benefits

The balance of the Employee Benefit account for Sura Asset Management S.A. and Subsidiaries is broken down as follows:

	2020	2019
Short-term benefits (Note 34.1)	42,038	41,470
Long-term benefits (Note 34.2)	686	310
Post-employment benefits (Note 34.3)	1,356	1,176
Termination benefits	213	1,015
Total employee benefits	**44,293**	**43,971**

Employee benefits for each individual country are shown as follows:

	Chile	Mexico	Peru	Colombia	Others*	Total
Short-term benefits (Note 34.1)	16,529	12,208	7,186	3,983	2,132	42,038
Long-term benefits (Note 34.2)	-	686	-	-	-	686
Post-employment benefits (Note 34.3)	-	1,349	-	7	-	1,356
Termination benefits	-	-	-	210	3	213
Total employee benefits - 2020	**16,529**	**14,243**	**7,186**	**4,200**	**2,135**	**44,293**

* Uruguay, El Salvador and Argentina

	Chile	Mexico	Peru	Colombia	Others*	Total
Short-term benefits (Note 34.1)	14,026	12,537	9,157	3,960	1,790	41,470
Long-term benefits (Note 34.2)	-	310	-	-	-	310
Post-employment benefits (Note 34.3)	-	-	-	1,176	-	1,176
Termination benefits	-	793	-	220	2	1,015
Total employee benefits - 2019	**14,026**	**13,640**	**9,157**	**5,356**	**1792**	**43,971**

* Uruguay, El Salvador and Argentina

34.1 Short-term employee benefits

Obligations in the form of short-term employee benefits as posted by Sura Asset Management S.A. include

a) Mandatory social security and employment benefits: accruing on a monthly basis according to the rules and regulations of each country. Payments are made based on the requirements of the oversight authorities.
b) Short-term Performance Incentives: accruing on a monthly basis using estimated percentages of performance compliance. These are paid every year in the first quarter of each year to all those employees entitled to such incentives, after being evaluated in terms of their achieving the predefined targets and to the extent that corporate objectives have been attained.
c) Other employee benefits: these are minor amounts, which are recognized in expenses, to the extent that the service or benefit is provided.

Short-term employee benefits are broken down as follows:

	2020	2019
Bonuses	25,945	23,821
Vacation pay	7,985	6,590
Extralegal Bonus	-	3,081
Current provisions for employee benefits	2,427	1,072
Severance	434	421
Profit-sharing plans	5,203	6,409
Other benefits	44	76
Total short-term employee benefits	**42,038**	**41,470**

Employee benefits for each individual country are shown as follows:

	Chile	Mexico	Peru	Colombia	Others*	Total
Bonuses	10,220	9,928	2,318	3,221	258	25,945
Vacation pay	5,272	1	1,677	590	445	7,985
Provisions for employee benefits	1,038	-	-	-	1,389	2,427
Severance	1	-	261	172	-	434
Profit-sharing plans	-	2,273	2,930	-	-	5,203
Other benefits	-	6	-	-	38	44
Total short-term employee benefits - 2020	**16,531**	**12,208**	**7,186**	**3,983**	**2,130**	**42,038**

* Uruguay, El Salvador and Argentina

	Chile	Mexico	Peru	Colombia	Others*	Total
Bonuses	9,037	10,360	3,092	269	1,063	23,821
Vacation pay	4,104	-	1,528	478	480	6,590
Extralegal Bonus	-	-	-	3,081	-	3,081
Provisions for employee benefits	879	-	-	-	193	1,072
Severance	6	-	297	118	-	421
Profit-sharing plans	-	2,174	4,235	-	-	6,409
Other benefits	-	3	5	14	54	76
Total short-term employee benefits - 2019	**14,026**	**12,537**	**9,157**	**3,960**	**1,790**	**41,470**

* Uruguay, El Salvador and Argentina

34.2 Long-term employee benefits

a) Seniority Bonus: This benefit is paid to the employee in the event of their death, disability, dismissal and voluntary separation. In the case of the voluntary separation benefit, the employee has to have completed fifteen years of service is established.

The long-term benefits offered by Sura Asset Management S. A. at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Seniority Bonus	686	310
Total long-term employee benefits	**686**	**310**

Long-term employee benefits correspond entirely to Mexico.

The following table shows the changes in the long-term employee benefits offered by Sura Asset Management S. A. at year-end 2020 and 2019:

	Seniority Bonus
Present value of employee benefit obligations at January 1, 2019	**177**
Re-measurements	618
Financial assumptions	145
Plan-based payments	(385)
Exchange differences	(245)
Present value of employee benefit obligations at December 31, 2019	**310**
Costs incurred during the period	(17)
Interest expense	16
Costs of past services	278
(Gains) losses due to changes in financial assumptions	84
Currency translation adjustments	15
Present value of employee benefit obligations at December 31, 2020	**686**

The following are the economic assumptions which were systematically applied for the purpose of estimating the costs of a deferred benefit plan:

	Seniority Bonus	
	2020	**2019**
Discount rate (%)	8.50%	7.00%
How the discount rate is determined		
Average salary increase - non-unionized employees (%)	5.41%	5.41%
Minimum salary increase (%)	4.37%	4.37%

Sensitivity analysis performed for 2020 based on a 1% change in the discount and inflation rates

	Seniority Bonus			
	Discount rate		Inflation rate	
	Increase +1	Discount-1	Increase +1	Discount-1
Present value of employee benefits	686	686	686	686
Variation in sensitivity	58	(58)	37	(37)

Sensitivity analysis performed for 2019 based on a 1% change in the discount and inflation rates

	Seniority Bonus			
	Discount rate		Inflation rate	
	Increase +1	Discount-1	Increase +1	Discount-1
Present value of employee benefits	310	310	310	310
Variation in sensitivity	10	(10)	(10)	10

34.3 Post-employment benefits

a) Retirement bonus: corresponds to a lump sum which is defined by the Company and granted to members of senior management at the time of their retirement.

The following are the post-employment benefits offered by the Company:

	2020	2019
Retirement bonus	954	1,176
Retirement pensions	402	-
Total post-employment benefits	**1,356**	**1,176**

Post-employment benefits offered by the Company in each individual country are broken down as follows:

	Mexico	Colombia	Total
Retirement bonus	-	954	954
Retirement pensions	402	-	402
Total post-employment benefits - 2020	**402**	**954**	**1,356**

	Mexico	Colombia	Total
Retirement bonus	-	1,176	1,176
Total post-employment benefits - 2019	**-**	**1,176**	**1,176**

The table below shows the movement in the post-employment benefits offered by Sura Asset Management S. A.:

	Retirement benefits	Retirement pensions
Present value of obligations at January 1, 2019	**443**	**-**
Re-measurements	372	-
Plan-based payments	(315)	-
Other changes	688	-
Exchange difference	(12)	-
Present value of obligations at December 31, 2019	**1,176**	**-**
Upcoming payments	123	-
Re-measurements	-	671
Other changes	(301)	(324)
Exchange differences	(44)	55
Present value of obligations at December 31, 2020	**954**	**402**

The main actuarial assumptions used to determine the value of obligations in the form of defined employee benefit plans are listed below:

	Employee retirement benefit		Retirement pensions	
	2020	2019	2020	2019
Discount rate (%)	6.64%	6.95%	8.75%	-
Rate of increase with the discount rate (%)	6.71%	7.01%	8.75%	-
Annual inflation rate (%)	3.00%	3.20%	3.50%	-
Rate of increase with inflation rate (%)	3.03%	3.23%	4.50%	-

Sensitivity analysis performed for 2020 based on a 1% change in the discount and inflation rates

	Retirement benefits				Retirement pensions			
	Discount rate		Inflation rate		Discount rate		Inflation rate	
	Inc. +1	Desc. -1	Inc. +1	Desc. -1	Inc. +1	Desc. -1	Inc. +1	Desc. -1
Present value of employee benefits	954	954	954	954	402	402	402	402
Variation in sensitivity	(3)	4	2	(1)	(72)	84	-	-
Present service expense	98	101	100	99	99	83	94	88

Sensitivity analysis performed for 2019 based on a 1% change in the discount and inflation rates

	Retirement benefits			
	Discount rate		Inflation rate	
	Increase +1	Discount-1	Increase +1	Discount-1
Present value of employee benefits	1,475	1,507	1,498	1,484
Variation in sensitivity	(3)	4	2	(1)
Present service expense	98	101	100	99

34.4 Employee benefit expense

The following is a breakdown of employee benefit expense at year-end 2020 and 2019 (See Note 13):

	2020	2019
Salaries and wages	89,617	95,515
Commissions	46,710	57,135
Bonuses	41,255	39,851
Legal employment benefits	24,090	24,784
Other subsidies	10,877	16,857
Social security contributions	14,838	14,120
Indemnities	6,834	7,690
Insurance policies	5,160	6,985
Personnel training	1,758	3,803
Total employee benefit expense	**241,139**	**266,740**

NOTE 35 - Other liabilities

Other liabilities as posted by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Insurance premiums received in advance	-	348
Commissions	121	141
Other income received in advance	151	11
Total other liabilities	**272**	**500**

Other liabilities for each individual country are shown as follows:

	Mexico	Peru	Colombia	Total
Total other liabilities 2020	-	144	128	272
Total other liabilities 2019	348	-	152	500

NOTE 36 - Provisions and contingencies

Provisions set up by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019 are broken down as follows:

	2020	2019
Provisions - non-current		
Provisions for litigation and lawsuit expense	10,025	10,511
Total provisions - non-current	**10,025**	**10,511**
Provisions - current		
Other general current provisions	2,432	2,337
Total provisions - current	**2,432**	**2,337**
Total provisions and contingencies	**12,457**	**12,848**

Provisions set up for litigation and lawsuit expense in each country at year-end 2020 and 2019 are shown as follows:

Provisions for litigation and lawsuit expense	Mexico	Uruguay	Total
Opening balance - January 1st, 2018	10,379	73	10,452
New provisions and additions	1,352	-	1,352
Amounts used	(1,623)	(45)	(1,668)
Translation differences	384	(9)	375
Closing balance - December 31, 2019	**10,492**	**19**	**10,511**
New provisions and additions	246	-	246
Amounts used	(200)	(16)	(216)
Translation differences	(513)	(3)	(516)
Closing balance - December 31 2020	**10,025**	**-**	**10,025**

General provisions set up in each country at year-end 2020 and 2019 are shown as follows:

Other general provisions	Chile	Mexico	Uruguay	Colombia	Total
Opening balance - January 1st, 2018	1,012	400	446	-	1,858
New provisions and additions	400	1,026	3,995	-	5,421
Amounts used	(457)	(502)	(3,961)	-	(4,920)
Translation differences	(36)	73	(59)	-	(22)
Closing balance - December 31, 2019	**919**	**997**	**421**	**-**	**2,337**
New provisions and additions	378	36	3,378	258	4,050
Amounts used	-	(534)	(3,415)	-	(3,949)
Translation differences	113	(90)	(50)	21	(6)
Closing balance - December 31 2020	**1,410**	**409**	**334**	**279**	**2,432**

<u>NOTE 37</u> - Deferred Income Liabilities (DIL)

Deferred income liabilities posted by Sura Asset Management at year-end 2020 and 2019, are shown as follows:

	2020	2019
Deferred Income Liabilities (DIL)	17,728	18,285
Total Deferred Income Liabilities (DIL)	**17,728**	**18,285**

Deferred Income Liabilities (DIL) for each individual country are shown as follows:

This provision is based on the assumption that expense is defrayed over a period of 20 years considering that this is the length of time that commitments could last with non-contributing clients and pensioners who cannot be charged for handling their pensions.

	Chile	Peru	Uruguay	Total
Opening Balance - January 1, 2019	**8,497**	**8,176**	**1,632**	**18,305**
Updated figures	622	51	39	712
Translation differences	(668)	149	(213)	(732)
At December 31, 2019	**8,451**	**8,376**	**1,458**	**18,285**
Updated figures	264	(699)	101	(334)
Translation differences	638	(680)	(181)	(223)
At December 31, 2020	**9,353**	**6,997**	**1,378**	**17,728**

These updates are performed to the extent that fund membership is depleted, or the costs relating to non-contributing fund members are reduced (transfers to other fund management firms, life annuity purchases, death of fund members with no legal beneficiaries and delivering funds to legal heirs or selecting the programmed withdrawal option with the possibility of a management fee being collected on the fund itself and / or the pensions paid).

<u>NOTE 38</u> - Issued Bonds

The balance of Issued Bonds at year-end 2020 and 2019 is broken down as follows:

	2020	2019
Issued bonds	851,751	850,511
Total long-term issued bonds	**851,751**	**850,511**

All bonds were issued by Sura Asset Management S.A. Colombia

Movements with issued bonds for the year ended December 31, 2020 are shown as follows

Opening balance - January 1, 2019	849,552
Accrued interest	40,906
Interest paid	(39,532)
Unrealized exchange differences	155
Currency translation effect	(570)
Closing balance at December 31, 2019	**850,511**
Accrued interest	41,271
Interest paid	(39,594)
Unrealized exchange differences	2,394
Unrealized exchange differences (efficacy)	32,858
Currency translation effect	(35,689)
Closing balance at December 31, 2020	**851,751**

Bonds 2024

In April 2014, Sura Asset Management S.A. through its subsidiary SUAM Finance B.V., placed an issue of 144/Reg S bonds worth USD 500 million on the international bond markets, these carrying a term of 10 years and with a fixed 10-year rate of 4.875% with bids reaching 8.6 times the amount offered.

SUAM Finance B.V. received an international investment grade for this issue thanks to a BBB + rating from Fitch Ratings and a Baa2 rating from Moody's Investor Service who later upgraded this to Baa1 in August of this same year. Both investment grades were maintained in 2017 for which a stable outlook was given.

On July 31, 2018, Sura Asset Management S.A., domiciled in Colombia, as the absorbing company finalized a merger through which it took over its subsidiary SUAM Finance B.V., domiciled in Curaçao. Sura Asset Management S.A. and Subsidiaries were the sole shareholders of the absorbed company, so there was no place for the exchange of shares or parts of the capital, nor did this have any effect on the consolidated financial statements.

Detailed information regarding this issue of bonds is shown below:

a) Issuer: Sura Asset Management S.A. (formerly SUAM Finance B.V. Merged with Sura Asset Management in 2018)
b) Guarantors: Sura Asset Management S.A., Sura Asset Management Chile S.A., Sura Asset Management México S.A. de C.V., Sura Asset Management Perú S.A., Sura Asset Management Uruguay Sociedad de Inversión S.A.
c) Type of offering: 144A / Reg S
d) Amount authorized and issued: USD 500 million.
e) Transaction costs: USD 5 million
f) Coupon: 4.875% annual rate
g) IRR 5.1%
h) Nominal value (USD dollars): USD 99.57.
i) Maturity date April 17, 2024
j) Payment method: Rates of return are paid on a half-yearly in arrears basis
k) Use of the funds obtained: Restructuring liabilities and general corporate purposes
l) Custodian: Bank of New York Mellon

The Prospectus and Issue and Placement Rules and Regulations together with the Prospectus contain the following general obligations:

a) Encumbrances:

Neither Sura Asset Management S.A. nor its subsidiaries may encumber these securities unless such encumbrances:

- Exist when the bonds are issued
- Are obtained as a result of mergers or acquisitions
- Are imposed by law
- Relate to compliance with labor liabilities and tax obligations
- Correspond to rights of set off held by third parties and incurred in the normal course of business and not from financing operations.
- Are obtained from non-speculative hedging operations during the normal course of business.
- Guarantee debt that shall not exceed 15% of Net Consolidated Tangible Assets.

b) Transactions with related parties: must be performed on an arms-length’s basis and if these exceed USD 30 million, they must also be approved by Sura Asset Management S.A.'s Board of Directors.

c) Consolidation, Merger or Transfer of Assets: it is strictly prohibited to perform mergers, acquisitions, consolidations or any other type of disposal using the assets belonging to Sura Asset Management S.A. and its subsidiaries, unless Sura Asset Management S.A. is the surviving company or otherwise the new company assuming all the obligations incurred with the bonds for which all the corresponding regulatory approvals must be obtained.

The transactions arising from the Hera Corporate Restructuring Project are not subject to these restrictions.

d) Debt: None of Sura Asset Management S.A.'s Subsidiaries may acquire or guarantee debt that exceeds, in the aggregate, after incurring such debt, 10% of the entire debt held by Sura Asset Management S.A. on a consolidated basis. This restriction shall in no way affect the ability of its Subsidiaries to pay dividends or any other form of profit distribution either to Sura Asset Management S.A. or to any other subsidiary.

e) Restricted Payments: Sura Asset Management S.A., may declare or pay out dividends providing these do not give rise to an event of default, and the aggregate amount of the payment to be made is less than the sum of the following:

- 100% of Sura Asset Management S.A.´s consolidated net profits for the corresponding period.
- 100% of the net cash earnings or the market value of the assets received by Sura Asset Management S.A.
- 100% of the consolidated depreciation and amortization expense incurred by Sura Asset Management S.A. for the corresponding period.

f) Obligations to report the following information:

- The English versions of SUAM´s quarterly consolidated financial statements prepared in accordance with IFRS, are published within a term of 45 days following each quarterly cut-off date.
- The English versions of audited consolidated financial statements, prepared in accordance with IFRS are published within a term of 90 days following the cut-off date of each fiscal year.

- Statement of Compliance on part of the Issuer´s Chief Finance Officer or Chief Accountant regarding the commitments and *covenants* acquired as part of the issue and placement This Statement shall have a maximum term of 120 days as of the end of each fiscal year.

Bonds 2027

In April 2017, Sura Asset Management S.A. (Colombia) placed an issue of 144/Reg S bonds worth USD 350 million carrying a fixed 10-year rate of 4.375%. The bid to cover ratio came to 8 and the rate obtained was the lowest recorded ever for a Colombian private until the month in which these bonds were issued.

The Company obtained an international investment grade for this issue, thanks to the BBB + rating granted by Fitch Ratings and the Baa1 from Moody's Investor Service, the highest rating that a Colombian issuer has ever held with both ratings positioned a *notch* above Colombia´s own sovereign debt rating. These ratings were obtained for both the issuer and the notes issued.

Detailed information regarding this issue of bonds is shown below:

a) Issuer: Sura Asset Management S.A.
b) Guarantors: Sura Asset Management Chile S.A., Sura Asset Management México S.A. de C.V., Sura Asset Management Perú S.A., Sura Asset Management Uruguay Sociedad de Inversión S.A.
c) Type of offering: 144A / Reg S
d) Amount authorized and issued: USD 350 million.
e) Transaction costs: USD 7 million
f) Coupon: 4.375% annual rate
g) IRR 4.7%
h) Maturity date 4/11/2027
i) Nominal value (USD dollars): USD 99.57.
j) Use of the funds obtained: Restructuring liabilities and general corporate purposes
k) Payment method: Rates of return are paid on a half-yearly in arrears basis
l) Custodian: Bank of New York Mellon

The Prospectus and Issue and Placement Rules and Regulations together with the Prospectus contain the following general obligations: The Company, upon signing this agreement, shall abstain from:

a) Encumbrances:
Neither Sura Asset Management S.A. nor its subsidiaries may encumber these securities unless such encumbrances:

- Exist when the bonds are issued
- Are obtained as a result of mergers or acquisitions
- Are imposed by law
- Relate to compliance with labor liabilities and tax obligations
- Correspond to rights of set off held by third parties and incurred in the normal course of business and not from financing operations.
- Are obtained from non-speculative hedging operations during the normal course of business.
- Guarantee debt that shall not exceed 15% of Net Consolidated Tangible Assets

b) Transactions with related parties: must be performed on an arms-length's basis and if these exceed USD 30 million, they must also be approved by Sura Asset Management S.A.'s Board of Directors.

c) Consolidation, Merger or Transfer of Assets: it is strictly prohibited to perform mergers, acquisitions, consolidations or any other type of disposal using the assets belonging to Sura Asset Management and its subsidiaries, unless Sura Asset Management is the surviving company or otherwise the new company assuming all the obligations incurred with the bonds for which all the corresponding regulatory approvals must be obtained.

This limitation does not apply when an asset is transferred from a Subsidiary to the Company or to any of the Guarantor Subsidiaries.

d) **Debt:** None of Sura Asset Management's Subsidiaries may acquire or guarantee debt that exceeds, in the aggregate, after incurring such debt, 10% of the entire debt held by Sura Asset Management on a consolidated basis. This restriction shall in no way affect the ability of its Subsidiaries to pay dividends or any other form of profit distribution either to Sura Asset Management S.A. or to any other subsidiary.

e) **Restricted Payments:** Sura Asset Management S.A., may declare or pay out dividends providing these do not give rise to an event of default, and the aggregate amount of the payment to be made is less than the sum of the following:

- 100% of Sura Asset Management´s consolidated net profits for the corresponding period.
- 100% of the net cash earnings or the market value of the assets received by Sura Asset Management.
- 100% of the consolidated depreciation and amortization expense incurred by Sura Asset Management for the corresponding period.

f) **Obligations to report the following information:**

- The English versions of SUAM´s quarterly consolidated financial statements prepared in accordance with IFRS, are published within a term of 45 days following each quarterly cut-off date.
- The English versions of audited consolidated financial statements, prepared in accordance with IFRS within a term of 90 days following the cut-off date of each fiscal year.

Statement of Compliance on part of the Company’s Chief Finance Officer or Chief Accountant regarding the commitments and *covenants* acquired as part of the issue and placement This Statement shall have a maximum term of 120 days as of the end of each fiscal year.

NOTE 39 - Shareholders´ equity - issued capital and reserves

Shares Issued

Sura Asset Management S.A.'s authorized capital consists of 3.000.000 shares, each with a nominal value of COP 1.000. The Company’s subscribed and paid-in capital comes to USD 1.360 thousand, divided up into 2,616,407 shares in 2020, which was the same as for 2019.

Changes to the Company’s Shareholder Structure - 2020

In 2020 there were no changes in Sura Asset Management S.A.’s shareholder structure.

Changes to the Company’s Shareholder Structure - 2019

In 2019, the Canadian company, La Caisse de Dépôt et Placement du Québec (CDPQ) acquired 174,755 shares and CDPQ Investments INC 1 share, for a total of 174,756 shares equivalent to the total shares held by Banagricola S.A. and International Investments S.A.

Shares Outstanding:

The following is a breakdown of the outstanding voting shares held in Sura Asset Management S.A. and Subsidiaries:

Voting shares in Sura Asset Management S.A.:

Shareholder	Outstanding shares - 2020	% Stake - 2020	Outstanding shares - 2019	% Stake - 2019
Grupo de Inversiones Suramericana S.A.	2,186,721	83.58%	2,186,721	83.58%
Sociedades Bolívar S.A.	191,198	7.31%	191,198	7.31%
CDPQ*	174,755	6.68%	174,755	6.68%
CDPQ Investments INC	1	0.00%	1	0.00%
Compañía de Seguros Bolívar S.A.	63,732	2.44%	63,732	2.44%
	2,616,407	**100%**	**2,616,407**	**100%**

* Caisse de Dépôt et Placement du Québec.

All shares carry the same rights and obligations for their holders.

a) Non-controlling interest

Non-controlling interest corresponds to minority interest on the part of third parties in investments held in:

			2020	
Name of Company	**Country**	**% Non-Controlling Stake**	**Equity**	**Earnings**
AFP Capital S.A.	Chile	0.29%	2,622	205
AFP Integra S.A.	Peru	0.0007%	3	-
			2,625	**205**

			2019	
Name of Company	**Country**	**% Non-Controlling Stake**	**Equity**	**Earnings**
AFP Capital S.A.	Chile	0.29%	2,663	348
AFP Integra S.A.	Peru	0.0007%	3	-
			2,666	**348**

b) Translation differences

Upon converting the financial statements from their functional currencies into the reporting currency used by Sura Asset Management S.A. and Subsidiaries (the US dollar), the following translation differences were produced.

	2020	2019
Translation differences	(1,125,206)	(1,139,580)
Total equity attributed to the controlling company	**(1,125,206)**	**(1,139,580)**

See Note 2.3 Summary of Main Accounting Policies - Section n).

c) Dividends declared and paid

The following is a breakdown of the dividends declared and paid by Sura Asset Management S.A. and Subsidiaries at year-end 2020 and 2019:

2020

Ordinary shares

Third party	No. shares held	Value of the dividends paid
Grupo de Inversiones Suramericana S.A.	2,186,721	66,860
Sociedades Bolívar S.A.	191,198	5,846
CDPQ	174,755	5,343
CDPQ Investments INC	1	-
Compañía de Seguros Bolívar S.A.	63,732	1,949
Total 2020	**2,616,407**	**79,998**

At year-end 2020, extraordinary dividends were declared and paid by Sura Asset Management S.A. as shown below:

Extraordinary shares:

Third party	No. shares held	Value of the dividends paid
Grupo de Inversiones Suramericana S.A.	2,186,721	25,072
Sociedades Bolívar S.A.	191,198	2,192
CDPQ	174,755	2,004
CDPQ Investments INC	1	-
Compañía de Seguros Bolívar S.A.	63,732	731
Total 2020	**2,616,407**	**29,999**

The total amount of dividends declared and paid by Sura Asset Management S.A. and Subsidiaries at year-end 2020 came to USD 109,997 thousand (USD 189,114 thousand in 2019).

2019

Ordinary shares

Third party	No. shares held	Value of the dividends paid
Grupo de Inversiones Suramericana S.A.	2,186,721	100,684
Sociedades Bolívar S.A.	191,198	8,803
Banagricola S.A.	95,586	4,394
International Investments S.A.	79,170	2,935

Compañía de Seguros Bolívar S.A.	63,732	3,650
Total - 2019	**2,616,407**	**120,466**

At year-end 2019, extraordinary dividends were declared and paid by Sura Asset Management S.A. as shown below:

Extraordinary shares:

Third party	No. shares held	Value of the dividends paid
Grupo de Inversiones Suramericana S.A.	2,186,721	57,374
Sociedades Bolívar S.A.	191,198	5,017
CDPQ	95,586	4,585
CDPQ Investments INC	79,170	-
Compañía de Seguros Bolívar S.A.	63,732	1,672
Total - 2019	**2,616,407**	**68,648**

The total amount of dividends declared and paid by Sura Asset Management S.A. and Subsidiaries at year-end 2019 came to USD 189.114 (USD 147,000 at year-end 2018).

d) Share placement premium.

Share premium	
Opening balance - January 1, 2019	3,607,651
Distributed share placement premium	-
Closing balance - December 31, 2019	**3,607,651**
Distributed share placement premium	-
Closing balance - December 31, 2020	**3,607,651**

e) Capital management

Sura Asset Management S.A. and Subsidiaries uphold an internal capitalization and dividend policy for providing business units with a rational and objective way of providing the capital required to cover the risks assumed. On the other hand, the items forming the Group´s uncommitted independent capital structure were adjusted pursuant to current rules and regulations. Also, all business units meet minimum solvency requirements in keeping with current legislation in all jurisdictions.

In keeping with the normal course of business and the corporate streamlining initiative recently deployed, certain movements have been performed that have changed the capital structure of some of our subsidiaries. These include capitalizations, refunded premiums both in cash and in-kind, capital contributions, wound-up companies, mergers, transfers as well as capital increases and reductions.

Capitalizations performed in 2020:

Country	Made By	To	Value
			USD
Mexico	Sura Asset Management Mexico S.A. de C.V.	Sura Investment Management S.A. De C.V.	29,329

Country	Made By	To	Value USD
Mexico	Sura Asset Management México, S.A. de C.V.	Sura Investment Management S.A. de C.V.	3,621
Colombia	Sura Asset Management S.A.	NBM Innova S.A.S.	3,484
Mexico	Sura Asset Management Mexico S.A. de C.V.	Proyectos Empresariales AI Sura S.A. De C.V.	3,359
Mexico	Sura Asset Management Mexico S.A. de C.V.	Proyectos Empresariales AI Sura S.A. De C.V.	3,177
Mexico	Sura Asset Management Mexico S.A. de C.V.	Proyectos Empresariales AI Sura S.A. De C.V.	2,480
Mexico	Sura Asset Management Mexico S.A. de C.V.	NBM Innova S.A de C.V.	1,436
Colombia	Sura Investment Management Colombia S.A.S (SIM)	Fiduciaria Sura S.A.	1,350
Mexico	Sura Asset Management Mexico S.A. de C.V.	NBM Innova S.A de C.V.	1,245
Uruguay	Sura Asset Management Uruguay Sociedad de Inversión S.A.	Corredor de Bolsa Sura S.A.	925
Peru	Sura Asset Management Perú S.A.	Sociedad Agente de Bolsa Sura S.A.	423
Colombia	Sura Asset Management S.A.	NBM Innova S.A.S.	395
Colombia	Sura Asset Management S.A.	Sura Investment Management Colombia S.A.S. (SIM)	326
Peru	Sura Asset Management Perú S.A.	Sociedad Agente de Bolsa Sura S.A.	289
Mexico	Sura Asset Management Mexico S.A. de C.V.	Pensiones Sura S.A. De C.V.	214
Argentina	Sura Asset Management S.A.	Sura Asset Management Argentina S.A.	200

Capitalizations performed in 2019:

Country	Received By	Made By	Value USD
Chile	Seguros De Vida Sura S.A.	Sura Asset Management S.A. Chile	29,551
Mexico	Sura Investment Management Colombia S.A de C.V.	Sura Asset Management México, S.A. de C.V.	6,296
Mexico	Sura Investment Management Colombia S.A de C.V.	Sura Asset Management México, S.A. de C.V.	6,283
Chile	Corredor de Bolsa Sura S.A.	Sura Asset Management S.A. Chile	1,470
Uruguay	Corredor de Bolsa Sura S.A.	Sura Asset Management Uruguay Sociedad de Inversión S.A.	1,328
Colombia	Sura Investment Management Colombia S.A.S (SIM)	Activos Estrategicos Sura AM Colombia S.A.S. (SUAM SAS)	626
Colombia	Sura Investment Management Colombia S.A.S (SIM)	Sura Asset Management Colombia S.A.	365
Colombia	Sura Investment Management Colombia S.A.S (SIM)	Sura Asset Management Colombia S.A.	273
Spain	Sura Asset Management España S.L.	Sura Asset Management Colombia S.A.	150

Country	Received By	Made By	Value
			USD
Mexico	Pensiones Sura S.A. de C.V.	Sura Asset Management México, S.A. de C.V.	130
Spain	SUAM España	Sura Asset Management Colombia S.A.	62
Spain	Sura Asset Management España S.L.	Sura Asset Management Colombia S.A.	49
Spain	Sura Asset Management España S.L.	Sura Asset Management Colombia S.A.	37
Spain	Sura Asset Management España S.L.	Sura Asset Management Colombia S.A.	15
Spain	Sura Asset Management España S.L.	Sura Asset Management Colombia S.A.	8

Capital increase in 2020 (In number of shares):

Country	Company	Number of additional shares
Mexico	NBM Innova S.A de C.V.	30,000,000
Mexico	Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V.	8,000,000
Mexico	Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V.	5,000,000
Peru	Sociedad Titulizadora Sura S.A.	1,501,000

Capital increase in 2019 (In number of shares):

Country	Company	Number of additional shares
Uruguay	Sura Asset Management Uruguay S.A.	57,817,012
Mexico	NBM Innova S.A de C.V.	30,500,000
Mexico	NBM Innova S.A de C.V.	30,000,000
Peru	Fondos Sura SAF S.A.C.	12,000,000
Peru	Sociedad Agente de Bolsa Sura S.A.	3,700,000
Colombia	Sura Investment Management Colombia S.A.S.	1,000

Capital reductions in 2020

Country	Name of Company	Shareholder	No. shares	Amounts returned
				In USD
Uruguay	Disgely S.A.	Sura Asset Management Uruguay	-	686

Capital reductions in 2019

Country	Name of Company	Shareholder	No. shares	Amounts returned
				In USD

Uruguay	Corredor de Bolsa Sura S.A.	Sura Asset Management Uruguay	-	1,692,175

Mergers performed in 2020:

No mergers were recorded in 2020

Mergers performed in 2019:

Country	Companies involved		Surviving company
Holland	Sura Asset Management España S.L.	Grupo Sura Ae Chile Holding I B.V. (Gsaei)	Grupo Sura Ae Chile Holding I B.V. (Gsaei)
Spain	Sura Asset Management Chile	Sura Asset Management España S.L.	Sura Asset Management España S.L.

New Companies set up in 2020:

Country	New Company Name	Set up by:	% Stake Held
Colombia	NBM Innova S.A.S.	Sura Asset Management S.A.	100%
Mexico	Proyectos Empresariales Al Sura S.A. De C.V.	Sura Asset Management Mexico S.A. de C.V.	100%
Colombia	Fiduciaria Sura S.A.	Sura Investment Management Colombia S.A.S. (SIM)	95%
Peru	Sociedad Titulizadora Sura S.A.	Sociedad Agente de Bolsa Sura S.A.	100%

New Companies set up in 2019:

No new companies were set up in 2019

Companies divested in 2020:

No company divestitures took place in 2020

Companies divested in 2019:

Sura Seguros Rentas Vitalicias Chile was sold off on March 8, 2019 to BICECORP S.A. and Compañía de Inversiones BICE Chileconsult S.A.

Changes to Company Names in 2020:

Country	Former Company Name	New Company Name
Colombia	Sura Real Estate S.A.S	Sura IM Gestora de Inversiones S.A.S.
Colombia	Gestión Fiduciaria S.A.	Fiduciaria Sura S.A.

Changes to Company Names in 2019:

Country	New Company Name	Former Company Name
Mexico	Gestión Patrimonial Sura asesores en inversiones S.A de C.V.	WM Asesores en Inversiones S.A de C.V.

f) Reserves

Pursuant to current legislation, the Company must set up a statutory reserve to which it shall allocate ten percent (10%) of its net profits each year, until reaching fifty percent (50%) of the value of its subscribed capital. This reserve may be reduced to less than fifty percent (50%) of the Company's subscribed capital, whenever it is used to wipe-out losses with surplus undistributed profits. This reserve cannot be used to pay dividends nor to cover expenses or losses incurred during the time the Company records undistributed profits.

However, should the Shareholders so decide, this reserve may be increased to more than fifty percent (50%) of the Company´s subscribed capital, in which case the corresponding surplus shall remain at the disposal of the Shareholders whenever they should decide on an alternate use.

- The Company’s reserves show a decline given a liability set up on amounts donated

Each country has specific provisions for allocating reserves, this in accordance with the different regulatory or oversight authorities governing each business.

NOTE 40- Other comprehensive income

Shareholders´ equity, including controlling and non-controlling interest, as recorded in Other Comprehensive Income is broken down as follows:

	Opening Balance - Other Comprehensive Income	Other Comprehensive Income	Deferred Tax	Closing Balance - Other Comprehensive Income	Non-Controlling Interest- Other Comprehensive Income
Opening balance - January 1, 2020	(1,134,024)	(1,135,767)	1,743	-	(1,013)
Asset revaluations (1)	8,127	807	(219)	8,715	2
Losses (gains) on actuarial plans (post-employment) (2)	(86)	71	(21)	(36)	-
Financial instruments at fair value through Other Comprehensive Income (3)	633	(208)	-	425	-
Cash flow hedges (4)	9,839	(9,898)	8,042	7,983	-
Net foreign investment hedges (5)	(20,249)	(16,739)	-	(36,988)	-
Surplus via equity method from associates (6)	7,292	331	-	7,623	-
Exchange differences on investments in associates and subsidiaries (7)	(1,139,580)	14,374	-	(1,125,206)	214
At December 31, 2020		**(1,147,029)**	**9,545**	**(1,137,484)**	**(797)**

	Opening Balance - Other Comprehensive Income	Other Comprehensive Income	Deferred Tax	Closing Balance - Other Comprehensive Income	Non-Controlling Interest- Other Comprehensive Income
Opening balance - January 1, 2019	(1,088,304)	(1,095,562)	7,258	-	(832)
Asset revaluations (1)	12,233	5,246	(9,352)	8,127	11
Losses (gains) on actuarial plans (post-employment) (2)	156	(347)	105	(86)	-
Financial instruments at fair value through Other Comprehensive Income (3)	953	(320)	-	633	-
Cash flow hedges (4)	(25,378)	31,485	3,732	9,839	-
Net foreign investment hedges (5)	-	(20,249)	-	(20,249)	-
Surplus via equity method from associates and joint ventures (6)	7,618	(326)	-	7,292	-
Exchange differences on investments in associates and subsidiaries (7)	(1,083,886)	(55,694)	-	(1,139,580)	(193)
At December 31, 2019		**(1,135,767)**	**1,743**	**(1,134,024)**	**(1,014)**

(1) Properties measured via the revaluation method: this represents the accumulated value of appraisal gains at fair value minus the values transferred to accrued earnings and those used by applying impairment or devaluation tests. Changes in their fair value are not reclassified through profit or loss for the period in question.

(2) Losses (gains) on actuarial plans (post-employment benefits): represents the cumulative value of actuarial gains or losses. The net value of all re-measurements is transferred to accumulated earnings and is not reclassified through profit or loss for the period in question.

(3) Financial instruments measured at fair value with changes through Other Comprehensive Income: represents the cumulative value of appraisal gains or losses at fair value minus the amounts transferred to

accumulated earnings when these investments have been sold. Changes in their fair value are not reclassified through profit or loss for the period in question.

(4) Cash flow hedges: represent the cumulative value of the effective portion of gains or losses arising from changes in the fair value of items covered by a cash flow hedge. The cumulative value of these gains or losses are to be reclassified to profit or loss only when the hedged transaction affects profit or loss or the highly probable transaction is not expected to occur, or is included, as part of its carrying amount, in a non-financial hedged item.

(5) Net foreign investment hedges: record the portion of the gain or loss on the hedging instrument that is determined to be a hedge.

(6) Equity movements relating to investments in associates: record the equity changes in investments in associates upon applying the equity method.

(7) Foreign exchange gains or losses represents the cumulative value of the exchange differences arising on converting the results and net assets of foreign operations into Sura Asset Management's reporting currency and on the net assets corresponding to foreign-based operations, as well as the gains or losses obtained from hedging instruments that are designated as part of a net investment hedge of a foreign-based business. Accumulated translation differences are reclassified to profit and loss, either partially or in full, when the foreign operation is disposed of. Including the portion held by Sura Asset Management in investments in associates and joint ventures.

NOTE 41 - Discontinued operations and assets held for distribution to owners

Discontinued operations at year-end are broken down as follows

	2020	2019
Discontinued operations and assets held for distribution to owners	(1,806)	5,041

The following is a break-down of discontinued operations by individual country

	Mexico	Chile	Total
Discontinued operations – 2020	(1,806)	-	(1,806)
Discontinued operations – 2019	31,841	(26,800)	5,041

The balances of assets held for distribution to owners and their associated liabilities at year-end are shown below:

	2020	2019
Assets held for distribution to owners	25,420	-
Liabilities relating to assets held for distribution to owners	104	-

The stated net assets correspond to the Mexican subsidiary, Pensiones Sura S.A. de C.V. de México.

2020:

On November 30, 2019, Pensiones Sura S.A. de C.V. de México signed an agreement with Banorte governing the transfer of its client portfolio, which involved passing to the buyer all those reserves as well as the financial assets underpinning such. Based on that set out in this agreement, the portfolio is made up of "current contracts relating to pension or survival plans derived from social security laws for which the corresponding technical reserves were established in order to protect the obligations of Pensiones Sura under the aforementioned Pension Insurance Contracts".

On June 1, 2020, the portfolio belonging to the subsidiary, Pensiones Sura S.A. de C.V. in Mexico was transferred to Banorte.

According to the contract signed by the parties, should the weighted rate of the 2046 Udibonos portfolio, as delivered to Banorte, is equal to or less than 3.57%, a contractual penalty must be paid to the buyer for the difference between the weighted rate of the liability at the date of the final transfer, on the one hand, and on the other the weighted rate of the asset, this by providing the amount of Udibonos corresponding to the same value as the aforementioned difference. Finally, the penalty determined for this operation amounted to USD 6,941.

Bearing in mind that control is still maintained over the Company's equity, no reclassification has been made relating to the corresponding conversion effect.

On December 18, 2020, the regulatory body (Comisión Nacional de Seguros y Fianzas - CNSF) in Mexico authorized the revocation of the license originally granted to Pensiones Sura Mexico, which gave rise to it being subsequently wound up (this process could last several months). In the light of the above and given its imminent winding-up, at the end of 2020 the remaining balances of this Company are shown as assets and liabilities held for distribution to owners, with its results recorded in the Discontinued Operations account.

Taking into consideration Sura Asset Management S.A.'s strategy and purpose with regard to its investments in subsidiaries and associates, each time these, or a portion thereof, are either wound up or sold off, Senior Management analyzes the alternatives available for divesting said investments. In the case of Pensiones Sura México, Senior Management determined that the cash flows obtained from the winding up of this vehicle would return to the shareholders as dividends and returns on capital.

The following are the Statements of Income, Financial Position and Cash Flows corresponding to Pensiones Sura S.A. de C.V.:

Pensiones Sura S.A. de C.V.
Statement of Income
At year-end
(Stated in USD thousands)

	2020	**2019**
Gross premiums	572	1,664
Net premiums	**572**	**1,664**
Revenues from investments backing insurance reserves	22,025	82,838
Claims	(16,440)	(41,950)
Movement in premium reserves	7,651	3,263
Total insurance margin	13,808	45,815
Other operating income	776	197
Operating and administrative expense	**(1,867)**	**(1,806)**

Operating income	**12,717**	**44,206**
Financial expense	(7)	(35)
(Expense) income on exchange differences	383	-
Earnings (losses) before income tax from discontinued operations	**13,093**	**44,171**
Income tax:	(1,034)	(12,330)
Net income for the year from discontinued operations	**12,059**	**31,841**
Penalty	(6,941)	
Adjustments to reserves	(8,595)	
Adjustments to investments	914	
Adjustments to deferred tax (reserves and investments)	757	
Total discontinued operations	**(1,806)**	
Impairment recorded in the consolidated accounts	**(6,924)**	

Pensiones Sura S.A. de C.V.
Statement of Financial Position
At year-end 2020
(Stated in USD thousands)

	2020
Assets	
Cash and cash equivalents	13,126
Investment portfolio	8,632
Balances in favor and tax credits	3,662
Total assets	**25,420**
Liabilities	
Accounts payable	104
Total liabilities	**104**
Net assets directly associated with the group of assets to be distributed to owners	**25,316**

Net cash flows attributable to the operating, investing and financing activities of discontinued operations are shown as follows:

	2020
Net cash flows (used for) sourced from operating activities	29,362
Net cash flows sourced from (used for) investing activities	-
Net cash flow used for financing activities	(29,221)

2019:

Chilean Annuity Business:

In March 2019, the annuity company, Seguros de Rentas Vitalicias S.A. was sold off to BICECORP S.A. and Compañía de Inversiones BICE Chileconsult S.A., as reported in March 2018. This divested subsidiary was duly reclassified to discontinued operations in December 2018, and was recognized as the lower value between its selling price and book value, its book value being the lower. Consequently for 2019, only the effects on Other Comprehensive Income were recognized through profit and loss, namely the reclassification and adjustments with regard to its selling price.

At the time of this divestiture, (*) the translation effect on Other Comprehensive Income was reclassified through profit or loss in accordance with IAS 21 - Effects of changes in foreign currency exchange rates, paragraph 48. The effect of cash flow hedges (**) on Other Comprehensive Income was also reclassified to profit and loss for the year in accordance with IFRS 9 - Financial Instruments, paragraph 6.5.12 (b).

	Chile
Other Comprehensive Income cash flow hedges reclassified to profit and loss (*)	(5,049)
Other Comprehensive Income conversions to equity reclassified to profit and loss (**)	(29,214)
Adjustments made to the selling price	7,463
Total loss on discontinued operations	**(26,800)**

NOTA 42 - Fair Value

The fair value of financial assets and liabilities traded on active markets (financial assets in the form of debt securities, equity instruments and derivatives that are actively traded on stock exchanges or interbank markets) is based on prices that can be observed given current market transactions, or that are supplied by the price providers of the different locations where Sura Asset Management has a presence.

An active market is a market on which assets or liabilities are transacted with sufficient frequency and for sufficient volumes so as to provide price information on a continuous basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined using internal or external valuation techniques, when they are provided by the price providers of the different locations where Sura Asset Management has a presence.

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

Sura Asset Management may use internally developed models for financial instruments that do not have active markets. These models are generally based on standardized valuation techniques and methods commonly used by the financial industry. Valuation models are used primarily to evaluate equity instruments from non-listed issuers, debt securities, and other financial instruments for which the markets were or have been inactive during the financial period. Some inputs for these models may not be observable due to an absence of market transactions and, therefore, are estimated based on assumptions.

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

Fair Value Hierarchy

This section explains the judgments and estimates made to determine the fair values of financial instruments that are recognized and measured at fair value in the financial statements. So as to be able to ensure the reliability of the data used in determining fair value, Sura Asset Management classified its financial assets and liabilities in the three levels stipulated by applicable accounting standards. These levels are as follows:

> **Level 1:** Inputs for Level 1 are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the date these are measured.
>
> **Level 2:** Inputs for Level 2 are different from the quoted prices included in Level 1, since they are directly or indirectly observable for assets or liabilities in markets that are not active.
>
> **Level 3:** Inputs for Level 3 are unobservable for the asset and liability in question.

All financial instruments that are listed on active markets and valued at market prices are classified in Level 1. Financial instruments that are quoted in markets that are not considered to be active, but are valued according to quoted market prices, quotations from price vendors or alternative price sources supported by observable inputs, are classified in Level 2.

Should a fair value measurement use observable data that requires significant adjustments to be made based on unobservable data, this measurement is classified as Level 3. Assessing the importance of a particular input for the measurement of fair value as a whole requires judgment, this based on taking into account factors specific to the asset or liability in question.

Determining what is considered 'observable' requires significant judgment on the part of Sura Asset Management, which considers observable data to be market data that is already available, distributed or updated either in the public domain or by price vendors, and is reliable and verifiable, non-proprietary, and provided by independent sources that actively participate in the relevant market.

Measuring fair value on a recurring basis

Recurring fair value measurements are those required or permitted on the Statement of Financial Position at the end of each accounting period.

The following table shows an analysis, based on the fair value hierarchy, of Sura Asset Management's assets and liabilities (broken down by type), measured at fair value at year-end 2020 and 2019 on a recurring basis.

The following is the hierarchy level for investments:

2020	Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Debt securities - domestic issues	-	838,015	-	838,015
Equity securities - domestic issues	11,624	1,304,080	-	1,315,704
Total investments at fair value through profit or loss	**11,624**	**2,142,095**	**-**	**2,153,719**
At fair value through Other Comprehensive Income				
Debt securities - foreign issues	-	-	4,382	4,382
Equity securities - domestic issues	-	-	3,848	3,848
Total investments at fair value through equity	**-**	**-**	**8,230**	**8,230**

2020	Level 1	Level 2	Level 3	Total
Total investments at fair value	**11,624**	**2,142,095**	**8,230**	**2,161,949**

2019	Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Debt securities - domestic issues	-	825,713	-	825,713
Equity securities - domestic issues	7,705	1,210,461	-	1,218,166
Equity instruments - foreign issues	-	-	5,897	5,897
Total investments at fair value through profit or loss	**7,705**	**2,036,174**	**5,897**	**2,049,776**
At fair value through Other Comprehensive				
Equity securities - domestic issues	-	-	3,826	3,826
Total investments at fair value through equity	**-**	**-**	**3,826**	**3,826**
Total investments at fair value	**7,705**	**2,036,174**	**9,723**	**2,053,602**

The following is the hierarchy level for hedging derivatives:

Level 2		
	2020	2019
Derivatives		
Trading derivatives		
Interest swaps	-	(5,224)
Total trading derivatives	**-**	**(5,224)**
Hedges		
Exchange swaps	74,976	75,163
Total hedging derivatives	**74,976**	**75,163**
Total derivatives	**74,976**	**69,939**

Measuring fair value on a non-recurring basis

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

Sura Asset Management S.A. shows its investment properties as assets at fair value on a non-recurring basis, which fall in the Level 3 category and their value at year-end 2020 and 2019 is shown in Note 27.

Determining Fair Value

a. **Investments in legal reserve requirements**

This legal reserve requirement is a reserve or a capital guarantee that pension fund management firms must maintain in order to manage their funds. Valuations of these reserves are performed using the value of the unit corresponding to each Mandatory Pension Fund which is updated on a daily basis.

b. Investments in mutual funds.

A Mutual Fund is an asset composed of contributions from private individuals and legal entities (called unit-holders or contributors), that is invested in publicly traded securities and assets, as permitted by law, and which are managed by a company on behalf of and at the risk of the unit-holders or contributors. These contributions are stated in mutual fund quotas, and there may be different series of quotas for the same fund, which must be stipulated in the internal rules and regulations of the respective fund, all of which must carry the same value and characteristics. Shares in mutual funds are valued taking into account the value of the fund unit, as calculated by the fund management company.

c. Investment funds

These are assets made up of contributions from natural persons and legal persons, called participants or contributors, and are invested in securities and assets, as permitted by applicable legislation. These funds can be of a private or public nature. Participations in investment funds are valued taking into account the value of the fund unit, as calculated by the fund management company, and in the case of funds that consist of investment properties, the value of the fund unit reflects the value of said property, which is measured as indicted in "Investment properties".

d. Investment properties

Investment property is property (land or buildings or parts of buildings or both) held by its owner or lessee under a finance lease in order to obtain rentals, capital gains, or both. The Group's investment properties are valued by external experts, who use price-based valuation techniques.

Transfers between Level 1 and Level 2 of the fair value hierarchy

In Sura Asset Management there were no transfers between the aforementioned levels for 2020 and 2019.

Reconciliation of Level 3 of the fair value hierarchy

The following table shows a reconciliation of the opening and closing balances of the fair value measurements classified in Level 3.

	Equity instruments	Financial assets - debt securities	Investment properties
Opening balance - January 1, 2019	**4,452**	**-**	**32,490**
Valuation adjustments affecting profit and loss	-	-	822
Valuation adjustments affecting Other Comprehensive Income	(320)	-	-
Translation effect	(306)	-	(2,296)
Closing balance - December 31, 2019	**3,826**	**-**	**31,016**
Additions	-	5,897	36,679
Sales / divestitures	-	(263)	-
Valuation adjustments affecting profit and loss	-	(793)	1,860
Valuation adjustments affecting Other Comprehensive Income	(209)	-	-

	Equity instruments	Financial assets - debt securities	Investment properties
Translation effect	233	(461)	6,619
At December 31, 2020	**3,850**	**4,380**	**76,174**

The following table shows a summary of assets and liabilities accounted for at a value other than fair value at year-end 2020 and 2019 for disclosure purposes only:

	2020		2019	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Debt Instruments at Amortized Cost (1)	403,407	462,851	1,165,737	1,214,786
Reinsurance assets	991	991	6,437	6,437
Other accounts receivable (2)	110,009	110,009	101,139	101,139
Total Assets	**514,407**	**573,851**	**1,273,313**	**1,322,362**
Liabilities				
Financial obligations	150,151	150,151	184,968	184,968
Liabilities on Financial Leasing Agreements	37,106	37,106	49,578	49,578
Accounts payable (2)	213,520	213,520	136,294	136,294
Securities issued (3)	851,751	946,904	850,511	913,436
Total liabilities	**1,252,528**	**1,347,681**	**1,221,351**	**1,284,276**

(1) Debt securities at amortized cost and other financial assets and liabilities: The fair value of fixed-income investments at amortized cost was determined using the price calculated by the price provider together with investments traded on an active market and with a market price on the date that these are measured are classified in Level 1, investments without an active market and/or with an estimated price (present value of the flows of a security, discounted using the benchmark rate and the corresponding margin) given by the vendor are classified as Level 2.

(2) Accounts receivable and accounts payable: For these accounts, the book value was considered to be similar to its fair value, due to its short-term nature.

(3) Securities issued: The fair value of securities issued is determined based on quoted or estimated prices provided by the price vendor. This is considered to be a Level 2 valuation.

NOTE 43 - Information regarding related parties

43.1 Related parties

Sura Asset Management S.A.'s subsidiaries, key management personnel, entities over which key personnel may exercise control or joint control and post-employment benefit plans for the benefit of key personnel are considered related parties.

The following is a breakdown of Sura Asset Management S.A.'s related parties at year-end 2020:

a) a) Companies under the direct control of Grupo de Inversiones Suramericana S.A., the parent company of Sura Asset Management S.A.:

Suramericana S.A.
Sura Asset Management S.A.
Arus Holding S.A.S.
Inversiones y Construcciones Estratégicas S.A.S.
Sura Ventures S.A.

b) Companies in which Sura Asset Management S.A. holds a direct stake:

Name of Company	Direct stake	Country
Activos Estratégicos Sura AM Colombia S.A.S.	100.00%	Colombia
Sura Investment Management Colombia S.A.S.	100.00%	Colombia
Sura Asset Management Argentina S.A.	97.34%	Argentina
NBM Innova S.A.S.	100.00%	Colombia
Fiduciaria Sura S.A.	5.00%	Colombia
Sura S.A.	100.00%	Chile
Sura Asset Management México S.A. de C.V.	100.00%	Mexico
AFP Integra S.A.	44.18%	Peru
Sura Asset Management Perú S.A.	100.00%	Peru
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	49.36%	Colombia
Sura-AM Corredora de Seguros S.A. de C.V.	99.98%	El Salvador
Sura Asset Management Uruguay Sociedad de Inversión S.A.	100.00%	Uruguay

c) Companies under the indirect control of Sura Asset Management S.A. are listed in Note 1 (Corporate Information).

d) Members of the Board of Directors:

- Gonzalo Alberto Pérez Rojas
- Tatyana Orozco de la Cruz (resigned)
- Miguel Cortés Kotal
- Marianne Loner
- Esteban Cristian Iriarte
- Carlos Jaime Muriel Gaxiola
- Alonso García Tames

The following is a breakdown of Sura Asset Management S.A.'s related parties at year-end 2019:

a) a) Companies under the direct control of Grupo de Inversiones Suramericana S.A., the parent company of Sura Asset Management S.A.:

Suramericana S.A.
Arus Holding S.A.S.
Inversiones y Construcciones Estratégicas S.A.S.
Sura Asset Management S.A.
Seguros Sura S.A.
Sura Ventures S.A.

b) Companies in which Sura Asset Management S.A. holds a direct stake:

Name of Company	Direct stake	Country
Activos Estratégicos Sura AM Colombia S.A.S.	100.00%	Colombia
Sura Investment Management Colombia S.A.S.	100.00%	Colombia
Sura Asset Management Argentina S.A.	95.00%	Argentina
Sura S.A.	100.00%	Chile
Sura Asset Management México S.A. de C.V.	100.00%	Mexico
AFP Integra S.A.	44.18%	Peru
Sura Asset Management Perú S.A.	100.00%	Peru
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	49.36%	Colombia
Sura AM Corredora de Seguros S.A. de C.V.	99.98%	El Salvador
Sura Asset Management Uruguay Sociedad de Inversión S.A.	100.00%	Uruguay

c) Companies under the indirect control of Sura Asset Management S.A. are listed in Note 1 (Corporate Information).

d) Members of the Board of Directors:

- David Emilio Bojanini García
- Ricardo Jaramillo Mejía
- Miguel Cortés Kotal
- Marianne Loner
- Esteban Cristian Iriarte
- Carlos Jaime Muriel Gaxiola
- Anita M. George

43.2 Transactions between related parties

Transactions between related parties include:

- Loans between related companies: with contractually stipulated terms and conditions and at interest rates that are in keeping with the prevailing market rates. All are paid back in the short-term
- Financial, management, IT and payroll services
- Leases and subleases of office and retail premises, as well as re-invoicing the corresponding public utility bills to the tenants
- Cash reimbursements.

It is worthwhile noting that these transactions are all considered to be short-term transactions.

Balances are reconciled at the end of each year, in order to eliminate all applicable inter-company transactions. The exchange difference with recorded rates is charged to the income accounts on the Consolidated Financial Statements.

43.2.1 Related-Party Transactions Among Subsidiaries

The following is a summary of the total related party transactions between subsidiaries at year-end 2020 that have been eliminated in the consolidated accounts:

Name of Company	Country	Consolidated Transactions Among Subsidiaries			
		Asset Accounts	Liability Accounts	Revenues	Expense
Sura Asset Management Argentina S.A.	Argentina	-	0	-	-
Sura S.A.	Chile	-	57	-	369
Corredores De Bolsa Sura S.A.	Chile	795	111	9,048	3,474
Administradora General de Fondos Sura S.A.	Chile	117	1,344	(5,157)	10,465
Seguros De Vida Sura S.A.	Chile	1,083	303	11,620	6,014
Sura Data Chile S.A.	Chile	-	996	2,989	43
Sura Chile S.A.	Chile	2,469	2	15,348	27
AFP Capital S.A.	Chile	-	966	22	11,170
Sura Asset Management S.A.	Colombia	68	628	47	1,784
Activos Estratégicos Sura AM S.A.S.	Colombia	0	0	-	-
NBM Innova S.A.S.	Colombia	-	-	5	277
Sura Art Corporation S.A. de C.V. (Sura Art)	Mexico	25	3	316	29
Asesores Sura S.A. de C.V.	Mexico	948	-	6,819	-
Pensiones Sura S.A. de C.V.	Mexico	-	48	-	1,317
Sura Investment Management S.A. de C.V.	Mexico	24	6,316	587	9,317
Afore Sura S.A. De C.V.	Mexico	305	139	3,492	1,347
Sura Asset Management México S.A. de C.V.	Mexico	5,035	3	-	28
Promotora Sura AM S.A. de C.V.	Mexico	413	-	2,585	-
Gestión Patrimonial Sura Asesores en Inversiones S.A de C.V.	Mexico	6	20	33	434
NBM Innova S.A de C.V.	Mexico	-	166	-	816
Proyectos Empresariales Al Sura S.A. de C.V.	Mexico	-	87	-	717
AFP Integra S.A.	Peru	2	11	68	192
Fondos Sura SAF S.A.C.	Peru	-	42	0	451
Sura Asset Management Perú S.A.	Peru	-	0	88	-
Sociedad Agente de Bolsa Sura S.A.	Uruguay	40	2	385	26
AFAP Sura S.A.	Uruguay	-	-	-	895
Administradora De Fondos De Inversión S.A. AFISA Sura	Uruguay	-	81	-	1,047
Sura Asset Management Uruguay S.A.	Uruguay	-	5	1,789	172
Disgely S.A.	Uruguay	-	-	-	43
Corredor de Bolsa Sura S.A.	Uruguay	81	-	659	506
Total 2020		**11,411**	**11,330**	**50,743**	**50,960**

The following is a summary of the total related party transactions between subsidiaries at year-end 2019 that have been eliminated in the consolidated accounts:

Name of Company	Country	Consolidated Transactions Among Subsidiaries			
		Asset Accounts	Liability Accounts	Income	Expense
Sura Asset Management Argentina S.A.	Argentina	-	-	-	-
Sura S.A.	Chile	-	79	686	3,306
Corredores De Bolsa Sura S.A.	Chile	839	40	2,871	10,319
Administradora General de Fondos Sura S.A.	Chile	176	2,032	11,675	(4,765)
Seguros De Vida Sura S.A.	Chile	1,788	304	6,369	13,294
Sura Data Chile S.A.	Chile	-	-	-	2,946
Sura Chile S.A.	Chile	1,995	139	145	14,546
AFP Capital S.A.	Chile	-	774	11,053	105
Sura Asset Management S.A.	Colombia	259	1,030	5,228	66
Activos Estratégicos Sura A.M. S.A.S.	Colombia	0	0	-	-
Sura Real Estate S.A.S.	Colombia	-	0	2	-
Sura Art Corporation S.A. De C.V.	Mexico	38	4	30	380

Asesores Sura S.A. de C.V.	Mexico	936	155	131	9,548
Pensiones Sura S.A. De C.V.	Mexico	-	728	2,425	-
Sura Investment Management S.A. De C.V.	Mexico	74	2,100	14,817	1,019
Afore Sura S.A. De C.V.	Mexico	306	603	4,009	3,131
Sura Asset Management Mexico S.A. de C.V.	Mexico	-	4	31	-
Promotora Sura AM S.A. De C.V.	Mexico	1,787	-	-	6,788
Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V.	Mexico	-	56	508	-
NBM Innova S.A de C.V.	Mexico	-	28	348	-
AFP Integra S.A.	Peru	0	87	358	80
Fondos Sura SAF S.A.C.	Peru	-	34	401	0
Sura Asset Management Peru S.A.	Peru	63	0	0	135
Sociedad Agente de Bolsa Sura S.A.	Peru	31	0	1	295
AFAP Sura S.A.	Uruguay	-	1	7	68
Administradora De Fondos De Inversión S.A.	Uruguay	-	77	627	-
Sura Asset Management Uruguay S.A.	Uruguay	-	(31)	1,629	-
Disgely S.A.	Uruguay	-	-	-	-
Corredor de Bolsa Sura S.A.	Uruguay	77	-	68	627
Total - 2019		**8,369**	**8,244**	**63,419**	**61,888**

43.2.1 Related-party transactions with Grupo de Inversiones Suramericana S.A., the parent company of Sura Asset Management S.A.:

The following is a summary of these transactions at year-end 2020:

Name of Company	Country	Transactions with the Business Group			
		Asset Accounts	Liability Accounts	Revenues	Expense
Administradora General de Fondos Sura S.A.	Chile	30	-	240	-
Sura Asset Management S.A.	Colombia	47	48	36	2,107
Asesores Sura S.A. de C.V.	Mexico	-	-	-	15
Sura Investment Management S.A. de C.V.	Mexico	24	-	233	22
Afore Sura S.A. de C.V.	Mexico	5	-	12	104
Promotora Sura AM S.A. de C.V.	Mexico	6	-	70	7
Fondos Sura SAF S.A.C.	Peru	-	-	-	811
Sura Asset Management Perú S.A.	Peru	-	-	23	-
AFAP Sura S.A.	Uruguay	-	2	-	-
Sura Asset Management Uruguay Sociedad de Inversión S.A.	Uruguay	-	19	-	-
Corredor de Bolsa Sura S.A.	Uruguay	17	-	81	-
Total - 2020		**129**	**69**	**695**	**3,066**

The following is a summary of these transactions at year-end 2019:

Name of Company	Country	Transactions with the Business Group			
		Asset Accounts	Liability Accounts	Income	Expense
Corredores De Bolsa Sura S.A.	Chile	8	-	81	-
Administradora General de Fondos Sura S.A.	Chile	24	-	328	-
Sura Asset Management S.A.	Colombia	117	18	-	1,278
Asesores Sura S.A. de C.V.	Mexico	-	-	-	31
Pensiones Sura S.A. De C.V.	Mexico	-	-	-	-
Sura Investment Management S.A. De C.V.	Mexico	24	-	293	10
Afore Sura S.A. De C.V.	Mexico	1	-	82	356

Name of Company	Country	Transactions with the Business Group			
		Asset Accounts	Liability Accounts	Income	Expense
Promotora Sura AM S.A. De C.V.	Mexico	126	-	674	12
AFAP Sura S.A.	Uruguay	2	-	-	-
Sura Asset Management Uruguay Sociedad de Inversión S.A.	Uruguay	13	-	-	-
Disgely S.A.	Uruguay	-	-	1	-
Total - 2019		**315**	**18**	**1,459**	**1,687**

NOTE 43.3 - Other Related-Party Information

The following contains additional information regarding the Company's related parties:

Remuneration for key personnel

Information corresponding to key personnel employed by Sura Asset Management S.A. and Subsidiaries is as follows:

a) Senior executive employment benefits - liabilities

	2020	2019
Short-term employee benefits	8,374	7,423
Post-employment employee benefits	1,556	1,184
Employment termination benefits	210	187
Total remuneration for key personnel	**10,140**	**8,794**

b) Senior executive employment benefits - expense

	2020	2019
Short-term employee benefits	19,110	19,434
Post-employment employee benefits	-	-
Employment termination benefits	-	999
Total remuneration for key personnel	**19,110**	**20,433**

NOTA 44 - Commitments and contingencies

Contingencies for legal claims

At year-end 2020, the subsidiaries and related companies of Sura Asset Management were involved in a total of 13,604 court cases, of which 1,613 were “new” insofar as notice of such was served during this same year. Also, during this same year, a total of 4.015 legal proceedings were ruled upon, 141 in favor of the Company and 3.879 against. The following table shows a breakdown by individual country of the legal proceedings currently being heard:

Country	Total legal proceedings	Legal proceedings - 2020				Total legal proceedings
		New	Ruled	In favor	Against	

	pending ruling at year-end 2020					pending ruling at year-end 2019
Chile	95	145	112	106	6	62
Mexico	12,707	1,458	3,924	50	3,874	15,173
Peru	913	27	-	-	-	886
Uruguay	1	-	1	1	-	2
Total general	**13,716**	**1,630**	**4,037**	**157**	**3,880**	**16,123**

Also, in accordance with its responsible investing approach and given the significant stake held by Sura Asset Management in AFP Protección and, indirectly in AFP Crecer in El Salvador, we also include information regarding the legal proceedings involving both these companies for 2020:

		Legal proceedings - 2020				
Country	**Total legal proceedings pending ruling at year-end 2020**	**New**	**Ruled**	**In favor**	**Against**	**Total legal proceedings pending ruling at year-end 2019**
Colombia	14,157	4,431	2,764	374	2,390	12,490
El Salvador	6	-	1	1	0	7
Total general	**14,163**	**4,431**	**2,765**	**375**	**2,390**	**12,497**

The figures corresponding to AFP Protection (Colombia) do not include information relating to writs for the protection of constitutional/fundamental rights, given the extraordinary nature of such mechanisms insofar since they follow neither the form nor the terms of an ordinary legal proceedings.

Guarantees

AFP Integra must also set up a guarantee in favor of the Peruvian Banking, Insurance and Pension Fund Superintendency by means of a joint, unconditional, irrevocable and automatically enforceable letter of guarantee from any reputable local or foreign bank at the beginning of each calendar quarter for an amount no less than 0.5 per cent of the value of each Fund, less the value of the legal reserve as calculated on the last day of the previous quarter and for a term of at least 95 calendar days. At year-end 2020 and 2019, these letters of guarantee totaled PEN 282.600 million and PEN 320 million respectively.

NOTE 45 - Information regarding operating segments

45.1 Reportable segments

For management purposes, Sura Asset Management S.A. is organized into business units based on the services they provide. These business units are divided up into the following reporting segments:

Retirement Savings The main business activity of this segment is to is collect and manage the amounts employees pay into their individual mandatory retirement savings accounts as well as managing and paying all those benefits required by the local pension systems This segment was called “Mandatory Pensions” until 2019.

Investment Management: The business activity corresponding to this segment is to provide professional investment management services, mainly with regard to investment portfolios and the handling of the risk to which these are exposed. Its principal clients are: institutional investors, corporations and wealth managers.

Sura Investments The main activity of this segment is to market and provide advisory services with regard to all those funds managed by Sura as well as its Open Architecture Funds, and other direct investment products. This segment also handles insurance policies carrying savings plans. This segment was called "Savings and Investments" until 2019.

Insurance and Annuities: The handling of risk in the different branches (life insurance and annuities) as well as defining adequate pricing for covering such risks.

New Lines of Business: This segment covers developing and exploring business opportunities other than those relating to retirement savings and individual or institutional voluntary savings.

Corporate and Others: This segment contains holding companies whose main business purpose is to acquire different investment vehicles. Also, other services are reported that are not directly related to the Company´s main business strategy but nevertheless complement the range of services provided. These are provided by: Asesores y Promotora in México and Sura Data in Chile.

Senior Management oversees the operating performance of the different business units separately, for the purpose of making decisions regarding the allocation of funds and evaluating their financial performance. The financial performance of these segments is evaluated based on the amount of operating profit or loss received which in turn is measured uniformly with the operating loss or profit disclosed on the consolidated financial statements. The Group's financing (including financial income and expense) is managed on a centralized basis, since operating segments are not allocated.

Information regarding the subsidiaries and the sectors to which they belong can be found in Note 1.

45.2Statement of Income Per Segment

SURA ASSET MANAGEMENT S.A. and Subsidiaries

At Year-End 2020

Consolidated Statement of Income

(stated in thousands of USD)

	Retirement Savings	Investment Management	Sura Investments	Insurance and Annuities	New Business	Corporate - Others	Adjustments and Eliminations	Total
Fee and commission income	544,696	52,107	46,586	658	1	19,263	(30,291)	633,020
Other investment income	(78)	229	168	-	44	515,714	(515,168)	909
Other gains and losses at fair value	-	17	11	-	-	(4,947)	-	(4,919)
Revenues from legal reserves	65,937	-	1,335	-	-	-	-	67,272
Income (expense) via equity method	33,583	425	5,666	-	-	-	-	39,674
Other operating income	6,445	848	7,995	1,444	837	2,741	(15,194)	5,116
Operating revenues - fund and pension management	**650,583**	**53,626**	**61,761**	**2,102**	**882**	**532,771**	**(560,653)**	**741,072**
Gross premiums	-	-	157,554	10,026	-	-	(259)	167,321
Premiums ceded to reinsurers	-	-	(220)	(1,929)	-	-	-	(2,149)
Net premiums	-	-	157,335	8,096	-	-	(259)	165,172
Revenues from investments backing insurance reserves	-	-	14,405	3,063	-	-	(5,528)	11,940
Gains and losses at fair value from investments backing insurance reserves	-	-	34,045	381	-	-	-	34,426
Claims	-	-	(153,990)	(3,257)	-	-	-	(157,247)
Movement in premium reserves	-	-	(29,873)	(925)	-	-	-	(30,798)
Total insurance margin	**-**	**-**	**21,922**	**7,358**	**-**	**-**	**(5,787)**	**23,493**
Administrative and selling expense	(313,929)	(56,832)	(90,803)	(12,858)	(3,653)	(75,495)	51,386	(502,184)
Deferred acquisition costs (DAC):	6,628	-	(623)	(26)	-	-	-	5,979
Total operating expense	**(307,301)**	**(56,832)**	**(91,426)**	**(12,884)**	**(3,653)**	**(75,495)**	**51,386**	**(496,205)**
Operating income	**343,282**	**(3,206)**	**(7,743)**	**(3,424)**	**(2,771)**	**457,276**	**(515,054)**	**268,360**
Financial income	5,158	647	171	-	-	4,507	(43)	10,440
Financial expense	(2,859)	(912)	29	(14)	(1)	(60,535)	43	(64,249)
Derivative (expense) income	-	-	(192)	(56)	-	3,655	-	3,407
(Expense) income on exchange differences	(2,154)	895	466	(22)	(32)	(7,315)	-	(8,162)
Earnings (losses) before income tax from continuing operations	**343,427**	**(2,576)**	**(7,269)**	**(3,516)**	**(2,804)**	**397,588**	**(515,054)**	**209,796**
Income tax	(87,460)	39	(1,134)	682	1	(3,321)	-	(91,193)
Net income for the year from continuing operations	**255,967**	**(2,537)**	**(8,403)**	**(2,834)**	**(2,803)**	**394,267**	**(515,054)**	**118,603**
Net income for the year from discontinued operations	-	-	-	(1,806)	-	-	-	(1,806)
Net income (losses) for the year	**255,967**	**(2,537)**	**(8,403)**	**(4,640)**	**(2,803)**	**394,267**	**(515,054)**	**116,797**

SURA ASSET MANAGEMENT S.A. and Subsidiaries
Consolidated Statement of Income
At Year-End 2019
(stated in thousands of USD)

	Retirement Savings	Investment Management	Sura Investments	Insurance and Annuities	New Business	Corporate - Others	Adjustments and Eliminations	TOTAL
Fee and commission income	613,533	52,037	42,849	-	-	19,743	(29,560)	698,602
Other investment income	99	496	480	-	-	550,727	(537,802)	14,000
Other gains and losses at fair value	45	132	178	-	-	228	(225)	358
Revenues from legal reserve	110,597	-	2,048	-	-	-	-	112,645
Income (expense) via equity method	61,622	166	7,604	-	-	-	-	69,392
Other operating income	8,430	3,418	12,602	5,082	-	1,310	(22,038)	8,804
Operating revenues - fund and pension management	**794,326**	**56,249**	**65,761**	**5,082**	**-**	**572,008**	**(589,625)**	**903,801**
Gross premiums	-	-	165,876	45,247	-	-	(2,251)	208,872
Premiums ceded to reinsurers	-	-	(270)	(10,417)	-	-	-	(10,687)
Net premiums	-	-	165,607	34,830	-	-	(2,252)	198,185
Revenues from investments backing insurance reserves	-	-	68,122	86,096	-	-	(88,278)	65,940
Gains and losses at fair value from investments backing insurance reserves	-	-	59,161	179	-	-	-	59,340
Claims	-	-	(213,217)	(66,491)	-	-	41,950	(237,758)
Movement in premium reserves	-	-	(53,895)	1,821	-	-	(3,263)	(55,337)
Total insurance margin	**-**	**-**	**25,778**	**56,435**	**-**	**-**	**(51,843)**	**30,370**
								-
Administrative and selling expense	(330,796)	(60,186)	(98,505)	(24,840)	-	(92,528)	60,893	(545,962)
Deferred acquisition costs (DAC):	5,492	-	104	(42)	-	-	-	5,554
Total operating expense	**(325,304)**	**(60,186)**	**(98,401)**	**(24,882)**	**-**	**(92,528)**	**60,893**	**(540,408)**
								-
Operating income	**469,022**	**(3,937)**	**(6,862)**	**36,635**	**-**	**479,480**	**(580,575)**	**393,763**
Financial income	5,118	663	212	-	-	13,064	(3,081)	15,976
Financial expense	(3,849)	(1,098)	(888)	(49)	-	(68,880)	3,328	(71,436)
Derivative (expense) income	-	-	5	2	-	(760)	-	(753)
(Expense) income on exchange differences	4,193	(112)	(51)	367	-	29,557	859	34,813
Earnings (losses) before tax on continuing operations	**474,484**	**(4,484)**	**(7,584)**	**36,955**	**-**	**452,461**	**(579,469)**	**372,363**
Income tax	(117,056)	(285)	(2,330)	(26,639)	-	(51,747)	12,321	(185,736)
Net income for the year from continuing operations	**357,428**	**(4,769)**	**(9,914)**	**10,316**	**-**	**400,714**	**(567,148)**	**186,627**
Net income for the year from discontinued operations	-	-	-	-	-	(56,757)	61,798	5,041
Net income (losses) for the year	**357,428**	**(4,769)**	**(9,914)**	**10,316**	**-**	**343,957**	**(505,350)**	**191,668**

45.3 Operating Revenues by Individual Country

Operating Revenues on an individual country basis at year-end 2020 and 2019 are broken down as follows:

	2020		2019	
	Operating revenues - fund and pension management	Total insurance margin	Operating revenues - fund and pension management	Total insurance margin
Chile	245,422	23,493	329,139	30,370
Mexico	320,080	-	334,113	-
Peru	121,715	-	152,186	-
Uruguay	16,361	-	23,168	-
El Salvador	64	-	69	-
Colombia	37,202	-	64,914	-
Argentina	228	-	212	-
Consolidated	**741,072**	**23,493**	**903,801**	**30,370**

NOTE 46 - Earnings per share

The following figures are stated in US dollars:

	2020	2019
Basic earnings per share		
From continuing operations attributable to the controlling shareholder	45.33	71.33
From net operations for the year, attributable to the controlling shareholder	44.56	73.12

	2020	2019
Earnings for the year from continuing operations	118,603	186,627
Net earnings for the year, attributable to the controlling shareholder	116,592	191,320
Weighted average number of ordinary shares for the purposes of basic earnings per share are shown as follows:	2,616,407	2,616,407

NOTE 47 - Risk management objectives and policies

1. Introduction

The purpose of this Note is to show the main risks to which Sura Asset Management S.A. is exposed and how these are handled based on its business profile in Chile, Mexico, Peru and Uruguay. First, we shall describe the Group's Risk Management Framework and then proceed to analyze each line of business (in terms of families of units). These lines of business include: (1) Pension Companies, (2) Insurance Companies, and (3) Fund Management and Brokerage firms We shall also provide a brief summary of the exposure relating to the Company’s other businesses, such as its insurance brokerage services in Uruguay and also discuss Sura Asset Management's position in AFP Protección in Colombia as well as in Crecer AFP in El Salvador (both non-controlled companies). On the other hand, we shall be addressing the currency risks to which Sura Asset Management's corporate debt is exposed as well as the effect of the prevailing volatility on the seed capital invested by Sura Asset Management S.A. and the earnings retained over previous year (freely disposable capital), as well as discontinued operations.

It is also important to mention that, unless otherwise indicated, the exposure corresponding to each business unit is stated in the corresponding local currency, however, the figures included in this note have been converted to millions of USD, using the exchange rate applicable on the cut-off date of these financial statements, that is to say December 31st, 2020. In 2020, the currencies of the countries in which Sura Asset Management S.A. operates were adversely affected. In reference to this, we include the following table showing changes in the exchange rates for each currency:

Dollar Exchange Rates

Currency	2020	2019	% Change
CLP/ USD (Chile)	702,47	752,78	-6.68%
MXP/USD (Mexico)	19,86	18,88	5.19%
PEN/USD (Peru)	3,62	3,31	9.19%
UYU/USD (Uruguay)	42,48	37,22	14.13%
COP/USD (Colombia)	3,432,50	3,277,14	4.74%

1.1 Risk Management Framework

Given the importance of handling the risks to which we are exposed in the various countries in a timely and efficient manner, Sura Asset Management is governed by a Risk Management System tailored to the Company’s needs (Operating Risk) This framework follows a series of risk identification, assessment, management and monitoring processes, together with their corresponding communication and corporate governance arrangements. This Risk Management Model was set up since Sura Asset Management first came into being, thus demonstrating the substantial commitment that the Organization upholds in terms of risk management which it has been reinforcing through continuous improvement and the adoption of best international practices thus providing a solid risk management foundation which is shared by all those companies forming part of Sura Asset Management.

Our Strategic Risk Framework continued to gain a greater degree of maturity, in keeping with the progress made in previous years, this covering the following functions: Identifying strategic risk from Grupo SURA’s standpoint (2016), identifying strategic risk from the corporate viewpoint of Sura Asset Management (2017), identifying strategic risk from the viewpoint of our different business units (2018) and drilling down on the work carried out to minimize business unit risk as well as identifying new strategic risk (2019) For 2020, our Company’s risks have been reformulated by creating 4 major categories. Sura Asset Management´s Strategic Risks are as follows:

Strategic Context Risks

Economic Performance and Financial Market Maturity: Global economic performance and the volatility affecting economic cycles impact both growth and development, while also affecting the formal job market and public confidence in the financial system. The ability of markets and financial instruments to develop and mature, so as to become more instrumental in Sura Asset Management's strategy.

Political Dynamics: Managing harmful political dynamics, that are not very constructive for the country, giving rise to the so-called populism, a divided government (presidency of one party and the parliament of another party). Confrontations between the two hindering policy-making, and how this may affect Sura Asset Management and its Subsidiaries, thereby generating the risk of contagion.

Influential social movements: Non-formal groups of individuals or organizations whose purpose is to bring about social change, which could impact the lines of business of Sura Asset Management and Subsidiaries.

Human intervention in natural ecosystems: Exaggerated exploitation of resources, destruction of ecosystems, possible future pandemics, and how Sura Asset Management and Subsidiaries, being responsible investors, can help to either to enhance the environment or mitigate harmful interventions.

Cybersecurity These are the risks relating to the use of information and cyber-attacks on the Organization's presence in both cyberspace and the digital environment. This category consists of and consolidates all those risks relating to operating and technological security, the ethical use of personal information and personal identity information, protecting information from the risk of fraud and security breaches due to theft, tampering or loss, the disruption of services and infrastructure that support the Organization's operations as well as the digital ecosystem used to serve customers and employees.

Social Networks: Increasingly, our business is being attacked through social networks and the way this affects us.

Strategic Relationship Risks

Inspiring the confidence of different stakeholders. Stakeholder confidence being affected as a result of events that impact Sura Asset Management's reputation. How the Brand coexists with the Suramericana Insurance Subsidiaries (Seguros Sura) as well as how this is managed in all those countries that have the same name.

Strategic Business Risk

Sustainability of the Mandatory Pension System: The system's capacity to adapt and meet the population´s changing expectations and needs, which could result in radical changes to the system or even its feasibility.

Agents of change in the mandatory pension system: To be agents of change, to be able to play an effective role in the new bills that are being proposed, shall ultimately depend on public policy-making and also on the industry in which the pension business is immersed.

Regulatory Changes and Amendments to Tax Legislation. Developing new lines of businesses where current regulations are not up to the task, i.e., it stops us (it acts as a buffer). This relates to regulatory changes affecting our different lines of business, not only the pension business, but also geopolitical risk and a dependence on government regulatory and tax policies.

Ability to provide our clients with an adequate value-added offering. Fulfill our brand promise through examining, identifying and interpreting the needs of our clients and using these learnings to create solutions that provide true added value (an effective design, development and execution). This entails truly understanding our clients and how their perceive risk. Designing the right value proposition for the client, being able to deliver the value proposition thereby produced and have the client value this same.

Business transformation: To be able to transform our business model (products and solutions, processes, technologies and channels) in a swift and timely manner so as to opportunely respond to changes in our business environment.

Disruptive business model: Non-evident competitors, disruptive business models on the part of our industry, either by existing competitors or by competitors currently engaged in other industries, including the Fintechs.

Strategic Risks of Good Resource Utilization

Ability to have a team of human talent equipped with the necessary skills. Attracting suitable human talent who are able to align themselves with the value proposition that Sura Asset Management offers and ensure their ongoing loyalty to the Company.

Access to Sources of Financing: Access to sources of capital so as to be able to finance new businesses, acquisitions and the growth of our existing business This can also be affected if the countries where we are located have their risk ratings lowered and hence our ability to grow our sources of business growth.

Leveraging technological & operational resources: How Sura AM reacts to cybersecurity is intrinsically linked to Business Transformation.

Also, as part of our risk management framework we have continued with our consolidation efforts on a regional level and on identifying the mitigating factors for these Strategic Risks.

The main objective of Sura Asset Management's risk management framework is to protect the Company from undesired events that may affect the attainment of its organizational objectives and goals. In the event of their occurrence, these risks could cause financial loss or harm the Company's reputation; for that reason, it is essential to have an internal control system.

Sura Asset Management S.A. is fully aware of the importance of risk management, as part of its internal control system, so as to ensure the Company's ongoing sustainability. In this respect it has defined three lines of defense in the handling of such risk:

First line of defense. This consists of all those operational management areas within the Company (business, investment, operations, IT, etc.) From the standpoint of risk treatment, this line of defense is based on self-monitoring. Here the respective staff is responsible for detected and opportunely handling risk and must account for their actions accordingly.

2nd Line of Defense. The Risk Management and Compliance areas are responsible for the second line of defense. Their responsibilities consist of preventing risk and providing their advisory services. They are also responsible for drawing up policies and ensuring their proper interpretation as well as supporting and constructively challenging the first line of defense and providing additional risk monitoring

3rd Line of Defense. The Auditing Department is in charge of examining the Company's Internal Control system. Its responsibilities consist of performing independent audits and offering recommendations for reinforcing said system.

Risk management is overseen by the Board of Directors (which serves as a 4th line of defense). The Board establishes risk management guidelines by issuing the corresponding policies, defining roles and responsibilities within the Organization and determining its degree of risk appetite, among other aspects.

The Board of Directors has its own Risk Management Committee which is in charge of periodically monitoring the risks to which the Company is exposed using the monitoring tools set out in the Company's policies and applied by the Company's Senior Management Furthermore, this Risk Management Committee is responsible for reviewing any proposals received with the main risk management policies. The Board is also ultimately responsible for approving policies based on the Risk Committee´s evaluations and recommendations.

Also, so as to ensure that the types of risk to which Sura Asset Management S.A. is exposed are properly identified, measured, controlled and monitored, the following risk categories have been established:

Balance Sheet and Profitability This is the risk of potential losses or changes in the expected level of earnings due to demographic, financial and business factors, which would directly affect Sura Asset Management S.A.'s financial statements.

Third-Party Asset and Trust Management. This is the risk of sustaining losses with client funds managed by Sura Asset Management S.A. as a result of changes to market prices, credit events and counterparty and liquidity factors. Controls are also deployed to uphold due diligence and client interests with regard to handling third party funds.

Business Context This is the risk of damaging Sura Asset Management S.A.'s corporate image as a result of performing any improper operations on a competitive market (fund, product and strategy management, etc.) thereby failing to provide our clients with the products required according to their needs and purposes and to show the risks and features inherent to each product.

Operating Stability: This is the risk of potential losses due to human error, faulty systems or fraud as well as business continuity issues, personal safety as well the security of physical assets and information. This category explicitly includes cybernetic risk.

Legal and Compliance: This is the risk (real or perceived) from failing to comply with laws, rules, regulations, principles, policies and guidelines applicable to Sura Asset Management S.A.'s different businesses that may damage its business integrity or reputation, with or without sustaining a direct economic loss.

Emerging risk.: these are new risks and changes to risks that have already been identified that are arising as a result of current trends and that are difficult to understand from the Organization's standpoint. These risks may be included either in a category that already exists or in an entirely new category.

It is important to note that **Reputational** y **Regulatory Risk** is not expressly defined since these could produce adverse events or consequences with regard to any one of the above categories.

In order to carry out the functions and responsibilities of the Corporate Risk Area, Sura Asset Management has a structure in place that involves the following specific risk management areas:

Business Risk Area: this focuses on analyzing the risk profile inherent to Sura Asset Management´s business, together with how this continuously evolves as well as monitoring the impact of the strategic guidelines on the Company's risk profile. Given the differing natures of such, each business segment shall be impacted by different threats that could affect the Company's financial planning.

The Business Risk area assists the Company in detecting any changes to its risk profile as well as the need to mitigate these from the standpoint of financial planning and developing new initiatives and special projects. It is important to provide constructive challenge for this process which is the responsibility of the second line of defense.

Furthermore, there is a business risk monitoring system in place that provides methodologies, guidelines and tools for the first line of defense. It is also responsible for Sura Asset Management's business risk monitoring system on a corporate level as well as compliance with the Company's risk appetite as defined for each line of business.

Operating and Information Risk Management Areas: these are responsible for preventing and anticipating events that could cause losses due to human error, inadequate or flawed internal processes, system failures as well as external events. This includes legal risk and excludes strategic and/or business risk.

Operating and information risk is inherent to all activities, products, systems and processes, and can be caused by operating processes, internal and external fraud, technological and human resource factors, business practices, disasters, suppliers, etc. This area of risk management forms part of Sura Asset Management´s overarching risk management structure.

Investment Risk Area: as part of the responsibilities inherent to managing third-party resources, the Company's Investment Risk area must ensure a comprehensive risk management function with regard to handling its investment portfolios.

Sura Asset Management's subsidiaries directly manage third-party investment portfolios. This implies a series of responsibilities that these subsidiaries must take on before the regulating authorities of each country and their corresponding legislation.

The Investment Risk area has its own policy framework called the Investment Risk Framework. This identifies the main risks relating to investment portfolio management and their impact on the different levels of portfolio aggregation.

In 2020, the different Corporate Risk Areas carried out projects that have incorporated improvements to the different risk management and corporate governance systems, methodologies, metrics, tools aimed at unifying and standardizing these same on a subsidiary level. The main achievements obtained are as follows:

Business Risk: This consists of drilling down on the profitability dimension of the risks inherent to the Profitability and Balance Sheets of the Company's Retirement Savings, Sura Investments and Investment Management subsidiaries, by defining and periodically calculating both the respective risk appetites and value metrics, and being able to use these models to analyze different dimensions of each line of business from the standpoint of risk. Likewise, developing together with the Sura Investment line of business a more in-depth focus on the Business Context Risk, particularly with issues such as Suitability. Stabilizing the calculation of Adequate Equity in accordance with the Colombian Financial Conglomerates Law, which was introduced at the end of 2019. Consequently, in 2020 work began on drawing up a new Risk Management Framework that is fully aligned with this new legislation.

Operating stability risk: In 2020, we strengthened our communications with different stakeholder and interdisciplinary groups, mainly by coordinating different operating and monitoring activities that allowed us to tackle the COVID 19 contingency without the corresponding risk exposure exceeding the thresholds established by Sura Asset Management. Through our different committees, as well as periodic follow-up meetings and meetings with corporate and local leaders, we were able to communicate and monitor information on the Organization's protocols and continuity status in a timely and comprehensive manner, while being adequately prepared for any event involving an operational and/or technological contingency. Similarly, certain definitions and methodologies were updated in order to strengthen and homogenize the processes used for identifying, measuring, controlling and monitoring risk, while ensuring adequate levels of risk management with regard to processes, suppliers and projects all of which helped to maintain the Company's exposure within the permitted limits. Also, with regard to Sura AM's new lines of business, progress has been made in implementing and strengthening operating risk management thanks to the methodology and service level agreements that have been established among Sura AM companies.

Information, Technology and Cybersecurity Risk In 2020, and as a result of the COVID 19 public health contingency and the resulting lockdown measures affecting both our clients and employees, very early on in the year, we deployed our remote working and collaboration capabilities as part of our flex/home office (teleworking) model, for which an approximate 98% coverage was achieved in just the first 2 weeks after the lockdown measures were introduced. Afterwards, we evaluated the risk involved with introducing these new work plans with all our Sura AM subsidiaries in the different countries, identifying the areas of risk and opportunity to be addressed and reinforcing the corresponding control and safeguard mechanisms. The capacity, performance and security of the digital services placed at the disposal of our clients were reinforced, thereby improving service needs in a digital non-presential manner as well as attending the requirements and provisions introduced by different Governments and fund systems enabling clients to withdraw portions of their savings, so as to ensure financial support for the population during the pandemic. We also reinforced our capacity for monitoring, attending to and responding to different threats that showed a significant increase during the pandemic and which took advantage of different issues as a hook to commit fraud against clients, employees and business partners.

After the most critical period of the pandemic, we resumed our focus once again on maturing our ability to protect our business information assets against emerging threats and vulnerabilities that represent a latent risk for the Company. We also continued to develop our capabilities and processes so as to encourage greater watchfulness and opportunely detect trends and events in our business environment that could create a possible exposure, while ensuring greater resilience so as to respond to and/or to swiftly reestablish our business operations should these types of incidents occur as well as the security and protection of our information and technological assets that support the running of the different processes within the Company.

Investment Risk During the course of 2020, the objectives of the investment risk area had to adapt to the situation caused by the COVID 19 pandemic. Here, our Center of Credit Excellence focused on reviewing all those credits affected by the economic lockdown measures decreed in the different countries, as well as following up on and updating the credit ratings of various issuers, as well as reviewing the waivers granted and the negotiations that took place with the aim of relaxing certain terms and conditions of the respective issues.

Additionally, as a consequence of the withdrawal measures approved in some of the countries for our Retirement Savings business, the Company’s liquidity needs were also particularly monitored, since it was necessary to resort to selling off assets and restructuring our portfolio in order to comply with such requirements.

In the case of the Investment Management Unit, it was also necessary to manage liquidity to cover the outflows of funds required by the clients to meet their liquidity needs, as well as to manage certain loans, whose debtors experienced difficulties in meeting their obligations, and in the same way to restore portfolio allocations, without impacting our clients who continued to maintain their investments in our investment portfolios.

In turn, due to the prevailing volatility affecting markets beginning in March, the Market Risk synergy was re-launched to monitor the impact of such volatility on different portfolios, thereby establishing common metrics to evaluate the impact on the different countries and portfolios; stress tests were carried out to map potential vulnerabilities in times of market declines and subsequent rebounds.

In 2020, progress was made with implementing the contents of the Sustainable Investment chapters that apply to the Retirement Savings in the Sura Investment Management lines of business, regarding the definition of frameworks for taking action with managing investments in controversial sectors, the creation of a standard for categorizing sustainable investments, and introducing minimum criteria to be evaluated from the ESG standpoint when different teams of staff make direct investment decisions, thereby laying the groundwork for moving ahead with an integrated ESG approach in the future. Progress was also made with training our investment teams of staff, both in terms of the referencing activities and joint work carried out with strategic allies, as well as presenting international ESG certifications. Parallel to all of this, work was carried out with local regulators, players from the finance industry and several associations, so as to make headway with incorporating best practices with regard to information reporting and access to information, as well as incorporating ESG criteria in investment decisions.

Finally, in the course of last year, progress was made in taking on a more active risk management role within the ISDAS Center of Excellence, and with this we are beginning to see the potential of establishing a matrix of counterparties, as well as analyzing the methodology used to calculate AANA (Uncleared Margin Rules), as required by international regulators.

In this Risk Management Note we shall be focusing on Profitability and the Balance Sheet, bearing in mind the degree of materiality of the risk involved. We shall also be referring to the Operating Stability and Compliance category.

2. Risk Management Note - Risk to Pension Business

2.1 Pension business profile

The following table shows client funds as managed by Sura Asset Management S.A. as part of its pension business, these broken down per business unit. For 2020, total Assets Under Management for the Mandatory Pension business came to USD 93,743 million, with another USD 3,098 million corresponding to our Voluntary Savings business.

Product Family	Assets Under Management - Mandatory Pensions	Assets Under Management - Voluntary Pensions	Assets Under Management - Mandatory Pensions	Assets Under Management - Voluntary Pensions
	2020		2019	
Chile	40,396	1,785	39,722	1,376
Mexico	33,963	1,072	30,502	769
Peru	16,483	241	19,488	245
Uruguay	2,901	-	2,742	-
Total	**93,743**	**3,098**	**92,454**	**2,390**

The Chilean Pension Fund Management firm at the end of 2020, had a total of 1.6 million members, of whom 0.9 million are direct contributors, thus representing a contribution rate of 57%. The year-end wage base came to USD 12,925 million. Chile´s income on its mandatory pension business largely corresponds to the commission charged on said wage base, which came to 1.44%. Additionally, the Chilean Pension Fund Management firm manages Voluntary Pension Funds, which contribute to a lesser extent to the income earned by the Company.

At the end of 2020, the Mexican Pension Fund Management firm, had a total of 7.0 million fund members. Income from our Mexican Mandatory Pension business largely corresponds to the commission charged on Assets Under Management which came to USD 33,963 million. The commission at year-end 2020 came to 0.92% of total AuM. The Mexican Pension Fund Management firm also manages Voluntary Pension Funds

At the end of 2020, the Peruvian Pension Fund Management firm had 2.6 million members, of whom 1.0 million are direct contributors, representing a contribution rate of 38.9%. The year-end wage base came to USD 8,549 million. Peru´s income from its mandatory pension business mainly corresponds to the commission charged on said wage base. This commission, at year-end 2020, came to 1.55% for all those members who chose a flow-based commission. It is also important to mention the pension fund reform that was introduced in Peru back in 2012. This gave the pension fund members the choice of a commission based either on the wage base or the amount of Assets Under Management. In the case of all those pension fund members choosing the second option, and during the time it takes to migrate to this new system, a mixed commission is charged that shall gradually be taken off the wage base and transferred to AUM. It is also worth mentioning the fact that the large majority of all fund members have chosen a wage-based commission. The AUM-based commission, for all those fund members choosing such, came to 0.82% at year-end 2020.

At the end of 2020, the Uruguayan Pension Fund Management firm, had a total of 0.3 million members, of whom 0.2 million are direct contributors, representing a contribution rate of 52%. The year-end wage base came to USD 1,144 million. Uruguay´s income on its mandatory pension business mainly consists of the commission charged on said wage base. This commission comes to 0.99%, however, in the light of a recent reform, commissions may be gradually reduced so as not to exceed by more than 50% the lowest commission charged within the pension management system.

2.2 Business Risk

Business risk for the Pension Fund Management Companies relate to the changes in variables affecting their financial results. From the standpoint of volatility risk, the financial effects are analyzed over a time horizon of one-year. Here we take into account possible variations in the following:

- commission income: where the effects of a 10% reduction are analyzed.
- client factors: the effects of a 10% increase in clients transferring out in the space of one year are analyzed

The following table shows the effects of Business Volatility Risk on Sura Asset Management S.A. It is important to note that, although certain sums are calculated for presentation purposes, these impacts cannot be linearly aggregated, given the diversification effect between these impacts. There is also a diversification effect amongst countries as to the cause or type of risk.

Deviation	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
(10%) in Management Commissions	**(60.1)**	**(61.7)**
Chile	(20.8)	(19.2)
Mexico	(29.2)	(28.4)
Peru	(9.0)	(12.3)
Uruguay	(1.1)	(1.8)
+10% in Transfers	**(2.3)**	**(4.7)**
Chile	(1.3)	(2.3)
Mexico	(0.9)	(0.8)
Peru	(0.1)	(1.0)
Uruguay	(0.0)	(0.6)

The greatest effect comes from risk to commission income, since this could be affected by the following factors:

(1) a reduction in commission rates (given market competition, etc.);

(2) a drop in the number of fund members (unemployment, informal job markets, etc.);

(3) a decline in the wage base for reasons other than those previously mentioned (falling real wages, deflation, etc.) or

(4) regulatory changes.

In the case of Mexico (commission charged on assets under management), the third (3) factor relates to declining funds.

The sensitivity analysis shown with regard to commission income consists of any combination of the aforementioned risks which could bring about a 10% decrease in the amount of commissions collected

Regarding the risk of an increase in the number of fund members transferring out, the magnitude of such relates to the business activities of each market in which Sura Asset Management S.A. operates. In 2020, the amount of clients transferring out declined due to the COVID-19 pandemic.

2.3 Financial Risk

Financial Risk affecting the pension business mainly relates to changes in variables affecting the Companies´ financial results due to. (1) changes to legal reserves (the capital the company must keep in reserve, this being a defined percentage of the funds managed) in a particular year, (2) changes in fund returns compared to the rest of the industry that could trigger a Minimum Return Guarantee, or (3) changes in interest rates affecting the Provision for Deferred Income.

It is important to note that considering the Company's income recognition and financial instrument valuation policy, the entering into full force and effect of IFRS 9 shall not have an impact on the financial statements nor the financial position of the Pension Fund Management firms.

2.3.1 Volatility risk affecting legal reserves

Rules and regulations governing the pension business require that companies maintain a portion of its own capital invested in a reserve (Statutory Reserve, etc.). This reserve represents a percentage of the value of Assets Under Management. It is important to note that the underlying invested assets must maintain the same ratio as the underlying assets in the Managed Funds (i.e., the Company should buy portions of its managed funds) The following table shows the different legal reserve percentages per business unit:

% Legal Reserve for Managed Funds

Business Unit	%
Chile	1.00%
Mexico	0.63%
Peru	1.00%
Uruguay	0.50%

From the standpoint of financial volatility risk, the financial effects (on Earnings Before-Tax) are analyzed over a time horizon of one-year. Here we take into account possible variations with the following factors where the greatest exposure lies as per type of instrument and currency:

- **Equity securities:** where the effects of a 10% drop in equity prices are analyzed
- **Interest rates:** where the effects of an increase of 100 bp in interest rates are analyzed in terms of the how this would affect the value of fixed-income securities.
- **Foreign currency:** where we analyze the effects of a 10% drop in currency rates affecting prices of assets and/or investments abroad (net of any hedging arrangement)

The following table shows the effects of Volatility Risk to Sura Asset Management S.A.'s legal reserve. It is important to point out that in the case of Mexico where 100% of the fund management commission is charged on the Managed Funds and in Peru where a portion of the portfolio corresponds to a fund management commission, the impact presented in the table below includes, in addition to the effect of volatility affecting the legal reserve, a reduction in commission income resulting from the changes in Managed Funds as well as changes to the sensitized financial variable.

Although certain sums are calculated for presentation purposes, these impacts cannot be linearly aggregated, given the diversification effect between these impacts. There is also a diversification effect amongst countries as to the cause or type of risk.

Deviation	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
-10% in the Valuation of Variables	**(37.6)**	**(33.8)**
Chile	(14.6)	(15.1)
Mexico	(14.5)	(9.6)
Peru	(8.2)	(9.0)
Uruguay	(0.3)	(0.1)
+100 bp in Interest Rates	**(39.6)**	**(48.7)**
Chile	(23.2)	(21.6)
Mexico	(10.7)	(18.8)
Peru	(5.3)	(7.6)
Uruguay	(0.4)	(0.7)
-10% depreciation in Foreign Currency	**(34.1)**	**(34.8)**
Chile	(17.9)	(17.1)
Mexico	(5.3)	(5.4)
Peru	(10.6)	(12.1)
Uruguay	(0.3)	(0.2)

The greatest effect comes from sensitivity to lower increases in interest rates. This is particularly applicable in the case of Chile and Mexico which have a greater risk exposure to Fixed-Income Assets. On the other hand, we have the effect of the sensitivity to foreign currency depreciation, the bulk of which is found in Chile due to the relaxing of regulations with regard to investments abroad, as permitted by the Investment Regime corresponding to the Chilean pension system.

It is worth noting that since the Company´s proprietary position (legal reserve) is invested in quotas of managed funds, it remains subject to the same Investment and Financial Risk Management framework as mentioned in section 2.4.

2.3.2 Risk Regarding Guaranteed Minimum Returns

Rules and regulations governing the pension business (excluding Mexico) requires each Company to maintain minimum returns with respect to the funds managed by the rest of the industry. Here, the gap existing between fund returns provided by Sura Asset Management S.A.'s Business Units and those provided by the rest of the industry is monitored. Should the difference in returns exceed the regulatory thresholds, the Pension Fund Management firm must reimburse each fund in order to maintain the stipulated rate floors.

The following table shows the effects of any 1 bp change in the Guaranteed Minimum Return gap. It is important to note that since average returns compared to the rest of the industry only go back over the last 36 months, as well as the fact that these are very similar to the returns obtained from the Companies' own strategically- placed assets, it is highly unlikely that the Guaranteed Minimum Returns would ever be transgressed in the short to mid-term.

Minimum Guaranteed Returns (in USD millions)

Deviation (36 mth term of reference)	GAP with Guaranteed Minimum Returns	Effect of Gap Widening by 1 bp	GAP with Guaranteed Minimum Returns	Effect of Gap Widening by 1 bp
	2020		2019	
Chile				
Fund A	4.1%	0.5	4.3%	0.6
Fund B	4.2%	0.5	4.1%	0.6
Fund C	3.3%	1.3	3.7%	1.4
Fund D	3.1%	0.8	2.9%	0.8
Fund E	2.9%	1.0	2.4%	0.7
Mexico	N/A	N/A	N/A	N/A
Peru				
Fund 1	1.9%	0.2	2.4%	0.2
Fund 2	2.6%	1.2	3.5%	1.5
Fund 3	3.4%	0.2	4.2%	0.2
Uruguay				
Accumulation	3.7%	0.7	4.3%	0.7
Retirement	2.2%	0.1	1.7%	0.1

The information herein provided corresponds to that stated in the Statement of Financial Position at year-end 2020

2.3.3 Volatility Risk on Provision for Deferred Income Liability (DIL)

Pension Fund Management Firms that base their commissions on the wage base or that are prohibited by local rules and regulations from charging AUM-based commissions or other payments from their pensioned fund members must set up a provision for Deferred Income Liability (DIL)

The purpose of this provision is to be able to defer income received from fund members to cover maintenance expense and a reasonable level of profit, in the periods in which those members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments.

This is because when fund members become non-contributors they do not generate any income to meet the costs. So, this provision remains in place while the company collects the corresponding amounts and is released as future costs are incurred.

This provision is calculated on the basis of the present value of the cost corresponding to non-contributing fund members as well as members who have already been pensioned off and who cannot be charged for the managing of their funds and/or the pension payment.

This present value is calculated using the AAA rated corporate bond rate with no prepayment option as a discount rate, over a similar forecast horizon (20 years), in nominal or real terms depending on the currency used for calculating said provision. For this reason, the amount of volatility affecting the discount rate shall produce changes when assessing the value of this provision that shall affect Sura Asset Management´s income accounts.

The following table shows the effects of Volatility Risk on Assessing the Value of the Provision for Deferred Income Liabilities set up by Sura Asset Management caused by fluctuating discount rates.

Deviation	Effect on Earnings before Tax 2020	Effect on Earnings before Tax 2019
- 100 bp in Interest Rates	**(1.4)**	**(1.4)**
Chile	(0.8)	(0.7)
Peru	(0.5)	(0.6)
Uruguay	(0.1)	(0.1)

2.4 Investment and Financial Risk Management Processes on the part of Pension Fund Management Firms

One of the most important processes on the part of the Pension Fund Management firms is handling third-party funds. The following describes certain general aspects of the investment and risk management processes used as well as certain governing bodies responsible for such.

2.4.1 Investment process

The investment portfolios of the funds managed by Sura Asset Management S.A. are built up based on methodologies for assigning investment assets over the long-term with controlled levels of risk. Strategic asset allocation lies at the core of the investment process which begins with evaluating key macroeconomic variables with the support of expert professionals and well-recognized economists who periodically meet to analyze the performance of different capital markets. This information also includes numerical estimates of the performance of different classes of assets. Based on market expectations and historic asset performance, asset allocation models are run so as to estimate the relative importance of each type of investment held in the portfolio so as to maximize expected returns based on their level of risk. This process is carried out once a year when the overall investment strategy is re-gauged. It is important to note that in countries with guaranteed minimum returns, certain variables are added to the model, as established by the corresponding rules and regulations for calculating such returns, so that the allocation model does not deflect portfolio returns from those legally required.

During the year, tactical asset allocation models are run in order to incorporate the pension management fund´s short and mid-term perspectives into their portfolio strategy, this based on macro analyses, the corresponding economic cycle and the expected level of returns.

Since asset allocation lies at the heart of the investment process, the investment staff run daily security selections in search of the best market conditions that allow for greater returns on investment.

2.4.2 Risk Management

Independent risk teams, on both a functional as well as organizational level, are responsible for controlling and monitoring the different investment operations. These teams are in charge of conducting permanent follow-ups on the different investment portfolios, monitoring the levels of market, credit, liquidity and other risks that may have a negative impact on the rates of return earned by the different portfolios. It is the responsibility of the risk team to sound an alert with regard to any possible failure to comply with both internal and external rules and regulations as well as to remit such alerts to the Risk Committee so that the respective corrective measures may be taken.

2.4.3 Governing Bodies - Investment Management

The Boards of Directors of the different companies constitute the highest decision-making body in the investment process. It is their responsibility to approve asset allocations as well as the corresponding policies, limits, methods, and operating manuals.

For this purpose, the Board has an Investment Committee, comprised of board members as well as executive officers from the Investment and Risk Departments. This committee is responsible for defining the strategic allocation of assets, any permitted deviations regarding such as well as the framework for tactical operations, among others. The Investment Committee analyzes new investment opportunities which are first analyzed by the risk team before being passed on for the approval of the Risk Committee. The functions of the Risk Committee include approving quotas, new types of operations, markets and assets, evaluating investment overruns and resolving any conflicts of interest.

2.5 Impairment to Financial Assets

At the end of each quarter, impairment tests are performed on the Company's financial assets. This includes financial instrument testing whereby, variables such as the difference between book values (at amortized cost) and market values are monitored as well as the increase in the spread as of the time of purchase and the actual classification of the instrument´s specific exposure. In the event that certain pre-defined thresholds are exceeded, an Asset Impairment Evaluation is performed, in which a credit analysis is carried out on the position held. This can be done even when the aforementioned thresholds have not been exceeded but rather an alert has been given as a result of monitoring the credit risk of each company. This credit analysis defines whether an impairment is applicable. We also test accounts receivable whereby we monitor the amounts payable versus the amounts duly paid. The purpose of this test is to obtain the actual percentage of impairment sustained on our subsidiary portfolios based on the actual default period.

At the end of Q4 2020, no fixed income security belonging to the investment portfolios of Sura Asset Management´s pension fund management subsidiaries had to be written off.

On the other hand, there was no provision set up at year-end 2020 for expected losses on the financial assets held by Sura Asset Management´s pension fund management subsidiaries.

3. Risk Management Note - Risk to Insurance Business

3.1 Insurance business profile

The following is a summary of the business profiles of each of the insurance companies belonging to Sura Asset Management.

Compañía de Seguros de Chile has the largest exposure, this on its Unit-Linked Individual Insurance, which is an important source of growth for the Company, and accounts for 82.6% of total reserves. The Individual Unit Savings (non-Unit Linked) portfolio was run-off more than twenty years ago, this including endowment and universal life insurance and represents 14.9% of total reserves. The Traditional Individual insurance business also consists to a lesser extent of Temporary Insurance and Individual Health Insurance (covering higher medical expense). In 2020, the Group Insurance business was discontinued.

With regard to reinsurance operations, individual health insurance shows a large ceded premium trailed by traditional individual insurance.

3.2 Business Risk

Risk to the insurance business relates to changes in variables that could: (1) affect the Company´s financial results in a particular year (volatility risk), or (2) affect long-term commitments to clients (risk of structural changes).

3.2.1 Volatility Risk

From the standpoint of volatility risk, the financial effects of such are analyzed over a one-year time horizon. In this regard, possible structural changes to demographics were taken into account, analyzing the effects of a structural 10% increase in longevity, mortality and morbidity rates over a period of one year.

The following table shows the effects of Business Volatility Risk on Sura Asset Management S.A. It is important to note that these effects cannot be aggregated, given the diversification effect between these impacts. There is also a diversification effect amongst countries as to the cause or type of risk.

Volatility Risk - 1-year time horizon (in USD millions)

Deviation	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
+10% with the Mortality Rate	**(0.3)**	**(0.7)**
Chile - Insurance	(0.3)	(0.7)
+10% with the Morbidity Rate	**(0.1)**	**(2.9)**
Chile - Insurance	(0.1)	(2.9)

The greatest effects come from morbility risk exposure. This is mainly linked to the Individual Health Insurance business (major medical expense coverage).

Chile's exposure to mortality risk was lower compared to the previous year mainly due to the volume of life insurance carrying savings plans, which have a low exposure to mortality risk.

3.2.2 Risk of Structural Changes

From the perspective of structural change, the financial effects as a result of a change to the most important parameters used in assessing the value of long-term commitments to policy-holders, are analyzed. It is important to note that this structural effect has implications for expectations for future years (as opposed to just the first year as well as the inherent volatility risk), thus affecting the value of long-term reserves for policy portfolios, with the corresponding impact on the financial statements over one year. In this regard, possible structural changes to demographics were taken into account, analyzing the effects of a structural 10% increase in longevity, mortality and morbidity rates.

The following table shows the effects of the risk of structural business changes on Sura Asset Management S.A. It is important to mention that these effects cannot be aggregated because of the prevailing diversification effect. On the other hand, it is important to note that structural changes to demographic parameters respond to phenomena that do not occur frequently, but would nevertheless have a more substantial impact.

Risk of Structural Changes (in USD millions)

Deviation	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
+10% in Mortality Rate	**(2.1)**	**(3.7)**
Chile - Insurance	(2.1)	(3.7)
+10% in Morbidity Rate	**(1.3)**	**(1.3)**
Chile - Insurance	(1.3)	(1.3)

3.2.3 Mitigating Factors for Business Risk

All three subsidiaries uphold underwriting policies and have entered into reinsurance agreements that mitigate the risks that could affect Sura Asset Management S.A.'s income and equity accounts.

The underwriting strategy is designed to avoid the risk of not being able to choose a specific exposure and ensure that prices cover the real risk. For this purpose, we have health certificates and medical checkups as well as regular reviews of our claims experience and product pricing. There are also underwriting limits to ensure proper selection criteria.

The Company's reinsurance strategy includes automatic contracts that protect against the frequency and severity of insurance losses. Negotiated reinsurance agreements includes proportional coverage, excess loss and catastrophic loss.

3.3 Financial Risk

Financial Risk for the insurance business relates to changes in financial variables that could directly affect the Company's results. These include credit, market and liquidity risk. The following table shows the structuring of the Companies' asset portfolios.

Business Unit	Fixed Income	Mortgage Loans (non-banking)	Leasing	Real Estate Assets	Equity Securities	Derivatives	Unit-Linked Funds	Total	%
	2020								
Chile - Insurance	**321**	**0**	**0**	**79**	**1**	**0**	**1,015**	**1,416**	**100%**
% including Unit-Linked	22.6%	0.0%	0.0%	5.6%	0.1%	0.0%	71.7%		
% excluding Unit-Linked	79.9%	0.0%	0.0%	19.8%	0.3%	0.0%			

3.3.1 Credit Risk

The portfolio of financial assets underpinning reserves (with the exception of unit-linked policies) and Additional Resources (Regulatory Capital, Business Capital, etc.) is mostly invested in fixed income instruments.

The following table contains a breakdown of the Company's financial assets subject to credit risk, this based on their credit ratings (on an international scale). Here a concentration of investment grade fixed income instruments can be seen.

Fixed Income Securities and their International Credit Ratings 2020 (In USD million)

Type	Chile - Insurance
Government securities	96.5
AAA	0.0
AA+	0.0
AA	0.0
AA-	0.0
A+	0.0
A	129.8
A-	0.0
BBB+	0.0
BBB	89.1
BBB-	0.0
BB+	0.0
BB	5.1

Type	Chile - Insurance
BB-	0.0
B	0.0
B	0.0
Deposits	0.0
Mortgage loans	0.0
Leasing	0.0
Total	**320.5**

3.3.1.1 Impairment to Financial Assets

At the end of each quarter, impairment tests are performed on the Company's financial assets. This includes financial instrument testing whereby, variables such as the difference between book values (at amortized cost) and market values are monitored as well as the increase in the spread as of the time of purchase and the actual classification of the instrument´s specific exposure. In the event that certain pre-defined thresholds are exceeded, an Asset Impairment Evaluation is performed, in which a credit analysis is carried out on the position held. This can be done even when the aforementioned thresholds have not been exceeded but rather an alert has been given as a result of monitoring the credit risk of each company. This credit analysis defines whether an impairment is applicable. We also test accounts receivable whereby we monitor the amounts payable versus the amounts duly paid. The purpose of this test is to obtain the actual percentage of impairment sustained on our subsidiary portfolios based on the actual default period.

At the end of Q4 2020, no fixed income security belonging to the investment portfolios held by Sura Asset Management´s insurance subsidiaries had to be written off.

The provisions for Expected Impairment Losses at year-end 2020 are broken down as follows (for greater clarity in gauging the corresponding exposure, figures are stated in thousands of US dollars):

Business Unit	Provision for Impairment (in USD thousands)	Provision for Impairment (in USD thousands)
	2020	2019
Debt Instruments at Amortized Cost	283	197
Premiums Due	0	18
Reinsurance Current Account	11	3
Real Estate Debtors	1	41
Total Chile - Insurance	**295**	**259**

3.3.2 Market Risk

The market risk for an insurance company is analyzed from the following standpoints:

- Interest Rate Risk

- Currency risk: open position and inflation (deflation)
- Exchange rate risk on equity and real estate assets

3.3.2.1 Interest Rate Risk

The risk to interest rates is analyzed from the following standpoints: (1) accounting records, and (2) the reinvestment or adequacy of assets / liabilities.

3.3.2.1.1 Interest Rate Risk from the accounting standpoint

Since IFRS 9 was partially adopted in 2014, fixed-income investments and assets held for sale have been reclassified at amortized cost. Hence the accounting mismatches in equity versus movements with interest rates have been eliminated. As a result, neither the income nor the equity accounts are sensitive to fluctuating interest rates.

3.3.2.1.2 Interest Rate Risk from the Reinvestment standpoint

To estimate the sustainability of the investment margin (asset accruals on the recognition of interest on liabilities) a Liability Adequacy Test is performed. This test verifies that flows of assets (including the proposed reinvestment) in conjunction with premiums pending collection on existing commitments are sufficient to meet the reserve requirements. Should any inadequacy be detected, the reserve must be increased along with the volume of assets. The following table shows the levels of adequacy identified in this test.

Liability Adequacy Tests (in USD millions)

Business Unit	Liability Reserves *	Adequacy of Reserves	Adequacy of Reserves
	2020		2019
Chile - Insurance	1,313.8	4.4%	4.1%

* including Unit-Linked

3.3.2.2 Currency Risk

Currency Risk for the insurance business is related to potential currency mismatches between assets and liabilities and changes in currency appreciation / depreciation. This produces two types of currency risk: (1) the risk with open positions, and (2) the risk of inflation (deflation). For reference purposes, the following table shows assets (investment) and liabilities (reserves) based on their different currencies.

Currency Exposure * (in USD millions)

Business Unit and Currency	Exposure - Investment Assets	Exposure - Policy Liabilities
	2020	
Chile - Real Currency	400.1	289.5
Chile - Nominal Currency	1.2	0.0
Chile - USD	0.0	0.0
Chile - Other Currencies	0.0	0.0
Total Chile	**401.3**	**289.5**

* excluding Unit-Linked

3.3.2.2.1 Exchange Rate Risk - Open Position

At the end of 2020, our insurance subsidiaries had no exposure to USD, so the sensitivity is zero.

3.3.2.2.2 Risk of Inflation (Deflation)

The following table shows the impact of a 1% negative change in inflation would have on earnings before tax. The results of this sensitivity analysis are explained by a higher asset position versus liabilities in real currency.

Sensitivity to 1 % deflation rate (in USD millions)

Business Unit	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
Chile	(1.1)	(1.1)

3.3.2.3 Price Change Rate Risk: Equity and Real Estate

The risk of price changes on the insurance business relates to maintaining positions in assets whose market values could change. Here positions taken with equity securities are distinguished from those taken with real estate assets. The following table shows the impact of a 10% drop in the price of the aforementioned assets on earnings before tax.

Sensitivity to 10 % drop in asset prices (in USD millions)

Business Unit and Asset	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
Chile - Real Estate	(7.9)	(3.5)
Chile - Equity Securities	(0.1)	(0.1)

3.3.3 Liquidity Risk

The following table shows the flows of assets and liabilities for a period of 0 to 12 months. This includes available liquidity held for immediate use if necessary. Total liquidity shows the net interaction between incoming and outgoing flows, including liquid funds.

Liquidity Risk 2020 - Short Term Cash Flow Position (in USD millions)

Business Unit	0 to 1 month	1 to 3 months	3 to 12 months	0 to 12 months
Liquidity - Chile	**(1.8)**	**6.1**	**8.7**	**13.1**
Flows of assets	13.8	12.9	40.8	66.5
Flows of liabilities and expense	15.6	6.8	32.1	54.5

3.3.4 Mitigating Factors - Financial Risk

3.3.4.1 Credit Risk

Credit risk is managed from two standpoints. The first relates to individual analyses of the creditworthiness of potential issuers when the corresponding securities are being considered.

As part of this risk management process, a rating is established for each issuer based on Sura Asset Management's own methodology. This allows for deciding whether or not it is appropriate to buy from different portfolios. The second relates to the analyzing the portfolio on an aggregate level and takes into account concentration limits per type of fixed-income assets (e.g., limits on bank / corporate bonds etc.) as well as issuer constraints depending on their credit risk ratings.

This also includes a weighted rating of the corresponding portfolio as well as minimum thresholds. Both facets of credit risk management are monitored periodically, so as to take corrective measures in the case of market movements or equity securities triggering an alert with regard to the limits or targets set.

3.3.4.2 Market Risk

Market risk management forms part of ALM (Assets and Liabilities Management) which is a dynamic and continuous process. This begins with analyzing the liability profile of Sura Asset Management S.A., and depending on the corresponding risk appetite / return, a strategic asset allocation plan is drawn up, taking into account the feasibility of going ahead with such given market conditions (liquidity and depth) and the weighting of the existing portfolio of investments (especially in relation to term matching and accrual rates). This strategic asset allocation obeys the Company´s investment mandate (or policy), which sets targets, limits, etc.

This investment policy is reviewed each year, and whenever a new type of asset is proposed (which triggers a special analysis) or whenever there is a material change to business profile.

Additionally, in the case of a material transaction (purchase or sale) that could affect the risk / return profile of Sura Asset Management S.A. and Subsidiaries, the corresponding analyses are performed to ensure that the transaction in question is appropriate and the impacts of such are anticipated.

Mitigating market interest rate risk includes taking into account the current position of interest accruing on liabilities and the adequacy of the accrual structure with regard to the asset portfolio. This is aimed at taking measures to mitigate the reinvestment risk relating to the asset portfolio.

Market risk is controlled by monitoring duration mismatches as well accrual rates relating to the asset portfolio. Likewise, Sura Asset Management S.A.'s business units perform different sensitivity analyses on their investments with regard to market risk, mainly from changes in interest rates.

Mitigating market risk in the form of price changes mainly focuses on real estate asset management, since Sura Asset Management S.A.'s business units do not have any material variable-income investments (in addition to those assigned to the client as part of individual account funds). Here, the concentration of this real estate portfolio is monitored. Furthermore, lessee creditworthiness and the concentration in each industrial sector are monitored to mitigate any material impact due to breaches of lease contracts.

3.3.4.3 Liquidity Risk

Liquidity risk is mitigated by reconciling assets with liabilities from the standpoint of short-term flows. In the case of portfolios being run-off, the relationship between liquid assets and commitments on the part of Sura Asset Management S.A.'s business units is periodically monitored, identifying and prioritizing assets that must be sold off, so as to ensure least impact on accrual rates and reconciling portfolio assets and liabilities.

4. Risk Management Notes - Fund Management and Brokerage Firms

4.1 Fund Management Business Profile

The table below contains information regarding Sura Asset Management S.A.'s Own Managed Funds as well its Open Architecture Funds, broken down into individual and institutional funds as well as per business unit. Total Assets Under Management for 2020 came to USD 11,348 million, 54.2% of which corresponds to institutional clients and the remaining 45.8% private individuals.

Fund Management Business Profile * (in USD millions)

Business Unit	Assets Under Management - Retail	Assets Under Management - Institutional	Assets Under Management - Retail	Assets Under Management - Institutional
	2020		2019	
Chile	2,983.0	1,602.2	1,690.8	514.4
Mexico	1,233.3	3,520.0	563.4	4,147.7
Peru	678.4	908.6	1,098.5	595.0
Uruguay	304.7	55.4	247.6	50.0
Argentina	-	3.6	N/A	N/A
Colombia	-	59.2	N/A	N/A
Total	**5,199.4**	**6,149**	**3,600.3**	**5,307.1**

* Including Open Architecture Funds

4.2 Business Risk

Business Risk for the Fund Management and Stock Brokerage firms relate to changes in variables affecting the Company’s financial results. Here we take into account possible changes in commission income performance, upon analyzing the effects of a 10% drop in commission income.

The following table shows the effects of Business Volatility Risk on Sura Asset Management S.A. It is important to note that, although certain sums are calculated for presentation purposes, these impacts cannot be linearly aggregated, given the diversification effect between these impacts. There is also a diversification effect amongst countries as to the cause or type of risk.

Deviation	Effect on Earnings before Tax 2020		Effect on Earnings before Tax 2019	
	Retail	Institutional	Retail	Institutional
-10% in Management Commissions	**(7.3)**	**(2.0)**	**(6.1)**	**(1.3)**
Chile	(4.4)	(0.4)	(4.1)	(0.1)
Mexico	(1.3)	(1.3)	(0.9)	(1.2)
Peru	(1.3)	(0.3)	(0.8)	(0.0)
Uruguay	(0.3)	(0.009)	(0.3)	(0.0)
Argentina	0	(0.0005)	N/A	N/A
Colombia	0	(0.04)	N/A	N/A

The risks to commission income consist of:

(1) a reduction in commission rates (given market competition, etc.);

(2) a drop in the number of client funds (market conditions, exit rates, competition, macroeconomic situation, etc.).

The sensitivity analysis shown with regard to commission income consists of any combination of the aforementioned risks which could bring about a 10% decrease in the amount of commissions collected.

4.3 Impairment to Financial Assets

At the end of each quarter, impairment tests are performed on the Company's financial assets. This includes financial instrument testing whereby, variables such as the difference between book values (at amortized cost) and market values are monitored as well as the increase in the spread as of the time of purchase and the actual classification of the instrument´s specific exposure. In the event that certain pre-defined thresholds are exceeded, an Asset Impairment Evaluation is performed, in which a credit analysis is carried out on the position held. This can be done even when the aforementioned thresholds have not been exceeded but rather an alert has been given as a result of monitoring the credit risk of each company. This credit analysis defines whether an impairment is applicable. We also test accounts receivable whereby we monitor the amounts payable versus the amounts duly paid. The purpose of this test is to obtain the actual percentage of impairment sustained on our subsidiary portfolios based on the actual default period.

At the end of Q4 2020, no fixed income security belonging to the portfolios held by Sura Asset Management´s fund management and brokerage subsidiaries had to be written off.

In addition to the above, there was no provision set up at year-end 2020 for expected losses on the financial assets held by Sura Asset Management´s fund management and brokerage subsidiaries.

5. Risk Management Notes - Risks with Other Companies

The purpose of this section is to supplement the previous risk notes referring to other companies belonging to Sura Asset Management S.A. that do not classify in the Pension, Insurance and Funds Management categories.

5.1 Compañías Corredoras de Seguros (Insurance Brokerage Subsidiaries) in Uruguay and El Salvador

Sura Asset Management does not have its own insurance subsidiaries in both Uruguay and El Salvador, which is why, in order to provide a value-added range of products to its clients holding wealth management products in these countries, it offers its insurance brokerage services distributing third party insurance products.

Insurance Brokerage Revenues (in USD millions)

Business Unit	Annual Commissions 2020	Annual Commissions 2019
Uruguay	0.007	0.007
El Salvador	0.1	0.1
Total	**0.107**	**0.107**

The main risk posed by the Company's business activities to its profitability and balance sheet has to do with lower commission income, as shown in the following table.

Volatility Risk for Business Variables - 1-year time horizon (in USD millions)

Deviation	Effect on Earnings Before Tax 2020	Effect on Earnings Before Tax 2019
-10% in Management Commissions	(0.0107)	(0.0107)
Uruguay	(0.0007)	(0.0007)
El Salvador	(0.01)	(0.01)

6. Risk Management Notes - Risks with Non-Controlled Companies

The aim of this section is to supplement the previous notes by analyzing those companies in which Sura Asset Management has part ownership, without this being a controlling stake. Here we have AFP Protección in Colombia, which in turn owns AFP Crecer in El Salvador. Both are pension fund management firms. At year-end 2020, Sura Asset Management held a 49.3599% stake in AFP Protección.

The following table show the results of the risk exposure and sensitivity analysis, as in the case of the Pension Fund Management firms coming under the control of Sura Asset Management (sections 2.1, 2.2 and 2.3). These figures are shown at 100% of their exposure.

Business Profile - Pension Management Firms (in USD millions)

Non-controlled Companies

Product Family	Assets Under Management - Mandatory	Assets Under Management - Voluntary	Assets Under Management - Mandatory	Assets Under Management - Voluntary
	2020		2019	
Colombia (Protección)	32,292	3,113	30,853	2,947
El Salvador (Crecer)	5,937	2.7	5,596	-
Total	**38,229**	**3,116**	**36,449**	**2,947**

Volatility Risk for Business Variables - 1-year time horizon (in USD millions)

Non-Controlled Companies

Deviation	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
-10% in Management Commissions	**(18.3)**	**(21.6)**
Colombia (Protección)	(15.3)	(18.2)
El Salvador (Crecer)	(3.0)	(3.4)
+10% in Transfers	**(1.8)**	**(0.5)**
Colombia (Protección)	(1.8)	(0.5)
El Salvador (Crecer)	-	-

% Reserve Requirement for Managed Funds

Non-Controlled Companies

Business Unit	%
Colombia (Protección)	1.00%
El Salvador (Crecer)	Not applicable

Volatility Risk for Financial Variables (in USD millions)

Non-Controlled Companies

Deviation	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
-10% in the Valuation of Variables	**(12.3)**	**(11.0)**
Colombia (Protección)	(12.3)	(11.0)
El Salvador (Crecer)	Not applicable	Not applicable
+100 bp in Interest Rates	**(9.5)**	**(9.6)**
Colombia (Protección)	(9.5)	(9.6)
El Salvador (Crecer)	Not applicable	Not applicable
-10% depreciation in Foreign Currency	**(4.3)**	**(4.3)**
Colombia (Protección)	(4.3)	(4.3)

Volatility Risk for Financial Variables (in USD millions)

Non-Controlled Companies

Deviation	Effect on Earnings before Tax	Effect on Earnings before Tax
	2020	2019
El Salvador (Crecer)	Not applicable	Not applicable

Minimum Guaranteed Returns (in USD millions)

Non-controlled Companies

Deviation (36 mth term of reference)	GAP with Guaranteed Minimum Returns	Effect of Gap Widening by 1 bp	GAP with Guaranteed Minimum Returns	Effect of Gap Widening by 1 bp
	2020		2019	
Colombia				
Greater risk	3.3%	0.3	3.5%	0.2
Moderate risk	3.3%	2.3	3.1%	2.3
Conservative risk	2.0%	0.3	2.5%	0.3
Scheduled withdrawals (*)	3.2%	0.4	Not applicable	0.4
Long-term severance	2.3%	0.2	2.3%	0.1
Short-term severance	1.2%	0.0	0.9%	0.0

(*) Decree 059 of 2018 was issued in January 2018 and provided for new definitions for calculating the minimum profitability for the scheduled retirement fund. The deadline for the first official measurement period is June 2020. Therefore, this is the first time this measurement was applied.

It is also worth noting that AFP Protección retains part of insurance risk since it does not take out pension insurance for 100% of the corresponding risk. With regard to this risk, AFP Protection maintains an actuarial provision for its expected future commitments.

Retained Insurance Risk - Pension Fund Management Firms (in USD millions)

Non-controlled Companies

Product Family	Exposure	Exposure
	2020	2019
Colombia (Protección)	167.8	170.8
El Salvador (Crecer)	Not applicable	Not applicable
Total	**167.8**	**170.8**

Changes with the claim rates or modifications to coverage terms and conditions (pursuant to legislative requirements) could have an impact on the Company's financial statements by increasing the corresponding provision. It should also be noted that in terms of the new pension insurance a new self-insured arrangement has been chosen through a stand-alone trust fund.

Pension Insurance Risk - AFP Protección (in USD millions)

Non-controlled Companies

	Exposure
	2020
+10% of the Implicit Claims Rate	(36.9)
+10% Slippage (Minimum Wage)	(1.0)

Also, AFP Protección have ventured into the personal insurance brokerage business, which is similar to what happened in Uruguay and El Salvador The following table show the risk exposure and sensitivity analysis results, as in the case of the Pension Fund Management firms coming under the control of Sura Asset Management (Section 5.1).

Insurance Brokerage Revenues (in USD millions)

Non-controlled Companies

Business Unit	Annual Commissions	Annual Commissions
	2020	2019
Colombia (Protección)	1.0	1.1

The main risk posed by this activity to the Company's profitability and balance sheet has to do with lower commission income as a result of a change in the marketing conditions with the company that underwrites the corresponding risk or lower placement volumes.

Volatility Risk for Business Variables - 1-year time horizon (in USD millions)

Non-controlled Companies

Deviation	Effect on Earnings Before Tax	Effect on Earnings Before Tax
	2020	2019
-10% in Management Commissions	**(0.10)**	**(0.11)**
Colombia (Protección)	(0.10)	(0.11)

7. Risk Management Notes - Risks with Sura Asset Management's Corporate Debt

Sura Asset Management’s capital structure includes a debt component composed of two issues of bonds placed on the international markets as well as a bank loan. Since a significant portion of financial obligations held are denominated in US dollars, this entails a risk with the exchange rate, since Sura Asset Management's subsidiaries report their financial results in local currency. The following table shows a breakdown of the Company’s currency exposure.

Currency	Currency Exposure on Corporate Debt (in USD millions)	
	2020	2019
USD-Denominated Debt	851.8	850
COP-Denominated Debt	150.2	185
Total	**1,002**	**1,035**

At year-end 2020, 85% of this debt corresponded to bonds issued on the international markets in USD, 93% of their nominal amount is hedged in the form of Cross Currency Swaps Bank debt (including leasing arrangements) denominated in Colombian pesos corresponds to 15% of the total.

Financial Hedging Risk

Cross Currency Swaps (CCS) hedge the principal amount of all bonds issued.

In order to obtain the financial hedging risk, a 10% sensitivity analysis was applied to the exchange rate. With this, the net Swap Exposure was reduced by USD 78 million.

Counterparty risk

Counterparty risk is calculated using the Expected Loss methodology. This considers the risk classifications of all those entities with whom hedges have been taken out so as to be able to assigns the corresponding default probability. On the other hand, the resulting exposure is obtained using the Potential Future Exposure methodology which takes into account 10 thousand scenarios. The Recovery Rate is calculated using the weighted average obtained for each individual issuer in advanced/mature markets this based on historical data.

The corresponding provision at year-end 2020 reached 1.33 million, this corresponding to an exposure of 0.95%.

8. Risk Management Notes - Risks with Sura Asset Management's Free Capital

Sura Asset Management's business units have their own free capital set up with their retained earnings. Investments made with free capital are in keeping with the different uses allocated to such, such as upcoming dividend payments or for reinvesting in the same business unit in keeping with its strategic planning.

The following table shows the exposure in each country in terms of currency and types of assets at year-end 2020:

Free Capital - 2020 (in USD millions)

Business Unit	Fixed Income Securities	Equity Securities	Cash and banks	Mutual Funds	TOTAL	%
	2020					
Chile	**204.3**	**0.0**	**180.5**	**31.5**	**416.4**	**72%**
Chile CLP	125.9	0.0	114.5	31.5		
Chile - USD	78.4	0.0	66.0	0.0		

Free Capital - 2020 (in USD millions)

Business Unit	Fixed Income Securities	Equity Securities	Cash and banks	Mutual Funds	TOTAL	%
	2020					
Mexico	**0.0**	**0.3**	**60.4**	**0.0**	**60.7**	**10%**
México MXN	0.0	0.3	59.1	0.0		
Mexico - USD	0.0	0.0	1.3	0.0		
Peru	**4.4**	**0.0**	**8.3**	**72.7**	**85.4**	**15%**
Peru - USD	0.0	0.0	3.8	72.7		
Peru - USD	4.4	0.0	4.5	0.0		
Uruguay	**14.4**	**0.6**	**0.0**	**0.9**	**15.4**	**3%**
Uruguay - USD	14.4	0.6	0.0	0.9		
Uruguay - USD	0.0	0.0	0.0	0.0		
TOTAL %	39%	0%	43%	18%		

Generally speaking, from the financial volatility standpoint, exposure to Sura Asset Management's free capital is mitigated as follows:

1. **Credit risk:** international fixed income instruments are invested in corporate bonds offering investment grades whose issuers are well diversified on a sectoral and geographical level.
2. **Liquidity Risk:** fixed income instruments and mutual funds corresponding to bonds with a liquid market.
3. **Currency Risk:** the Organization has decided to maintain its free capital invested in local currency, in keeping with the planned uses of such.

9. Discontinued Operations

Based on a strategic review of its business units, Sura Asset Management Mexico decided to exit the Annuities business. In the light of this, we proceeded with separate disclosures for this divested subsidiary. (See Note 41).

It should also be noted that in 2020 the portfolio of liabilities and assets underpinning these obligations was sold off, leaving only a number of assets that form part of the equity held for future liquidation. Therefore, all the sensitivity figures relating to liabilities for 2020 would not apply.

9.1 Insurance business profile

Our Mexican Pension Fund Management Subsidiary stopped marketing Annuities in November 2018, leaving the portfolio in run off until this line of business was sold off. This divestiture was completed in May 2020.

9.2 Business Risk

Risk to the insurance business relates to changes in variables that could: (1) affect the Company´s financial results in a particular year (volatility risk), or (2) affect long-term commitments to clients (risk of structural changes).

However, no sensitivity will be incorporated with respect to volatility risk and structural risks given that mentioned in Section 10 of Paragraph 2.

9.3 Financial Risk

Financial Risk for the insurance business relates to changes in financial variables that could directly affect the Company's results. These include credit, market and liquidity risk. The following table shows the structuring of the Companies' asset portfolios.

Investment Assets - 2020 (in USD millions)

Business Unit	Fixed Income Securities	Mortgage Loans (non-banking)	Leasing	Real Estate Assets	Equity Securities	Derivatives	Unit-Linked Funds	TOTAL	%
	2020								
México - Life Annuities	**20.8**	**-**	**-**	**-**	**-**	**-**	**-**	**20.8**	**100%**
% Exposure	100%	-	-	-	-	-	-		
TOTAL	**20.8**	**-**	**-**	**-**	**-**	**-**	**-**	**20.8**	

9.3.1 Credit Risk

The portfolio of financial assets underpinning Reserves and Additional Resources (Regulatory Capital, Business Capital, etc.) is mostly invested in fixed income instruments.

The following table contains a breakdown of the Company's financial assets subject to credit risk, this based on their credit ratings (on an international scale), Here a concentration of investment grade fixed income instruments can be seen.

Type	México - Life Annuities
SOVEREIGN	0.0
AAA	0.0
AA+	0.0
AA	0.0
AA-	0.0
A+	0.0
A	0.0
A-	8.6
BBB+	0.0
BBB	0.0
BBB-	0.0
BB+	0.0

Type	México - Life Annuities
BB	0.0
BB-	0.0
B	0.0
B	0.0
DEPOSITS	12.2
MORTGAGE-BACKED	0.0
LEASING	0.0
TOTAL	**20.8**

9.3.1.1 Impairment to Financial Assets

At the end of each quarter, impairment tests are performed on the Company's financial assets. This includes financial instrument testing whereby, variables such as the difference between book values (at amortized cost) and market values are monitored as well as the increase in the spread as of the time of purchase and the actual classification of the instrument´s specific exposure. In the event that certain pre-defined thresholds are exceeded, an Asset Impairment Evaluation is performed, in which a credit analysis is carried out on the position held. This can be done even when the aforementioned thresholds have not been exceeded but rather an alert has been given as a result of monitoring the credit risk of each company. This credit analysis defines whether an impairment is applicable. We also test accounts receivable whereby we monitor the amounts payable versus the amounts duly paid. The purpose of this test is to obtain the actual percentage of impairment sustained on our subsidiary portfolios based on the actual default period.

At the end of Q4 2020, no fixed income security belonging to the investment portfolio corresponding to the annuity business of Compañía de Seguros de Mexico had to be written off.

The provision set up for Expected Losses at year-end 2020 is as follows (for greater clarity in gauging the corresponding exposure, figures are stated in thousands of US dollars):

Business Unit	Provision for Impairment (in USD thousands)	
	2020	2019
Debt Instruments at Amortized Cost	2.27	1,053
Real Estate Debtors	N/A	11
Total México - Annuities	2.27	**1,064**

9.3.2 Market Risk

The market risk for an insurance company is analyzed from the following standpoints:

- Interest Rate Risk
- Currency risk: open position and inflation (deflation)
- Exchange rate risk on equity and real estate assets

9.3.2.1 Interest Rate Risk

The risk to interest rates is analyzed from the following standpoints: (1) accounting records, and (2) the reinvestment or adequacy of assets / liabilities.

9.3.2.1.1 Interest Rate Risk from the accounting standpoint

Since IFRS 9 was partially adopted in 2014, fixed-income investments and assets held for sale have been reclassified at amortized cost. Hence the accounting mismatches in equity versus movements with interest rates have been eliminated. As a result, neither the income nor the equity accounts are sensitive to fluctuating interest rates.

9.3.2.1.2 Interest Rate Risk from the Reinvestment standpoint

To estimate the sustainability of the investment margin (asset accruals on the recognition of interest on liabilities) a Liability Adequacy Test is performed. This test verifies that flows of assets (including the proposed reinvestment) in conjunction with premiums pending collection on existing commitments are sufficient to meet the reserve requirements. Should any inadequacy be detected, the reserve must be increased along with the volume of assets.

However, the Liability Adequacy Test will not be incorporated, based on that mentioned in Section 10, Paragraph 2.

9.3.2.2 Currency Risk

Currency Risk for the insurance business is related to potential currency mismatches between assets and liabilities and changes in currency appreciation / depreciation. This produces two types of currency risk: (1) the risk with open positions, and (2) the risk of inflation (deflation). For reference purposes, the following table shows assets (investment) and liabilities (reserves) based on their different currencies.

Currency Exposure (in USD millions)

Discontinued Operations

Business Unit and Currency	Exposure - Investment Assets	Exposure - Policy Liabilities
	2020	
Mexico - Annuities in real currency	8.6	0.0
Mexico - Annuities in nominal currency	8.2	0.0
Mexico - Annuities in US dollars	4.0	0.0
Mexico - Annuities in other currencies	0.0	0.0
Total Mexico - Annuities	**20.8**	**0.0**

9.3.2.2.1 Exchange Rate Risk - Open Position

The following table shows the impact that a 10% drop in the value of the USD would have on earnings before tax.

Sensitivity to a -10% depreciation with the US dollar (in USD millions)

Discontinued Operations

Business unit	Effect on Earnings Before Tax	Effect on Earnings Before Tax
	2020	2019
Mexico - Life Annuities	(0.4)	(0.0)
Total	**(0.4)**	**(0.0)**

9.3.2.2.2 Risk of Inflation (Deflation)

The following table shows the impact that a 1% negative change in inflation would have on earnings before tax.

Sensitivity to 1 % deflation rate (in USD millions)

Discontinued Operations

Business unit	Effect on Earnings Before Tax	Effect on Earnings Before Tax
	2020	2019
Mexico - Life Annuities	(0.1)	(0.5)
Total	**(0.1)**	**(0.5)**

9.3.2.3 Price Change Rate Risk: Equities and Real Estate

The risk of price changes on the insurance business relates to maintaining positions in assets whose market values could change. Here positions taken with equity securities are distinguished from those taken with real estate assets.

However, no sensitivity was analyzed since there was no exposure to such.

9.3.3 Liquidity Risk

The following table shows the flows of assets and liabilities for a period of 0 to 12 months. This includes available liquidity held for immediate use if necessary. Total liquidity shows the net interaction between incoming and outgoing flows, including liquid funds.

Liquidity Risk 2020 - Short Term Cash Flow Position (in USD millions)

Business Unit	0 to 1 month	1 to 3 months	3 to 12 months	0 to 12 months
Liquidity - Mexican Life Annuities	**9.1**	**0.0**	**0.2**	**9.3**
Flows of assets	9.1	0.0	0.4	9.5
Flows of liabilities and expense	0.0	0.0	0.2	0.2

9.3.4 Mitigating Factors - Financial Risk

In handling credit, market and liquidity risk exposure, the same detailed policies for non-discontinued insurance operations apply, as stated in Section 3.3.4.

10. Risk Management Notes - Operating Stability and Compliance

10.1 Operating Stability Risk

Operating Risk Management relates to handling the risks to which Sura Asset Management's may be exposed given the nature of its different lines of business, which in the event of their occurrence could entail a financial or reputational loss for the Company. For this reason, and aware of the importance of managing in a timely and efficient manner the risks to which our businesses may be exposed in different countries, Sura Asset Management has an Internal Control System that is based on self-control, self-management and self-regulation, while clearly assigning the responsibilities involved.

Operational risk management is geared to the Company's objectives, thus ensuring the Organization's long-term continuity; improving processes and the quality of our customer service, while at the same time complying with the established regulatory framework and optimizing our capital consumption.

Our risk management policies and model in terms of Operating Risk ensure a continuous process based on:

1. Identifying, assessing, measuring, controlling and monitoring all operating risk (current and potential), anticipating the possible causes of said risk and reducing their economic impact through mitigation decisions: improving or reengineering our processes, establishing controls and ensuring against possible contingencies, among other factors.
2. Quantitative assessments of operating risk using measuring methodologies and actual loss data recorded in the operating risk event databases.
3. Pro-active management of the Organization´s regional risk profile, through continuous follow-ups and monitoring, of the databases corresponding to the remediation plans carried out as well as incidents involving all our subsidiaries so as to provide feedback on opportunities for reinforcing our risk management function.
4. Training for all employees of Sura Asset Management, with the aim of raising levels of knowledge and awareness among our staff regarding the importance of timely risk management.

Risk levels have been kept within the tolerance levels set by the Board of Directors in 2020, even with the effects that the COVID-19 pandemic had on the Company, and we continue to work on strengthening the Company's Internal Control System model, which articulates the three established lines of defense, and allows for better visibility of the Company's risk exposure and for strengthening our organizational culture of self-control, self-management and self-monitoring.

Supplier / Service Provider Operating Risk

As part of our Operating Risk management function, we continue to identify and evaluate the risks associated with suppliers, based on the products and/or services they provide the Company and in accordance with the established requirements.

Project Operating Risk

New projects may entail new activities and definitions, and therefore may create new operating risk exposures for the Company. In 2020, we structured a methodology for managing project risks, with the aim of carrying out exercises so as to be able to identify and control risks and incidents, and have at our disposal timely, integrated and standardized information on a company-wide level. This methodology included an opportunity for this to be standardized on a regional level while providing indicators that allow for a constant monitoring of the main risks and incidents thus identified in order to facilitate our decision-making.

Business Continuity Program

Availability risk is managed and mitigated through the Group´s Business Continuity Program which is deployed by each of the companies belonging to Sura Asset Management. This program including managing availability risk as well as the risks posed to the continuity of the Company's processes, the preponderance of human and logistical factors as well as our technological resistance to impacts and the robustness of our physical security and information capabilities. Likewise, through the risk management and continuity teams of staff, it has been possible to maintain and update the activities and programs in support of the Company's business operations in the face of the COVID 19 contingency.

Fraud risk

Fraud and other related crimes constitute a threat that shall always remain present. Consequently, Sura Asset Management and its subsidiaries, constantly strive to protect the Organization against this type of crime. Certain measures were taken in 2020, aimed at drilling down on analyzing and evaluating the risk of fraud on both a corporate and subsidiary level and campaigns were launched to raise employee awareness of this type of risk, namely how to avoid and manage such, and in this way increase the efficiency and effectiveness of our efforts to combat fraud. We also continued to reinforce our corporate culture so as to deter fraud and increase our ability to detect this type of risk at an early stage and in so doing reduce the corresponding losses and minimize Sura Asset Management's exposure to this type of crime, either directly or through its subsidiaries.

10.2 Information, Technology and Cybersecurity Risk

At Sura Asset Management, we manage technological, information and cybersecurity risks, as well as their treatment, this based on these being strategic risks, taking into account the extent of the impact that these could cause, including significant and material financial and reputational losses for the Company. For this reason, and aware of the importance of managing these risks in a timely and efficient manner, the Organization maintains an internal control system based on self-control, self-management and self-regulation, while clearly assigning the corresponding responsibilities, all this aligned with our operating risk management processes and our Enterprise Risk Management - ERM, in 2020 with a focus on the following aspects:

Teleworking schemes

As a result of the COVID 19 public health contingency and the lockdown measures affecting both clients and employees, remote working and collaboration capabilities were deployed in the flex/home office (teleworking) model, along with the evaluation of the risks related to these work schemes throughout all Sura AM operations in the different countries, identifying areas of risk and opportunity to address and strengthen control and safeguard mechanisms.

Digital Services.

The capacity, performance and security of the digital services placed at the disposal of our clients were reinforced, thereby improving service needs in a digital non-presential manner as well as attending the requirements and provisions introduced by different Governments and fund systems enabling clients to withdraw portions of their savings, so as to ensure financial support for the population during the pandemic. We also reinforced our capacity for monitoring, attending to and responding to different threats that showed a significant increase during the pandemic and which took advantage of different issues as a hook to commit fraud against clients, employees and business partners.

Consolidation and maturity of our models and methods.
We resumed our focus once again on maturing our ability to protect our business information assets against emerging threats and vulnerabilities that represent a latent risk for the Company. We also continued to develop our capabilities and processes so as to encourage greater watchfulness and opportunely detect trends and events in our business environment that could create a possible exposure, while ensuring greater resilience so as to respond to and/or to swiftly reestablish our business operations should these types of incidents occur as well as the security and protection of our information and technological assets that support the running of the different processes within the Company.

Maintaining our security awareness programs and culture.
Maintaining adequate levels of awareness and knowledge of these risks among our employees, executives and shareholders is fundamental for the continuity of our security awareness programs deployed company-wide throughout the different countries where we are present, this together with how this influences our clients and business partners.

Insurance policy covering information and cybersecurity risks.
For the first time ever, the company acquired a regional claims response policy to cover information security risk with regard to its digital assets, branding and cybersecurity as well as the availability of its technological systems and services.

10.3 Regulatory Compliance

Regulatory Compliance
Given the nature of the activities carried out by the companies belonging to Sura Asset Management, these are regulated, monitored and overseen by various regulatory authorities in each of the countries where we are present.
Regulatory compliance risk is managed through the "three lines of defense" model established in each entity. Each line of defense has specific roles and responsibilities when working closely together in order to identify, assess and mitigate regulatory and other risks. Here, the Legal and Compliance Department plays a key role, as part of the second line of defense, since it is responsible for informing the entire Organization of any regulatory changes that would have an impact on our business and addressing the process changes that are required to be made, with the help and assistance of the First Line of Defense.

In some countries, current legislation grants certain prerogatives to entities, so that in the event of any breach of a regulatory or operating nature, these must proceed to given prompt notice of such to the appropriate authorities, thus avoiding sanctions or fines. However, sometimes companies are involved in situations where risks occur and this results in fines and sanctions being imposed by the regulatory and oversight authorities. In these cases, the situation giving rise to the fine or sanction is fully identified and the respective measures are taken to resolve the specific case and prevent such events from occurring again in the future.

Fines exceeding the sum of twenty thousand United States dollars (USD 20,000) are shown below. In 2020, three (3) such fines in excess of this amount were imposed, as shown below:

Regulatory Compliance - Significant Sanctions and Fines Imposed in 2020 (in USD)

Country	Amount	Quantity
Peru	29.861,11	1
Peru	37.400,00	1
Peru	29.861,11	1

The observations that gave rise to the aforementioned sanction have been duly addressed, with action plans being drawn up and controls and initiatives deployed to avoid any repetition of such.

Asset Laundering

Sura Asset Management and its subsidiaries in each of the countries where present hereby declare, with regard to asset laundering:

1. That the Organization has put into place and currently maintains procedures for handling the risk corresponding to asset laundering and the financing of terrorism, in accordance with Sura Asset Management´s own Internal Policies as well as all applicable rules and regulations
2. That, depending on the regulatory requirements governing each of the Companies belonging to Sura Asset Management, the steps taken to ensure the proper identification, measurement, control and monitoring of the risk of asset laundering and the financing of terrorism consist, generally speaking, of the following:
    - Knowing and identifying the client
    - Consulting both domestic and international black lists
    - Identifying and classifying high-risk clients
    - Monitoring transactions
    - Analyzing and providing an opinion on the operations carried out.
    - Sending regular reports to the regulators.
3. All those companies that make up Sura Asset Management, have clearly defined the objectives, scope, documentation and persons responsible for each stage of the process used to handle the risk of asset laundering and the financing of terrorism. The corresponding documentation is handled by the different areas involved in preventing asset laundering and the financing of terrorism.
4. The different elements of the risk management system used for preventing asset laundering and the financing of terrorism have been clearly identified and defined. These include policies, procedures, risk management manuals, asset laundering control mechanisms, the Government as well as the responsibilities with each of the bodies responsible for implementing the risk management process in the case of asset laundering and the financing of terrorism. These have all been properly documented and

are being fully implemented by the different areas responsible for this process within all those Companies belonging to Sura Asset Management.

5. The different processing and reporting functions have all been clearly defined with regard to analyzing client transactions in accordance with all legal provisions applicable to each of Sura Asset Management's companies.
6. Policies have been put into place for analyzing requirements in terms of the risk of asset laundering and the financing of terrorism when hiring suppliers and internal staff for the companies.
7. There are different corporate governance bodies that are responsible for monitoring and conducting follow ups on the results obtained with the prevention of asset laundering at each of the Companies that make up Sura Asset Management in various countries where present.
8. Information is issued by various internal governing bodies (Corporate Governance) of the Companies belonging to Sura Asset Management, which shows the current status of Sura Asset Management in terms of asset laundering and the financing of terrorism.
9. A permanent review is carried out to ensure that clients do not appear on blacklists, including that published by the OFAC (Office of Foreign Assets Control) list, this in order to ensure against this risk Nevertheless it is important to note that: (i) Based on the nature of the services provided, certain companies belonging to Sura Asset Management are unable to reject any client regardless of whether they appear on any blacklists, this due to local regulations; (ii) Should any company belonging to Sura Asset Management, discover that due to any circumstance a client, whether a private individual or a legal entity, appears on a blacklist such as the OFAC list, it must proceed to flag the accounts held by such clients so as to be able immediately suspend any activity, and in the event this is permitted by any applicable regulation, and report this circumstance to the corresponding authorities.
10. Sura Asset Management's subsidiaries are audited by the regulators in each of the countries where present.

On the date this report was issued no significant sanctions or fines have been imposed with regard to asset laundering.

NOTE 48 - Additional Information

Personnel Structure

The following is a breakdown of the staff employed by Sura Asset Management S.A. and Subsidiaries

At year-end 2020	Number of persons employed at year-end		
	Men	Women	Total
Senior Management	32	17	49
Administrative Personnel	1,252	1,331	2,583
Sales Personnel	1,553	2,495	4,048
Total	2,837	3,843	6,680

At year-end 2019	Number of persons employed at year-end		
	Men	Women	Total
Senior Management	34	15	49
Administrative Personnel	1,202	1,337	2,539
Sales Personnel	1,738	2,706	4,444

At year-end 2019	Number of persons employed at year-end		
	Men	Women	Total
Total	2,974	4,058	7,032

Information regarding the Parent Company's governing bodies

For the year ended December 31, 2020, members of the Board of Directors received fees for attending meetings of the Board of Directors and Board Committees, pursuant to that laid out in the Company's by-laws and as authorized by the General Assembly of Shareholders, which established the following fees to be paid in 2020:

- Fees to be paid on a bimonthly basis to the principal members of the Board of Directors: USD 5.775
- Fees for attending ordinary or extraordinary Board Committee meetings USD 2.887

Total fees paid during 2020 came to COP 1,152,529,910 or USD 335,770.

The members of the Board of Directors of Sura Asset Management S.A. and Subsidiaries are responsible for formulating the Organization´s main business guidelines and making key decisions, which in some cases correspond to guidelines received from its Parent Company in Colombia.

NOTE 49 - Events Occurring After the Reporting Period

No significant events have occurred between the cut-off date of the financial statements and the date these were approved the Board of Directors that could affect the financial position or that warrant disclosure.

NOTE 50 - Approval for these financial statements

These financial statements, as issued by Sura Asset Management S.A. and Subsidiaries for the year ended December 31, 2020, were authorized by the Board of Directors, as stated in Minutes No. 76 of a meeting of the Board of Directors held February 25, 2021.