

**Sura Asset Management S.A. and
Subsidiaries**

**Special Purpose Consolidated Financial
Statements**

At Year-End 2023 and 2022

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LIABILITY STATEMENT

To the best of our knowledge, and in keeping with generally accepted accounting principles, these Special-Purpose Consolidated Financial Statements drawn up based on the accounting policies described in Note 2, 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 Group's main opportunities and risks going forward.

Medellín, Colombia
February 28, 2024



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



Report of the External Auditor

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

Report on the Special Purpose Consolidated Financial Statements

I have audited the attached special purpose consolidated financial statements of Sura Asset management S.A., which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statement income and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the consolidated financial statements of the Sura Asset Management S.A., as of December 31, 2023, have been prepared in all material respects, in accordance with the basis of preparation detailed in Note 2.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of this report. I am independent of the Company, in accordance with the International Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated financial statements in Colombia, and I have fulfilled my other applicable ethical responsibilities. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Basis of Accounting and Restriction on Use

I draw attention to Note 2 to the attached consolidated financial statements, which describes the basis of accounting. The attached consolidated financial statements were prepared for the purpose to comply with the reporting obligations acquired in the issuance of the bonds maturing in 2024 and 2027, to provide information to shareholders and financial entities. My report has limited use and it is restricted for these purposes. As a result, the attached consolidated financial statements may not be suitable for other purposes. My opinion is not modified in respect of this matter.

Responsibilities of Management in Relations with the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the preparation basis detailed in Note 2, for designing, implementing, and maintaining internal control relevant to the preparation of consolidated financial statements free from material misstatements, whether due to fraud or error; for selecting and applying appropriate accounting policies; and establish reasonable accounting estimates in the circumstances.

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In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities

My objective is 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 my 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 make based on the financial statements.

As part of an audit in accordance with International Standards on Auditing accepted in Colombia, I 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 my 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used, 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**Building a better
working world**

I communicate 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 I identify during the Audit.

Daniel Andrés Jaramillo Valencia
External Auditor
Professional Card 140779 - T
Designated by Ernst & Young Audit S.A.S. TR - 530

Medellín, Colombia
February 28, 2024

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

| | Notes* | 2023 | 2022** |
|---|--------|------------------|------------------|
| Fee and commission income | 5 | 938,798 | 666,394 |
| Investment income (expense) | 6 | 33,078 | (1,052) |
| Fair value gains, net | 7.2 | 20,234 | 8,406 |
| Revenues from legal reserves | 7.1 | 106,942 | 8,586 |
| Revenues via the equity method from associates and joint ventures, net | 8 | 7,768 | 7,380 |
| Other operating income | 9 | 18,834 | 56,691 |
| Operating income - fund and pension management | | 1,125,654 | 746,405 |
| Gross premiums | 10 | 691,346 | 1,100,595 |
| Premiums ceded to reinsurers | 10 | (1,930) | (1,739) |
| Net premiums | 10 | 689,416 | 1,098,856 |
| Revenues from investments backing insurance reserves | 6 | 292,044 | 295,922 |
| Fair value gains (losses) from investments backing insurance reserves, net: | 7.2 | 90,863 | (79,557) |
| Claim expense, net | 11 | (252,811) | (140,604) |
| Movements in reserves, net | 12 | (804,513) | (1,149,267) |
| Insurance margin | | 14,999 | 25,350 |
| Selling, general and administrative expense | 13 | (705,824) | (520,515) |
| Deferred acquisition costs (DAC) | 13 | (5,019) | 865 |
| Total operating and administrative expense | | (710,843) | (519,650) |
| Operating earnings | | 429,810 | 252,105 |
| Financial income | 14 | 32,703 | 13,541 |
| Financial expense | 15 | (58,292) | (64,557) |
| Financial derivative income, net | 16 | 1,258 | 1,815 |
| Income from exchange differences, net | 17 | 12,287 | 2,067 |
| Net earnings before income tax from continuing operations | | 417,766 | 204,971 |
| Income tax, net | 22 | (156,611) | (68,101) |
| Net income for the year from continuing operations | | 261,155 | 136,870 |
| Net loss for the year from discontinued operations | 41 | (16,392) | (21,037) |
| Net income for the year | | 244,763 | 115,833 |
| Attributable to: | | | |
| Controlling interest | | 208,521 | 91,243 |
| Non-controlling interests | | 36,242 | 24,590 |

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

** Some of these figures have ceased to correspond to the Consolidated Financial Statements for 2022, given comparative adjustments made for discontinued operations as required by IFRS 5, see Note 41.

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

| | Notes* | 2023 | 2022 |
|--|--------|----------------|----------------|
| Net income for the year | | 244,763 | 115,833 |
| Other comprehensive income to be reclassified to profit and loss in subsequent periods: | | | |
| Currency translation effect | 40 | 135,903 | 125,544 |
| Net income (losses) from cash flow hedges | 19.1 | (26,478) | 1,743 |
| Income (losses) on foreign investment hedges | 19.1 | 89,317 | (93,261) |
| Net fair value income (losses) on debt instruments | 40 | 142 | (6) |
| Other comprehensive income to be reclassified to profit or loss in subsequent years | | 198,884 | 34,020 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| Equity method surplus | 40 | (18) | 7,924 |
| Revaluations of property, plant and equipment | | 747 | 4,006 |
| Measured actuarial losses corresponding to defined benefit plans | 40 | (112) | (298) |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | | 617 | 11,632 |
| Other comprehensive income for the year, after deferred tax | | 199,501 | 45,652 |
| Total comprehensive income for the year, net of deferred tax | | 444,264 | 161,485 |
| Attributable to: | | | |
| Controlling interest | | 348,131 | 129,237 |
| Non-controlling interests | | 96,133 | 32,248 |

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

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

| | Notes* | 2023 | 2022 |
|---|-----------|------------------|------------------|
| Assets | | | |
| Cash and cash equivalents | 18 | 316,738 | 387,618 |
| Investment portfolio | 19.1 | 5,099,631 | 3,524,829 |
| Accounts receivable, net | 19.1-20 | 210,369 | 150,186 |
| Reinsurance assets | 19.1-21 | 564 | 432 |
| Financial assets - hedging arrangements | 19.1-23.1 | 157,754 | 197,479 |
| Current tax | 22 | 43,036 | 41,339 |
| Non-current assets held for sale | 41 | 3,642 | - |
| Deferred acquisition costs (DAC) | 26 | 192,998 | 181,867 |
| Investments in associates and joint ventures | 30 | 17,026 | 15,765 |
| Investment properties | 27 | 80,952 | 78,206 |
| Property, plant and equipment, net | 28 | 57,595 | 54,623 |
| Right of use assets, net | 25 | 15,907 | 21,007 |
| Other intangible assets | 29 | 719,126 | 697,869 |
| Deferred tax assets | 22 | 24,196 | 86,709 |
| Other assets | 24 | 18,907 | 15,845 |
| Goodwill | 29 | 1,225,113 | 1,172,017 |
| Total assets | | 8,183,554 | 6,625,791 |
| Liabilities and shareholders' equity, net | | | |
| Liabilities | | | |
| Financial liabilities at amortized cost | 19.2-33 | 538 | 651 |
| Financial liabilities - hedging transactions and derivatives | 19.2-23.2 | - | 50 |
| Right-of-use liabilities | 25 | 16,883 | 21,364 |
| Insurance contract liabilities | 34 | 3,371,356 | 2,228,291 |
| Reinsurance liabilities | 32 | 1,112 | 570 |
| Accounts payable | 19.2-31 | 193,982 | 156,226 |
| Current tax liabilities | 22 | 30,624 | 4,222 |
| Employee benefits | 35 | 69,719 | 58,464 |
| Non-current liabilities corresponding to assets held for sale | 41 | 367 | - |
| Provisions and contingencies | 36 | 210,856 | 126,344 |
| Deferred income (DIL) | 37 | 12,944 | 14,294 |
| Issued bonds | 19.2-38 | 855,474 | 854,174 |
| Deferred tax liability | 22 | 319,801 | 314,161 |
| Total liabilities | | 5,083,656 | 3,778,811 |
| Equity | | | |
| Subscribed and paid-in capital | 39 | 1,360 | 1,360 |
| Share premium | 39d | 3,607,651 | 3,607,651 |
| Other capital reserves | | 198,717 | 298,392 |
| Other comprehensive income | 40 | (1,726) | (65,260) |
| Net income for the year | | 208,521 | 91,243 |
| Currency translation differences | 39b - 40 | (1,261,137) | (1,337,213) |
| Total shareholders' equity | | 2,753,386 | 2,596,173 |
| Non-controlling interests | 39a | 346,512 | 250,807 |
| Total Equity | | 3,099,898 | 2,846,980 |
| Total Liabilities and Shareholders' Equity | | 8,183,554 | 6,625,791 |

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

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

| | Notes* | 2023 | 2022** |
|---|-----------|------------------|--------------------|
| Operating activities | | | |
| Net income for the year from continuing operations | | 261,155 | 136,870 |
| Net losses from discontinued operations | | (16,392) | (21,037) |
| Net income | | 244,763 | 115,833 |
| Adjustments to reconcile net income with net cash flows: | | | |
| Income tax | 22 | 156,611 | 68,101 |
| Depreciation of property and equipment and right-of- use assets | 13-25-28 | 25,054 | 22,198 |
| Amortizations of intangible assets | 13-29 | 61,578 | 49,917 |
| Amortizations of Deferred Acquisition Costs (DAC) | 13-26 | 50,974 | 46,728 |
| (Gains) losses at fair value, net | | (226,616) | 75,551 |
| Financial returns at amortized cost | 19.1 | (236,426) | (58,488) |
| Gain on sale of financial instruments | 6-14-15 | (27,301) | (3,473) |
| Accrued interest | 19.2-15 | 53,317 | 54,595 |
| Unrealized exchange differences | | 17,520 | (27,753) |
| Impairment to financial assets | 19.1 | 10,487 | 4,133 |
| Recovered provisions | 9 | (9,815) | (12,481) |
| Revenues via the equity method from associates and joint ventures | 8 | (7,768) | (7,380) |
| Remeasured valuations of business combinations | | - | 6,131 |
| Adjustments to working capital: | | | |
| Increase in accounts receivable and other assets | | (45,116) | (34,310) |
| Increase in deferred acquisition costs (DAC) | 26 | (45,955) | (47,593) |
| (Increase)decrease in reinsurance assets | | (149) | 481 |
| Increase in technical insurance reserves | 34 | 803,915 | 1,149,267 |
| Increase in accounts payable and other liabilities | | 39,965 | 125,284 |
| Paid income tax | | (97,660) | (94,780) |
| Net increase in assets and liabilities due to takeover | 4 | (25,144) | - |
| Net cash flow sourced from operating activities | | 742,234 | 1,431,961 |
| Investment activities | | | |
| Dividends received from associates and joint ventures | | 6,245 | 213 |
| Capitalization - associates and joint ventures | | - | (5,826) |
| Acquired properties and equipment | 28 | (7,029) | (10,432) |
| Amounts from sales of property, plant and equipment | 9 | 865 | 824 |
| Acquired financial instruments | 19.1 | (3,128,885) | (2,817,595) |
| Decrease in financial instruments | 19.1 | 2,478,667 | 1,974,956 |
| Amounts from financial instruments | 6-14-15 | 27,301 | 3,473 |
| Decrease in investment properties | 27 | - | 573 |
| Acquired intangible assets | | (2,011) | (10,760) |
| Acquired subsidiary, net of acquired cash | 4 | - | (162,990) |
| Net cash flow used for investing activities | | (624,847) | (1,027,564) |
| Financing activities | | | |
| Shareholder dividend payments | 39 | (130,851) | (89,008) |
| Dividends paid to non-controlling shareholders | | (257) | (275) |
| Loans received | 19.2 | 302 | 39,193 |
| Loans paid | 19.2 | (403) | (39,038) |
| Paid lease obligations | 25 | (15,965) | (14,422) |
| Payments for hedging transactions | | (118) | - |
| Interest paid | 19.2-38 | (40,975) | (39,285) |
| Net cash flows used for financing activities | | (188,267) | (142,835) |
| (Decrease) increase in cash and cash equivalents | | (66,779) | 260,243 |
| Effect of exchange differences | | (4,101) | 1,319 |
| Cash and cash equivalents - opening balance | | 387,618 | 126,056 |
| Cash and cash equivalents - closing balance | 18 | 316,738 | 387,618 |

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

**Some of the figures in the 2022 column have been restated for comparability purposes Please refer to Note 2.1.

SURA Asset Management S.A. and Subsidiaries

Special-Purpose Consolidated Financial statements for Years Ended December 31, 2023 and December 31, 2022

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

| | Notes* | Issued share capital | Share premium | Other equity reserves | Other Comprehensive Income (OCI) | Net income for the year | Controlling interest | Non-controlling interests | Total equity |
|---|--------|----------------------|------------------|-----------------------|----------------------------------|-------------------------|----------------------|---------------------------|------------------|
| Opening Balance - 2022 | | 1,360 | 3,607,651 | 219,471 | (1,440,467) | 167,223 | 2,555,238 | 2,136 | 2,557,374 |
| Carry-backs | | - | - | 167,223 | - | (167,223) | - | - | - |
| Other comprehensive income | 40 | - | - | - | 35,584 | - | 35,584 | (209) | 35,375 |
| Other comprehensive income - business combination | | - | - | - | - | - | - | 7,867 | 7,867 |
| Revenues via equity method - Protección S.A. | | - | - | - | 2,410 | (3,554) | (1,144) | - | (1,144) |
| Dividends declared | | - | - | (89,008) | - | - | (89,008) | (275) | (89,283) |
| Withholding tax attributable to shareholders | | - | - | 475 | - | - | 475 | - | 475 |
| Withdrawal from Sura México's pension business | | - | - | 56 | - | - | 56 | - | 56 |
| Business combination - Protección S.A. | | - | - | 696 | - | - | 696 | 216,698 | 217,394 |
| Other movements | | - | - | (521) | - | - | (521) | - | (521) |
| Net income for the year | | - | - | - | - | 94,797 | 94,797 | 24,590 | 119,387 |
| Closing balance - 2022 | | 1,360 | 3,607,651 | 298,392 | (1,402,473) | 91,243 | 2,596,173 | 250,807 | 2,846,980 |
| Opening balance - 2023 | | 1,360 | 3,607,651 | 298,392 | (1,402,473) | 91,243 | 2,596,173 | 250,807 | 2,846,980 |
| Carry-backs | | - | - | 91,243 | - | (91,243) | - | - | - |
| Other comprehensive income | 40 | - | - | - | 139,610 | - | 139,610 | 59,891 | 206,601 |
| Dividends declared | | - | - | (186,383) | - | - | (186,383) | (257) | (186,640) |
| Withholding tax attributable to shareholders | | - | - | (56) | - | - | (56) | - | (56) |
| Other movements | | - | - | (2,715) | - | - | (2,715) | - | (2,715) |
| Acquisition of a non-controlling interest | 39.e | - | - | - | - | - | - | (7,683) | (7,683) |
| Business combination - Protección S.A. | | - | - | (1,764) | - | - | (1,764) | 7,512 | 5,748 |
| Net income for the year | | - | - | - | - | 208,521 | 208,521 | 36,242 | 244,763 |
| Closing Balance - 2023 | | 1,360 | 3,607,651 | 198,717 | (1,262,863) | 208,521 | 2,753,386 | 346,512 | 3,099,898 |

* Please refer to the notes attached to these consolidated 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 Medellín. However, by means of Public Deed No. 783, drawn up May 22, 2012 before Notary Public No. 14 of the Circuit of Medellín, 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 main domicile is in the city of Medellín at Carrera 43 A No. 3 – 101. and it may set up branches, agencies and offices in other parts of Colombia as well as abroad, should the 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 investing 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.

These Special-Purpose Consolidated Statements of Sura Asset Management S.A. and Subsidiaries correspond to the financial years of 2023 and 2022, beginning on January 1 and ending on December 31 of said periods. These financial statements were approved on February 28, 2024 by the Company's Board of Directors by means of Minutes No. 103.

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, except where that stipulated in IFRS 17 - Insurance Contracts is applied (please refer to Note 2.3)

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, El Salvador and others such as the United States and Luxembourg where incipient operations have been set up.

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 or operations being discontinued so as to be able to fulfill our corporate strategy.

The special-purpose consolidated financial statements for year ended December 31, 2023 of Sura Asset Management S.A., were prepared to comply with the reporting obligations acquired with the issues of bonds maturing in 2024 and 2027, so as to provide information to shareholders and serve a source of information for financial entities. Therefore, their use is limited and restricted for these purposes.

SURA Asset Management S.A. and Subsidiaries

Special-Purpose Consolidated Financial statements for Years Ended December 31, 2023 and December 31, 2022

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.:

| Name of Company | Type of Entity | Direct/Indirect Stake Held | | Country |
|--|--|----------------------------|---------------|----------|
| | | Year-end 2023 | Year-end 2022 | |
| Activos Estratégicos Sura AM Colombia S.A.S. | Holding company | 100% | 100% | Colombia |
| Sura Investment Management Colombia S.A.S | Dedicated to managing investment companies. | 100% | 100% | Colombia |
| Sura IM Gestora de Inversiones S.A.S. | Gestión de Fondos de Capital whose corporate purpose is to invest in, develop and/or manage real estate assets. | 100% | 100% | Colombia |
| Fiduciaria Sura S.A. | Dedicated to managing traditional and alternative fixed income, equity, infrastructure, real estate and private debt assets. | 99.99998% | 99.99998% | Colombia |
| NBM Innova S.A.S. | Vehicle for exploring innovation initiatives. ARATI has been set up to offer advice and support to the elderly. | 100% | 100% | Colombia |
| Asulado Seguros S.A. | Dedicated to offering pension insurance and annuities under the individual retirement savings model | 78.32% | 73.49% | Colombia |
| Protección S.A. | Financial Services Company and Pension and Severance Fund Management Firm. | 52,307% | 52.91% | Colombia |
| Sura Asset Management Chile S.A. | Holding company | 100% | 100% | Chile |
| AFP Capital S.A. | Dedicated to managing pension funds | 99.71% | 99.71% | Chile |
| Administradora General de Fondos Sura S.A. | Dedicated to managing investment and mutual funds | 100% | 100% | Chile |
| Seguros de Vida Sura S.A. | Dedicated to the life insurance and annuity business. | 100% | 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% | 100% | Chile |
| Sura Data Chile S.A. | Vehicle dedicated to providing data processing services as well as leasing computer equipment | 100% | 100% | Chile |
| Sura Servicios Profesionales S.A | Vehicle dedicated to providing business consultancy services. | 100% | 100% | Chile |
| Sura Asset Management Mexico S.A. de C.V. | Holding company | 100% | 100% | Mexico |
| Sura Art Corporation S.A. de C.V. | Dedicated to collecting Mexican works of art. | 100% | 100% | Mexico |
| AFORE Sura S.A. de C.V. | Dedicated to managing investment firms specializing in retirement funds | 100% | 100% | Mexico |
| Sura Investment Management S.A. de C.V. | Dedicated to managing investment companies. | 100% | 100% | Mexico |
| Pensiones Sura S.A. de C.V. | Dedicated to entering into life insurance agreements for the exclusive handling of its pension insurance (wound up in 2022) | N/A | N/A | 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 any other similar administrative service. | 100% | 100% | Mexico |

| Name of Company | Type of Entity | Direct/Indirect Stake Held | | Country |
|--|---|----------------------------|---------------|---------------|
| | | Year-end 2023 | Year-end 2022 | |
| Promotora Sura AM S.A. de C.V. | Company providing its marketing and promo services for any type of product | 100% | 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% | 100% | Mexico |
| NBM Innova S.A de C.V. | Providing its services for managing, disseminating and/or marketing of all types of goods and services, in its capacity as a brokerage firm. (Discontinued in December 2023. Please refer to Note 41) | 100% | 100% | Mexico |
| Proyectos Empresariales AI Sura S.A. de C.V. | Dedicated to providing its savings and investment services. (Discontinued in December 2023. Please refer to Note 41) | 100% | 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% | 100% | Mexico |
| Inversiones Sura Corp | Dedicated to providing access to a wide network of international funds from the world's most recognized investment managers. | 100% | 100% | United States |
| Sura Asset Management Perú S.A. | Holding company | 100% | 100% | Peru |
| AFP Integra S.A. | Dedicated to managing pension funds on an individual account basis. | 100% | 100% | Peru |
| Fondos Sura SAF S.A.C. | Dedicated to managing investment and mutual funds | 100% | 100% | Peru |
| Sociedad Agente de Bolsa Sura S.A. | Dedicated to providing its stock brokerage services as part of public and private offerings, in accordance with the law. | 100% | 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. (Discontinued in December 2023. Please refer to Note 41) | 100% | 100% | Peru |
| Sura Asset Management Uruguay Sociedad de Inversión S.A. | Holding company | 100% | 100% | Uruguay |
| AFAP Sura S.A. | Dedicated to managing retirement savings funds. | 100% | 100% | Uruguay |
| Ahorro Inversión Sura Administradora de Fondos de Inversión S.A. | Dedicated to managing investment funds | 100% | 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% | 100% | Uruguay |
| Corredor de Bolsa Sura S.A. | Dedicated to offering its brokerage services as part of public and private offerings, in accordance with the law. | 100% | 100% | Uruguay |
| AFP Crecer | Company dedicated to managing pension funds on an individual account basis. | 99.9991% | 99.9991% | El Salvador |
| SM Asesores S.A. de C.V. | Company dedicated to all types of activities relating to life insurance and reinsurance. (Currently in the process of being wound up. See Note 41) | 100% | 100% | El Salvador |

| Name of Company | Type of Entity | Direct/Indirect Stake Held | | Country |
|--------------------------------------|---|----------------------------|---------------|------------|
| | | Year-end 2023 | Year-end 2022 | |
| Sura Asset Management Argentina S.A. | Company providing its financial and investment management and consultancy services. (Currently in the process of being wound up. See Note 41) | 100% | 100% | Argentina |
| Sura IM General Partner | Serves as a general partner of an alternative asset investment fund which is still at a pre-operating stage. | 100% | N/A | Luxembourg |

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 2023 and 2022:

| 2023 | Main segment | Assets | Liabilities | Shareholders' equity | Earnings for the Year |
|--|--|-----------|-------------|----------------------|-----------------------|
| Activos Estratégicos Sura AM Colombia S.A.S. | Holding | 31 | 2 | 29 | 0 |
| Sura Investment Management Colombia S.A.S. | Sura Investments | 12,796 | 477 | 12,319 | (2,526) |
| Sura IM Gestora de Inversiones S.A.S. | Sura Investments | 4,070 | 526 | 3,544 | 1,041 |
| Fiduciaria Sura S.A. | Sura Investments | 6,636 | 1,479 | 5,157 | (139) |
| NBM Innova S.A.S. | New Lines of Business | 2,757 | 697 | 2,060 | (6,290) |
| Asulado Protección | Annuities | 2,382,836 | 2,163,096 | 219,740 | 17,495 |
| | Mandatory and voluntary pensions | 761,329 | 164,248 | 597,081 | 66,581 |
| Sura Asset Management Chile S.A. | Holding | 748,494 | 20,385 | 728,109 | 107,736 |
| AFP Capital S.A. | Mandatory pension fund management services | 861,868 | 214,991 | 646,877 | 126,606 |
| Administradora General de Fondos Sura S.A. | Sura Investments | 17,660 | 8,097 | 9,563 | 2,683 |
| Seguros de Vida Sura S.A. | Annuities | 1,352,664 | 1,232,835 | 119,829 | 12,432 |
| Corredores de Bolsa Sura S.A. | Sura Investments | 31,792 | 17,796 | 13,996 | (3,455) |
| Sura Data Chile S.A. | Holding | 5,225 | 3,471 | 1,754 | 125 |
| Sura Servicios Profesionales S.A | Holding | 12,133 | 2,694 | 9,439 | 1,166 |
| Sura Asset Management México S.A. de C.V. | Holding | 419,937 | 1,546 | 418,391 | 92,595 |
| Sura Art Corporation S.A. de C.V. | Others | 13,453 | 124 | 13,329 | 50 |
| AFORE Sura S.A. de C.V. | Mandatory pension fund management services | 697,245 | 122,840 | 574,405 | 101,161 |
| Sura Investment Management S.A. de C.V. | Institutional investments | 38,787 | 11,390 | 27,397 | 1,724 |
| Asesores Sura S.A. de C.V. | Others | 66 | 2 | 64 | (205) |
| Promotora Sura AM S.A. de C.V. | Others | 28 | 0 | 28 | (104) |
| Gestión Patrimonial Sura asesores en inversiones S.A de C.V. | Sura Investments | 4,981 | 771 | 4,210 | (1,089) |
| NBM Innova S.A de C.V. | Sura Investments | 1,721 | 328 | 1,393 | (8,328) |
| Proyectos Empresariales AI Sura S.A. de C.V. | Sura Investments | 1,246 | 5 | 1,241 | (768) |
| Sura IM Gestora México S.A de C.V. | Sura Investments | 1,877 | 404 | 1,473 | (1,266) |
| Inversiones Sura Corp. | Sura Investments | 1,263 | 237 | 1,026 | (1,050) |
| Sura Asset Management Perú S.A. | Holding | 37,210 | 2,646 | 34,564 | 11,625 |
| AFP Integra S.A. | Mandatory pension fund management services | 303,873 | 67,566 | 236,307 | 40,919 |
| Fondos Sura SAF S.A.C. | Sura Investments | 16,513 | 9,798 | 6,715 | (449) |
| Sociedad Agente de Bolsa Sura S.A. | Sura Investments | 4,274 | 697 | 3,577 | (330) |
| Sociedad Titulizadora Sura S.A. | Sura Investments | 549 | - | 549 | (47) |

| 2023 | Main segment | Assets | Liabilities | Shareholders' equity | Earnings for the Year |
|--|--|--------|-------------|----------------------|-----------------------|
| Sura Asset Management Uruguay Sociedad de Inversión S.A. | Holding | 74,877 | 1,967 | 72,910 | 45 |
| AFAP Sura S.A. | Mandatory pension fund management services | 38,624 | 5,866 | 32,758 | 8,282 |
| Administradora de Fondos de Inversión S.A. AFISA Sura | Sura Investments | 776 | 219 | 557 | (559) |
| Disgely S.A. | Sura Investments | 13 | 1 | 12 | (5) |
| Corredor de Bolsa Sura S.A. | Sura Investments | 2,541 | 1,324 | 1,217 | (912) |
| AFP Crecer | Mandatory pension fund management services | 44,254 | 15,166 | 29,088 | 18,053 |
| SM Asesores S.A. de C.V. | Sura Investments | 96 | 6 | 90 | 12 |
| Sura Asset Management Argentina S.A. | Sura Investments | 32 | 27 | 5 | (120) |
| Sura IM General Partner | Sura Investments | 65 | 10 | 55 | (26) |

| 2022 | Main segment | Assets | Liabilities | Shareholders' equity | Earnings for the Year |
|--|--|-----------|-------------|----------------------|-----------------------|
| Activos Estratégicos Sura AM Colombia S.A.S. | Holding | 23 | 0 | 23 | (7) |
| Sura Investment Management Colombia S.A.S. | Sura Investments | 12,033 | 1,133 | 10,900 | 319 |
| Sura IM Gestora de Inversiones S.A.S. (Formerly Sura Real Estate S.A.S.) | Sura Investments | 2,297 | 416 | 1,881 | 813 |
| Fiduciaria Sura S.A. | Sura Investments | 4,747 | 524 | 4,223 | 185 |
| NBM Innova S.A.S. | Qiiip | 3,071 | 870 | 2,201 | (4,581) |
| Asulado | Annuities | 1,225,585 | 1,066,716 | 158,869 | (4,892) |
| Protección | Mandatory pension fund management services | 545,749 | 131,240 | 414,509 | 53,482 |
| Sura Asset Management Chile S.A. | Holding | 824,351 | 11,516 | 812,835 | 79,327 |
| AFP Capital S.A. | Mandatory pension fund management services | 791,589 | 164,791 | 626,798 | 102,344 |
| Administradora General de Fondos Sura S.A. | Sura Investments | 11,847 | 4,677 | 7,170 | 586 |
| Seguros de Vida Sura S.A. | Annuities | 1,295,210 | 1,184,592 | 110,618 | 12,460 |
| Corredores de Bolsa Sura S.A. | Sura Investments | 40,833 | 23,598 | 17,235 | 479 |
| Sura Data Chile S.A. | Holding | 3,254 | 1,579 | 1,675 | (36) |
| Sura Servicios Profesionales S.A | Holding | 12,919 | 4,390 | 8,529 | 1,386 |
| Sura Asset Management México S.A. de C.V. | Holding | 359,324 | 35 | 359,289 | 75,872 |
| Sura Art Corporation S.A. de C.V. | Others | 11,833 | 213 | 11,620 | 56 |
| AFORE Sura S.A. de C.V. | Mandatory pension fund management services | 593,305 | 97,949 | 495,356 | 65,326 |
| Sura Investment Management S.A. de C.V. | Sura Investments | 33,634 | 10,436 | 23,198 | 534 |
| Asesores Sura S.A. de C.V. | Others | 236 | (7) | 243 | 133 |
| Promotora Sura AM S.A. de C.V. | Others | 120 | 1 | 119 | 41 |
| Gestión Patrimonial Sura asesores en inversiones S.A de C.V. | Sura Investments | 3,126 | 41 | 3,085 | (462) |
| NB Innova S.A de C.V. | Sura Investments | 4,348 | 1,176 | 3,172 | (4,545) |
| Proyectos Empresariales AI Sura S.A. de C.V. | Sura Investments | 2,920 | 1,143 | 1,777 | (4,142) |
| Sura IM Gestora México S.A de C.V. | Sura Investments | 1,275 | 148 | 1,127 | (372) |
| Inversiones Sura Corp | Sura Investments | 1,098 | 22 | 1,076 | (724) |

| 2022 | Main segment | Assets | Liabilities | Shareholders' equity | Earnings for the Year |
|--|--|---------|-------------|----------------------|-----------------------|
| Sura Asset Management Perú S.A. | Holding | 36,611 | 539 | 36,072 | 15,880 |
| AFP Integra S.A. | Mandatory pension fund management services | 294,397 | 65,586 | 228,811 | 21,347 |
| Fondos Sura SAF S.A.C. | Sura Investments | 15,454 | 3,551 | 11,903 | (732) |
| Sociedad Agente de Bolsa Sura S.A. | Sura Investments | 3,431 | 690 | 2,741 | (1,344) |
| Sociedad Titulizadora Sura S.A. | Sura Investments | 512 | 28 | 484 | (192) |
| Sura Asset Management Uruguay Sociedad de Inversión S.A. | Holding | 77,026 | 1,692 | 75,334 | 19,974 |
| AFAP Sura S.A. | Mandatory pension fund management services | 34,098 | 4,609 | 29,489 | 5,594 |
| Administradora de Fondos de Inversión S.A. AFISA Sura | Sura Investments | 1,266 | 181 | 1,085 | (519) |
| Disgely S.A. | Sura Investments | 16 | 0 | 16 | (2) |
| Corredor de Bolsa Sura S.A. | Sura Investments | 3,061 | 992 | 2,069 | (1,226) |
| AFP Crecer | Mandatory pension fund management services | 34,289 | 12,897 | 21,392 | 900 |
| SM Asesores S.A. de C.V. | Sura Investments | 84 | 6 | 78 | 8 |
| Sura Asset Management Argentina S.A. | Sura Investments | 178 | 105 | 73 | (92) |

NOTE 2 - Main accounting policies and practices

2.1. Basis for Preparing and Presenting the Financial Statements

These Special-Purpose Consolidated Financial Statements of Sura Asset Management S.A. and its Subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), except for IFRS 17 - Insurance Contracts, since the Group as of December 31, 2023 had not adopted this standard, and continues to apply IFRS 4 - Insurance Contracts (Please refer to Note 2.3). 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 2023 and 2022, in addition to meeting the requirements of IAS 1 - Presentation of the Financial Statements, our Statement of Financial Position is shown in a summarized form with regard to the level of assets and liabilities by order of liquidity this to facilitate the reading of said Statement. 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 Special-Purpose 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 Special-Purpose Consolidated Statements are stated in US dollars with amounts being rounded up or down 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 price that would be received or paid should the asset or liability have been sold or otherwise transferred as part of an orderly transaction between market participants on the date these are measured.

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 consider 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 2023 and 2022 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 |
|-------------|----------|---------------|--------------|---------------|--------------|
| | | 2023 | 2023 | 2022 | 2022 |
| Chile | CLP | 877.12 | 839.07 | 855.86 | 872.33 |
| Mexico | MXN | 17.04 | 17.73 | 19.48 | 20.11 |
| Peru | PEN | 3.71 | 3.75 | 3.82 | 3.84 |
| Uruguay | UYU | 39.02 | 38.82 | 40.07 | 41.13 |
| Colombia | COP | 3,822.05 | 4,325.05 | 4,810.20 | 4,255.44 |
| Argentina | ARG | 806.95 | 294.95 | 177.06 | 130.71 |
| El Salvador | USD | 1.00 | 1.00 | 1.00 | 1.00 |
| Luxembourg | EUR | 0.90 | 0.92 | 0.94 | 0.94 |

The Consolidated Financial Statements show comparative information corresponding to the financial years of 2023 and 2022.

Reclassifications

Some of the figures and disclosures in the Income and Cash Flow Statements at year-end 2022 were reclassified with respect to those presented on that date, this for presentation and comparability purposes. Sura Asset Management S.A.'s Senior Management considers that these adjustments do not affect the reasonableness of the information:

| Statement of Income | Initial Statement 2022 | Changes | Restated Statement 2022 |
|---|------------------------|---------------|-------------------------|
| Revenues from contracts with clients | 666,855 | (461) | 666,394 |
| Investment income | (911) | (141) | (1,052) |
| Gains (losses) at net fair value | 8,379 | 27 | 8,406 |
| Revenues from legal reserves | 8,586 | - | 8,586 |
| Revenues via the equity method from associates and joint ventures, net | 7,380 | - | 7,380 |
| Other operating income | 56,951 | (260) | 56,691 |
| Operating income - fund and pension management | 747,240 | (835) | 746,405 |
| | | - | |
| Gross premiums | 1,100,595 | - | 1,100,595 |
| Premiums ceded to reinsurers | (1,739) | - | (1,739) |
| Net premiums | 1,098,856 | - | 1,098,856 |
| Revenues from investments backing insurance reserves | 295,922 | - | 295,922 |
| Fair value gains (losses) from investments underpinning insurance reserves, net | (79,556) | (1) | (79,557) |
| Claims | (140,604) | - | (140,604) |
| Movements in reserves | (1,149,267) | - | (1,149,267) |
| Insurance margin | 25,351 | (1) | 25,350 |
| Selling, general and administrative expense | (535,396) | 14,881 | (520,515) |
| Deferred acquisition costs (DAC) | 865 | - | 865 |
| Total operating and administrative expense | (534,531) | 14,881 | (519,650) |
| | | - | |
| Operating earnings | 238,060 | 14,045 | 252,105 |
| Financial income | 14,338 | (797) | 13,541 |
| Financial expense | (64,546) | (11) | (64,557) |
| Financial derivative income (expense),net | 1,815 | - | 1,815 |
| Income from exchange differences, net | 1,544 | 523 | 2,067 |
| Net earnings before income tax from continuing operations | 191,211 | 13,760 | 204,971 |
| Income tax, net | (67,954) | (147) | (68,101) |
| Net income for the year from continuing operations | 123,257 | 13,613 | 136,870 |
| Net income (loss) for the year from discontinued operations | (7,424) | (13,613) | (21,037) |
| Net income for the year | 115,833 | - | 115,833 |
| | | - | |
| Attributable to: | | | |
| Controlling interest | 91,243 | - | 91,243 |
| Non-controlling interests | 24,590 | - | 24,590 |

| Cash Flow Statement | Initial Statement 2022 | Changes | Restated Statement 2022 |
|---|------------------------|----------|-------------------------|
| Operating activities | | | |
| Net income for the year from continuing operations | 123,257 | 13,613 | 136,870 |
| Net losses from discontinued operations | (7,424) | (13,613) | (21,037) |
| Net income | 115,833 | - | 115,833 |
| Adjustments to reconcile net income with net cash flows: | | | |
| Income tax | 67,954 | 147 | 68,101 |
| Depreciation of property and equipment and right-of-use assets | 22,274 | (76) | 22,198 |
| Amortizations of intangible assets | 52,928 | (3,011) | 49,917 |
| Amortizations of Deferred Acquisition Costs (DAC) | 46,728 | - | 46,728 |
| (Gains) losses at fair value, net | 75,037 | 514 | 75,551 |
| Financial returns at amortized cost | (58,488) | - | (58,488) |
| Gain on sales of financial instruments | - | (3,473) | (3,473) |
| Accrued interest | 54,595 | - | 54,595 |
| Unrealized exchange differences | (28,647) | 824 | (27,753) |
| Impairment to financial assets | 3,102 | 1,031 | 4,133 |
| Recovered provisions | - | (12,481) | (12,481) |
| Revenues via the equity method from associates and joint ventures | (7,380) | - | (7,380) |

| | | | |
|--|------------------|------------------|--------------------|
| Remeasured valuations - business combinations | 7,025 | (824) | 6,131 |
| | | - | |
| Adjustments to working capital: | | - | |
| Increase in accounts receivable and other assets | (34,310) | - | (34,310) |
| Increase in deferred acquisition costs (DAC) | (47,593) | - | (47,593) |
| (Increase) decrease in reinsurance assets | 481 | - | 481 |
| Increase in technical insurance reserves | 1,149,267 | - | 1,149,267 |
| Increase in accounts payable and other liabilities | 112,803 | 12,481 | 125,284 |
| Paid income tax | (94,780) | - | (94,780) |
| Net increase in assets and liabilities due to the takeover | (404,141) | 404,141 | - |
| Net cash flow sourced from operating activities | 1,032,688 | 399,273 | 1,431,961 |
| | | - | |
| Investment activities | | - | |
| Dividends received from associates and joint ventures | 213 | - | 213 |
| Capitalization - associates and joint ventures | (5,826) | - | (5,826) |
| Acquired properties and equipment | (10,432) | - | (10,432) |
| Amounts from sales of property, plant and equipment | 890 | (66) | 824 |
| Acquired financial instruments | (2,816,045) | (1,550) | (2,817,595) |
| Decrease in financial instruments | 1,974,956 | - | 1,974,956 |
| Amounts from financial instruments | - | 3,473 | 3,473 |
| Decrease in investment properties | 573 | - | 573 |
| Acquired intangible assets | (13,771) | 3,011 | (10,760) |
| Acquired subsidiary, net of acquired cash | 241,151 | (404,141) | (162,990) |
| Cash and cash equivalents used for obtaining a controlling stake in a subsidiary | | - | |
| Net cash flow used for investing activities | (628,291) | (399,273) | (1,027,564) |
| | | - | |
| Financing activities | | - | |
| Shareholder dividend payments | (89,008) | - | (89,008) |
| Dividends paid to non-controlling shareholders | (275) | - | (275) |
| Loans received | 39,193 | - | 39,193 |
| Loans paid | (39,038) | - | (39,038) |
| Paid lease obligations | (14,422) | - | (14,422) |
| Payments for hedging transactions | - | - | - |
| Interest paid | (39,285) | - | (39,285) |
| Net cash flows used for financing activities | (142,835) | - | (142,835) |
| (Decrease) increase in cash and cash equivalents | 260,243 | - | 260,243 |
| Effect of exchange differences | 1,319 | - | 1,319 |
| Cash and cash equivalents - Opening Balance | 126,056 | - | 126,056 |
| Cash and cash equivalents - Closing Balance | 387,618 | - | 387,618 |

These reclassifications correspond to the operations that were discontinued in 2023, whose balances corresponding to 2022 are also carried forward for comparability purposes (See Note 41).

2.2. Basis of consolidation

These Special-Purpose Consolidated Statements include the Financial Statements of Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 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 the 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.

The financial statements corresponding to the subsidiaries are prepared for the same reporting period as that 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 its 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.

Any 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 currency translation effect 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 insurance contracts

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 of some implications of 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. Shall not offset (i) reinsurance assets against related insurance liabilities, or (ii) income or expense from reinsurance contracts against 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 insurance products are currently available in both Chile and Colombia

Permitted practices and policies include performing compulsory liability adequacy and impairment tests on reinsurance assets. Prohibited practices and policies include setting up catastrophe 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 is to 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.

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 annuities are recognized when signing the respective contracts and receiving the corresponding premiums. Provisions for insurance (excluding 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 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 when 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: Any continuing involvement that takes the form of a guarantee on the transferred asset is measured as the lower value of the original carrying amount of the asset and the maximum amount of consideration required to be repaid.

- ***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) and 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 record 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, as directly relating to the contract in question, 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. This provision is determined on the basis of paid premiums net of expense and is amortized over the term of coverage.

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

Provisions for insurance and 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 backing 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 individual investments - divestitures 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. 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 test the adequacy of reserves include:

·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).

$$GW = VP - ANA + I (+/-) T$$

Where:

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 (customer 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 related contributory asset charges (both 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 customer 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 interests 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 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, these shall be recognized up to their recoverable amounts, and any surplus difference is recognized in the income statement.

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.

No business combinations were recorded in 2023 and one business combination was recorded in 2022 (See Note 4 Business Combinations).

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 |

| | Estimated useful life |
|------------------------|-----------------------|
| Trademarks | Indefinite |
| Contracts and licenses | 17 years |
| Software | Between 1 and 5 years |

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 performance is lower than expected; its maintenance CAPEX is higher than that expected, greater operating needs, negative operating margins or flows associated with the 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 between its fair value less selling costs, whether or not this is an asset or a cash-generating unit and 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 in question. 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. Projections 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 up to the amount of any reappraised value as previously recorded.

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 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 its 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 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 in periods of between 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 based on calculated

lease income and future expense pursuant to the terms and conditions set out in existing leases as well as the estimated rental values when the lease agreements finally 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 associate'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 Net 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 at 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 the 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.

- ***Legal reserves***

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: 0.53%
- Colombia: 1.00%
- Peru: depending on the fund at between 0.70% and 1.15%.
- Uruguay: Minimum 0.50% - Maximum 2%

This requirement 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 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 listed on active markets.

- ***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 - Financial Instruments must be recognized on the income statement at the corresponding effective interest rate, when the financial asset is derecognized 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.

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, IFRS 9 - Financial Instruments, that came into full force and effect, did not have any impact on the financial statements or on the financial position of said Companies.

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 exposure to exchange and interest rates. 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 are measured at their amortized cost using the effective interest rate method. Gains and losses are recognized on the income statement when these liabilities are written off, and are amortized using the effective interest rate method. Accounts payable are non-derivative financial liabilities with fixed or determinable payments that are not quoted on an active market.

Amortized cost is calculated taking into account any acquisition discount or premium as well as commissions or costs that form an integral part of the effective interest rate. Effective interest rate accruals are 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 and 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 2023, 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

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 measured at cost 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 |

United States
Luxembourg

US dollars
Euros

These 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 at the cut-off date for 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 applicable 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. Equity is translated using the corresponding historical rates for each movement.

Please refer to the 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, when provided for. 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, 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 programs, 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 35.

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 such transactions are 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
- There is a probability 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 business purchases or sales, are recognized when the underlying transaction is completed.

Fees for portfolio, receivables and 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 custodial 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 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. Identifying the specific contract with the client:

Contracts with pension fund members or asset management contracts comply with the following criteria established for identifying said contracts, 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. Identifying the contractual performance obligations:

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 progress method is used which is a measurement based over time).

3. Determining the price of the transaction

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 affiliation and portfolio management contracts 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 contractual performance obligations;

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

Contract assets

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.

Contract liabilities

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 AM 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 maintaining 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 for new mandatory pension fund sign-ups.
- Variable commissions paid on transfers from other Pension Fund Management firms or State-Sponsored Mandatory Pension Systems.
- 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 of yearly experiences which are 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 their individual capitalization accounts (wage-based commissions);
- On the balance held with regard to the members' individual capitalization accounts;

Since Mandatory Pension Savings entail certain administrative costs, even when no management fees are received, it is important to establish 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 over time as 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 | Flows (wage base) Balance managed |
| Chile - AFP Capital | Flows (wage base) |
| Uruguay - AFAP Sura | Flows (wage base) |
| Colombia - Protección | Flows (wage base) |
| Colombia - Crecer | Flows (wage base) |

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. For those subsidiaries in which the provision is calculated on an inflation-indexed unit of account, the provision is restated in the country's legal currency using the applicable exchange rate between said currency and the inflation-index unit rate at the cut-off date of the Statement of financial position 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 present (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 in paying 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

Sura Asset Management S.A. applies a segment reporting accounting policy based on its business units and according to the nature of the services these provide.

These are divided up into the following six reporting segments:

- (i) Retirement Savings (formerly Mandatory Pensions)
- (ii) Sura Investments
- (iii) Insurance and Annuities;
- (iv) New Business; and
- (v) 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 as well as 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 expense relating to the initiatives aimed at exploring and developing new lines of business other than all those that already exist.

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 groups of assets as held for sale are 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, through any other means, a line of business or geographical area of operations that is significant and can be considered as separate from the rest; or
- It is a subsidiary that has been acquired exclusively for the purpose of being resold 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 item as an after-tax result from discontinued operations.

t) 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 in 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 movements with the CPI index as of the date these were acquired.
- Non-monetary items recorded at fair value: these are updated based on the movements with 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.

Out of all those countries where Sura Asset Management is present, inflation adjustments are applied in Argentina only. This operation has been classified as discontinued at the end of the period, since it is in the process of being wound up. See Note 41.

u) 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 covers 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 covers changes in the fair value of these inputs.

b) Cash flow hedges: these 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.

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 CCS 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-diversified hedging arrangements with 4 international banks, all of which provided signed ISDAS 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 favors or

constitutes an obligation for Sura Asset Management S.A. The methodology for incorporating counterparty risk is described below:

Expected Loss Calculation Methodology

Counterparty risk is calculated using the Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) methodologies.

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

$$CVA = \text{Exposición (A)} \times \text{Probabilidad de Default} \times (1 - \text{Recovery Rate})$$

$$DVA = \text{Exposición (P)} \times \text{Probabilidad de Default} \times (1 - \text{Recovery Rate})$$

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

General Definitions

- Exposure: Defined as the net flow between assets minus liabilities at each maturity.
- Probability of Default: this is a creditrating 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.
- Recovery Rate : this is defined as the percentage of the risk exposure that is expected to be recovered in the event of default.

Exposure Calculation Methodology

The exposure calculation is obtained from:

- Flows from swaps broken down by counterparty and currency.
- The dollar exchange rates with respect to the hedged currencies.
- Based on this, the net flow is obtained. If this exposure is positive, CVA will be calculated and if it is negative, DVA will be calculated.

Exposure is updated on a monthly basis, according to the corresponding appraisals.

PD (Probability of Default) calculation methodology

In order to obtain the Probabilities of Default of the different counterparties, the following information must be made available on a monthly basis:

- 1.- The CDS corresponding to each of the counterparties as of the date of the report obtained from Bloomberg.
- 2.- Treasury curves in USD at the date of the report obtained from Risk America.
- 3.- Recovery Rate used for calculating PD (as defined in the following point).

Once these inputs are made available, they are incorporated into the model, which:

1. Taking into account the following parity :
Value(CDS(t), PD(t)) = Expected payment value hedging (PD(t), RR),

the PD for each of the maturities is obtained.

2. Based on the above, the time structure of the marginal probabilities of default for each of the counterparties is constructed.
3. Once the counterparty PDs have been obtained, given that SURA AM does not have CDS, Sura AM's PDs are calculated based on a linear regression for the different maturities while considering the risk rating of both the counterparties and Sura AM.

Recovery Rate Calculation Methodology

The RR (recovery rate) used is 40%, which is an international standard. This rate is also validated with Grupo Sura.

The RR is updated on an annual basis, unless there is a significant change that impacts the manner in which this is calculated.

Parameter updates

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, together with our 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

Sura Asset Management S.A. and Subsidiaries have not applied ahead of time any standard, interpretation or modification that although has been issued has not as yet become effective.

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 as well as 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 34)

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, certain expenses are deferred and amortized over the lifetime of the contracts. In the event that the assumptions regarding the future profitability of insurance contracts 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 local industry standards 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 at 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 is not 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 at a frequency 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 countries 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 tax losses can be offset. 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 to maintain these with a view to obtaining revenues in the form of property appraisal 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 35)

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.

h) Credit risk and derivative efficacy (see Note 23)

Calculating credit risk with regard to derivatives:

IFRS 13 introduced a requirement for incorporating credit default risk into fair value calculations: Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA). Sura AM can show both risks for its Cross Currency Swaps (CCS), and depending on market movements, these can constitute a right or an obligation. Considering that IFRS 13 does not establish a single methodology for the calculating the aforementioned risks, Sura AM has defined the following methodology for their calculation:

- Counterparty risk is calculated using the Expected Loss methodology as described in Note 2 - Significant accounting policies and practices, Section 2.3 Summary of significant accounting policies and Sub-section u) Hedge Accounting.

Determining derivative efficacy:

The hedging relationship is considered effective as long as hedging instruments (Cross Currency Swaps) and hedged items (difference in the exchange rate corresponding to bonds) move in opposite directions. The effectiveness of each of the hedging arrangements, is measured 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 difference is 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-denominated derivative protecting against other currencies (PEN, CLP, MXN). 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 maturing in 2024 and 2027.

NOTE 3 - Standards issued but not effectively applied

Standards Issued Not Yet in Force

The standards and interpretations that have so far been published, but are not as yet applicable when these financial statements were issued, are listed below. Sura AM and its subsidiaries shall adopt these standards on the date these become effective and when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback Transaction

In September 2022, the IASB issued amendments to IFRS 16 for the purpose of specifying the requirements that a seller-lessee uses in measuring the lease liability arising on a sale and leaseback transaction this to ensure that the seller-lessee does not recognize any amount for the gain or loss relating to the right of use held.

These amendments are effective for annual periods beginning on or after January 1, 2024 and should be applied retrospectively to sale and leaseback transactions entered into after the date of the initial application of IFRS 16. Early application is permitted provided that this fact is disclosed.

These amendments are not expected to have a material impact on the Group's financial statements.

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

In January 2020 and October 2022, 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 clarify 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 represents an equity instrument in itself, the terms of the liability would not affect its classification.

Furthermore, a disclosure requirement was introduced when a liability arising from a loan contract is classified as non-current and the entity's right to defer settlement is subject to being able to fulfill future commitments within a period included in a term of twelve months.

These amendments shall enter into full force and effect for periods beginning on or after January 1, 2024 and should be applied retroactively. The Group is evaluating the impact these changes will have on its current practices and whether any of its existing loan agreements may require renegotiation.

Supplier Financing Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 - Statement of Cash Flows and the IFRS 7 - Financial Instruments: Disclosures clarifying the characteristics of supplier financing arrangements which require additional disclosures regarding such arrangements.

The purpose of these disclosure requirements, as introduced by these amendments, is to assist users of financial statements to better understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risk exposure.

These amendment shall enter into full force and effect for annual periods beginning on or after 1 January 2024. Early application is permitted provided that this is duly disclosed.

These amendments are not expected to have a material impact on the Group's financial statements.

NOTE 4 - Business Combinations

No new business combinations were carried out in 2023.

Note 4.1. Business combination achieved in stages with AFP Protección

In November 2022, a business combination with AFP Protección was carried out in stages, whose measurement period began in November 2022 and lasted up to November 2023 as permitted by IFRS 3. In this regard, new relevant information was obtained during the measurement period, which modified certain parts of the business combination recognized at the end of 2022, mainly:

- An adjustment to the fair value of AFP Crecer, a subsidiary in which AFP Protección holds a 99.99% stake.
- Determination of CGUs.
- Identifying and appraising customer lists relating to the CGU AFP Crecer.
- Identifying and appraising the brands associated with the CPUs, AFP Protección and AFP Crecer.
- Fair value adjustments to the contingent liabilities identified in the CPUs, AFP Protección and AFP Crecer
- Fair value adjustments to the reserve liabilities identified in the Insurance CGU.
- Recalculating goodwill as a consequence of the previous points.

Background and Context

Sura Asset Management S.A., until October 2022 owned a 49.36% stake in AFP Protección's share capital, which up till then was treated as an associate, and whose value in the Separate and Consolidated Financial Statements was posted under Revenues Obtained Via the Equity Method.

AFP Crecer (El Salvador) is a subsidiary of AFP Protección (Colombia), the latter holding a 99.99% stake in the former's share capital.

Background Information:

Protección's corporate purpose is to provide its pension and severance fund management services.

Here, plans were drawn up in order to set up an insurance company that could offer annuity coverage to Protección's fund members, as well as pension insurance coverage, while being able to access the minimum wage slippage coverage offered by the Colombian government, thereby ensuring adequate risk coverage for all those members earning lower wages or salaries for whom there was a greater possibility of future decapitalization. This operation was necessary for the future sustainability of Protección's business

This new insurance company would be created by spinning off Protección's assets.

Capitalizing Protección through a new issue of shares

In order to ensure sufficient financial resources, it was necessary to capitalize Protección in the amount of USD 61,525 (COP 299,990 M); USD 48,865 of which was contributed by Sura Asset Management S.A and another USD 12,659 from other shareholders (Bancolombia S.A and Fiduciaria Bancolombia).

Protección's shareholders decided to make the required contribution by issuing new shares at an intrinsic value of USD 18.07 (COP 88,092) per share.

SURA AM covered the capitalization that would have corresponded to other non-participating shareholders, in the form of a dilution for these, and an increase in the percentage stake in SURA AM's share capital of 3.55%, with the Company becoming a majority shareholder with a total stake of 52.91%.

This capitalization was authorized and completed on November 25, 2022 based on an intrinsic value per share of USD 18.07 (COP 88,092) per share. It was on this date that the takeover was carried out.

As of November 2022, Protección and Crecer became subsidiaries and as such were incorporated in Sura AM's scope of consolidation.

Remeasuring the previously held portion

As required by paragraph 42 of IFRS 3, the previously held interest was remeasured. This meant assessing the fair value of Protección in terms of the stake previously held by SURA AM, and comparing this with its book value, in order to determine whether it was appropriate to adjust the respective measurement.

In order to determine fair value, the methodology corresponding to the present value of future cash flows from this operation at the end of October was used, this being considered as the measurement date since it was the month prior to the change in the percentage stake held in Protección.

This remeasuring produced the following result:

| | USD |
|---|--------------|
| A. Fair value (valuation result) of Protección y Crecer | 608,452 |
| B. Stake held before the business combination | 49.36% |
| C. Fair value attributable to SURA AM (A * B) | 300,332 |
| D. Carrying value at the end of October incl. equity method before remeasurement | 294,201 |
| E. Increase in carrying value due to remeasurement adjustment (C - D) | 6,131 |
| F. Carrying value at the end of October incl. Equity Method after remeasurement (D + E) | 300,332 |

In accordance with the provisions of the aforementioned standard, this difference was recognized as investment income in SURA AM's statement of income for 2022 .

Determining Goodwill

In accordance with the above context, the business combination occurred without transferring any consideration, since there was no stake purchased by Sura AM from other investors, but rather they were purchased from the Administradora de Fondos de Pensiones y Cesantía Protección S.A., due to the Colombian Superintendency of Finance's equity requirement. Only Sura AM, Bancolombia and Fiduciaria Bancolombia participated in this issue, thus diluting the stakes held by other investors.

With this in mind, the acquisition method applies in the case of this business combination, in accordance with that stipulated paragraphs 33 and 43 of IFRS 3, where the amount of goodwill can be determined using the acquisition-date's fair value of the acquiree's equity instruments, rather than the fair value of the consideration transferred at the acquisition date of the equity interests.

Management identified 3 CGUs in the business combination (AFP Protección Colombia, AFP Crecer de El Salvador and Insurance and Annuities Colombia). AFP Protección and AFP Crecer de El Salvador are located in different geographies, so they are exposed to different types of risk and also do not present any synergies. On

the other hand, the insurance CGU will be spun off and will be able to carry on its business activities in the insurance sector, among which the resulting goodwill will be distributed from the date of acquisition, this for the purpose of being able to test any impairment, if any, going forward (paragraph 80 of IAS 36).

Goodwill, as determined for each of the CGUs is broken down as follows:

| Method of acquisition broken down by identified CGUs | AFP Protección | AFP Crecer | Insurance | Total |
|--|-------------------|---------------|----------------|----------------|
| Valuation result (including capitalization) | 419,940 | 76,088 | 170,633 | 666,661 |
| Sura AM Stake | 52.91% | 52.91% | 52.91% | 52.91% |
| Non-controlling interest | 47.09% | 47.09% | 47.09% | 47.09% |
| Valuation - SURA AM Stake | 222,203 | 40,261 | 90,287 | 352,751 |
| Valuation - non-controlling stakes | 197,737 | 35,827 | 80,346 | 313,910 |
| Net assets at Nov-2022 | 397,537 | 20,391 | 160,998 | 578,926 |
| Purged goodwill - AFP Crecer | (25,941) | - | - | (25,941) |
| Net assets at Nov-2022, purged | 371,596 | 20,391 | 160,998 | 552,985 |
| Fair value adjustments | | | | |
| Client List | 93,041 | 59,650 | | 152,691 |
| Deferred tax liabilities -customer list | (37,216) | (17,895) | | (55,111) |
| Trademark | 8,633 | 1,434 | | 10,067 |
| Deferred tax liability - trademark | (3,453) | (430) | | (3,883) |
| Contingent liabilities (eventual) | (21,101) | (922) | | (22,023) |
| Deferred tax asset on contingent liabilities | 8,440 | 277 | | 8,717 |
| Reserve liabilities - Law 100 | | | (30,306) | (30,306) |
| Deferred tax asset on liabilities - Law 100 | | | 12,122 | 12,122 |
| Net assets at Nov-2022 adjusted to their fair value | 419,940 | 62,505 | 142,814 | 625,259 |
| Valuation result | 419,940 | 76,088 | 170,633 | 666,661 |
| Goodwill | - | 13,583 | 27,819 | 41,402 |

Accounting treatment during the remeasurement period of the business combination, Protección S.A.

Sura Asset Management S.A., as of November 2022 recognized an intangible asset consisting of a client list with its respective deferred tax liability, and an assumed liability on contingencies with its respective deferred tax asset. These amounts were provisionally recognized based on the information available at that time.

During the measurement period of the business combination, information was obtained that allowed adjustments to be determined to the provisional values recognized at the acquisition date, as well as the additional recognition of: (i) an intangible trademark asset with its respective deferred tax liability relating to the CGU APF Protección and AFP Crecer, and (ii) an adjustment to the fair value of liabilities associated with annuity reserves (Law 100 liabilities) with its respective deferred tax asset relating to the Insurance CGU.

All adjustments to the provisional values as well as the additional assets and liabilities were recognized in accordance with paragraphs 45, 46, 47 and 48 of IFRS 3, thereby affecting the value of goodwill.

According to paragraph 49 of IFRS 3, adjustments to the provisional values and additional recognized amounts should be recorded as if they had been completed at the acquisition date (i.e. November 2022). Sura Asset Management's Senior Management concluded that these additional adjustments and recognitions are not material to the figures posted in the Consolidated Financial Statements taken as a whole at year-end 2022, and do not distort the reading of these figures or the Company's financial indicators. Based on the above analysis, we proceeded to recognize these adjustments for the year 2023, as shown below:

| Business combination amounts (stated in USD thousands) | Type of recognition | Note | Adjustments |
|--|---------------------------------|------|---------------|
| Asset - Goodwill | Adjustment to provisional value | 29 | 11,212 |
| Asset - Customer List | Adjustment to provisional value | 29 | 39,269 |
| Trademark asset | Additional amount recognized | 29 | 11,167 |
| Deferred tax asset on contingent liabilities | Adjustment to provisional value | 22.5 | 418 |
| Deferred tax asset - liabilities Law 100 | Additional amount recognized | 22.5 | 15,465 |
| Total assets | | | 77,531 |
| Deferred tax liabilities - customer list | Adjustment to provisional value | 22.5 | 9,742 |
| Deferred tax liability - trademarks | Additional amount recognized | 22.5 | 4,323 |
| Contingent liabilities (eventual) | Adjustment to provisional value | 36 | (342) |
| Liabilities - Law 100 (VR Reserves) | Additional amount recognized | 36 | 38,663 |
| Total liabilities | | | 52,387 |
| Total equity | | | 25,144 |

Below are the cash flows sourced from obtaining control over Protección, classified as an investing activity in 2022 in accordance with IAS 7 paragraph 39:

| | USD |
|---|------------------|
| Value paid to obtain control | (48,865) |
| Cash and cash equivalents in subsidiaries | 241,151 |
| Net amount of assets and liabilities other than cash and cash equivalents | (355,276) |
| Acquired subsidiary, net of acquired cash | (162,990) |

NOTE 5 - Fee and commission income

5.1 Breakdown

Revenues obtained by Sura Asset Management S.A. and Subsidiaries from contracts with clients at year-end 2023 and 2022 are broken down as follows:

| | Retirement Savings | Investment Management | Inversiones Sura | Corporate and Others | Total |
|---|--------------------|-----------------------|------------------|----------------------|----------------|
| Mandatory Pension Fund Management | 738,500 | - | - | - | 738,500 |
| Client portfolio management | 1 | 55,977 | 26,215 | - | 82,193 |
| Voluntary Pension Fund Management | - | - | 59,041 | - | 59,041 |
| Severance Fund Management | 50,914 | - | - | - | 50,914 |
| Other revenues from contracts with clients | 1,289 | 2,852 | 2,745 | 1,264 | 8,150 |
| Total fee and commission income - 2023 | 790,704 | 58,829 | 88,001 | 1,264 | 938,798 |

| | Retirement Savings | Investment Management | Inversiones Sura | Corporate and Others | Total |
|---|--------------------|-----------------------|------------------|----------------------|----------------|
| Mandatory Pension Fund Management | 554,895 | - | - | - | 554,895 |
| Client portfolio management | 1 | 60,418 | 17,307 | - | 77,726 |
| Voluntary Pension Fund Management | - | - | 19,684 | - | 19,684 |
| Severance Fund Management | - | - | 7,611 | - | 7,611 |
| Other revenues from contracts with clients | 659 | 4,751 | 976 | 92 | 6,478 |
| Total fee and commission income - 2022 | 555,555 | 65,169 | 45,578 | 92 | 666,394 |

The increase is mainly due to having recognized fee and commission income from Protección and AFP Crecer for the year 2023; for the year 2022 this was only recognized as of November.

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

| | Retirement Savings | Investment Management | Inversiones Sura | Corporate and Others | Total |
|---|--------------------|-----------------------|------------------|----------------------|----------------|
| External clients | 790,684 | 57,980 | 88,001 | 7 | 936,672 |
| Intercompany (excluding subsidiaries) | 20 | 849 | - | 1,257 | 2,126 |
| Total fee and commission income - 2023 | 790,704 | 58,829 | 88,001 | 1,264 | 938,798 |

| | Retirement Savings | Investment Management | Inversiones Sura | Corporate and Others | Total |
|---|--------------------|-----------------------|------------------|----------------------|----------------|
| External clients | 555,553 | 64,089 | 45,578 | 15 | 665,235 |
| Intercompany (excluding subsidiaries) | 2 | 1,080 | - | 77 | 1,159 |
| Total fee and commission income - 2022 | 555,555 | 65,169 | 45,578 | 92 | 666,394 |

5.2 Balances due on contracts

| | 2023 | 2022 |
|---|--------|--------|
| Balances due on contracts | | |
| Accounts receivable from customer contracts (See Note 20) | 11,825 | 11,587 |
| Accounts payable on customer contracts (See Note 31) | 37,732 | 31,202 |

NOTE 6 - Investment Income

Investment income obtained by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|---|---------|---------|
| Revenues from investments backing insurance reserves | | |
| Interest income and financial returns ¹ | 235,783 | 57,200 |
| Pension bonds | 34,527 | 24,491 |
| Earnings from sales of investments | 23,341 | 11,649 |
| Lease income obtained from investment properties | 4,170 | 4,047 |
| Gains from exchange differences | 2,782 | 10,846 |
| Recovered provision for premium shortfalls | 1 | 180,313 |
| Policy issuance expense | - | 11,798 |

| | 2023 | 2022 |
|---|----------------|----------------|
| Other investment expense - insurance | (407) | (383) |
| Investment impairment | (8,153) | (4,039) |
| Total income from investments backing insurance reserves | 292,044 | 295,922 |
| Other investments | | |
| Interest income and financial gains | 23,300 | - |
| Income (expense) from exchange differences | 8,678 | (2,678) |
| Earnings from sale of investments | 879 | 1,351 |
| Lease income obtained from investment properties | 248 | 70 |
| Impairment recovered on investments | - | 228 |
| Other investment expense | (27) | (23) |
| Total other investments | 33,078 | (1,052) |
| Total investment income | 325,122 | 294,870 |

¹ The main increase comes from the company Asulado and corresponds to the yields obtained from the standalone trust that was set up for the purpose of creating this company.

NOTE 7 -Fair value gains and losses on assets, net

Fair value gains and losses on assets at year-end 2023 and 2022 are shown below:

7.1 Income from legal reserves

Income from legal reserves at year-end is broken down as follows:

| | 2023 | 2022 |
|---|----------------|--------------|
| Income from legal reserves | 106,942 | 8,586 |
| Total income from legal reserves | 106,942 | 8,586 |

Note 45.3 provides more detailed information regarding profitability broken down by country. In 2023, as a result of a recovery with the financial markets as well as interest rates, our legal reserves consisting of fund investments recorded significant recoveries, especially in the last two months of the year, when returns at an all-time high were obtained.

7.2 Fair value gains and losses, net

Fair value gains and losses 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 and losses from investments backing insurance reserves, net: | 2023 | 2022 |
|--|----------------|-----------------|
| Gains (losses) on non-derivative financial instruments | 87,398 | (85,034) |
| Gains on investment properties | 3,465 | 5,477 |
| Total gains (losses) on assets at fair value | 90,863 | (79,557) |
| Other fair value gains and losses, net: | | |
| Gains from non-derivative financial instruments | 20,234 | 8,406 |
| Other fair value gains, net | 20,234 | 8,406 |
| Total gains (losses) on assets at fair value, net | 111,097 | (71,151) |

Investments backing insurance reserves obtained gains in the form of good levels of yields and interest rates, due to the recovery seen on the markets, while for the previous year there were losses due to the downtrend with market performance.

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

Sura Asset Management uses the equity method for accounting for its investments in associates and joint ventures, which at year-end 2023 were as follows:

| Name of associate | Main business activity | Place of incorporation and operations | % stake held and corresponding voting rights |
|--|---|---------------------------------------|--|
| Servicios de Administración Previsional S.A | Voluntary fund management | Chile | 22.64% |
| Fondos de Cesantías Chile II | Pension and severance fund management | Chile | 29.40% |
| Inversiones DCV S.A. | Shareholder register management services | Chile | 34.82% |
| Unión para la infraestructura SAS (UPI) | Consultancy services for managing investment funds dedicated to financing infrastructure projects | Colombia | 50% |
| Unión para la infraestructura Perú SAC (UPI Perú) | Consultancy services for managing investment funds dedicated to financing infrastructure projects | Peru | 50% |
| Sociedad Administradora de Fondos de Cesantía Chile III S.A. | Pension and severance funds | Chile | 36.65% |

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

| Name of Associate or Joint Venture | 2023 | 2022 |
|--|--------------|--------------|
| AFC I, AFC II and Servicios de Administración Previsional S.A. | 4,287 | 3,975 |
| Fondos de Cesantías Chile II | 3,392 | 5,913 |
| Unión para la infraestructura S.A.S (UPI) | 642 | 560 |
| Inversiones DCV S.A. | 432 | 409 |
| Unión para la Infraestructura Perú | (72) | 29 |
| Sociedad Administradora de Fondos de Cesantía Chile III S.A. | (913) | 48 |
| Fondo de Pensiones y Cesantías Protección S.A. | - | (3,554) |
| Total revenues obtained via the equity method | 7,768 | 7,380 |

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

NOTE 9 - Other operating income

Other operating income at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|---|-------|--------|
| Recovered provisions | 9,815 | 12,481 |
| Tax refund due to judicial ruling in Chile | 5,167 | - |
| Other income | 2,770 | 3,868 |
| Gains on sales of property, plant and equipment for own use | 865 | 824 |
| Income from leases and services | 188 | 171 |
| Financial income from money market operations and other interest income | 29 | 3,427 |

| | 2023 | 2022 |
|---|---------------|---------------|
| Provision reversal due to insufficient premiums for the setting up of an insurance company (Protección) | - | 35,920 |
| Total other operating income | 18,834 | 56,691 |

NOTE 10 - Net Premiums

Net premiums obtained by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|---|----------------|------------------|
| Annuities | 589,536 | 983,020 |
| Life insurance contracts (written premiums) | 103,018 | 117,310 |
| Cancellations and/or Withdrawals | (1,280) | - |
| Favorable experience dividend - FED | 72 | 265 |
| Total gross premiums | 691,346 | 1,100,595 |
| Life insurance contracts- reinsurers | (1,930) | (1,739) |
| Total net premiums | 689,416 | 1,098,856 |

Asulado was included in the Company's scope of consolidation as of December 2022, and it was in this month that the highest volume of policies were issued given the fact that this subsidiary's operations began by issuing policies to all those policy holders who provided the required documentation.

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

NOTE 11 – Claims, net

The following is a breakdown of claim expense at year-end 2023 and 2022:

| | 2023 | 2022 |
|---|------------------|------------------|
| Gross benefits and claims paid | | |
| Life insurance contracts | (132,036) | (136,868) |
| Annuities | (121,504) | (4,615) |
| Total gross benefits and claims paid | (253,540) | (141,483) |
| Requests assigned to reinsurers | | |
| Life insurance contracts | 729 | 879 |
| Total claims ceded to reinsurers | 729 | 879 |
| Claims | (252,811) | (140,604) |

Given the fact that Asulado was only included in the Company's scope of consolidation in December 2022, there was a low volume of claims given the fact that there was only one month of operations, compared to the entire year of 2023

NOTE 12 – Reserve movements

Movements in the technical insurance reserves at year end are broken down as follows:

| | 2023 | 2022 |
|--------------------------|------------------|--------------------|
| Direct | | |
| Fund value reserve | (86,718) | 65,280 |
| Mathematical reserve | (383,163) | (1,213,309) |
| Ongoing Risk Reserve | (15) | (90) |
| Claims reserves | (78,805) | 837 |
| IBNR reserves | (255,720) | (1,589) |
| Other reserves | (23) | (272) |
| Subtotal | (804,444) | (1,149,143) |
| Ceded | | |
| Other technical reserves | (70) | (120) |
| Ongoing Risk Reserve | 1 | (8) |
| Mathematical reserve | - | 4 |
| Subtotal | (69) | (124) |
| Net | | |
| Fund value reserve | (86,718) | 65,280 |
| Mathematical reserve | (383,163) | (1,213,305) |
| Ongoing Risk Reserve | (14) | (98) |
| Claims reserves | (78,805) | 837 |
| IBNR reserves | (255,720) | (1,589) |
| Other reserves | (93) | (392) |
| Total | (804,513) | (1,149,267) |

Asulado was included in the Company's scope of consolidation as of December 2022, when the highest volume of policies were issued compared to the entire year of 2023 which also gave rise to a greater movement in reserves.

NOTE 13 - Operating and administrative expense

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

Administrative and operating expense

| | 2023 | 2022 |
|--|-----------|-----------|
| Selling, general and administrative expense | | |
| Personnel expense (Note 35.4) ¹ | (319,752) | (247,741) |
| Amortization of intangibles | (61,578) | (49,917) |
| Other operating expense ² | (50,234) | (17,971) |
| Fees | (43,345) | (29,467) |
| Contributions and subscription fees | (28,544) | (22,314) |

| | 2023 | 2022 |
|--|------------------|------------------|
| Maintenance and repairs | (26,858) | (19,006) |
| Taxes and rates | (20,717) | (16,809) |
| Service providers | (19,645) | (19,287) |
| Expense provisions | (17,124) | (206) |
| Depreciation on Right-of-Use Assets | (15,007) | (12,873) |
| Advertising and publicity | (11,467) | (13,294) |
| Depreciation on goods and personal property | (10,047) | (9,323) |
| Electronic data processing | (9,064) | (3,514) |
| Brokerage commissions | (8,249) | (8,374) |
| Investment platform expense | (8,362) | (5,694) |
| Public utilities | (6,453) | (4,772) |
| Security and cleaning expense | (5,161) | (4,369) |
| Safekeeping expense - securities | (4,783) | (4,834) |
| Insurance | (4,571) | (2,827) |
| Loss on sale of intangible assets | (4,191) | - |
| Traveling expense | (3,859) | (3,103) |
| Medical expense | (3,115) | (1,977) |
| Rebates paid | (3,019) | (1,575) |
| Impairment to accounts receivable | (2,335) | (322) |
| Donations | (2,295) | (2,233) |
| Leases | (2,222) | (1,862) |
| Statutory and External Auditing ³ | (2,100) | (1,578) |
| Public relations | (2,035) | (2,154) |
| Pension Fund and Pension Insurance Management | (1,840) | (496) |
| Operating financial expense | (1,587) | (2,412) |
| Publications and subscriptions | (1,259) | (1,058) |
| Collection expense | (1,061) | (786) |
| Stationery and office supplies | (942) | (621) |
| Fines, sanctions, indemnities, litigations and lawsuits | (810) | (2,027) |
| Licenses | (771) | (938) |
| Transport, haulage and freight charges | (509) | (658) |
| Legal expense | (326) | (499) |
| Assumed taxes | (310) | (187) |
| Client service expense | (177) | (152) |
| Wealth tax | (100) | (98) |
| Business development - Asulado Insurance | - | (3,187) |
| Total selling, general and administrative expense | (705,824) | (520,515) |
| Deferred acquisition costs (DAC) | | |
| Capitalized Deferred Acquisition Costs (DAC) | 45,955 | 47,593 |
| Amortized Deferred Acquisition Costs (DAC) | (50,974) | (46,728) |
| Total Deferred Acquisition Costs (DAC) | (5,019) | 865 |
| Total operating and administrative expense | (710,843) | (519,650) |

¹ This change corresponds mainly to the fact that in 2022, Protección and AFP Crecer were only included in the Company's scope of consolidation in November, while they were included in the entire year of 2023.

² The main increase here is due to the fact that in 2022, Protección and AFP Crecer were only included in the Company's scope of consolidation in November, while they were included in the entire year of 2023.

³ In 2023 and 2022 no fees were paid to EY (the Group's current External Auditing firm) for items other than its External Auditing services.

NOTE 14 - Financial income

Financial income at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|--|---------------|---------------|
| Financial interest income ⁽¹⁾ | 26,418 | 14,676 |
| Earnings (loss) on the sale of investments | 4,295 | (1,542) |
| Other financial income | 1,990 | 407 |
| Total financial income, net | 32,703 | 13,541 |

⁽¹⁾As a result of the increase in interest rates, financial interest income grew significantly during the period, generating significant returns on cash surpluses held in the different countries. A breakdown of the Company's financial instruments can be found in Note 45.3

NOTE 15 - Financial expense

Financial expense at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|--|-----------------|-----------------|
| Financial interest expense | (51,958) | (53,388) |
| Commissions and other financial expense | (3,761) | (1,977) |
| Interest expense on right-of-use liabilities | (1,359) | (1,207) |
| Losses from sales of investments | (1,214) | (7,985) |
| Total financial expense | (58,292) | (64,557) |

NOTE 16 - Financial derivative income, net

Financial derivative income and expense at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|---|--------------|--------------|
| Financial derivative income | 2,578 | 2,369 |
| Financial derivative expense | (1,320) | (554) |
| Total financial derivative income, net | 1,258 | 1,815 |

NOTE 17 - Income from exchange differences, net

Exchange differences at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|--|---------------|--------------|
| Income from exchange differences | 85,072 | 111,654 |
| Expense from exchange differences | (72,785) | (109,587) |
| Total income (expense) on exchange differences, net | 12,287 | 2,067 |

Exchange rates are discussed in more detail in Note 2.3 Section (o).

NOTE 18 - Cash and cash equivalents

Cash and cash equivalents for Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| Banks | 263,918 | 371,244 |
| Investments | 52,786 | 16,338 |
| Cash | 34 | 36 |
| Cash and cash equivalents | 316,738 | 387,618 |

Cash and cash equivalent investments consist mostly of demand deposits and other minor investments with maturities of less than 90 days

Restricted cash is shown under "Other Assets". See Note 24

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 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|--|------------------|------------------|
| Investment portfolio ⁽¹⁾ | 5,099,631 | 3,524,829 |
| Accounts receivable (Note 20) | 210,369 | 150,186 |
| Hedging assets (Note 23.1) | 157,754 | 197,479 |
| Reinsurance assets (Note 21) | 564 | 432 |
| Total financial instrument assets | 5,468,318 | 3,872,926 |

⁽¹⁾The largest increase comes from the investments at amortized cost of Asulado Seguros S. A., which in the year 2023 had been recomposing its portfolio for the purpose of matching its long-term reserves (for an increase of USD 1,229,102).

The classification of financial assets at year-end 2023 and 2022 is as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| Financial instruments at amortized cost | | |
| Investments | 2,588,060 | 904,510 |
| Accounts receivable (Note 20) | 210,369 | 150,186 |
| Reinsurance assets (Note 21) | 564 | 432 |
| Total financial instrument assets at amortized cost | 2,798,993 | 1,055,128 |
| Financial instruments at fair value through profit or loss | | |
| Investments | 2,507,965 | 2,617,197 |
| Total financial instrument assets at fair value through profit or loss | 2,507,965 | 2,617,197 |

Financial instruments at fair value through Other Comprehensive Income

| | | |
|---|------------------|------------------|
| Investments | 3,606 | 3,122 |
| Hedging assets (Note 23.1) | 157,754 | 197,479 |
| Total financial instrument assets at fair value through Other Comprehensive Income | 161,360 | 200,601 |
| Total financial instrument assets | 5,468,318 | 3,872,926 |

The following is a breakdown of the investment portfolios held:

| Type of security | Currency | 2023 | 2022 |
|-----------------------------------|----------------|------------------|------------------|
| Fixed Income | USD | 179,444 | 654,056 |
| | Local currency | 3,379,522 | 1,437,358 |
| | Others | 33 | 2,922 |
| Equity instruments | USD | 349,039 | 438,327 |
| | Local currency | 1,191,524 | 992,166 |
| Others | Local currency | 69 | - |
| Total investment portfolio | | 5,099,631 | 3,524,829 |

The balance of the financial assets held at year-end 2023 and 2022, classified as current and non-current, is broken down as follows:

| | 2023 | 2022 |
|--|------------------|------------------|
| Investments | 3,771,166 | 1,927,246 |
| Accounts receivable | 1,279 | 736 |
| Hedging assets | 157,754 | 197,479 |
| Non-current financial instruments | 3,930,199 | 2,125,461 |
| Investments | 1,328,465 | 1,597,583 |
| Accounts receivable | 209,090 | 149,450 |
| Reinsurance assets | 564 | 432 |
| Current financial instruments | 1,538,119 | 1,747,465 |
| Total financial instrument assets | 5,468,318 | 3,872,926 |

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 with no specific maturity, their carrying amounts in books are approximated to their fair values. 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 reasonably 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 2023 and 2022 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 makes bearing in mind those used by 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 2023 and 2022 are classified as follows on the fair value hierarchy.

| | Level 1 | Level 2 | Level 3 | Subtotal | Amortized cost | Total |
|--------------------------------------|----------------|------------------|----------|------------------|------------------|------------------|
| Investments | 541,449 | 1,970,122 | - | 2,511,571 | 2,588,060 | 5,099,631 |
| Accounts receivable (Note 20) | - | - | - | - | 210,369 | 210,369 |
| Reinsurance assets (Note 21) | - | - | - | - | 564 | 564 |
| Hedging assets (Note 23.1) | - | 157,754 | - | 157,754 | - | 157,754 |
| Total financial assets - 2023 | 541,449 | 2,127,876 | - | 2,669,325 | 2,798,993 | 5,468,318 |
| Investments | 6,953 | 2,613,366 | - | 2,620,319 | 904,510 | 3,524,829 |
| Accounts receivable (Note 20) | - | - | - | - | 150,186 | 150,186 |
| Reinsurance assets (Note 21) | - | - | - | - | 432 | 432 |
| Hedging assets (Note 23.1) | - | 197,479 | - | 197,479 | - | 197,479 |
| Total financial assets - 2022 | 6,953 | 2,810,845 | - | 2,817,798 | 1,055,128 | 3,872,926 |

The following are the movements recorded in the financial asset account at year-end 2023 and 2022:

a) **Financial assets at amortized cost**

| | Investments | Accounts receivable (Note 20) | Reinsurance assets (Note 21) | Total |
|---|------------------|-------------------------------|------------------------------|------------------|
| Opening balance - 2022 | 371,562 | 112,762 | 925 | 485,249 |
| Additions | 662,942 | 6,316,330 | 1,297 | 6,980,569 |
| Net returns on financial assets | 58,488 | - | - | 58,488 |
| Write-offs | (149,298) | (6,295,572) | (1,778) | (6,446,648) |
| Impairment | (3,811) | (322) | - | (4,133) |
| Reclassified non-current assets held for sale | - | 17,193 | - | 17,193 |
| Exchange differences | (35,373) | (205) | (12) | (35,590) |
| Closing balance - 2022 | 904,510 | 150,186 | 432 | 1,055,128 |
| Additions | 1,284,255 | 7,179,892 | 1,428 | 8,465,575 |
| Net returns on financial assets | 236,426 | - | - | 236,426 |
| Write-offs | (140,765) | (7,140,465) | (1,280) | (7,282,510) |
| Impairment | (8,152) | (2,335) | - | (10,487) |
| Reclassified non-current assets held for sale | - | (364) | - | (364) |
| Translation adjustments | 311,786 | 23,455 | (16) | 335,225 |
| Closing Balance - 2023 | 2,588,060 | 210,369 | 564 | 2,798,993 |

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

| | Investments |
|------------------------------------|------------------|
| Opening balance - 2022 | 1,996,782 |
| Additions | 2,613,467 |
| Dividends | (7,025) |
| Net valuations of financial assets | (82,330) |
| Write-offs | (1,823,740) |
| Translation adjustments | (79,957) |
| Closing balance - 2022 | 2,617,197 |
| Additions | 1,844,630 |
| Net valuations of financial assets | 221,930 |
| Write-offs | (2,337,871) |
| Translation adjustments | 162,079 |
| Closing Balance - 2023 | 2,507,965 |

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

| | Investments |
|------------------------------------|--------------|
| Opening balance - 2022 | 5,479 |
| Write-offs | (2,461) |
| Net valuations of financial assets | 13 |
| Translation adjustments | 91 |
| Closing balance - 2022 | 3,122 |
| Write-offs | (31) |
| Net valuations of financial assets | 616 |
| Translation adjustments | (101) |
| Closing Balance - 2023 | 3,606 |

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, 2022 | 234,549 | (14,895) | 219,654 |
| Net valuations of financial assets(Note 16) | 153,907 | - | 153,907 |
| Valuations on changes through Other Comprehensive Income | (47,536) | (93,261) | (140,797) |
| Hedging costs | (402) | - | (402) |
| Translation adjustments | (51,386) | 16,503 | (34,883) |
| Closing balance - 2022 | 289,132 | (91,653) | 197,479 |
| Net valuations of financial assets(Note 16) | (180,492) | - | (180,492) |
| Valuations on changes through Other Comprehensive Income | 16,429 | 79,507 | 95,936 |
| Hedging costs | (315) | - | (315) |
| Translation adjustments | 55,315 | (10,169) | 45,146 |
| Closing Balance - 2023 | 180,069 | (22,315) | 157,754 |

19.2 Financial liabilities

The financial liabilities held by Sura Asset Management S.A. and Subsidiaries, including accounts payable at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| Financial liabilities at amortized cost | | |
| Issued bonds (Note 38) | 855,474 | 854,174 |
| Financial obligations (Note 33) | 538 | 651 |
| Accounts payable (Note 31) | 193,982 | 156,226 |
| Total other financial liabilities at amortized cost | 1,049,994 | 1,011,051 |
| Financial liabilities at fair value through profit or loss | | |
| Hedging liabilities (Note 23.2) | - | 50 |

| | 2023 | 2022 |
|---|------------------|------------------|
| Total financial liabilities at fair value through profit or loss | - | 50 |
| Total financial liabilities | 1,049,994 | 1,011,101 |

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

| | 2023 | 2022 |
|--|------------------|------------------|
| Financial liabilities at amortized cost | | |
| Issued bonds | 855,474 | 854,174 |
| Financial obligations | 512 | 627 |
| Total non-current financial liabilities | 855,986 | 854,801 |
| Financial obligations | 26 | 24 |
| Accounts payable | 193,982 | 156,226 |
| Hedging liabilities | - | 50 |
| Total current financial liabilities | 194,008 | 156,300 |
| Total financial liabilities | 1,049,994 | 1,011,101 |

The maturities and description of the financial obligations held by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are as follows:

| | Interest rate | Maturity | 2023 | 2022 |
|--|---------------|----------|------------|------------|
| Non-current financial liabilities | | | | |
| Security deposits | 0.00% | 2024 | 512 | 627 |
| Total security deposits | | | 512 | 627 |
| Total non-current financial liabilities | | | 512 | 627 |
| | Interest rate | Maturity | 2023 | 2022 |
| Current financial liabilities | | | | |
| Bancolombia | 37.52% | 2024 | 1 | 4 |
| Bancolombia | 37.52% | 2024 | 2 | 4 |
| Bancolombia | 37.52% | 2024 | 3 | - |
| Interest on financial obligations | | 2024 | 20 | 16 |
| Total bank loans | | | 26 | 24 |
| Total current financial liabilities | | | 26 | 24 |
| Total financial obligations | | | 538 | 651 |

The maturities of the financial obligations held at year-end 2023 and 2022 are shown as follows:

| Obligation | Less than 1 year | Between 1-3 years | Between 3-5 years | More than 5 years | Total |
|-----------------------------|------------------|-------------------|-------------------|-------------------|-------|
| Long term security deposits | - | 378 | 111 | 23 | 512 |
| Short term bank loans | 26 | - | - | - | 26 |

| Obligation | Less than 1 year | Between 1-3 years | Between 3-5 years | More than 5 years | Total |
|-------------------|------------------|-------------------|-------------------|-------------------|------------|
| Total 2023 | 26 | 378 | 111 | 23 | 538 |

| Obligation | Less than 1 year | Between 1-3 years | Between 3-5 years | More than 5 years | Total |
|-----------------------------|------------------|-------------------|-------------------|-------------------|------------|
| Long term security deposits | - | 372 | 113 | 142 | 627 |
| Short term bank loans | 24 | - | - | - | 24 |
| Total 2022 | 24 | 372 | 113 | 142 | 651 |

| Obligations - 2023 | Less than 1 year | Between 1-3 years | Between 3-5 years | More than 5 years | Total |
|--------------------|------------------|-------------------|-------------------|-------------------|---------|
| Bonds | 508,045 | - | 347,429 | - | 855,474 |
| Accounts payable | 193,982 | - | - | - | 193,982 |

| Obligations - 2022 | Less than 1 year | Between 1-3 years | Between 3-5 years | More than 5 years | Total |
|--------------------|------------------|-------------------|-------------------|-------------------|---------|
| Bonds | - | 507,440 | 346,734 | - | 854,174 |
| Accounts payable | 156,226 | - | - | - | 156,226 |

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 are measured and amortized at cost, these being loan agreements bearing variable interest rates.

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 - 2023 | 651 | 854,174 | 50 | 21,364 | 876,239 |
| New loans | 302 | - | - | - | 302 |
| Additions | - | - | - | 3,653 | 3,653 |
| Cancellations and write-offs | (403) | - | (118) | (11,893) | (12,414) |
| Accrued interest | 11,400 | 40,558 | - | 1,359 | 53,317 |
| Interest paid | - | (40,975) | - | - | (40,975) |
| Fair value through profit and loss | - | - | 62 | - | 62 |
| Unrealized exchange differences | (11,401) | (13,803) | - | 91 | (25,113) |
| Unrealized exchange differences - effectiveness | - | (179,785) | - | - | (179,785) |
| Currency translation effect | (11) | 195,305 | 6 | 2,309 | 197,609 |
| Closing Balance - 2023 | 538 | 855,474 | - | 16,883 | 872,895 |

NOTA 20 - Accounts receivable

Accounts payable at year-end 2023 and 2022 for Sura Asset Management S.A. and Subsidiaries are broken down as follows:

| | 2023 | 2022 |
|--|----------------|----------------|
| Accounts receivable due on pension business | 106,652 | 93,615 |
| Accounts receivable due on insurance business | 83,174 | 34,556 |
| Accounts receivable due on contracts with clients (See Note 5) | 11,825 | 11,587 |
| Accounts receivable from personnel | 4,759 | 5,332 |
| Accounts receivable due on fund management business | 3,678 | 4,448 |
| Accounts receivable from "Other Taxes" | 3,585 | 5,110 |
| Related parties (Note 42.2.1) | 655 | 287 |
| Other accounts receivable | 4,450 | 1,217 |
| Subtotal - accounts receivable | 218,778 | 156,152 |
| Impairment | (8,409) | (5,966) |
| Total accounts receivable (net) | 210,369 | 150,186 |

The Entity's maximum exposure to credit risk on accounts receivable is the same as the balance shown in the table above.

The aging of accounts receivable at year-end 2023, is shown as follows:

| Aging of accounts receivable | Less than 1 year | More than 5 years* | Total |
|-------------------------------------|------------------|--------------------|---------|
| Aging of accounts receivable - 2023 | 209,090 | 1,279 | 210,369 |
| Aging of accounts receivable - 2022 | 149,450 | 736 | 150,186 |

¹The balance shown for more than 5 years corresponds to security deposits that must be held with the Uruguayan Central Bank and in the case of Colombia to the sublease held with Asulado.

The movement corresponding to the impairment of accounts receivable for the years 2023 and 2022 is shown as follows:

| | 2023 | 2022 |
|--|----------------|----------------|
| Total Opening Balance | (5,966) | (2,656) |
| Additions | 772 | 733 |
| Business combination | - | (4,082) |
| Provision increases | (2,335) | (322) |
| Exchange differences through profit and loss | (880) | 361 |
| Final balance - calculated | (8,409) | (5,966) |

NOTE 21 - Reinsurance assets

Reinsurance assets at year-end 2023 and 2022 for Sura Asset Management S.A. and Subsidiaries are broken down as follows:

| | 2023 | 2022 |
|---------------------------------|------------|------------|
| Reinsured insurance contracts | 564 | 432 |
| Total reinsurance assets | 564 | 432 |

Total assets corresponding to reinsurance receivables for the years 2023 and 2022 were only recorded 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, mainly in terms of the extent of the major risks 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 reinsurance assets that have been ceded as part of an insurance contract, the Insurance Companies belonging to Sura Asset Management S.A. reduce their corresponding book values and recognize any impairment loss, if applicable, in the income accounts.

Reinsurance assets are assessed on a regular basis so as to be able to detect any circumstance that could cause an impairment. 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 Sura Asset Management S.A.'s insurance company, there is a very limited level of asset impairment for reinsurance contracts, given the quality and solvency of the reinsurance companies present in the portfolio.

NOTE 22 - Income tax

22.1. Applicable regulations

Currently applicable tax provisions have stipulated the following nominal income tax rates for 2023 and 2022 as applicable to Sura Asset Management and its subsidiaries located in:

| | Chile | Mexico | Peru | Uruguay | El Salvador | Colombia | Argentina | United States | Luxembourg |
|------------------------|--------|--------|--------|---------|-------------|----------|-----------|---------------|------------|
| Tax Rate - 2023 | 27.00% | 30.00% | 29.50% | 25.00% | 30.00% | *40.00% | 35.00% | 21.00% | 24.94% |
| Tax Rate - 2022 | 27.00% | 30.00% | 29.50% | 25.00% | 30.00% | 35.00% | 35.00% | 21.00% | 24.94% |

Colombia: In 2023 the general income tax rate was 35% along with a 10% rate levied on income from occasional gains. In the case of financial institutions and insurance entities, these shall have a surcharge of 5 percentage points applicable until the year 2027.

The audit benefit is extended for the years 2024 and 2027 to reduce the term in which income tax returns are finally and officially accepted by 6 or 12 months, provided that the corresponding net income tax is increased

by 35% or 25% respectively.

Wealth tax

Law 2277 of 2022 establishes a permanent wealth tax. Such tax shall accrue as of January 1 of each year.

This tax shall be levied on certain non-resident companies and entities that own assets in the country such as real estate, yachts, boats, speedboats, works of art, aircrafts or mining or oil rights. Non-resident companies or entities will not be taxed on shares, accounts receivable, and portfolio investments held in Colombia, nor will they be considered as taxpayers with respect to financial leasing contracts entered into with Colombian residents.

The tax due would accrue on the possession of liquid assets equal to or greater than 72,000 UVT (Tax Value Units in Colombia) (COP \$ 3,054 million approximately) and USD \$799.

The wealth tax base will be determined according to the range of the established marginal rates, that is to say between 0.5% and 1.5%. The 1.5% rate will be temporary from 2023 to 2026, inclusive. Therefore, as of 2027 the maximum rate shall be 1%.

Minimum taxation of 15%.

A minimum tax rate of 15% is introduced for income taxpayers. This minimum rate is called the "Purged Tax Rate -PTR", and may not be lower than 15%. This Purged Tax Rate -PTR, is determined by dividing purged tax (PT) by purged income (PI). In turn, the factors that make up the PT and the PI are established to delimit its determination. If the PTR is lower than 15%, it must be adjusted to reach the minimum 15%.

This minimum taxation does not apply in several cases, including foreign legal entities that do not reside in the country; Special Economic and Social Zones (SESZ in Spanish), during the period that their income tax rate is 0%; Zones that are Most Affected by Armed Conflict (ZOMAC in Spanish); income from hotel services subject to a 15% rate; editorial companies whose exclusive corporate purpose is publishing books; industrial and mixed economy companies owned by the State with a 9% rate; as well as concession contracts.

Chile: Law 21,210 issued in February 2020, this called the Income Tax Law, classifies income into that sourced from "capital" and that from "labor-related activities" and establishes an income tax rate of 27%.

Mexico: Here, income tax is calculated at an applicable rate of 30%; and also, income tax on employee profit-sharing is charged at a rate of 10%. Tax losses can be offset over a period not exceeding 10 years.

Peru: The income tax rate charged in this country is 29.5% on taxable income after workers' profit sharing plans, which is calculated by applying a rate of 5% on net taxable income. Losses may be offset within a period of 4 years beginning on the year following when the loss is produced, or indefinitely at a rate of 50% per year, depending on the system chosen, and this may not be subsequently changed.

El Salvador: Legal entities, domiciled or not in this country, shall calculate their tax by applying a rate of 30% to their taxable income, except for companies that have obtained a taxable income of less than or equal to USD 150,000.00, in which case a rate of 25% shall apply, excluding in addition to the aforementioned all those incomes that have been subject to definitive income tax withholdings in the legal percentages established in the Law.

El Salvador does not have a minimum alternative tax and tax losses generated in any period may not be carried forward to subsequent periods.

Uruguay: The income tax rate for corporations is 25% and is based on territorial income taking into account certain exceptions, therefore, income from outside the country is considered foreign sourced and not subject to tax; in the event that the company does not produce tax profits, it must be taxed using the minimum IRAE system as established in Article 93 of the Law of Income Tax on Economic Activities (IRAE in Spanish), which establishes that the corresponding tax must be based on the income produced the previous year on a minimum basis of approximately USD 300 per month; also tax losses may be imputed within the following 5 years of having been sustained.

Rule on notional dividends or profits regulated by Decree 36/017, which applies to net taxable income (NTI) taxed by the Uruguayan Tax Authorities (IRAE) that, at the end of a fiscal year, have a seniority greater than or equal to 4 fiscal years, shall be considered as a dividend or profit and will be taxed accordingly.

The allocation of notional dividends and profits must be made in the third month after the end of the fiscal year being settled.

Payments for notional dividends are imputed to the taxed dividends when they are actually distributed and in the case of any surplus these is imputed to future distributions.

Argentina: This country taxes income sourced worldwide. Law 27,630 passed on June 16, 2021 establishes amendments to this country's Income Tax Law, these including a modification to the tax rate for capital companies which will be gradually levied depending on the corresponding amount of net taxable income as follows: for up to \$5,000,000 Argentine pesos (ARS) the rate is 25%; between \$5,000,000 ARS and \$50,000,000 ARS the rate is 30% and from \$50,000,000 onwards the rate is 35%, for fiscal years beginning on or after January 1, 2021.

The Company that was operated in Argentina was being wound up at the end of this past reporting period.

United States: Corporate income tax is levied at a rate of 21%. A variable rate per State is also established, this not to exceed 12%.

There are several types of companies, the most common being: *a Corporation and a Limited Liability Company ("LLC")*. These two types of entities provide protection to owners from commercial liability (both have limited liability). A Corporation is represented by the directors ("officers and directors") and is the same as an S.A. in Colombia.

Luxembourg: The general combined corporate income tax rate for corporations residing in Luxembourg is 24.94%.

Investment funds can be structured on a contractual basis, as a private capital fund (FCP in Spanish); or on a corporate basis as an open-end investment company (SICAV) or closed-end investment company (SICAF).

22.2. Current tax

Sura Asset Management S.A. and Subsidiaries offset tax assets and liabilities only if it has a legally enforceable right to do so using 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.

| | 2023 | 2022 |
|------------------------------|---------------|---------------|
| Current tax assets | | |
| Income and supplementary tax | 36,908 | 32,089 |
| Tax credits | 6,017 | 9,228 |
| Withholding tax | 111 | 22 |
| Total current tax | 43,036 | 41,339 |

| | 2023 | 2022 |
|--------------------------------------|---------------|--------------|
| Current tax liabilities | | |
| Income and supplementary tax | 30,624 | 4,222 |
| Total current tax liabilities | 30,624 | 4,222 |

The following are the amounts of current tax that shall be recovered or paid over the next 12 months or more.

| Current tax | 2023 | 2022 |
|---|---------------|---------------|
| Current tax assets to be recovered within 12 months | 38,344 | 31,500 |
| Current tax assets to be recovered after 12 months | 4,692 | 9,839 |
| Total current tax assets | 43,036 | 41,339 |

| | | |
|--|---------------|--------------|
| Current tax liabilities payable within 12 months | 30,624 | 4,222 |
| Total current tax liabilities | 30,624 | 4,222 |

22.3. Tax recognized on income for the period

| | 2023 | 2022 |
|----------------------------------|------------------|-----------------|
| Current tax | (123,251) | (49,304) |
| Adjustments on prior periods | 887 | 2,604 |
| Total current tax expense | (122,364) | (46,700) |

| | | |
|---|-----------------|-----------------|
| Origination / reversal of temporary differences | (34,203) | (26,583) |
| Deferred tax adjustment | (44) | 265 |
| Changes in tax rates | - | 4,917 |
| Total deferred tax expense (income) | (34,247) | (21,401) |

22.4. Reconciliation of Effective Tax Rates

Effective tax rate reconciliation is broken down as follows:

| | 2023 | 2022 |
|---|-------------------------|------------------------|
| Book earnings before tax | 417,766 | 204,971 |
| Income tax at the local tax rates *. | 29.85% (124,719) | 30.85% (68,101) |
| Plus the tax effect of: | | |
| Elimination effects on the consolidated accounts ⁽¹⁾ | (163,184) | (135,849) |
| Non-deductible expense | (9,087) | (2,222) |
| Investments ⁽²⁾ | (122,510) | (119,315) |
| Financial assets | (328) | (60,503) |
| Property, plant and equipment | (1,998) | (382) |
| Amortization of intangibles | (1,324) | (72) |
| Provisions and contingencies | (1,636) | (1,308) |
| Financial liabilities | (62) | (5,103) |
| Other concepts | (341) | - |
| Tax losses | (8,016) | (40,783) |
| Surtax | (2,682) | (3,507) |
| Less the tax effect of: | | |
| The effect of IFRS translation adjustments ⁽⁴⁾ | (25,141) | 24,813 |
| Investments ⁽³⁾ | 194,439 | 112,277 |
| Financial assets | 1,845 | 11,765 |
| Property, plant and equipment | 1,869 | - |
| Amortization of intangibles | 9 | 186 |
| Provisions and contingencies | 1,893 | 20,782 |
| Financial liabilities | (1,329) | 54,588 |
| Other concepts | 27,157 | 53,765 |
| Exempt income | 25,315 | 14,354 |
| Tax discounts | 52,375 | 68,701 |
| Adjustments from prior periods | 844 | 2,896 |
| Adjustments for tax rate changes | - | 4,917 |
| Income tax | 37.49% (156,611) | 33.22% (68,101) |

* The applied rate is obtained from the average associated with the nominal rates of all countries.

⁽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.

Income tax shows an increase in expense of USD \$88.656 which is mainly explained by the following:

- Chile with USD 31,557 associated with the positive results of the Pension Fund Management firm
- Colombia with an increase of USD 25,024 as a result of having consolidated Protección's tax account, which with respect to the year 2022 only consolidated the last two months of the year (November and December).

⁽²⁾ Investments correspond to income from dividends received from subsidiaries.

⁽³⁾ Investments, corresponds to equity method at subsidiary level.

⁽⁴⁾ IFRS standardization effects correspond to reclassifications of income determined according to IFRS country guidelines, which are not part of the basis for local book income.

With regard to the other countries, the effective tax rate remained stable, considering that the growth recorded was also accompanied by a growth in earnings for the year.

22.5. Deferred tax

The movement of deferred taxes between December 2022 and 2023, in the form of deferred tax assets (positive) and liabilities (negative), is broken down as follows:

| | 2023 | 2022 | Recognized in the Comprehensive Income Accounts | Recognized in the Other Comprehensive Income Accounts | Translation effects | Business combination |
|---------------------------------------|------------------|------------------|---|---|---------------------|----------------------|
| Financial assets | (51,863) | (66,417) | 4,383 | 9,572 | 599 | - |
| Investments | (130,131) | (102,933) | (26,651) | | (547) | - |
| Fixed assets | (26,455) | (20,819) | (5,919) | 183 | 100 | - |
| Employee benefits | 7,016 | 3,426 | (313) | 54 | 2,032 | - |
| financial liabilities | (567) | 1,362 | (1,857) | - | (72) | - |
| Deferred acquisition costs (DAC): | (15,746) | (16,429) | (16,658) | - | 17,341 | - |
| Provisions | 46,122 | 20,765 | 30,879 | - | (5,522) | - |
| Financial obligations | 81,031 | 129,264 | (52,040) | - | 3,807 | - |
| Intangibles | (243,061) | (225,320) | (32,014) | - | 14,273 | - |
| Tax losses | 7,663 | 60,362 | (18,463) | - | (34,236) | - |
| Other items | (11,063) | (10,713) | 42,730 | (42,906) | (174) | 1,817 |
| Pension insurance: | 41,449 | - | 41,677 | - | (228) | - |
| Total Deferred Tax Assets | 24,196 | 86,709 | - | - | - | - |
| Total deferred tax liabilities | (319,801) | (314,161) | - | - | - | - |
| Deferred tax, net | (295,605) | (227,452) | (34,246) | (33,097) | (2,627) | 1,817 |

22.6. Unrecognized temporary differences from unused tax credits

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

| Maturity | Opening balance | Tax credits for the period | Closing balance - 2023 |
|----------------------------|-----------------|----------------------------|------------------------|
| Between one and five years | 192,842 | 44,615 | 237,457 |
| No time limit | 2,279 | 413 | 2,692 |

The increase in unrecognized tax losses is mainly due to: the Companies Seguros de Vida and Corredora in Chile, the Company NBM and SIM in Mexico and the Company NBM in Colombia.

22.7. Uncertainty with income tax treatments

At year-end 2023 and 2022, the Company analyzed all those tax aspects that could be qualified as uncertain and disclosed, according to the tax legislation applicable to each jurisdiction and according to the criteria and judgments used for determining and recognizing tax, no situations have been identified that could give rise to any tax uncertainty and that should be recognized for accounting purposes, in accordance with the framework established in IFRIC 23.

NOTE 23 –Derivatives and hedging operations

Sura Asset Management S.A. uses derivatives such as forwards and swaps, to hedge its exposure to exchange rates. These financial derivative 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.

At year-end 2023 and 2022, Sura Asset Management S.A. held financial 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 S.A. holds hedging contracts on the bonds issued in 2024 and 2027, details of which are given below:

Hedging the 2024 Bond Issue

Risk Management Objectives and Policies

Managing the risk of:

- Exposure to fluctuations with the exchange rate corresponding to the US dollar (currency that was agreed for passing on the financial obligation to the controlling entity via the merger), versus the Colombian peso, arising from the financial obligation amounting to USD 500 million (the 2024 Bond Issue). The effect of this conversion exposure is recorded in the Other Comprehensive Income Statement

This risk strategy consists of having foreign exchange hedges covering the Company's debt instruments denominated in foreign currency (bonds issued in USD), 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 AM has 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.

Type of hedging relationship: Cash flow hedges (exposure corresponding to exchange rate fluctuation risks on the financial obligation)

Nature of the risk to be covered; Foreign currency exchange risk corresponding to the Peso - dollar financial obligation, causing an exchange difference in the Comprehensive Income Statement

Identification of the hedged items

Financial obligation

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:

| Bond Issue - 2024 | |
|--------------------------|--|
| Issuer | SUAM Finance B.V. - Merged with Sura Asset Management S.A. |
| Type of debt instrument: | International bonds |
| Type of placement: | Public |
| Value | USD 500 million* |
| Coupon | 4,875% |
| Settlement date: | April 17, 2014 |
| Maturity date: | April 17, 2024 |
| Offering price: | 99.57% |
| Amount received: | USD 495 million |
| Yield to maturity: | 4.93% |
| Interest payment dates: | 17 April and 17 October of each year Sura Asset Management S.A., Sura Asset Management Chile S.A. |
| Guarantors: | 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.

At the end of 2023, the swap valuation of the 2024 bond issue came to USD 115,824.

Hedging instrument - 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.

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 SWAPS optimization will not take into account the restriction in the form of the Uruguayan peso (UYU) due to the lack of a derivatives market in this country.

After the simulations and optimizations carried out, the hedging instrument chosen was the Principal Only Swap (POS), which immunizes the income statement from the exchange difference, protects the nominal amount of net investments abroad, and reduces the risk on cash flow. This also maintains the aforementioned variables at stable levels.

After including the restrictions, based on the revised models, hedging using the Principal Only Swap (POS) for the 2024 bond issue should be performed in the following ratio:

| Currency | Amount in millions of USD | % |
|--------------|---------------------------|-------------|
| COP | 155 | 31% |
| CLP | 260 | 52% |
| PEN | 85 | 17% |
| Total | 500 | 100% |

The terms of the swap are as follows:

Bond Issue - 2024

This SWAP is syndicated as follows:

| Date | Bank | Amount in millions of USD |
|----------------|------------------------|---------------------------|
| April 17, 2024 | Citibank (Citi) | 220 |
| April 17, 2024 | Bank of America (BAML) | 220 |
| April 17, 2024 | Morgan Stanley (MS) | 60 |
| | | 500 |

| Portfolio | CITIBANK | | |
|-------------------------|----------|---------|---------|
| Nominal COP | 202,079 | 375,289 | 57,737 |
| Nominal USD | 70 | 130 | 20 |
| Capital conversion rate | 2886.84 | 2886.84 | 2886.84 |
| Fixed Rate - COP % | 2.80% | 2.80% | 2.80% |
| Convention in days | 30/360 | 30/360 | 30/360 |
| Frequency Adjustment | None | None | None |
| COP Discount Curve | S329 | S329 | S329 |
| USD Discount Curve | S42 | S42 | S42 |

| Portfolio | BAML | | |
|-------------------------|---------|---------|---------|
| Nominal COP | 202,079 | 375,289 | 57,737 |
| Nominal USD | 70 | 130 | 20 |
| Capital conversion rate | 2886.84 | 2886.84 | 2886.84 |
| Fixed Rate - COP % | 2.80% | 2.80% | 2.80% |
| Convention in days | 30/360 | 30/360 | 30/360 |
| Frequency Adjustment | None | None | None |
| COP Discount Curve | S329 | S329 | S329 |
| USD Discount Curve | S42 | S42 | S42 |

| Portfolio | Morgan | |
|-------------------------|---------|---------|
| Nominal COP | 43,303 | 129,908 |
| Nominal USD | 15 | 45 |
| Capital conversion rate | 2886.84 | 2886.84 |
| Fixed Rate - COP % | 2.80% | 2.80% |
| Convention in days | 30/360 | 30/360 |
| Frequency Adjustment | None | None |
| COP Discount Curve | S329 | S329 |
| USD Discount Curve | S42 | S42 |

The Swap to be contracted is a hedging instrument that covers the exposure generated by the principal of the bond to be paid in 2024, which amounts to USD 500 million. The resources for settling this bond must come primarily from the currency in which equity is measured: Colombian pesos (major shareholder Grupo Sura). This hedge also generates an accounting protection in Colombian pesos, which is the balance sheet currency containing these liabilities. This first item would be a Principal Only SWAP (POS) USD/COP, which has a liquid market.

Hedging the Bond Issue - 2027

Risk Management Objectives and Policies

An evaluation was carried out on the hedging strategy defined by the Company for managing the risk of exposure to fluctuations with the dollar exchange rate (currency that was agreed for passing on the financial obligation to the controlling entity via the merger), versus the Colombian peso, derived from the financial obligation in the amount of USD 350 million corresponding to the 2027 Bond Issue). The effect of this conversion exposure is recorded in the Other Comprehensive Income Statement

This risk strategy consists of having foreign exchange hedges covering the Company's debt instruments denominated in foreign currency (bonds issued in USD), 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 AM has 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.

Type of hedging relationship: cash flow hedge (exposure of the fluctuations with the exchange rate exposure on the financial obligation).

Nature of the risk to be hedged: foreign exchange risk: on the financial obligation: Peso - dollar, causing an exchange rate difference on the Comprehensive Income Statement

Identification of the hedged items

Financial obligation

- 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:

| Bond Issue - 2027 | |
|--------------------------|---|
| Issuer | Sura Asset Management S.A. |
| Type of debt instrument: | International bonds |
| Type of placement: | Public |
| Value | USD 350 million* |
| Coupon | 4,375% |
| Settlement date: | April 11, 2017 |
| Maturity date: | April 11, 2027 |
| Offering price: | 99.07% |
| Amount received: | USD 347 million |
| Yield to maturity: | 0,04491 |
| 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. |

* Nominal value USD 350 million. * The hedged portion comes to 82.86% or USD 290, this defined as the corresponding risk exposure.

At the end of 2023 the swap valuation of the 2027 bond issue came to \$ 41,930

Hedging instrument - 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.

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 SWAPS optimization will not take into account the restriction in the form of the Uruguayan peso (UYU) due to the lack of a derivatives market in this country.

After the simulations and optimizations carried out, the hedging instrument chosen was the Principal Only Swap (POS), which immunizes the income statement from the exchange difference, protects the nominal amount of net investments abroad, and reduces the risk on cash flow. This also maintains the aforementioned variables at stable levels.

After including the restrictions, based on the revised models, hedging using the Principal Only Swap (POS) for the 2027 bond issue should be performed in the ratio:

| Currency | Amount in millions of USD | % |
|--------------|---------------------------|-------------|
| COP | 90 | 26% |
| MXN | 80 | 23% |
| CLP | 120 | 34% |
| USD | 60 | 17% |
| Total | 350 | 100% |

The terms of the swap are as follows:

Bond issue - 2027

This SWAP is syndicated as follows:

| Date | Bank | Amount in millions of USD |
|----------------|-----------|---------------------------|
| April 11, 2027 | JP Morgan | 290 |

| Portfolio | JP Morgan |
|-------------------------|------------|
| Nominal COP | 831,894 |
| Nominal USD | 290 |
| Capital conversion rate | 2868.6 |
| Fixed Rate - COP % | 2.54% |
| Convention in days | Actual/360 |
| Frequency Adjustment | None |
| COP Discount Curve | S329 |
| USD Discount Curve | S42 |

Net foreign investment in Peruvian soles (COP - PEN)

Risk Management Objectives and Policies

- Exposure to the risk caused by fluctuations with the exchange rates of the functional currencies of the Latin American economies as recorded by the different subsidiaries, with regard to the parent Company's functional currency (net foreign investment). Therefore, it is necessary to incorporate the risk variable of net foreign investments due to the increasing volatility of the functional currencies referred to as well as possible merger and acquisition decisions in the short and medium term. The effect of this conversion exposure is recorded in the Other Comprehensive Income Statement

Type of hedging relationship:

- Hedging of the net investment in foreign-based operations.

Nature of the risk to be hedged.

In investments: from the peso to the PEN currencies with the corresponding conversion effect posted in the Other Comprehensive Income statement.

- Net foreign investment: the exchange differences relating to converting the earnings and net assets of the Company's subsidiary in Peru from its functional currency to Sura Asset Management's reporting currency, are directly recognized in the Other Comprehensive Income Statement. The gains and losses incurred with swaps hedging the 2024 bond issue produced by the PEN/USD foreign exchange curves, were designated as hedging instruments on net investments held in foreign-based operations and subsequently posted on the Other Comprehensive Income Statement.

| Currency | Investment expense in USD | Hedged Value in USD | Hedged Value in PEN | % Hedged |
|----------|---------------------------|---------------------|---------------------|----------|
| PEN | 276 | 85 | 278 | 17% |

The information used for this calculation was the value of Sura Asset Management S.A. investments including the rate, at July 31, 2018

Hedging instruments - description

| Portfolio | Citi | BAML | MS |
|-------------------------|------------|------------|------------|
| Nominal COP | 57,737 | 57,737 | 129,908 |
| Nominal PEN | 66 | 66 | 147 |
| Capital conversion rate | 881.47 | 881.47 | 881.47 |
| Fixed Rate - COP % | 2.75% | 2.75% | 2.75% |
| Fixed Rate - PEN % | 1.71% | 1.71% | 1.71% |
| Convention in days | Actual/360 | Actual/360 | Actual/360 |
| Frequency Adjustment | None | None | None |
| COP Discount Curve | S329 | S329 | S329 |
| PEN Discount Curve | S374 | S374 | S374 |

Net foreign investment in Mexican pesos (COP - MXN)

Risk Management Objectives and Policies

- Exposure to the risk caused by fluctuations with the exchange rates of the functional currencies of the Latin American economies as recorded by the different subsidiaries, with regard to the parent Company's functional currency (net foreign investment). Therefore, it is necessary to incorporate the risk variable of net foreign investment due to the increasing volatility of the functional currencies referred to as well as possible merger and acquisition decisions in the short and medium term. The effect of this conversion exposure is recorded in the Other Comprehensive Income Statement

Type of hedging relationship:

- Hedging of the net investment in a foreign-based operation.

Nature of the risk to be hedged.

In investments: from the peso to the MXN currencies with the corresponding conversion effect posted in the Other Comprehensive Income statement.

- Net foreign investment: the exchange differences relating to converting the earnings and net assets of Company’s subsidiary in Mexico from its functional currency to Sura Asset Management’s reporting currency, are directly recognized in the Other Comprehensive Income Statement. The gains and losses incurred with swaps hedging the bond maturing in 2027, produced by the MXN/USD foreign exchange curves, are designated as hedging instruments for net investments held in foreign-based operations and subsequently included in the Other Comprehensive Income Statement.

| Currency | Investment expense in USD | Hedged Value in USD | Hedged Value in MXN | % Hedged |
|----------|---------------------------|---------------------|---------------------|----------|
| MXN | 789 | 80 | 1,509 | 23% |

The information used for this calculation was the value of Sura Asset Management S.A. investments including the rate, at July 31, 2018

Hedging instruments - description

The SWAP was taken out with J.P. Morgan

| Portfolio | JPM |
|-------------------------|------------|
| Nominal COP | 229,488 |
| Nominal MXN | 1,509 |
| Capital conversion rate | 152.06 |
| Fixed Rate - COP % | 2.54% |
| Fixed Rate - MXN % | 2.54% |
| Convention in days | Actual/360 |
| Frequency Adjustment | None |
| COP Discount Curve | S329 |
| MXN Discount Curve | S151 |

Net foreign investment in Chilean pesos (COP - CLP)

Risk Management Objectives and Policies

- Exposure to the risk caused by fluctuations with the exchange rates of the functional currencies of the Latin American economies as recorded by the different subsidiaries, with regard to the parent Company’s functional currency (net foreign investment). Therefore, it is necessary to incorporate the risk variable of net investments abroad due to the increasing volatility of the functional currencies referred to as well as possible merger and acquisition decisions in the short and medium term. The effect of this conversion exposure is recorded in the Other Comprehensive Income Statement

Type of hedging relationship

- Hedging of the net investment in a foreign-based operation.

Nature of the risk to be hedged.

In investments: from the peso to the CLP currencies with the corresponding conversion effect posted in the Other Comprehensive Income Statement.

- Net foreign investment: the exchange differences relating to converting the earnings and net assets of Company's subsidiary in Chile from its functional currency to Sura Asset Management's reporting currency, are directly recognized in the Other Comprehensive Income Statement. The gains and losses incurred with swaps hedging the bonds maturing in 2024 and 2027 as produced by the CLP/USD foreign exchange curves, were designated as hedging instruments for net investments held in foreign-based operations and subsequently included in the Other Comprehensive Income Statement.

| Currency | Investment expense in USD | Hedged Value in USD | Hedged Value in CLP | % Hedged |
|----------|---------------------------|---------------------|---------------------|----------|
| CLP | 1,392 | 380 | 245,999 | 86% |

Hedging instruments - description

Bond Issue - 2024

| Portfolio | Citi | BAML | MS |
|-------------------------|------------|------------|------------|
| Nominal COP | 375,289 | 375,289 | - |
| Nominal CLP | 83,63 | 83,63 | - |
| Capital conversion rate | 4.48 | 4.48 | 4.48 |
| Fixed Rate - COP % | 2.75% | 2.75% | 2.75% |
| Fixed Rate - CLP % | 0.75% | 0.75% | 0.75% |
| Convention in days | Actual/360 | Actual/360 | Actual/360 |
| Frequency Adjustment | None | None | None |
| COP Discount Curve | S329 | S329 | S329 |
| CLP Discount Curve | S194 | S194 | S194 |

Bond Issue - 2027

| Portfolio | J.P. Morgan |
|-------------------------|-------------|
| Nominal COP | 344,232 |
| Nominal CLP | 78,738 |
| Capital conversion rate | 4.37 |
| Fixed Rate - COP % | 2.54% |
| Fixed Rate - CLP % | 2.54% |
| Convention in days | Actual/360 |
| Frequency Adjustment | None |
| COP Discount Curve | S329 |
| CLP Discount Curve | S194 |

Hedging effectiveness

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 forward element of the derivative would move in the opposite direction so as to mitigate the loss incurred with the exchange differences posted on the Comprehensive Income Statement.
- In the case of net foreign investment, any currency depreciation (CLP, PEN) would produce a loss with the value of the Company's net foreign-based investments, 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.

Under a critical terms test, the notional, the dates and the economic relationship between the hedged item and the hedging instrument were compared, reaching 100% of the netting, which is the final test of a hedge's effectiveness.

Consolidated Financial Strategy

The swaps to be taken out will be hedging instruments covering the following 2 risks or items:

- The exposure generated by the principal of the bond to be paid in 2024, which amounts to USD 500 million. The resources for settling this bond must come primarily from the currency in which the Company's equity is measured: Colombian pesos (major shareholder Grupo Sura). This hedge also generates an accounting protection in Colombian pesos, which is the balance sheet currency containing these liabilities. This first item would be a Principal Only SWAP (POS) USD/COP, which has a liquid market.
- The foreign exchange exposure of the assets (net foreign investment), which, being denominated in different Latin American currencies, generates equity risks. These SWAPS would be from COP to the different currencies (CLP and PEN). Although there is no COP/CLP or COP/PEN SWAPS market, an approximation can be made with liquid markets as follows:

$$\text{CCS USDCLP (1)} = \text{CCS USDCOP (2)} + \text{CCS COPCLP (3)}$$

This equivalence occurs because the legs (2 and 3) of the COP curves are netted. SWAPS are hedging instruments that have the advantage of being able to disaggregate the risk components. For this reason, SWAPS 2 and 3 will be confirmed at the time of closing, which in reality make up SWAP 1.

A significant reduction in the exchange difference can be achieved by SWAP accounting through the accounting bifurcation of the valuation curves, which consists of the following steps:

A POS SWAP is taken out from USD to COP for 100% of the nominal amount, which covers:

- Accounting risks generated by unrealized exchange differences on the nominal values of the respective bond issue.
- The economic exposure generated by the uncertainty of being able to settle the debt in dollars.

Accounting under IFRS 9: Hedge Accounting

- A certain future flow is hedged by a Cash Flow Hedge, and the valuation of the derivative is recorded in the Other Comprehensive Income Statement and the Swap's FX component in the Comprehensive Income Statement, from which the Swap's FX component remaining in the Comprehensive Income Statement will be broken down in order to perfectly match the exchange difference corresponding to the debt.

Another Principal Only Swap (POS) was taken out from COP to the other remaining currencies in which net foreign investments are denominated, this in the form of a nominal % determined according to each of the risks identified for each country where the investments held by Sura Asset Management are located. This POS covers the economic exposure, since currently these investments are held without any hedging arrangements. It would mitigate the effect of the exchange rate impact on investments recorded in the Other Comprehensive Income Statement.

Accounting records under IFRS 9: Hedge Accounting

This part shall be valued and charged to the Other Comprehensive Income Statement since it deals with net foreign investment

The sum of the above steps corresponds to a SWAP from USD to the final currencies. The bifurcation exercise consists of disaggregating the risk elements of the hedging instrument in order to assign these to the mentioned hedged items.

With regard to the above-mentioned derivatives, the forward element and the spot element shall be separated. The first, the forward element, relates to hedging costs and shall be recorded in the Other Comprehensive Income Statement, and then shall be reclassified to the Comprehensive Income Statement in a systematic and rational manner. The second element, the spot element, will be the portion of the derivative designated as the hedging instrument and will be recorded in the Comprehensive Income Statement this in order to mitigate the exchange difference caused by the financial obligation.

The balances of the hedging assets and liabilities held by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022, are shown below.

23.1. Hedging assets

Hedging assets held by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are broken down as follows:

| Hedging swaps | Cash flow hedges | Foreign investment hedges | 2023 |
|---------------|------------------|---------------------------|---------|
| USD COP 2024 | 122,117 | - | 122,117 |
| USD COP 2027 | 69,599 | - | 69,599 |

| | | | |
|-------------------------|----------------|-----------------|----------------|
| COP PEN | - | (11,283) | (11,283) |
| COPCLP | - | (1,929) | (1,929) |
| COPMXN | - | (20,750) | (20,750) |
| At year-end 2023 | 191,716 | (33,962) | 157,754 |

| Hedging swaps | Cash flow hedges | Foreign investment hedges | 2022 |
|----------------------------------|------------------|---------------------------|----------------|
| USD COP 2024 | 198,636 | - | 198,636 |
| USD COP 2027 | 99,750 | - | 99,750 |
| COP PEN | - | (22,152) | (22,152) |
| COP CLP | - | (60,343) | (60,343) |
| COP MXN | - | (18,412) | (18,412) |
| Figures at year-end 2022. | 298,386 | (100,907) | 197,479 |

The movement of hedges for the year 2023 is broken down as follows:

| Hedging swaps | 2022 | | | 2023 | | | | | | |
|-------------------------|------------------|---------------------------|----------------|---|---|--|-----------------------------|------------------|---------------------------|----------------|
| | Hedges - 2022 | | | Comprehensive Income | Movement in Other Comprehensive Income | | | Hedges - 2023 | | |
| | Cash flow hedges | Foreign investment hedges | Total | Cash flow hedges - Comprehensive Income | Cash flow hedges - Other Comprehensive Income | Foreign Investment hedges - Other Comprehensive Income | Currency translation effect | Cash flow hedges | Foreign investment hedges | Total |
| USD COP 2024 | 198,636 | | 198,636 | (114,236) | 1,122 | - | 36,595 | 122,117 | - | 122,117 |
| USD COP 2027 | 99,750 | | 99,750 | (66,257) | 15,307 | - | 20,799 | 69,599 | - | 69,599 |
| COP PEN | - | (22,152) | (22,152) | - | - | 14,183 | (3,314) | - | (11,283) | (11,283) |
| COP CLP | - | (60,343) | (60,343) | - | - | 63,253 | (4,839) | - | (1,929) | (1,929) |
| COP MXN | - | (18,412) | (18,412) | - | - | 2,071 | (4,409) | - | (20,750) | (20,750) |
| Balance - hedges | 298,386 | (100,907) | 197,479 | (180,493) | 16,429 | 79,507 | 44,832 | 191,716 | (33,962) | 157,754 |

The movement of hedges for the year 2022 is broken down as follows:

| Hedging swaps | 2021 | 2022 | | | | | | |
|-------------------------|----------------|---|---|--|-----------------------------|--------------------------|---------------------------|----------------|
| | Hedges - 2021 | Comprehensive Income | Movement Other Comprehensive Income | | | Hedges - 2022 | | |
| | | Cash flow hedges - Comprehensive Income | Cash flow hedges - Other Comprehensive Income | Foreign investment hedges - Other Comprehensive Income | Currency translation effect | Total cash flow coverage | Foreign investment hedges | Total |
| USD COP 2024 | 46,177 | 97,409 | (35,565) | - | 90,615 | 198,636 | - | 198,636 |
| USD COP 2027 | 29,938 | 56,497 | (11,971) | - | 25,286 | 99,750 | - | 99,750 |
| COP PEN | 17,343 | - | - | 15,496 | (54,991) | - | (22,152) | (22,152) |
| COP CLP | 109,196 | - | - | 63,977 | (233,516) | - | (60,343) | (60,343) |
| COP MXN | 17,000 | - | - | 13,788 | (49,200) | - | (18,412) | (18,412) |
| Balance - hedges | 219,654 | 153,906 | (47,536) | 93,261 | (221,806) | 298,386 | (100,907) | 197,479 |

All hedging assets at year-end 2023 and 2022 are held in Colombia only.

The aging of hedging assets is as follows:

| | Between 1-3 years | Between 3-5 years | Total |
|------------------------------------|-------------------|-------------------|----------------|
| Colombia | 118,159 | 39,595 | 157,754 |
| Total hedging assets - 2023 | 118,159 | 39,595 | 157,754 |
| Colombia | 137,876 | 59,603 | 197,479 |
| Total hedging assets - 2022 | 137,876 | 59,603 | 197,479 |

23.2 Derivative and hedging financial liabilities

Sura Asset Management S.A. and its Subsidiaries recorded a balance in its financial derivative liabilities account at year-end 2023, this corresponding to Protección S.A.

| | 2023 | 2022 |
|----------------------------------|----------|-----------|
| Interest rate swaps | - | 50 |
| Total hedging liabilities | - | 50 |

| | 2023 | 2022 |
|-------------------------|----------|-----------|
| Opening balance | 50 | - |
| Fair value | 62 | - |
| Business combination | - | 48 |
| Additions - write-offs | (118) | - |
| Translation differences | 6 | 2 |
| Closing balance | - | 50 |

NOTE 24 - Other assets

Other assets and pre-paid expense, as recorded by Sura Asset Management S.A. and Subsidiaries for the years 2023 and 2022, are broken down as follows:

| | 2023 | 2022 |
|---|---------------|---------------|
| Other assets - non-current | | |
| Works of art (1) | 12,692 | 11,121 |
| Restricted cash | 1,235 | 825 |
| Total other assets - non-current | 13,927 | 11,946 |
| Other assets - current | | |
| Pre-paid expense | 4,980 | 3,899 |
| Total other assets - current | 4,980 | 3,899 |
| Total other assets | 18,907 | 15,845 |

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

SURA Asset Management S.A. and Subsidiaries

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consists of 367 works of art by celebrated artists such as Frida Kahlo, Diego Rivera, Gerardo Murillo, Pedro Coronel, among others.

Restricted cash at year-end 2023

| Restricted cash - 2023 | Amounts subject to restrictions | Restriction description | Date on which restriction was lifted | Country |
|--|---------------------------------|---|--------------------------------------|----------|
| Bank deposits | | | | |
| Banco BBVA Colombia S.A. 29900001719 | 96 | Legal proceedings conducted on bank accounts | Ongoing | Colombia |
| GNB Sudameris 630037530 | | | | |
| Banco Interactive Brokers (Investment Account) ME I1652772 | 948 | Commission-related hedge funds - Foreign Brokerage Firm | Ongoing | Peru |
| Banco de La Nación (Drawdown Account) M.N 00-053-10024 | 7 | Funds used solely to pay taxes to the SUNAT Tax Authorities | Ongoing | Peru |
| Banco de La Nación (Drawdown Account) M.N 00-005-171466 | 184 | Funds used solely to pay taxes to the SUNAT Tax Authorities | Ongoing | Peru |
| Total restricted cash - 2023 | 1,235 | | | |

Restricted cash at year-end 2022:

| Restricted cash 2022 | Amounts subject to restrictions | Restriction description | Date on which restriction was lifted | Country |
|--|---------------------------------|---|--------------------------------------|---------|
| Bank deposits | | | | |
| Banco Interactive Brokers (Investment Account) ME I1652772 | 642 | Commission-related hedge funds - Foreign Brokerage Firm | Ongoing | Peru |
| Banco de La Nación (Drawdown Account) M.N 00-005-171466 | 183 | Funds used solely to pay taxes to the SUNAT Tax Authorities | Ongoing | Peru |
| Total restricted cash - 2022 | 825 | | | |

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 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|---------------------------------------|---------------|---------------|
| Buildings | 14,140 | 18,828 |
| Vehicles | 171 | 192 |
| Computer and communications equipment | 583 | 686 |
| Improvements to leased property | 1,013 | 1,301 |
| Total right-of-use assets | 15,907 | 21,007 |
| Right-of-Use liabilities | 16,883 | 21,364 |
| Total right-of-use liabilities | 16,883 | 21,364 |

The following are the movements recorded in assets subject to financial leasing arrangements:

| | Buildings | Vehicles | Computer and communications equipment | Improvements to leased property | Total |
|-------------------------------|-----------------|--------------|---------------------------------------|---------------------------------|-----------------|
| Cost | | | | | |
| Opening Balance - 2022 | 54,176 | 205 | 1,489 | 6,081 | 61,951 |
| Additions | 5,784 | 158 | 119 | 738 | 6,799 |
| Write-offs | (12,110) | (32) | (192) | (23) | (12,357) |
| Business combination | 4,295 | - | - | - | 4,295 |
| Currency translation effect | 301 | 6 | 32 | (456) | (117) |
| Closing balance - 2022 | 52,446 | 337 | 1,448 | 6,340 | 60,571 |
| Additions | 3,885 | 39 | 211 | 330 | 4,465 |
| Write-offs | (7,048) | - | - | (429) | (7,477) |
| Currency translation effect | 3,091 | 33 | 5 | 535 | 3,664 |
| Closing Balance - 2023 | 52,374 | 409 | 1,664 | 6,776 | 61,223 |
| Depreciation | | | | | |
| Opening Balance - 2022 | (28,578) | (86) | (505) | (4,526) | (33,695) |
| Depreciation for the year | (11,592) | (93) | (432) | (758) | (12,875) |
| Withdrawals | 9,319 | 32 | 191 | (129) | 9,413 |
| Business combination | (2,115) | - | - | - | (2,115) |
| Currency translation effect | (652) | 2 | (16) | 374 | (292) |
| Closing balance - 2022 | (33,618) | (145) | (762) | (5,039) | (39,564) |
| Depreciation for the year | (13,668) | (121) | (464) | (754) | (15,007) |
| Withdrawals | 10,096 | 38 | 139 | 464 | 10,737 |
| Currency translation effect | (1,044) | (10) | 6 | (434) | (1,482) |
| Closing Balance - 2023 | (38,234) | (238) | (1,081) | (5,763) | (45,316) |
| At year-end 2023 | 14,140 | 171 | 583 | 1,013 | 15,907 |
| At year-end 2022 | 18,828 | 192 | 686 | 1,301 | 21,007 |

The following are the movements recorded in liabilities subject to financial leasing arrangements:

| | Liabilities on Financial Leasing Agreements |
|------------------------|---|
| Opening Balance - 2022 | 29,611 |
| Additions | 5,517 |
| Withdrawals | (16,084) |
| Accrued interest | 1,207 |
| Business combination | 1,239 |

| | Liabilities on Financial Leasing Agreements |
|--------------------------------------|--|
| Adjustments for exchange differences | (11) |
| Currency translation effect | (115) |
| Closing balance - 2022 | 21,364 |
| Additions | 3,653 |
| Accrued interest | 1,359 |
| Withdrawals | (11,893) |
| Adjustments for exchange differences | 91 |
| Currency translation effect | 2,309 |
| Closing Balance - 2023 | 16,883 |

The following is a breakdown of the terms governing financial leasing arrangements for 2023 and 2022 respectively:

| | Minimum amounts payable | Present value of minimum amounts payable | Future interest charges |
|----------------------------|----------------------------|--|----------------------------|
| Less than 1 year | 3,280 | 2,961 | 319 |
| Between 1-5 years | 12,252 | 10,412 | 1,840 |
| More than 5 years | 4,016 | 3,510 | 506 |
| Total leases - 2023 | 19,548 | 16,883 | 2,665 |

| | Minimum amounts payable | Present value of minimum amounts payable | Future interest charges |
|----------------------------|----------------------------|--|----------------------------|
| Less than 1 year | 5,220 | 4,644 | 576 |
| Between 1-5 years | 18,133 | 14,448 | 3,685 |
| More than 5 years | 2,592 | 2,272 | 320 |
| Total leases - 2022 | 25,945 | 21,364 | 4,581 |

The following is a breakdown of the payments on lease contracts as recognized in the income accounts for the period:

| | 2023 | 2022 |
|---|---------------|---------------|
| Amortization expense on right-of-use assets | 15,007 | 12,875 |
| Expense incurred with short term asset leasing arrangements | 2,037 | 1,764 |
| Interest expense on lease liabilities | 1,359 | 1,207 |
| Expense incurred on low value assets | 18 | 22 |
| Variable lease payments | 141 | 97 |
| Total recognized in the income accounts | 18,562 | 15,965 |

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 | 270 | - |

| | Less than 5 years | More than 5 years |
|---|-------------------|-------------------|
| Lease agreements with extension options that not expected to be renewed | 9,571 | 7,042 |
| Total leasing arrangements | 9,841 | 7,042 |

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:

| | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| Deferred acquisition costs (DAC) | 192,998 | 181,867 |
| Total DAC | 192,998 | 181,867 |

Movements in the Deferred Acquisition Costs - DAC - account at year-end 2023 and 2022 are as follows:

| | Total |
|-------------------------------|----------------|
| Opening Balance - 2022 | 174,038 |
| Additions | 47,593 |
| Amortizations | (46,728) |
| Currency translation effect | 6,964 |
| Closing balance - 2022 | 181,867 |
| Additions | 45,955 |
| Amortizations | (50,974) |
| Currency translation effect | 16,150 |
| Closing Balance - 2023 | 192,998 |

NOTE 27 - Investment properties

The balance of the investment property account at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|------------------------------------|---------------|---------------|
| Buildings | 72,103 | 70,404 |
| Land | 8,849 | 7,802 |
| Total investment properties | 80,952 | 78,206 |

Movements in the investment property account for the years 2023 and 2022 are shown as follows:

| | 2023 | 2022 |
|-----------------------------|---------------|---------------|
| Opening balance | 78,206 | 68,566 |
| Write-offs | - | (573) |
| Business combination | - | 5,248 |
| Fair value | 3,427 | 5,478 |
| Currency translation effect | (681) | (513) |
| Closing balance | 80,952 | 78,206 |

Lease income obtained from the Company's investment property at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|---------------------------|--------------|--------------|
| Lease income | 4,457 | 4,047 |
| Total lease income | 4,457 | 4,047 |

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 Sura Asset Management S.A. and Subsidiaries . 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.

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 properties belonging to Sura Asset Management S.A. and Subsidiaries have been appraised by the following appraisers and appraisal firms:

- Real & Data Consultores Inmobiliarios and Transsa, both highly reputable appraisers in the Chilean real estate market, registered with the Chilean Financial Market Commission (CMF in Spanish) .
- Ingeniero Gino Layseca Zoppi CIP, N° 48728, REPEV 10812-2011 in Peru.
- Luis Pedraza Merino Constructora E.I.R.L., REPEV N° 280-98 in Peru.
- Francisco Ochoa Avalúos de Colombia.
- Colliers Internacional de Colombia.

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. Valuations are performed on an annual basis and the fair value gains and losses are recorded in 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 were observed, evaluated and traded during the last half of 2023, as well as in the terms of the lease income obtained, this 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 2023 and 2022 are broken down as follows:

| Total investment properties - 2023 | Maximum contractual term (in years) | Maximum term elapsed (in years) | Appraisal date | Current status | Country |
|---|-------------------------------------|---------------------------------|-------------------|--------------------------------|----------|
| Millenium | 6 | 9 | December 31 2023 | Leased to third parties. | Chile |
| Nueva Los Leones | 2 | 2 | December 31 2023 | Leased to third parties. | Chile |
| Paseo Las Palmas - Renta | 4 | 17 | December 31 2023 | Leased to third parties. | Chile |
| Coyancura | 3 | 3 | December 31 2023 | Leased to third parties. | Chile |
| Bandera 236 | 1 | 3 | December 31 2023 | Leased to third parties. | Chile |
| Apoquindo 3600 | 4 | 3 | December 31 2023 | Leased to third parties. | Chile |
| Land (aliquot) Sura Tower | 1 | - | December 31 2023 | Leased to related parties | Peru |
| Building and parking space - Sura Tower | 1 | - | December 31 2023 | Leased to related parties | Peru |
| Dominii Buildings | - | - | December 31 2023 | Building subject to litigation | Peru |
| Oficina 1103 Torre Empresarial Protección | - | - | November 4, 2021 | Available | Colombia |
| Parqueaderos Torre Empresarial | - | - | November 4, 2021 | Available | Colombia |
| Piso 5 Torre Protección Medellín | 3 | 1 | November 16, 2021 | Leased to third parties | Colombia |
| Piso 6 Torre protección Medellín | 3 | - | November 16, 2021 | Leased to third parties | Colombia |
| Parking spaces Protección Torre in Medellín | 3 | 1 | November 16, 2021 | Leased to third parties | Colombia |
| Locales 110-120-172 Torre protección | 5 | 15 | November 16, 2021 | Leased to third parties | Colombia |
| Oficinas 403-404-405 Unicentro Medellín | - | - | December 02 2021 | Available | Colombia |

| Total investment properties - 2022 | Maximum contractual term (in years) | Maximum term elapsed (in years) | Appraisal date | Current status | Country |
|---|-------------------------------------|---------------------------------|-------------------|--------------------------------|----------|
| Millenium | 4 | 8 | December 31 2022 | Leased to third parties. | Chile |
| Nueva Los Leones | 3 | 1 | December 31 2022 | Leased to third parties. | Chile |
| Paseo Las Palmas - Renta | 4 | 16 | December 31 2022 | Leased to third parties. | Chile |
| Coyancura | 3 | 2 | December 31 2022 | Leased to third parties. | Chile |
| Bandera Building | 2 | 2 | December 31 2022 | Leased to third parties. | Chile |
| Apoquindo Building | 5 | 2 | December 31 2022 | Leased to third parties. | Chile |
| Adoquindo Plot of Land | 5 | 2 | December 31 2022 | Leased to third parties. | Chile |
| Land (aliquot) Sura Tower | 1 | - | November 18, 2022 | Leased to related parties | Peru |
| Building and parking space - Sura Tower | 1 | - | November 18, 2022 | Leased to related parties | Peru |
| Dominii Buildings | - | - | December 27 2022 | Building subject to litigation | Peru |
| Oficina 1103 Torre Empresarial | - | - | November 4, 2021 | Available | Colombia |
| Parqueaderos Torre Empresarial | - | - | November 4, 2021 | Available | Colombia |

| Total investment properties - 2022 | Maximum contractual term (in years) | Maximum term elapsed (in years) | Appraisal date | Current status | Country |
|---|-------------------------------------|---------------------------------|-------------------|-------------------------|----------|
| Piso 5 Torre Proteccion Medellín | 3 | - | November 16, 2021 | Leased to third parties | Colombia |
| Piso 6 Torre Proteccion Medellín | 3 | - | November 16, 2021 | Leased to third parties | Colombia |
| Parking spaces Protección Torre in Medellín | 3 | - | November 16, 2021 | Leased to third parties | Colombia |
| Locales 110-120-172 Torre Proteccion | 5 | 14 | November 16, 2021 | Leased to third parties | Colombia |
| Oficinas 403-404-405 Unicentro Medellín | - | - | December 02 2021 | Available | Colombia |

Sura Am performs appraisals of its investment properties in periods ranging from 3 to 5 years; however, the cost index is reviewed annually, and if there is no change of more than 10%, no appraisal is performed and this finding is documented in the form of a technical memorandum.

None of the Company's investment properties had been used to secure or guarantee loans at year-end 2023 and 2022. No property has been pledged to a third party. 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 2023 and 2022 correspond to Level 3 on the Fair Value Hierarchy

NOTE 28 - Property and equipment, net

The classification of the net Property, Plant and Equipment account of Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|---|---------------|---------------|
| Buildings | 34,449 | 32,039 |
| Computer, communication and other equipment | 13,853 | 15,026 |
| Vehicles | 5,101 | 3,758 |
| Land | 4,192 | 3,800 |
| Total property and equipment, net | 57,595 | 54,623 |

Movements to the Property, Plant and Equipment held by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are shown as follows:

| | Buildings | Computer, communication and other equipment | Land | Vehicles | Total |
|------------------------------------|---------------|---|--------------|--------------|----------------|
| Cost | | | | | |
| At December 31, 2021 | 40,304 | 52,643 | 2,736 | 4,441 | 100,124 |
| Additions | 3,740 | 11,010 | 203 | 2,148 | 17,101 |
| Write-offs | (1,797) | (9,191) | - | (1,529) | (12,517) |
| Revaluations | 1,598 | - | - | - | 1,598 |
| Business combination | 13,359 | 8,893 | 828 | 39 | 23,119 |
| Impairment to business combination | (337) | - | (20) | - | (357) |
| Currency translation effect | (575) | 1,523 | 53 | 109 | 1,110 |
| Closing balance - 2022 | 56,292 | 64,878 | 3,800 | 5,208 | 130,178 |
| Additions | 1,726 | 5,579 | 135 | 2,573 | 10,013 |
| Write-offs | (1,194) | (7,247) | - | (1,617) | (10,058) |

| | Buildings | Computer, communication and other equipment | Land | Vehicles | Total |
|-------------------------------|-----------------|---|--------------|----------------|-----------------|
| Revaluations | 290 | - | - | - | 290 |
| Currency translation effect | 4,210 | 5,621 | 257 | 796 | 10,884 |
| Closing Balance - 2023 | 61,324 | 68,831 | 4,192 | 6,960 | 141,307 |
| Depreciation | | | | | |
| At December 31, 2021 | (19,456) | (40,452) | - | (1,048) | (60,956) |
| Depreciation for the year | (2,573) | (6,235) | - | (591) | (9,399) |
| Withdrawals | 56 | 4,711 | - | 191 | 4,958 |
| Business combination | (1,808) | (6,477) | - | - | (8,285) |
| Currency translation effect | (472) | (1,399) | - | (2) | (1,873) |
| Closing balance - 2022 | (24,253) | (49,852) | - | (1,450) | (75,555) |
| Depreciation for the year | (2,544) | (6,745) | - | (758) | (10,047) |
| Withdrawals | 867 | 5,652 | - | 555 | 7,074 |
| Currency translation effect | (945) | (4,033) | - | (206) | (5,184) |
| Closing Balance - 2023 | (26,875) | (54,978) | - | (1,859) | (83,712) |
| Net book value | | | | | |
| Closing balance - 2023 | 34,449 | 13,853 | 4,192 | 5,101 | 57,595 |
| Closing balance - 2022 | 32,039 | 15,026 | 3,800 | 3,758 | 54,623 |

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 was 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 4 and 10 years |
| Computer, communication and other equipment | Between 2 and 5 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 with normal wear and tear,
- 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 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|--------------------------------|------------------|------------------|
| Goodwill ⁽¹⁾ | 1,225,113 | 1,172,017 |
| Customer relations | 649,616 | 629,635 |
| Trademarks | 45,136 | 32,837 |
| Software and applications | 23,876 | 32,787 |
| Software licenses | 150 | 2,180 |
| Other intangible assets | 348 | 430 |
| Total Intangible Assets | 1,944,239 | 1,869,886 |

⁽¹⁾ Goodwill corresponding to business combinations held by Sura Asset Management S.A. as posted at year-end 2023 and 2022, is broken down as follows:

| | 2023 | 2022 |
|-------------------------------------|-----------|-----------|
| Acquisition of the ING companies | 1,101,381 | 1,061,807 |
| Acquisition of AFP Horizonte | 73,420 | 71,363 |
| Asulado S.A. | 35,489 | 24,278 |
| AFP Crecer S.A. | 13,584 | 13,584 |
| Acquisition of Fiduciaria Sura S.A. | 1,239 | 985 |

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| Total Goodwill | 1,225,113 | 1,172,017 |

Movements in the intangible asset account belonging to Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are broken down as follows:

| | Goodwill | Trademarks | Client relations | Software and applications | Software licenses | Other intangible assets | Total |
|-------------------------------|------------------|---------------|------------------|---------------------------|-------------------|-------------------------|------------------|
| Cost | | | | | | | |
| Opening Balance - 2022 | 1,100,669 | 32,385 | 846,684 | 74,063 | - | 1,382 | 2,055,183 |
| Additions | - | - | - | 17,153 | 231 | 12 | 17,396 |
| Write-offs | - | - | - | (15,861) | (749) | - | (16,610) |
| Business combination | 37,570 | - | 138,233 | - | 4,132 | - | 179,935 |
| Currency translation effect | 33,778 | 452 | 31,963 | 1,350 | (81) | (12) | 67,450 |
| Closing balance - 2022 | 1,172,017 | 32,837 | 1,016,880 | 76,705 | 3,533 | 1,382 | 2,303,354 |
| Additions | - | - | - | 23,504 | 9,838 | - | 33,342 |
| Write-offs | - | - | - | (35,585) | (12,967) | - | (48,552) |
| Business combination | 11,212 | 11,167 | 39,268 | - | - | - | 61,647 |
| Currency translation effect | 41,884 | 1,132 | 57,352 | 5,144 | 70 | (5) | 105,577 |
| Closing Balance - 2023 | 1,225,113 | 45,136 | 1,113,500 | 69,768 | 474 | 1,377 | 2,455,368 |
| Amortizations | | | | | | | |
| Opening Balance - 2022 | - | - | (338,967) | (39,062) | - | (874) | (378,903) |
| Amortizations | - | - | (35,510) | (17,348) | - | (70) | (52,928) |
| Withdrawals | - | - | - | 13,002 | - | (17) | 12,985 |
| Business combination | - | - | - | - | (1,353) | - | (1,353) |
| Currency translation effect | - | - | (12,768) | (510) | - | 9 | (13,269) |
| Closing balance - 2022 | - | - | (387,245) | (43,918) | (1,353) | (952) | (433,468) |
| Amortizations | - | - | (47,556) | (13,910) | (39) | (73) | (61,578) |
| Withdrawals | - | - | 1,398 | 14,755 | 1,068 | - | 17,221 |
| Currency translation effect | - | - | (30,481) | (2,819) | - | (4) | (33,304) |
| Closing Balance - 2023 | - | - | (463,884) | (45,892) | (324) | (1,029) | (511,129) |
| Net book value | | | | | | | |
| At December 31, 2023 | 1,225,113 | 45,136 | 649,616 | 23,876 | 150 | 348 | 1,944,239 |
| Closing balance - 2022 | 1,172,017 | 32,837 | 629,635 | 32,787 | 2,180 | 430 | 1,869,886 |

The following are the useful lives corresponding to the more representative intangible assets

| Customer relations | Total useful life | Remaining useful life |
|---------------------------------|-------------------|-----------------------|
| AFP Capital S.A. (Chile) | 27 | 15 |
| Seguros de Vida S.A. (Chile) | 14 | 2 |
| AFP Integra (Peru) | 30 | 18 |
| AFAP Sura S.A. (Uruguay) | 23 | 11 |
| Afore Sura S.A. de C.V (México) | 27 | 15 |
| Protección (Colombia) | 20 | 19 |
| AFP Crecer S.A. (El Salvador) | 20 | 19 |

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 value of goodwill assigned to the Companies that make up the CGUs at year-end 2023 and 2022 are as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| CGUs in Chile | | |
| AFP Capital S.A. (Chile) | 413,695 | 423,970 |
| Corredora de Bolsa and Administradora General de Fondos S.A (Chile) | 18,646 | 19,108 |
| CGUs in Mexico | | |
| Afore Sura S.A. De C.V. | 319,194 | 279,346 |
| Sura Investment Management México S.A de C.V. (Mexico) | 7,568 | 6,623 |
| CGUs in Peru | | |
| AFP Integra (Peru) | 361,507 | 351,381 |
| Fondos Sura SAF S.A.C.: | 17,055 | 16,578 |
| CGU in Uruguay | | |
| AFAP Sura S.A. (Uruguay) | 37,136 | 36,164 |
| CGU Fiduciaria Sura | | |
| FIDUCIARIA SURA S.A. (Colombia) | 1,239 | 985 |
| CGU Crecer | | |
| AFP Crecer S.A. (El Salvador) | 13,584 | 13,584 |
| CGU Asulado | | |
| Asulado Seguros de Vida S.A. | 35,489 | 24,278 |
| Total | 1,225,113 | 1,172,017 |

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,

- AFP Capital, associated with the CGU in Chile
- AFP Integra, associated with the CGU in Peru
- AFP Protección, associated with the CGU, AFP Protección
- AFP Crecer, associated with the CGU AFP Crecer

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:

- Forecast horizon: Given the current macroeconomic conditions and the general characteristics and maturity of the different CGU's business in question as well as all information currently made available, we have considered the following specific projection horizons:
 - Corredora de Bolsa Sura S.A. and Administradora General de Fondos Sura S.A.: 5 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: 5 years
 - AFP Integra S.A.: 10 years
 - Fondos Sura SAF S.A.C.: 10 years
 - AFAP Sura S.A: 5 years
 - AFP Protección: 5 years
 - AFP Crecer: 5 years

Generally 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 defined in the guidelines suggested in the applicable standard.

- Year-end: The cut-off date corresponding to the fiscal year on which the CGU's financial projections were estimated on the date this 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 9.5% and 18.6%.

Income tax rates: Projected cash flows are estimated on an after-tax basis. For this purpose the income tax rates applicable to each country at year-end 2022, were applied. (See Note 22 for more information on tax rates)

- *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. For this reason, an explicit 5-year projection was drawn up for the AFP Capital brand and a 10-year projection for the AFP Integra brand, respectively, and then the present value of a perpetual net royalty stream was calculated.
- *Projected Income:* For the purpose of estimating the use value of these trademarks, the operating earnings produced by the respective businesses was taken into account.
- *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:*
 - *Recognition:*
 - *Brand loyalty:*
 - *Market share*
 - Longevity:

Based on the above procedures, an applicable royalty of 1.05% was estimated for the trademarks AFP Capital, AFP Integra, Protección y Crecer respectively.

- *Taxation:* For the purpose of calculating after-tax streams of royalties, the tax rates current in each country were used.

NOTA 30 - Investments in associates and joint ventures

Investments in Associates at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|---|---------------|---------------|
| Fondos De Cesantías Chile III S.A. | 4,970 | 5,987 |
| Fondos de Cesantías Chile II S.A. | 4,885 | 3,090 |
| Servicios de Administración Previsional S.A. | 3,982 | 3,891 |
| Inversiones DCV S.A. | 2,285 | 2,062 |
| Total investments in related parties | 16,122 | 15,030 |
| Unión para la infraestructura S.A.S (UPI) | 740 | 505 |
| Unión para la infraestructura Perú S.A.C. | 164 | 230 |
| Total investments in joint ventures | 904 | 735 |
| Total investments in associates and joint ventures | 17,026 | 15,765 |

See Note 8 for a breakdown of our associates and joint ventures.

The financial information corresponding to the associates of Sura Asset Management is summarized as follows:

| 2023 | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Equity | Revenues | Profit (loss) | Other Comprehensive Income | Comprehensive income |
|--|----------------|--------------------|---------------------|-------------------------|--------|----------|---------------|----------------------------|----------------------|
| Inversiones DCV S.A. | 22 | 9,811 | 6 | - | 9,827 | 1,688 | 1,693 | - | 1,693 |
| Servicios de Administración Previsional S.A. | 17,887 | 12,619 | 12,831 | 87 | 17,588 | 40,424 | 17,623 | - | 17,623 |
| Fondos de Cesantías Chile II | 17,584 | 296 | 1,263 | - | 16,617 | 35,491 | 11,909 | (22) | 11,887 |
| Fondos de Cesantías Chile III | 11,348 | 11,972 | 5,549 | 4,210 | 13,561 | 12,527 | (2,309) | 3 | (2,306) |
| Unión para la infraestructura Perú S.A.C. | 9,596 | 844 | 5,929 | - | 4,511 | 13,967 | (2,020) | - | (2,020) |
| Unión para la infraestructura S.A.S (UPI) | 3,723 | 469 | 2,258 | 454 | 1,480 | 3,203 | 1,285 | - | 1,285 |

| 2022 | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Equity | Revenues | Net income | Other Comprehensive Income | Comprehensive income |
|--|----------------|--------------------|---------------------|-------------------------|--------|----------|------------|----------------------------|----------------------|
| Inversiones DCV S.A. | 18 | 7,892 | 6 | - | 7,904 | 1,620 | 1,632 | - | 1,632 |
| Servicios de Administración Previsional S.A. | 15,363 | 9,982 | 9,957 | 70 | 15,318 | 36,701 | 16,333 | - | 16,333 |
| Fondos de Cesantías Chile II | 20,320 | 2,560 | 13,160 | 352 | 9,368 | 50,354 | 13,578 | - | 13,578 |
| Fondos de Cesantías Chile III | 14,473 | 243 | 156 | - | 14,560 | - | 134 | - | 134 |
| Unión para la infraestructura Perú S.A.C. | 10,773 | 1,917 | 5,990 | - | 6,700 | 14,448 | 863 | - | 863 |
| Unión para la infraestructura S.A.S (UPI) | 2,391 | 420 | 1,400 | 400 | 1,011 | 2,797 | 1,119 | - | 1,119 |

NOTE 31 - Accounts payable

Accounts payable at year-end 2023 and 2022 for Sura Asset Management S.A. and Subsidiaries are broken down as follows:

| Accounts payable | 2023 | 2022 |
|--|----------------|----------------|
| Accounts payable to suppliers | 40,583 | 54,207 |
| Accounts payable on customer contracts (See Note 5) | 37,732 | 31,202 |
| Dividends payable | 37,670 | 151 |
| Accounts payable on pension business | 36,494 | 30,291 |
| Other accounts payable - short term | 11,286 | 17,611 |
| Accounts payable on fund management business | 13,968 | 11,039 |
| Employment contributions and withholdings payable | 12,054 | 8,833 |
| Other taxes payable | 3,190 | 2,563 |
| Accounts payable from related parties (Note 42.2)(1) | 726 | 147 |
| Insurance payable | 279 | 182 |
| Total accounts payable | 193,982 | 156,226 |

All accounts payable corresponding to Sura Asset Management S.A. and its subsidiaries are current.

NOTE 32 - Reinsurance liabilities

Reinsurance liabilities at year-end 2023 and 2022 are held in their entirety in Chile and consist of the following

| | 2023 | 2022 |
|--------------------------------------|--------------|-------------|
| Reinsurance liabilities | 1,112 | 570 |
| Total reinsurance liabilities | 1,112 | 570 |

These consist of obligations incurred by Sura Asset Management S.A., in performing reinsurance operations. Reinsurance operations refer to portions of risks ceded to another insurance company.

NOTE 33 - Financial obligations at amortized cost

Financial obligations held by Sura Asset Management S.A. at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|------------------------------------|-------------|-------------|
| Financial obligations | 538 | 651 |
| Total financial obligations | 538 | 651 |

The balance of financial obligations held at year-end 2023 and 2022, these classified as current and non-current, is broken down as follows:

| | 2023 | 2022 |
|-----------------------------------|-------------|-------------|
| Non-current financial obligations | 512 | 627 |
| Current financial obligations | 26 | 24 |

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The maturities and description of the financial obligations held at year-end 2023 and 2022 can be found in Note 19.2 - Financial Liabilities

NOTA 34 – Technical Reserves - Insurance Contracts

Technical reserves

Items contained in the Technical Reserve Account fall into the following categories:

Claims reserves: these are provisions set up on the estimated costs of the claims that have occurred but have not yet been paid. This includes:

- Claims reserves: 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 is subject to monthly recalculations.
- Reserve for claims incurred but not reported (IBNR) This reserve is set up to show all those claims that have occurred, but have not been reported by the policy-holder and / or beneficiary on the corresponding reporting date

Reserves for future commitments: These consist of provisions set up on expected future commitments to policy-holders. These include:

- 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. This liability is determined as the sum of the present value of expected future earnings, claims and policy handling expense, that are directly related to the insurance contract, less the discounted value of the expected premiums required to meet future payments based on the valuation assumptions used.
- Mathematical annuity reserves: These are calculated based on the present value of future earnings from the contract and direct operating expenses that the company shall incur in paying its contractual obligations.
- Unearned Premium Reserves: These 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. This provision is determined on the basis of paid premiums net of expense and is amortized over the term of coverage.
- Life insurance deposit (savings) reserves or fund value reserves for unit linked, universal life (including flexible), and other products that include a deposit component (savings component that recognizes the value of policyholders fund):.

Other reserves: Sura Asset Management S.A. 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 subsidiaries dedicated to the insurance business are Seguros de Vida Sura S.A. Chile and Asulado Seguros de Vida S.A. Colombia.

The technical reserves held by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|--------------------------------------|------------------|------------------|
| Mathematical reserve | 1,891,543 | 1,184,403 |
| Non-current reserves | 1,891,543 | 1,184,403 |
| Other reserves | 2,879 | 2,928 |
| Reserve for unearned premiums | 875 | 882 |
| IBNR reserves | 293,334 | 3,865 |
| Claims reserves | 92,106 | 3,152 |
| Fund value reserves | 1,086,275 | 1,028,241 |
| Other insurance contract liabilities | 4,344 | 4,820 |
| Current reserves | 1,479,813 | 1,043,888 |
| Total Reserves | 3,371,356 | 2,228,291 |

The increase in reserves is due to the activities carried out by the insurance company in Colombia, Asulado Seguros de Vida S.A., for the year 2023.

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 | 1,891,543 | 4 | 1,891,539 |
| Other reserves | 2,879 | - | 2,879 |
| Reserve for unearned premiums | 875 | 4 | 871 |
| IBNR reserves | 293,334 | 316 | 293,018 |
| Claims reserves | 92,106 | 240 | 91,866 |
| Fund value reserves | 1,086,275 | - | 1,086,275 |
| Other insurance contract liabilities | 4,344 | - | 4,344 |
| Total 2023 | 3,371,356 | 564 | 3,370,792 |

| | Retained portion (liability) | Reinsured portion (asset) | Total |
|--------------------------------------|---------------------------------|------------------------------|------------------|
| Mathematical reserve | 1,184,403 | 5 | 1,184,398 |
| Other reserves | 2,928 | - | 2,928 |
| Reserve for unearned premiums | 882 | 3 | 879 |
| IBNR reserves | 3,865 | 111 | 3,754 |
| Claims reserves | 3,152 | 313 | 2,839 |
| Fund value reserves | 1,028,241 | - | 1,028,241 |
| Other insurance contract liabilities | 4,820 | - | 4,820 |
| Total 2022 | 2,228,291 | 432 | 2,227,859 |

The breakdown by type of reserve shown as follows:

| | Individual protection ⁽¹⁾ | Unit-linked | Group insurance | Annuities and others | Total |
|-------------------------------|--------------------------------------|------------------|-----------------|----------------------|------------------|
| Mathematical reserve | 93,017 | - | 18,308 | 1,780,218 | 1,891,543 |
| Other reserves | 163 | 2,717 | - | 4,343 | 7,223 |
| Reserve for unearned premiums | 535 | 331 | 9 | - | 875 |
| IBNR reserves | 1,870 | 435 | 435 | 290,594 | 293,334 |
| Claims reserves | 908 | 2,143 | 826 | 88,229 | 92,106 |
| Fund value reserves | - | 1,086,275 | - | - | 1,086,275 |
| Total 2023 | 96,493 | 1,091,901 | 19,578 | 2,163,384 | 3,371,356 |

| | Individual protection ⁽¹⁾ | Unit-linked | Group insurance | Annuities and others | Total |
|-------------------------------|--------------------------------------|------------------|-----------------|----------------------|------------------|
| Mathematical reserve | 99,224 | - | 18,692 | 1,066,487 | 1,184,403 |
| Other reserves | 151 | 2,777 | - | 4,820 | 7,748 |
| Reserve for unearned premiums | 529 | 339 | 14 | - | 882 |
| IBNR reserves | 2,433 | 1,168 | 264 | - | 3,865 |
| Claims reserves | 762 | 1,846 | 544 | - | 3,152 |
| Fund value reserves | - | 1,028,241 | - | - | 1,028,241 |
| Total 2022 | 103,099 | 1,034,371 | 19,514 | 1,071,307 | 2,228,291 |

* The reserve corresponding to individual protection includes our traditional, universal life and individual health care as well as mandatory pension policies.

The movements and the effects of measuring insurance and reinsurance liabilities are shown as follows:

| | Insurance contract liabilities | Total insurance contract liabilities | Insurance contract assets | Total insurance contract assets | Net |
|---|--------------------------------|--------------------------------------|---------------------------|---------------------------------|------------------|
| Opening Balance - 2022 | 1,221,192 | 1,221,192 | 925 | 925 | 1,220,267 |
| Changes in reserves (claims, premiums, new reserves set up) | 1,093,078 | 1,093,078 | (481) | (481) | 1,093,559 |
| Monetary correction - reserves | 143,642 | 143,642 | - | - | 143,642 |
| Freed up reserves | (87,453) | (87,453) | - | - | (87,453) |
| Other changes to reserves | 1,307 | 1,307 | - | - | 1,307 |
| Currency translation adjustments | (143,475) | (143,475) | (12) | (12) | (143,463) |
| Total 2022 | 2,228,291 | 2,228,291 | 432 | 432 | 2,227,859 |
| Changes in reserves (claims, premiums, new reserves set up) | 1,123,850 | 1,123,850 | 148 | 148 | 1,123,702 |
| Monetary correction - reserves | 55,795 | 55,795 | - | - | 55,795 |
| Freed up reserves | (375,132) | (375,132) | - | - | (375,132) |
| Other changes to reserves | (71) | (71) | - | - | (71) |
| Other changes to accounts payable - insurance companies | (527) | (527) | - | - | (527) |
| Currency translation adjustments | 339,150 | 339,150 | (16) | (16) | 339,166 |
| Total 2023 | 3,371,356 | 3,371,356 | 564 | 564 | 3,370,792 |

NOTE 35 - Employee benefits

The balance of the Employee Benefit account for Sura Asset Management S.A. and Subsidiaries is broken down as follows:

| | 2023 | 2022 |
|--------------------------------------|---------------|---------------|
| Short-term benefits (Note 35.1) | 63,144 | 54,038 |
| Post-employment benefits (Note 35.3) | 3,996 | 2,436 |
| Long-term benefits (Note 35.2) | 2,303 | 1,710 |
| Termination benefits | 276 | 280 |
| Total employee benefits | 69,719 | 58,464 |

35.1 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 in the first quarter of each year to all those employees entitled to such incentives for achieving the predefined targets and to the extent that corporate objectives have been attained
- c) Other employee benefits: these are minor amounts, which are charged to expense, to the extent that the service or benefit is provided.

Short-term employee benefits are broken down as follows:

| | 2023 | 2022 |
|---|---------------|---------------|
| Bonuses | 45,557 | 36,606 |
| Vacation pay | 10,176 | 9,381 |
| Current provisions for employee benefits | 5,084 | 6,246 |
| Severance | 2,110 | 1,692 |
| Other benefits | 147 | 101 |
| Extralegal Bonus | 70 | 12 |
| Total short-term employee benefits | 63,144 | 54,038 |

35.2 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.

The long-term benefits offered by Sura Asset Management S. A. at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|--|--------------|--------------|
| Seniority Bonus | 2,303 | 1,710 |
| Total long-term employee benefits | 2,303 | 1,710 |

Long-term employee benefits correspond entirely to Mexico.

The following shows the movements of long-term employee benefits:

| | Seniority Bonus |
|---|------------------------|
| Present value of employee benefit obligations at year-end 2021 | 965 |
| Costs incurred during the period | 218 |
| Interest expense | 103 |
| Costs of past services | 377 |
| (Gains)/ losses due to changes in actuarial assumptions | 105 |
| (Gains)/ losses due to changes in financial assumptions | (19) |
| Upcoming payments | 86 |
| Employee payments | (132) |
| Currency translation adjustments | 7 |
| Present value of employee benefit obligations at year-end 2022 | 1,710 |
| Costs incurred during the period | 396 |
| Interest expense | 154 |
| Costs of past services | (176) |
| (Gains) losses due to changes in financial assumptions | 237 |
| Employee payments | (355) |
| Currency translation adjustments | 337 |
| Present value of employee benefit obligations at year-end 2023 | 2,303 |

The following are the economic assumptions which were systematically applied for the purpose of estimating the costs of a deferred benefit plan:

| | Seniority Bonus | |
|---|------------------------|-------------|
| | 2023 | 2022 |
| Discount rate (%) | 9.30% | 9.50% |
| <i>How the discount rate is determined</i> | | |
| Average salary increase - non-unionized employees (%) | 5.50% | 5.41% |
| Minimum salary increase (%) | 4.30% | 4.37% |

Sensitivity analysis performed for 2023 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 | 2,274 | 2,273 | 2,216 | 2,277 |
| Variation in sensitivity | 29 | 30 | 87 | 26 |

Sensitivity analysis performed for 2022 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 | 1,736 | 1,682 | 1,660 | 1,757 |
| Variation in sensitivity | (26) | 28 | 50 | (47) |

35.3 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:

| | 2023 | 2022 |
|---------------------------------------|--------------|--------------|
| Retirement bonus | 3,996 | 2,436 |
| Total post-employment benefits | 3,996 | 2,436 |

The following table shows the movement in this account

| | Retirement benefits |
|--|---------------------|
| Present value of obligations at year-end 2021 | 1,405 |
| Re-measurements | - |
| Other changes | 1,279 |
| Exchange differences | (248) |
| Present value of obligations at year-end 2022 | 2,436 |
| Re-measurements | - |
| Other changes | 956 |
| Exchange differences | 604 |
| Present value of obligations at December 31, 2023 | 3,996 |

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 | |
|---------------------------|-----------------------------|-------|
| | 2023 | 2022 |
| Discount rate (%) | 8.25% | 9.50% |
| Annual inflation rate (%) | 5.00% | 3.00% |
| Wage increase rate (%) | 3.00% | 4.00% |

Sensitivity analysis performed for 2023 based on a 1% change in the discount and inflation rates

| | Retirement benefits | | | |
|------------------------------------|---------------------|---------|----------------|---------|
| | Discount rate | | Inflation rate | |
| | Inc. +1 | Dec. -1 | Inc. +1 | Dec. -1 |
| Present value of employee benefits | 2,274 | 2,273 | 2,216 | 2,277 |
| Variation in sensitivity | 29 | 30 | 87 | 26 |
| Present service expense | 315 | 315 | 307 | 316 |

Sensitivity analysis performed for 2022 based on a 1% change in the discount and inflation rates

| | Retirement benefits | | | |
|------------------------------------|---------------------|---------|----------------|---------|
| | Discount rate | | Inflation rate | |
| | Inc. +1 | Dec. -1 | Inc. +1 | Dec. -1 |
| Present value of employee benefits | 2,423 | 2,440 | 2,560 | 2,317 |
| Variation in sensitivity | 12 | -4 | -125 | 118 |

| | Retirement benefits | | | |
|-------------------------|---------------------|---------|----------------|---------|
| | Discount rate | | Inflation rate | |
| | Inc. +1 | Dec. -1 | Inc. +1 | Dec. -1 |
| Present service expense | 303 | 299 | 293 | 290 |

35.4 Employee benefit expense

The following is a breakdown of employee benefit expense at year-end 2023 and 2022 (See Note 13):

| | 2023 | 2022 |
|-------------------------------|----------------|----------------|
| Salaries and wages | 124,579 | 91,500 |
| Commissions | 48,545 | 42,505 |
| Bonuses | 45,815 | 34,833 |
| Legal employment benefits | 35,128 | 19,400 |
| Other subsidies | 25,103 | 25,675 |
| Social security contributions | 21,487 | 10,929 |
| Indemnities | 10,143 | 15,282 |
| Insurance policies | 6,995 | 5,954 |
| Personnel training | 1,957 | 1,663 |
| Total | 319,752 | 247,741 |

NOTE 36 - Provisions and contingencies

Provisions set up by Sura Asset Management S.A. and Subsidiaries at year-end 2023 and 2022 are broken down as follows:

| | 2023 | 2022 |
|---|----------------|----------------|
| Provisions - non-current | | |
| Provisions for litigation and lawsuit expense | 103,130 | 51,786 |
| Total provisions - non-current | 103,130 | 51,786 |
| Provisions - current | | |
| Other general provisions - current | 107,726 | 74,558 |
| Total provisions - current | 107,726 | 74,558 |
| Total provisions | 210,856 | 126,344 |

The movements with provisions set up to cover litigation and lawsuit expense in each country at year-end 2023 and 2022 are shown as follows:

| Provisions for litigation and lawsuit expense | Total |
|---|---------------|
| Opening balance - 2022 | 9,388 |
| New provisions and additions | 32,251 |
| Business combination acquisitions | 12,851 |
| Amounts used | (2,959) |
| Currency translation differences | 255 |
| Closing balance - December 31 2022 | 51,786 |
| New provisions and additions | 8,878 |

| Provisions for litigation and lawsuit expense | Total |
|---|---------------|
| Amounts used | (979) |
| Currency translation differences | 5,124 |
| Closing balance - December 31 2023 | 64,809 |

Movements with the general provisions and Law 100 liabilities account at year-end 2023 and 2022 for Sura Asset Management S.A. and Subsidiaries are broken down as follows:

| Other general provisions (including Law 100 liabilities) | Total |
|--|----------------|
| Opening balance - 2022 | 1,575 |
| New provisions and additions | 3,310 |
| Business combination acquisitions | 207,536 |
| Amounts used | (137,729) |
| Currency translation differences | (134) |
| Closing balance - December 31 2022 | 74,558 |
| New provisions and additions | 18,932 |
| Amounts used | (4,587) |
| Business combination | 38,321 |
| Currency translation differences | 18,823 |
| Closing balance - 2023 | 146,047 |

NOTE 37 - Deferred Income Liabilities (DIL)

Deferred income liabilities at year-end 2023 and 2022 are outlined below:

| | 2023 | 2022 |
|--|---------------|---------------|
| Deferred Income Liabilities (DIL) | 12,944 | 14,294 |
| Total Deferred Income Liabilities (DIL) | 12,944 | 14,294 |

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.

This amortization is carried out to the extent that fund membership is depleted (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).

NOTE 38 – Issued Bonds

The balance of Issued Bonds at year-end 2023 and 2022 is broken down as follows:

| | 2023 | 2022 |
|-------------------------------------|----------------|----------------|
| Issued bonds | 855,474 | 854,174 |
| Total long-term issued bonds | 855,474 | 854,174 |

All bonds were issued in Colombia

Movements with issued bonds for the year ended December 31, 2023 are shown as follows:

| | |
|---|----------------|
| Opening balance - 2022 | 852,934 |
| Accrued interest | 41,184 |
| Interest paid | (38,257) |
| Unrealized exchange differences | 11,514 |
| Unrealized exchange differences - effectiveness | 153,129 |
| Currency translation effect | (166,330) |
| Closing balance - 2022 | 854,174 |
| Accrued interest | 40,558 |
| Interest paid | (40,975) |
| Unrealized exchange differences | (13,803) |
| Unrealized exchange differences - effectiveness | (179,785) |
| Currency translation effect | 195,305 |
| Closing balance - 2023 | 855,474 |

Bonds 2027

In April 2017, Sura Asset Management S.A. 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 surpassing Colombia's own sovereign debt rating. These ratings were obtained for both the issuer and the securities issued.

Detailed information regarding this issue of bonds is shown below:

| | |
|--------------------------------------|--|
| Issuer | Sura Asset Management S.A. |
| Guarantors | Sura Asset Management Chile S.A., Sura Asset Management México S.A. de C.V., Sura Asset Management Peru S.A., Sura Asset Management Uruguay Sociedad de Inversión S.A. |
| Type of offering | Type of offering: 144A / Reg S |
| Amount authorized and issued: | 144A / Reg S |
| Coupon | USD 350 million. |
| Maturity date | 4.375% annual rate |
| Nominal value (each in USD dollars): | April 11, 2027 |
| Use of the funds obtained: | USD 99.07. |
| Payment method: | Restructuring liabilities and general corporate purposes |
| Custodian: | Returns are paid on a half-yearly in arrears basis |
| | Bank of New York Mellon |

The Prospectus and Issue and Placement Rules and Regulations contain the following general obligations: The Company, upon signing this agreement, shall abstain from:

a) Encumbrances: Sura Asset Management S.A. may not 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: *These 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, 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: Sura Asset Management may not 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 income 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) Reporting Obligations:

- Sura Asset Management's quarterly consolidated financial statements prepared in accordance with IFRS, are to be published within a term of 45 days following each quarterly cut-off date, in English.
- The 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, in English.
- Statement of Compliance on part of the 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 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 2014. 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 the subsidiary SUAM Finance B.V., (the absorbed company) 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 portions of capital, nor did this have any effect on the consolidated financial statements.

Detailed information regarding this issue of bonds is shown below:

| | |
|--------------------------------------|--|
| Issuer | SUAM Finance B.V.* |
| Guarantors | Sura Asset Management S.A., Sura Asset Management Chile S.A. (formerly Sura 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. (formerly Tublyr S.A.) |
| Type of offering | Type of offering: 144A / Reg S |
| Amount authorized and issued: | USD 500 million |
| Coupon | 4.875% annual rate |
| Maturity date | April 17, 2024 |
| Nominal value (each in USD dollars): | USD 99.57. |
| Use of the funds obtained: | Restructuring liabilities and general corporate purposes |
| Payment method: | Returns are paid on a half-yearly in arrears basis |
| Custodian: | Bank of New York Mellon |
| IRR | 5.1% |
| Transaction costs | USD 5million |

* SUAM Finance was terminated without being wound up under a cross-border merger with Sura Asset Management, a process which was completed on July 31, 2018, whereupon Sura AM took over the obligation with the latter's bondholders.

The Prospectus and Issue and Placement Rules and Regulations together with the Prospectus contain the following general obligations:

a) Encumbrances: Sura Asset Management S.A. may not 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: These 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.

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 income 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) Reporting Obligations:

- The English versions of Sura Asset Management's quarterly consolidated financial statements prepared in accordance with IFRS, to be published within a term of 45 days following each quarterly cut-off date.
- The English versions of the 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 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, divided up into 2,616,407 shares in 2023, which was the same for 2022.

Changes to the Company's Shareholder Structure

There were no changes in Sura Asset Management S.A.'s shareholder structure either in 2023 or 2022.

However, on November 30, 2023, Grupo de Inversiones Suramericana S.A. and Grupo Bolivar S.A. entered into a share purchase agreement whereby Grupo de Inversiones Suramericana S.A. agreed to acquire 254,930 ordinary shares in Sura Asset Management S.A., currently owned by Grupo Bolivar, which is equal to a 9.74% stake in Sura Asset Management S.A.'s share capital. The closing of this agreement is subject to certain conditions precedent, including applicable regulatory approvals.

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 - 2023 | % Stake | Outstanding shares - 2022 | % Stake |
|--|---------------------------|-------------|---------------------------|-------------|
| 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 ⁽¹⁾ | 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% |

⁽¹⁾CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC.

All stakes carry the same rights and obligations for all holders.

a) Non-controlling interests

Non-controlling interests corresponds to minority interests on the part of third parties in investments held in:

| Name of Company | Country | % Non-Controlling Stake | 2023 | |
|---|----------|-------------------------|----------------|---------------|
| | | | Equity | Net income |
| Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Colombia | 47.69% | 293,994 | 32,098 |
| Asulado Seguros de Vida S.A. | Colombia | 21.68% | 50,313 | 3,794 |
| AFP Capital S.A. | Chile | 0.29% | 2,203 | 350 |
| AFP Integra S.A. | Peru | 0.0007% | 2 | - |
| | | | 346,512 | 36,242 |

| Name of Company | Country | % Non-Controlling Stake | 2022 | |
|---|----------|-------------------------|----------------|---------------|
| | | | Equity | Net income |
| Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Colombia | 47.09% | 206,517 | 25,607 |
| Asulado Seguros de Vida S.A. | Colombia | 26.51% | 42,117 | (1,297) |
| AFP Capital S.A. | Chile | 0.29% | 2,171 | 280 |
| AFP Integra S.A. | Peru | 0.0007% | 2 | - |
| | | | 250,807 | 24,590 |

b) Currency translation differences

Upon converting subsidiary financial statements from their functional currencies into the reporting currency used by Sura Asset Management S.A. (the US dollar), the following currency translation differences were produced.

| | 2023 | 2022 |
|--------------------------------------|--------------------|--------------------|
| Currency translation differences | (1,261,137) | (1,337,213) |
| Total translation differences | (1,261,137) | (1,337,213) |

See Note 2.3 Summary of Main Accounting Policies - Section o)

c) Dividends declared and paid

The following is a breakdown of the dividends declared by Sura Asset Management S.A. at year-end 2023 and 2022:

2023

Ordinary dividends:

| Third party | No. shares held | Value of the dividends paid |
|--|------------------|-----------------------------|
| Grupo de Inversiones Suramericana S.A. | 2,186,721 | 71,977 |
| Sociedades Bolívar S.A. | 191,198 | 6,293 |
| CDPQ | 174,755 | 5,752 |
| CDPQ Investments INC | 1 | - |
| Compañía de Seguros Bolívar S.A. | 63,732 | 2,098 |
| Total 2023 | 2,616,407 | 86,120 |

Extraordinary dividends:

| Third party | No. shares held | Value of the dividends paid |
|--|------------------|-----------------------------|
| Grupo de Inversiones Suramericana S.A. | 2,186,721 | 83,797 |
| Sociedades Bolívar S.A. | 191,198 | 7,327 |
| CDPQ | 174,755 | 6,697 |
| CDPQ Investments INC | 1 | - |
| Compañía de Seguros Bolívar S.A. | 63,732 | 2,442 |
| Total 2023 | 2,616,407 | 100,263 |

At year-end 2023, dividends paid amounted to USD 130,851; therefore, there is a dividend payable to shareholders of USD 55,532.

2022

Ordinary dividends:

| Third party | No. shares held | Value of the dividends paid |
|--|------------------|-----------------------------|
| Grupo de Inversiones Suramericana S.A. | 2,186,721 | 74,390 |
| Sociedades Bolívar S.A. | 191,198 | 6,504 |
| CDPQ | 174,755 | 5,945 |
| CDPQ Investments INC | 1 | - |
| Compañía de Seguros Bolívar S.A. | 63,732 | 2,169 |
| Total 2022 | 2,616,407 | 89,008 |

d) Share placement premium.

| Share premium | |
|-------------------------------|------------------|
| Opening Balance - 2021 | 3,607,651 |
| Closing balance - 2022 | 3,607,651 |
| Closing Balance - 2023 | 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 our normal course of business as well as our corporate streamlining initiative, 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 as well as capital increases and reductions.

Capitalizations performed in 2023:

| Country | Received By | Made By | Value |
|----------|---|--|-------|
| | | | USD |
| Mexico | NBM Innova S.A de C.V. | Sura Asset Management México S.A. de C.V., | 6,135 |
| Colombia | NBM Innova S.A.S. | Sura Asset Management Sa | 5,395 |
| Mexico | Gestión patrimonial Sura, asesores en inversiones, S.A de C.V | Sura Asset Management México S.A. de C.V., | 1,816 |
| Mexico | Sura IM Gestora México S.A. De C.V. | Sura Asset Management México S.A. de C.V., | 1,500 |
| USA | Inversiones Sura Corp | Gestión Patrimonial Sura asesores en inversiones S.A de C.V. | 1,000 |
| Colombia | SURA Investment Management Colombia S.A.S. | Sura Asset Management Sa | 1,533 |
| Peru | Sociedad Agente de Bolsa S.A. | Sura Asset Management Perú S.A. | 1,099 |
| Peru | Sociedad Titulizadora Sura S.A. | Sociedad Agente de Bolsa S.A. | 100 |

Capitalizations performed in 2022:

| Country | Made By | Received By | Value |
|---------------|--|--|--------|
| | | | USD |
| Mexico | NBM Innova S.A De C.V | Sura Asset Management Mexico S.A. De C.V. | 4,120 |
| United States | Inversiones Sura Corp | Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V. | 1,805 |
| Mexico | Sura IM Gestora Mexico S.A. De C.V. | Sura Asset Management Mexico S.A. De C.V. | 153 |
| Mexico | Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V. | Sura Asset Management Mexico S.A. De C.V. | 3,039 |
| Mexico | Sura IM Gestora México S.A. De C.V. | Sura Asset Management Mexico S.A. De C.V. | 1,203 |
| Colombia | Sociedad Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Sura Asset Management S.A. | 48,865 |
| Uruguay | Administradora De Fondos De Inversión S.A. AFISA Sura | Sura Asset Management Uruguay Sociedad De Inversión S.A. | 1,230 |

Capital reductions in 2023

| Country | Name of Company | Shareholder | No. shares | Amounts returned |
|---------|------------------------|---------------------------------|------------|------------------|
| | | | | USD |
| Peru | Fondos SURA SAF S.A.C. | Sura Asset Management Perú S.A. | 18,850,000 | 5,767 |

Capital reductions in 2022

| Country | Name of Company | No. shares | Amounts returned |
|-----------|---|-------------|------------------|
| | | | USD |
| Mexico | Asesores Sura S.A. De C.V. | 40,094 | 2,866 |
| Mexico | Proyectos Empresariales AI Sura S.A. De C.V. | 200,000,000 | 4,720 |
| Argentina | Sura Asset Management Argentina S.A. | 17,445,450 | 382 |
| Mexico | Asesores Sura S.A. De C.V. | 4,855 | 358 |
| Peru | Sociedad Agente De Bolsa Sura S.A | 7,000,000 | 2,101 |
| Uruguay | Administradora De Fondos De Inversión S.A. AFISA Sura | 30,000 | 1,375 |
| Uruguay | Corredor de Bolsa Sura S.A. | 40,000,000 | 1,034 |

Capital reduction due to loss absorption in 2023:

| Country | Name of Company | Amounts returned - USD |
|---------|---|------------------------|
| Uruguay | Administradora de Fondos de Inversión S.A. SURA | 1,753 |
| Uruguay | Corredor de Bolsa SURA S.A. | 1,806 |

Capital reduction due to loss absorption in 2022:

No mergers were recorded in 2022

Share swaps and purchases in 2023:

| Country | Item | Name of Company | Shareholder | No. shares | USD |
|----------|-----------------|--|--------------------------|------------|--------------|
| Colombia | Swap | Asulado Seguros de Vida S.A. | Sura Asset Management Sa | 389,929 | 9,773 |
| Colombia | Swap | Sociedad Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Sura Asset Management Sa | (174,595) | (4,273) |
| Colombia | Share purchases | Asulado Seguros de Vida S.A. | Sura Asset Management Sa | 1,000,783 | 2,016 |
| | | Subtotal | | | 7,516 |
| | | Effect of dissolution on change in non-controlling interest | | | 167 |
| | | Acquisition of non-controlling interest | | | 7,683 |

Share swaps and purchases in 2022:

N/A for 2022

Returned premiums - 2023

| Country | Name of Company | Shareholder | Amounts returned |
|---------|------------------|---------------------------------|------------------|
| | | | USD |
| Peru | AFP Integra S.A. | Sura Asset Management Perú S.A. | 21,227 |

Returned premiums - 2022

| Country | Name of Company | Shareholder | Amounts returned |
|---------|------------------|---------------------------------|------------------|
| | | | USD |
| Peru | AFP Integra S.A. | Sura Asset Management Perú S.A. | 55,576 |

Mergers performed in 2023:

No mergers were recorded in 2023

Mergers performed in 2022:

No mergers were recorded in 2022

New Companies set up in 2023:

| Country | New Company Name | Set up by: | % Stake Held |
|------------|---|--|--------------|
| Luxembourg | Sura Investment Management General Partner S.À R.L. | Sura Investment Management Colombia S.A.S. | 100.00% |

New Companies set up in 2022:

| Country | New Company Name | Set up by: | % Stake Held |
|---------------|------------------------------|--|--------------|
| Colombia | Asulado Seguros de Vida S.A. | Sura Asset Management S.A. | 73.49% |
| United States | Inversiones Sura Corp | Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V. | 100.00% |

Companies divested in 2023:

No company divestitures took place in 2023

Companies divested in 2022:

No company divestitures took place in 2022

Companies wound up in 2023:

No companies were wound up in 2023

Companies wound up in 2022:

| Country | New Company Name |
|---------|-----------------------------|
| Mexico | Pensiones Sura S.A. de C.V. |

Changes to Company Names in 2023:

No changes were made in 2023

Changes to Company Names in 2022:

| Country | New Company Name | Former Company Name |
|-------------|--------------------------|--|
| El Salvador | SM Asesores S.A. de C.V. | SUAM Corredora de Seguros 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 income 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.

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 - 2023 | (1,402,473) | (1,445,095) | 42,622 | - | 6,400 |
| Asset revaluations ⁽¹⁾ | 10,165 | 290 | 183 | 10,638 | 274 |
| Losses (gains) on actuarial plans (post-employment) ⁽²⁾ | (610) | (166) | 54 | (722) | - |
| Financial instruments at fair value through Other Comprehensive Income ⁽³⁾ | 373 | 611 | (259) | 725 | (210) |
| Cash flow hedges ⁽⁴⁾ | 28,792 | 16,429 | (42,907) | 2,314 | - |
| Net foreign investment hedges ⁽⁵⁾ | (115,401) | 79,507 | 9,810 | (26,084) | - |
| Surplus via equity method from associates and joint ventures ⁽⁶⁾ | 11,421 | (18) | - | 11,403 | - |
| Exchange differences on investments in associates and subsidiaries ⁽⁷⁾ | (1,337,213) | 76,076 | - | (1,261,137) | 59,827 |
| Closing Balance - 2023 | (2,804,946) | (1,272,366) | 9,503 | (1,262,863) | 66,291 |

| | Opening balance - Other Comprehensive Income | Other Comprehensive Income | Deferred tax | Closing balance - Other Comprehensive Income | Non-controlling interest - Other Comprehensive Income |
|---|--|----------------------------|---------------|--|---|
| Opening Balance - 2022 | (1,440,468) | (1,434,402) | (6,065) | - | (1,258) |
| Asset revaluations ⁽¹⁾ | 9,183 | 1,598 | (616) | 10,165 | 3,024 |
| Losses (gains) on actuarial plans (post-employment) ⁽²⁾ | (312) | (321) | 23 | (610) | - |
| Financial instruments at fair value through Other Comprehensive Income ⁽³⁾ | 356 | 16 | 1 | 373 | (23) |
| Cash flow hedges ⁽⁴⁾ | 27,049 | (47,536) | 49,279 | 28,792 | - |
| Net foreign investment hedges ⁽⁵⁾ | (22,140) | (93,261) | - | (115,401) | - |
| Surplus via equity method from associates and joint ventures ⁽⁶⁾ | 8,927 | 2,494 | - | 11,421 | 5,430 |
| Exchange differences on investments in associates and subsidiaries ⁽⁷⁾ | (1,463,530) | 126,317 | - | (1,337,213) | (773) |
| Closing balance - 2022 | (2,880,935) | (1,445,095) | 42,622 | (1,402,473) | 6,400 |

⁽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 to the results for the period.

⁽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. This includes 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:

| | 2023 | 2022 |
|--|-----------------|-----------------|
| Titulizadora Sura S.A. | (47) | (192) |
| SM Asesores S.A. de C.V. | 10 | 7 |
| Proyectos Empresariales AI Sura S.A. de C.V. | (1,591) | (4,142) |
| Sura Asset Management Argentina S.A. | (120) | (91) |
| NBM Innova S.A de C.V México | (8,348) | (4,591) |
| NBM Innova S.A. Colombia – qiip operations | (6,295) | (4,604) |
| Pensiones Sura S.A. de C.V. de México | - | (7,424) |
| Total loss on discontinued operations | (16,392) | (21,037) |

| | 2023 | | |
|--|--------------|-------------|----------------------|
| | Assets | Liabilities | Shareholders' equity |
| Titulizadora Sura S.A. | 549 | - | 549 |
| SM Asesores S.A. DE C.V. | 96 | 6 | 90 |
| Proyectos Empresariales AI Sura S.A. de C.V. | 1,246 | 5 | 1,241 |
| Sura Asset Management Argentina S.A. | 32 | 27 | 5 |
| NBM Innova S.A de C.V México | 1,719 | 329 | 1,390 |
| Total balance held for distribution to owners | 3,642 | 367 | 3,275 |

Sociedad Titulizadora Sura S.A. (Peru)

Sociedad Titulizadora Sura S.A., after three years of operations in which it did not record any fee and commission income for 2022 and 2023; and having sustained constant losses, the Administration, by means of the Minutes of a General Shareholders' Meeting held on December 27, 2023; unanimously approved the dissolution and liquidation of this Company stating that due to the time elapsed and the lack of conditions to continue with the Company's particular business, they considered advisable to dissolve and wind this Company up; in accordance with the provisions of Article 8) of the General Corporations Law.

At the same time, the Company's Board of Directors approved the appointment of the corresponding liquidator and granted their respective powers in accordance with the law, the bylaws, the articles of incorporation, the shareholder agreements as registered with the Company and the resolutions issued at the General Shareholders' Meeting, throughout the process of dissolving and winding up this Company, in accordance with Article 416 of the General Corporations Law. The Board unanimously agreed to appoint Miss Ana Lith Ramirez Aragón, who was authorized to handle all the corresponding procedures.

It is worth mentioning that the Company does not show any operations in carrying out its corporate purpose, since it is a company without any hired employees and whose costs and expense correspond to financial auditing, tax reviews, notary and banking expense; all of which are minimum levels of expense required to maintain the necessary operability in order to comply with its corporate and tax obligations. Its share capital has been made available in the current account.

In the light of the above, it is expected that once the dissolution process is completed, the legal vehicle shall be wound up over the next few months. We estimate that this process shall be completed by the first quarter of 2024, this largely dependent on the response of the public institutions involved, so that the Company's business obligations shall remain in force until it is entirely liquidated.

The following are the Statements of Income, Financial Position and Cash Flows corresponding to Sociedad Titulizadora Sura S.A.:

Statement of Income
For year ended December 31
(Stated in USD thousands)

| | 2023 | 2022 |
|--|-------------|--------------|
| Other operating income | 7 | 2 |
| Operating revenues | 7 | 2 |
| Selling, general and administrative expense | (52) | (183) |
| Total operating and administrative expense | (52) | (183) |
| Operating loss | (45) | (181) |
| Financial expense | (2) | (2) |
| Exchange difference expense, net | (2) | (4) |
| Net loss before income tax from continuing operations | (49) | (187) |
| Income tax, net | 2 | (5) |
| Net loss for the year from discontinued operations | (47) | (192) |

Statement of Financial Position
For year ended December 31
(Stated in USD thousands)

| | 2023 | 2022 |
|--|------------|------------|
| Assets | | |
| Cash and cash equivalents | 549 | 484 |
| Accounts receivable, net | - | 13 |
| Current tax | - | 1 |
| Right-of-Use Assets | - | 2 |
| Property, plant and equipment, net | - | 3 |
| Other intangible assets | - | 7 |
| Deferred tax assets | - | 1 |
| Total assets | 549 | 511 |
| Accounts payable | - | 14 |
| Right-of-Use liabilities | - | 2 |
| Employee benefits | - | 8 |
| Deferred tax liability | - | 3 |
| Total liabilities | - | 27 |
| Net assets directly associated with the group of assets held for sale | 549 | 484 |

Net cash flows attributable to the operating, investing and financing activities of discontinued operations are shown as follows:

| | 2023 | 2022 |
|---|------|-------|
| Net cash flows used in operating activities | (45) | (190) |

| | | |
|--|-----|-----|
| Net cash flows sourced from (used in) investing activities | - | - |
| Net cash flow used for financing activities | (2) | (2) |

SM Asesores, S.A. de C.V. (El Salvador)

This is a Company incorporated in El Salvador, whose corporate purpose is to provide services as consulting agents, advisors and brokers in all lines of insurance, reinsurance and related and related services, except for the direct activities of an insurance company.

In August 2021, the Company signed an agreement for assigning its client portfolio to Reunión Aseguradora Salvadoreña S.A. DE C.V. (RAS), which involves transferring to the purchaser its intermediary services with regard to handling the contracts belonging to the Company's insurance portfolio. This agreement was for a total amount of USD 86,790 payable in three installments, whose payment dates would be subject to assigning each of the policies included in the client portfolio of SM Asesores, S.A. de C.V. In the event that not all this is duly carried out, the aforementioned agreement shall be cancelled proportionally as each policy is assigned and received.

It is worth mentioning that in October 2021 the vehicle ceased to operate as an issuer of new policies, following this policy transfer agreement.

In June 2023, the 21st meeting of the Company's Shareholders was held to agree on the Company's dissolution and liquidation. The corresponding resolution was issued and the liquidator and external auditor were appointed.

In July 2023, the notices required for this process were duly published and a solvency certificate was requested from the Ministry of Finance in order to proceed with filing this Agreement before the Commercial Registry. At the end of 2023, the Company's Senior Management was still waiting for the Ministry of Finance to comply with said request and deliver the solvency certificate for subsequently filing the dissolution agreement before the Commercial Registry in order to begin with this liquidation process.

Pending receipt of the aforementioned solvency certificate, the Company continues to comply with its corporate and tax obligations. Its share capital is invested in a certificate of deposit, which was renewed for another sixty days maturing on February 27, 2024. In turn, the Company's fixed expense is the minimum required in order to maintain the operations required for regulatory compliance.

By virtue of the foregoing, it is expected that once the dissolution process is completed, the liquidation process of the legal vehicle can be carried out over the next few months. We estimate that this process shall be completed by the third quarter of 2024, this largely dependent on the response of the public institutions involved, therefore the Company's business obligations shall remain in force until it is entirely liquidated.

The following are the Statements of Income, Financial Position and Cash Flows corresponding to SM Asesores S.A. DE C.V.:

Statement of Income
At Year-End
(Stated in USD thousands)

| | 2023 | 2022 |
|---------------------------|-------------|-------------|
| Fee and commission income | 19 | 17 |

| | | |
|--|------------|------------|
| Operating revenue | 19 | 17 |
| Selling, general and administrative expense | (7) | (7) |
| Total operating and administrative expense | (7) | (7) |
| Operating earnings | 12 | 10 |
| Financial income | 3 | - |
| Net earnings before income tax from discontinued operations | 15 | 10 |
| Income tax, net | (5) | (3) |
| Net income for the year from discontinued operations | 10 | 7 |

Statement of Financial Position

At year-end

(Stated in USD thousands)

| | 2023 | 2022 |
|--|-------------|-------------|
| Assets | | |
| Cash and cash equivalents | 90 | 84 |
| Accounts receivable, net | 6 | 0 |
| Total assets | 96 | 84 |
| Liabilities | | |
| Accounts payable | 2 | 4 |
| Current tax liabilities | 4 | 3 |
| Total liabilities | 6 | 7 |
| Net assets directly associated with the group of assets held for sale | 90 | 77 |

Net cash flows attributable to the operating, investing and financing activities of discontinued operations are shown as follows:

| | 2023 | 2022 |
|---|-------------|-------------|
| Net cash flow sourced from operating activities | 7 | 7 |
| Net cash flows sourced from (used for) investing activities | - | - |
| Net cash flow sourced from financing activities | 3 | - |

Proyectos Empresariales AI Sura, S.A de C.V. (Mexico)

Incorporated on March 24, 2020, its direct holding company is Sura Asset Management Mexico. Its main purpose is to provide services relating to savings and investments for their subsequent management, promotion, dissemination and marketing.

In 2021, Proyectos Empresariales AI Sura acts as the transitory company for a new stock brokerage firm Casa de Bolsa SURA, therefore, it has been in charge of managing the operations required for obtaining approval from the Comisión Nacional Bancaria y de Valores (the Mexican National Banking and Securities Commission).

After some months, the Company made the decision to suspend the setting up of the vehicle for the brokerage firm, Casa de Bolsa considering the difficulty for obtaining the corresponding operating license, as well as the high costs for its setting up and as well as the future financial viability of its operations

The following are the income statements of

Income Statement - Proyectos Empresariales AI Sura S.A. de C.V.
At Year-End

(Stated in USD thousands)

| | 2023 | 2022 |
|---|----------------|----------------|
| Fee and commission income | - | |
| Other operating revenues | 336 | 149 |
| Operating revenues - fund and pension management | 336 | 149 |
| Selling, general and administrative expense | (1,991) | (4,625) |
| Total operating expense | (1,991) | (4,625) |
| Operating loss | (1,655) | (4,476) |
| Financial income | 68 | 337 |
| Financial expense | - | (1) |
| (Expense) income on exchange differences | (4) | (2) |
| Loss before income tax from continuing operations | (1,591) | (4,142) |
| Income Tax | | |
| Deferred tax | - | |
| Net loss for the year from discontinued operations | (1,591) | (4,142) |

The following is the Statement of Financial Position of :

Statement of Financial Position - Proyectos Empresariales AI Sura S.A. de C.V.

At Year-End

(Stated in USD thousands)

| | 2023 |
|---|--------------|
| Assets | |
| Non-current assets held for sale | 1,246 |
| Total assets | 1,246 |
| Liabilities | |
| Non-current liabilities in assets held for sale | 5 |
| Total liabilities | 5 |
| Equity | |
| Subscribed and paid-in capital | 14,041 |
| Losses for the year | (768) |
| Accumulated losses | (12,637) |
| Currency translation differences | 605 |
| Total Equity | 1,241 |
| Total Liabilities and Shareholders' Equity | 1,246 |

Sura Asset Management Argentina S.A.

This Company provides financial advisory, administrative and portfolio management services through an Insurance Company Reserves Mandate contract. Its main clients were Seguros Sura S.A. (Suramericana S.A. made its sale official in October 2023) and Aseguradora de Créditos y Garantías S.A. (Suramericana S.A. sold this Company in June 2022).

On December 6, 2023, due to losses sustained over recent years and the non-renewal of its main customer contracts, the shareholders unanimously resolved to approve the early dissolution and subsequent liquidation of Sura Asset Management Argentina S.A. The term for the liquidator to prepare the inventory and the final liquidation balance sheet is 120 days, as established in Article 103 of the General Corporations Law.

At the end of December 2023, the Company assessed the recoverability of the Company's asset items and determined that there is no possibility of recovery to date. In this sense, they have been proceeded to carry out the corresponding charge-offs

The following is the Statement of Income of:

Income Statement - Sura Asset Management Argentina S.A.

At Year-End

(Stated in USD thousands)

| | 2023 | 2022 |
|---|--------------|--------------|
| Fee and commission income | 363 | 314 |
| Other operating income | 104 | |
| Operating revenues - fund and pension management | 467 | 314 |
| Operating and administrative expense | (571) | (340) |
| Total operating expense | (571) | (340) |
| Operating loss | (104) | (26) |
| Financial income | 20 | 38 |
| Financial expense | (1) | (1) |
| Expense on exchange differences | (21) | (10) |
| (Loss) earnings before income tax from continuing operations | (106) | 1 |
| Income tax | (14) | (92) |
| Net loss for the year from discontinued operations | (120) | (91) |

The following is the Statement of Financial Position corresponding to Sura Asset Management Argentina S.A.

Statement of Financial Position - Sura Asset Management Argentina S.A.

At Year-End

(Stated in USD thousands)

| | 2023 |
|---|-------------|
| Assets | |
| Non-current assets held for sale | 32 |
| Total assets | 32 |
| Liabilities | |
| Non-current liabilities in assets held for sale | 27 |
| Total liabilities | 27 |

| | |
|---|-----------|
| Equity | |
| Subscribed and paid-in capital | 280 |
| Losses for the year | (120) |
| Retained earnings | 109 |
| Currency translation differences | (264) |
| Total Equity | 5 |
| Total Liabilities and Shareholders' Equity | 32 |

NBM Innova México and qiip business in Colombia.

NBM Innova S.A.S. (Colombia), was incorporated in March 2020, for the purpose of exploring SURA AM's New Business initiatives. It started its operations with qiip, and subsequently began with the operations of ARATI. This entity shall not be liquidated in the short term, considering that ARATI's operations is still being explored

NBM Innova S.A de C.V. (Mexico), was incorporated in March 2018, the Company's main purpose is to operate the qiip platform, which has been developed jointly with the Colombian company of the same name. This entity only covers the qiip operations, so it is highly probable that it will be liquidated, although this final decision has not yet been made.

The purpose of the qiip platform is to offer 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. This platform operated in Mexico and Colombia. The most representative asset written off from results is an intangible assets worth thousands of dollars; USD 2,654 in the case of Mexico USD 2,032 for Colombia.

In 2023, after reviewing the existing exploration processes, and taking into account the lack of traction of qiip's value offering in make it sustainable and scalable on the market, the decision has been made to close the operation of this entrepreneurial venture in an orderly manner.

This responds to a detailed study of its status after 5 years of experimentation, contrasted with the results obtained as an emerging business during the time it operated, which failed to find a degree of stabilization and consolidation.

The following are the income statements of NBM Innova México:

Income Statement - NBM Innova S.A de C.V Mexico
At Year-End
(Stated in USD thousands)

| | 2023 | 2022 |
|---|----------------|----------------|
| Fee and commission income | 83 | 78 |
| Other operating income | 63 | 71 |
| Operating revenues - fund and pension management | 146 | 149 |
| Selling, general and administrative expense | (8,540) | (4,754) |
| Total operating expense | (8,540) | (4,754) |
| Operating loss | (8,394) | (4,605) |
| Financial income | 57 | 30 |
| Financial expense | (2) | (1) |

| | | |
|---|----------------|----------------|
| Expense on exchange differences | (9) | (15) |
| Loss for the year before income tax from continuing operations | (8,348) | (4,591) |
| Income tax | - | - |
| Net loss for the year from discontinued operations | (8,348) | (4,591) |

The following is the Statement of Financial Position corresponding to NBM Innova S.A de C.V Mexico:

Statement of Financial Position - NBM Innova S.A de C.V Mexico
At Year-End
(Stated in USD thousands)

| | 2023 |
|---|--------------|
| Assets | |
| Accounts receivable | - |
| Non-current assets held for sale | 1,719 |
| Total assets | 1,719 |
| Liabilities | |
| Non-current liabilities held for sale | 329 |
| Total liabilities | 329 |
| Equity | |
| Subscribed and paid-in capital | 21,460 |
| Losses for the year | (8,328) |
| Accumulated losses | (12,175) |
| Currency translation differences | 433 |
| Total Equity | 1,390 |
| Total Liabilities and Shareholders' Equity | 1,719 |

The following are the income statements of NBM Innova Colombia, which is due to discontinue the qiip operations:

Income Statement - NBM Innova S.A. Colombia qiip Operations
At Year-End
(Stated in USD thousands)

| | 2023 | 2022 |
|---|----------------|----------------|
| Fee and commission income | 172 | 77 |
| Other operating income | 73 | 41 |
| Operating revenues - fund and pension management | 245 | 118 |
| Selling, general and administrative expense | (6,259) | (5,000) |
| Total operating expense | (6,259) | (5,000) |
| Operating income | (6,014) | (4,882) |
| Financial income | 74 | 34 |
| Financial expense | (1) | (0) |

| | | |
|---|----------------|----------------|
| (Expense) income on exchange differences | 11 | (3) |
| Losses before income tax from continuing operations | (5,930) | (4,851) |
| Income Tax | (365) | 247 |
| Deferred tax | (365) | 247 |
| Net income for the year from discontinued operations | (6,295) | (4,604) |

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 in 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

The description of the fair value hierarchy can be found in Note 2.1 Basis for Preparing and Presenting the Financial Statements

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 2023 and 2022 on a recurring basis.

| At year-end 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|------------------|----------|------------------|
| At fair value through profit or loss | | | | |
| Debt securities - domestic issues | 315,368 | 1,006,924 | - | 1,322,292 |
| Equity securities - domestic issues | 226,081 | 959,592 | - | 1,185,673 |
| Total investments at fair value through profit or loss | 541,449 | 1,966,516 | - | 2,507,965 |
| At fair value through Other Comprehensive Income | | | | |
| Debt securities - foreign issues | - | 3,606 | - | 3,606 |
| Total investments at fair value through equity | - | 3,606 | - | 3,606 |
| Total investments at fair value | 541,449 | 1,970,122 | - | 2,511,571 |

| At year-end 2022 | Level 1 | Level 2 | Level | Total |
|---|--------------|------------------|----------|------------------|
| At fair value through profit or loss | | | | |
| Debt securities - domestic issues | - | 1,184,117 | - | 1,184,117 |
| Equity securities - domestic issues | 6,953 | 1,426,127 | - | 1,433,080 |
| Total investments at fair value through profit or loss | 6,953 | 2,610,244 | - | 2,617,197 |
| At fair value through Other Comprehensive Income | | | | |
| Debt securities - foreign issues | - | 3,122 | - | 3,122 |
| Total investments at fair value through equity | - | 3,122 | - | 3,122 |
| Total investments at fair value | 6,953 | 2,613,366 | - | 2,620,319 |

The following table shows the change in hierarchy for the year 2023:

| | Year-end 2023 |
|---|--------------------|
| | Transfers between: |
| | Levels 2 and 1 |
| At fair value through profit or loss | |
| Debt securities - domestic issues | 347,920 |
| Equity securities - domestic issues | 222,724 |
| Total investments at fair value through profit or loss | 570,644 |

The following is the hierarchy level for hedging derivatives:

| Level 2 | Year-end 2023 | Year-end 2022 |
|----------------------------------|----------------|----------------|
| Hedges | | |
| Exchange swaps | 157,754 | 197,479 |
| Total hedging derivatives | 157,754 | 197,479 |

Measuring fair value on a non-recurring basis

The fair values of non-recurring assets classified in Level 3 are 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 2023 and 2022 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 indicated 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 arrangement 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 Levels 1 and 2 of the fair value hierarchy

In Sura Asset Management there were no transfers between the aforementioned levels for 2023 and 2022.

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.

| | Investment properties |
|--|-----------------------|
| At Year-End 2021 | 68,566 |
| Sales / divestitures | (574) |
| Business combination | 5,248 |
| Valuation adjustments affecting Comprehensive Income | 5,478 |
| Currency translation effect | (512) |
| At Year-End 2022 | 78,206 |
| Valuation adjustments affecting Comprehensive Income | 3,427 |
| Currency translation effect | (681) |
| At Year-End 2023 | 80,952 |

The following table shows a summary of assets and liabilities accounted for at a value other than fair value at year-end 2023 and 2022 for disclosure purposes only:

| | Year-end 2023 | | Year-end 2022 | |
|---|------------------|------------------|------------------|------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Assets | | | | |
| Debt Instruments at Amortized Cost ¹ | 2,588,311 | 2,939,626 | 904,509 | 375,796 |
| Reinsurance assets | 564 | 564 | 432 | 432 |
| Other accounts receivable ² | 210,369 | 210,369 | 150,186 | 150,182 |
| Total Assets | 2,799,244 | 3,150,559 | 1,055,127 | 526,410 |
| Liabilities | | | | |
| Financial obligations | 538 | 538 | 651 | 651 |
| Liabilities on Financial Leasing Agreements | 16,883 | 16,883 | 21,364 | 29,611 |
| Accounts payable ² | 226,538 | 226,538 | 156,226 | 156,226 |
| Securities issued ³ | 855,474 | 820,743 | 854,174 | 905,624 |
| Total liabilities | 1,099,433 | 1,064,702 | 1,032,415 | 1,092,112 |

⁽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 on 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, their book values were considered to be similar to their fair values, due to their 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 2023 and 2022:

- a) Companies under the direct control of Grupo de Inversiones Suramericana S.A., the parent company of Sura Asset Management S.A.:

| 2023 | 2022 |
|--|--|
| Suramericana S.A. | Suramericana S.A. |
| Sura Asset Management S.A. | Sura Asset Management S.A. |
| Arus Holding S.A.S. | Arus Holding S.A.S. |
| Inversiones y Construcciones Estratégicas S.A.S. | Inversiones y Construcciones Estratégicas S.A.S. |
| Sura Ventures S.A.S. | Sura Ventures S.A.S. |

- b) Companies in which Sura Asset Management S.A. holds a direct stake:

| Name of Company | Country | 2023 | 2022 |
|---|----------------|-------------|-------------|
| Activos Estratégicos Sura AM Colombia S.A.S. | Colombia | 100.00% | 100.00% |
| Sura Investment Management Colombia S.A.S. | Colombia | 100.00% | 100.00% |
| NBM Innova S.A.S. | Colombia | 100.00% | 100.00% |
| Fiduciaria Sura S.A. | Colombia | 5.00% | 5.00% |
| Sura S.A. | Chile | 100.00% | 100.00% |
| Sura Asset Management México S.A. de C.V., | Mexico | 100.00% | 100.00% |
| AFP Integra S.A. | Peru | 44.18% | 44.18% |
| Sura Asset Management Peru S.A. | Peru | 100.00% | 100.00% |
| Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Colombia | 52.31% | 52.91% |
| Sura AM Corredora de Seguros S.A. de C.V. | El Salvador | 99.98% | 99.98% |
| Sura Asset Management Uruguay Sociedad de Inversión S.A. | Uruguay | 100.00% | 100.00% |
| Asulado Seguros de Vida S.A. | Colombia | 78.32% | 73.49% |
| Sura Asset Management Argentina S.A. (currently being wound up) | Argentina | 97.34% | 97.34% |

- 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:

| 2023 | 2022 |
|-----------------------------|-----------------------------|
| Gonzalo Alberto Pérez Rojas | Gonzalo Alberto Pérez Rojas |
| Ricardo Jaramillo | Ricardo Jaramillo |
| Marianne Loner | Marianne Loner |
| Esteban Cristian Iriarte | Esteban Cristian Iriarte |
| Carlos Jaime Muriel Gaxiola | Carlos Jaime Muriel Gaxiola |
| Jordi Tasías | Jordi Tasías |

2023

2022

Miguel Cortés Kotal

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 2023 and 2022 that have been eliminated in the consolidated accounts:

| Name of Company | Country | Accounts receivable | Accounts payable | Revenues | Expense |
|---|-----------|---------------------|------------------|----------|---------|
| Sura S.A. | Argentina | - | 15,438 | 47 | - |
| Corredores De Bolsa Sura S.A. | Chile | 726 | 218 | 2,967 | 8,137 |
| Administradora General De Fondos Sura S.A. | Chile | 70 | 1,444 | 12,469 | (3,544) |
| Seguros De Vida Sura S.A. | Chile | 1,127 | 239 | 5,396 | 11,807 |
| Sura Data Chile S.A. | Chile | - | 1,851 | 250 | 10,879 |
| Sura Chile S.A. | Chile | 2,562 | 1 | 80 | 10,880 |
| AFP Capital S.A. | Chile | - | 156 | 13,310 | - |
| Sura Investment Management Colombia S.A.S. | Chile | - | 397 | 2,577 | - |
| Sura Asset Management S.A. | Colombia | 16,325 | 15,096 | 1,113 | 1,498 |
| Sura IM Gestora de Inversiones S.A.S. | Colombia | 41 | - | - | 25 |
| Administradora De Fondos De Pensiones Y Cesantía Protección S.A | Colombia | 59 | 39 | 19,041 | 319 |
| NBM Innova S.A.S. | Colombia | 3 | 516 | 7 | (317) |
| Fiduciaria Sura S.A. | Colombia | 325 | 41 | 157 | 1,254 |
| Asulado Seguros De Vida S.A. | Colombia | - | 452 | 1,508 | 17,985 |
| Sura Art Corporation S.A. de C.V. | Colombia | 56 | 3 | 39 | 375 |
| Sura Investment Management S.A. De C.V. | Mexico | - | 300 | 4,083 | 288 |
| Afore Sura S.A. De C.V. | Mexico | 306 | 76 | 690 | 3,196 |
| Sura Asset Management Mexico S.A. De C.V. | Mexico | - | 1,506 | 40 | - |
| Promotora Sura AM S.A. De C.V. | Mexico | - | - | - | 18 |
| Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V. | Mexico | - | - | 90 | 92 |

| Name of Company | Country | Accounts receivable | Accounts payable | Revenues | Expense |
|--|---------------|---------------------|------------------|---------------|---------------|
| NBM Innova S.A De C.V | Mexico | 3 | - | 4 | 25 |
| Proyectos Empresariales Al Sura S.A. De C.V. | Mexico | - | - | 127 | 951 |
| Sura IM Gestora México S.A. de C.V. | Mexico | 1,502 | 2 | 23 | - |
| AFP Integra S.A. | Mexico | 2,405 | 3 | 141 | 382 |
| Fondos Sura SAF S.A.C. | Peru | - | 5,151 | 476 | - |
| Sura Asset Management Perú S.A. | Peru | 5,077 | 2,405 | 205 | 149 |
| Sociedad Agente De Bolsa Sura S.A | Peru | 74 | - | 48 | 379 |
| AFP Crecer S.A. | El Salvador | 15,000 | - | 15 | 980 |
| AFAP Sura S.A. | Uruguay | 364 | 6 | 1,081 | - |
| Administradora De Fondos De Inversión S.A. AFISA Sura | Uruguay | - | 104 | 1,562 | - |
| Sura Asset Management Uruguay Sociedad De Inversión S.A. | Uruguay | 6 | 365 | 2,937 | 2,118 |
| Corredor De Bolsa Sura S.A. | Uruguay | 104 | - | 582 | 1,086 |
| Inversiones Sura Corp. | United States | - | 102 | 677 | - |
| Total 2023 | | 46,135 | 45,911 | 71,742 | 68,962 |

| Name of Company | Country | Accounts receivable | Accounts payable | Revenues | Expense |
|---|-------------|---------------------|------------------|----------|---------|
| Sura S.A. | Chile | - | 4,927 | - | 100 |
| Corredores De Bolsa Sura S.A. | Chile | 647 | 82 | 7,773 | 3,708 |
| Administradora General de Fondos Sura S.A. | Chile | 91 | 1,185 | (3,073) | 10,226 |
| Seguros De Vida Sura S.A. | Chile | 981 | 252 | 10,467 | 5,387 |
| Sura Data Chile S.A. | Chile | - | 1,085 | 3,631 | 66 |
| Sura Chile S.A. | Chile | 2,092 | 109 | 16,896 | 77 |
| AFP Capital S.A. | Chile | 74 | 167 | - | 12,976 |
| Sura Investment Management Colombia S.A.S. | Colombia | - | 744 | - | 1,963 |
| Sura Asset Management S.A. | Colombia | 5,069 | 381 | 1,171 | 1,336 |
| Sura IM Gestora de Inversiones S.A.S. | Colombia | 6 | - | 18 | - |
| Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Colombia | 123 | 14,572 | 812 | 185,315 |
| NBM Innova S.A.S. | Colombia | 19 | 32 | 26 | 3 |
| Fiduciaria Sura S.A. | Colombia | 37 | 25 | 35 | 24 |
| Asulado Seguros de Vida S.A. | Colombia | - | - | 185,007 | 662 |
| Sura Art Corporation S.A. de C.V. | Mexico | 44 | - | 298 | 32 |
| Asesores Sura S.A. De C.V. | Mexico | - | - | 202 | - |
| Sura Investment Management S.A. De C.V. | Mexico | - | 2 | 294 | 3,051 |
| Afore Sura S.A. De C.V. | Mexico | - | 52 | 2,904 | 628 |
| Sura Asset Management Mexico S.A. De C.V. | Mexico | 26 | - | - | 32 |
| Promotora Sura AM S.A. De C.V. | Mexico | - | - | 10 | - |
| Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V. | Mexico | - | - | - | 126 |
| NBM Innova S.A De C.V | Mexico | 1 | - | 49 | 3 |
| Sura IM Gestora México S.A. de C.V. | Mexico | - | - | - | 19 |
| AFP Integra S.A. | Peru | - | 2 | 148 | 113 |
| Fondos Sura SAF S.A.C. | Peru | - | 73 | - | 487 |
| Sura Asset Management Perú S.A. | Peru | - | - | 113 | 1 |
| Sociedad Agente De Bolsa Sura S.A | Peru | 72 | - | 443 | 17 |
| AFP Crecer S.A. | El Salvador | 15,080 | 8 | 158 | - |
| AFAP Sura S.A. | Uruguay | - | - | - | 1,027 |
| Administradora De Fondos De Inversión S.A. AFISA Sura | Uruguay | - | 89 | - | 1,631 |
| Sura Asset Management Uruguay Sociedad De Inversión S.A. | Uruguay | - | 2 | 1,989 | 1,821 |
| Sm Asesores S.A. De C.V. | Uruguay | 89 | - | 1,210 | 559 |

| Name of Company | Country | Accounts receivable | Accounts payable | Revenues | Expense |
|------------------------|---------------|---------------------|------------------|----------------|----------------|
| Inversiones Sura Corp. | United States | - | 22 | - | 494 |
| Total 2022 | | 24,451 | 23,811 | 230,581 | 231,884 |

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 2023 and 2022:

| Name of Company | Country | Transactions with the Business Group | | | |
|---|----------|--------------------------------------|--------------------|--------------|--------------|
| | | Asset Accounts | Liability Accounts | Revenues | Expense |
| Administradora General De Fondos Sura S.A. | Chile | 101 | - | 665 | (0) |
| Sura Investment Management Colombia S.A.S. | Colombia | - | - | - | 45 |
| Sura IM Gestora de Inversiones S.A.S. | Colombia | 2 | - | 1 | 7 |
| Sura Asset Management S.A. | Colombia | 13 | 535 | 190 | 1,997 |
| Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Colombia | 457 | 149 | 1,182 | 1,209 |
| NBM Innova S.A.S. | Colombia | 0 | 40 | 328 | 30 |
| Sura Investment Management S.A. De C.V. | Mexico | 70 | - | 343 | 31 |
| Afore Sura S.A. De C.V. | Mexico | - | - | - | 212 |
| Gestión Patrimonial Sura Asesores En Inversiones S.A De C.V. | Mexico | - | - | - | 0 |
| NBM Innova S.A De C.V | Mexico | - | - | - | 4 |
| Proyectos Empresariales Al Sura S.A. De C.V. | Mexico | - | - | - | 6 |
| Sura IM Gestora México S.A. de C.V. | Mexico | - | - | - | 1 |
| Fondos Sura SAF S.A.C. | Peru | - | - | - | 879 |
| Sura Asset Management Perú S.A. | Peru | - | - | 59 | - |
| AFAP Sura S.A. | Uruguay | - | 2 | - | - |
| Sura Asset Management Uruguay Sociedad De Inversión S.A. | Uruguay | - | - | 2 | - |
| Disgely S.A. | Uruguay | - | - | - | - |
| Corredor De Bolsa Sura S.A. | Uruguay | 11 | - | 98 | - |
| Total 2023 | | 654 | 726 | 2,868 | 4,421 |

| Name of Company | Country | Transactions with the Business Group | | | |
|---|----------|--------------------------------------|--------------------|------------|------------|
| | | Asset Accounts | Liability Accounts | Revenues | Expense |
| Sura S.A. | Chile | - | - | 28 | - |
| Administradora General de Fondos Sura S.A. | Chile | 38 | - | 63 | 12 |
| AFP Capital S.A. | Chile | - | - | 458 | - |
| Sura Investment Management Colombia S.A.S. | Colombia | - | - | 146 | - |
| Sura Asset Management S.A. | Colombia | 55 | 28 | 63 | 109 |
| Administradora de Fondos de Pensiones y Cesantías Protección S.A. | Colombia | 154 | 114 | 57 | 183 |
| Sura Investment Management S.A. De C.V. | Mexico | 30 | - | 26 | - |
| Fondos Sura SAF S.A.C. | Peru | - | - | - | 76 |
| Sura Asset Management Perú S.A. | Peru | - | - | 5 | - |
| AFAP Sura S.A. | Uruguay | - | 5 | - | - |
| Corredor De Bolsa Sura S.A. | Uruguay | 9 | - | 8 | - |
| Total 2022 | | 286 | 147 | 854 | 380 |

NOTE 43 - 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

| | 2023 | 2022 |
|---|---------------|--------------|
| Short-term employee benefits | 10,268 | 7,371 |
| Post-employment employee benefits | 2,808 | 1,857 |
| Long-term employee benefits | 37 | - |
| Employment termination benefits | - | 253 |
| Total remuneration for key personnel | 13,113 | 9,481 |

b) Senior executive employment benefits - expense

| | 2023 | 2022 |
|---|---------------|---------------|
| Short-term employee benefits | 21,025 | 17,670 |
| Employment termination benefits | 823 | 1,523 |
| Post-employment employee benefits | 239 | - |
| Long-term employee benefits | - | 3 |
| Total remuneration for key personnel | 22,087 | 19,196 |

NOTA 44 - Commitments and contingencies

Contingencies for legal claims

At year-end 2023, the subsidiaries and related companies of Sura Asset Management were involved in a total of 27.255 court cases, of which 7.444 are new . During this same period a total of 7.723 court cases were ruled upon. The following table shows a breakdown by individual country of the legal proceedings currently being heard:

| Country | Total legal proceedings pending ruling at year-end 2023 | Legal proceedings - 2023 | | Total legal proceedings pending ruling at year-end 2022 |
|----------------------|--|---------------------------------|--------------|--|
| | | New | Ruled | |
| Chile | 102 | 49 | 40 | 93 |
| Mexico | 12,459 | 1,605 | 1,380 | 12,234 |
| Peru | 929 | 60 | 75 | 944 |
| Uruguay | 1 | 0 | 0 | 1 |
| Colombia | 13,761 | 5,728 | 6,224 | 14,257 |
| El Salvador | 3 | 2 | 4 | 5 |
| Total general | 27,255 | 7,444 | 7,723 | 27,534 |

The figures corresponding to AFP Protección (Colombia) do not include information relating to writs for the protection of constitutional/fundamental rights, given the extraordinary nature of such mechanisms insofar as they follow neither the form nor the terms of an ordinary legal proceeding.

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 2023 and 2022, these letters of guarantee totaled PEN 242,500,000 million and PEN 240,800,000 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 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

Sura Investments SURA AM made the strategic decision to merge its business units formerly known as Investment Management and Inversiones Sura, in order to generate efficiency and synergies in carrying out its line of voluntary savings business. The principal activity is to administer and manage investments for individuals, companies and institutions, through the offering of proprietary and third-party investment portfolios, financial advisory and other related services.

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 individual or institutional voluntary savings

Corporate and Others: This segment contains holding companies whose main business purpose is to acquire different investment vehicles. Sura Asset Management S.A. and Subsidiaries also provides other services that are not directly related to their main core business but nevertheless complement the range of services provided. These include Asesores y Promotora in Mexico 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.

45.2 Statements of Income Per Segment
Sura Asset Management S.A. and Subsidiaries
At Year-End 2023

Consolidated Statements of Income (Stated in Thousands of US dollars)

| | Retirement Savings | Sura Investments | Insurance - Annuities | New Lines of Business | Corporate - Others | Adjustments and eliminations | Total |
|--|--------------------|------------------|-----------------------|-----------------------|--------------------|------------------------------|------------------|
| Fee and commission income | 790,704 | 165,624 | - | 6 | 22,416 | (39,952) | 938,798 |
| Other investment income | 12,047 | 51 | 23,300 | - | 496,277 | (498,597) | 33,078 |
| Fair value gains, net | 6,666 | 380 | - | - | 13,188 | - | 20,234 |
| Revenues from legal reserves | 105,215 | 1,727 | - | - | - | - | 106,942 |
| Revenues (expense) via the equity method from associates and joint ventures, net | 8,111 | 570 | - | - | (913) | - | 7,768 |
| Other operating income | 14,619 | 5,756 | 461 | 451 | 10,133 | (12,586) | 18,834 |
| Operating revenues - fund and pension management | 937,362 | 174,108 | 23,761 | 457 | 541,101 | (551,135) | 1,125,654 |
| Gross premiums | - | 95,140 | 614,073 | - | - | (17,867) | 691,346 |
| Premiums ceded to reinsurers | - | (297) | (1,633) | - | - | - | (1,930) |
| Net premiums | - | 94,844 | 612,440 | - | - | (17,868) | 689,416 |
| Revenues from investments backing insurance reserves | - | 62,739 | 228,501 | - | - | 804 | 292,044 |
| Fair value gains and losses from investments backing insurance reserves | - | 73,914 | 16,949 | - | - | - | 90,863 |
| Claims | - | (127,900) | (124,911) | - | - | - | (252,811) |
| Movement in premium reserves | - | (82,127) | (722,386) | - | - | - | (804,513) |
| Total insurance margin | - | 21,470 | 10,593 | - | - | (17,064) | 14,999 |
| Selling, general and administrative expense | (484,660) | (178,327) | (17,890) | (2,415) | (92,220) | 69,688 | (705,824) |
| Deferred acquisition costs (DAC): | (4,166) | (845) | (8) | - | - | - | (5,019) |
| Total operating expense | (488,826) | (179,172) | (17,898) | (2,415) | (92,220) | 69,688 | (710,843) |
| Operating income | 448,536 | 16,405 | 16,456 | (1,958) | 448,881 | (498,510) | 429,810 |
| Financial income | 19,031 | 5,247 | 12 | 2 | 9,845 | (1,434) | 32,703 |
| Financial expense | (3,798) | (1,367) | (240) | - | (54,321) | 1,435 | (58,292) |
| Financial derivative (expense) income, net | (49) | (7) | - | - | 1,314 | - | 1,258 |
| (Expense) income on exchange differences, net | (3,104) | 174 | 2,162 | - | 13,055 | - | 12,287 |
| Earnings (losses) before income tax from continuing operations | 460,616 | 20,453 | 18,390 | (1,956) | 418,774 | (498,509) | 417,766 |
| Income tax, net | (124,695) | (3,375) | (142) | - | (28,399) | - | (156,611) |
| Net income for the year from continuing operations | 335,921 | 17,078 | 18,248 | (1,956) | 390,375 | (498,509) | 261,155 |
| Net income for the year from discontinued operations | - | (1,747) | - | (14,652) | - | 7 | (16,392) |
| Net income (losses) for the year | 335,921 | 15,331 | 18,248 | (16,608) | 390,375 | (498,502) | 244,763 |

(1) This is the result of having merged the Investment Management and Inversiones Sura business units.

Sura Asset Management S.A. and Subsidiaries
Consolidated Income Statement
At Year-End 2022
(stated in thousands of USD)

| | Retirement Savings | Sura Investments | Insurance - Annuities | New Lines of Business | Corporate - Others | Adjustments and eliminations | Total |
|--|--------------------|------------------|-----------------------|-----------------------|--------------------|------------------------------|------------------|
| Fee and commission income | 555,599 | 127,859 | - | 156 | 20,520 | (37,740) | 666,394 |
| Other investment income | 72 | 179 | - | - | 423,461 | (424,764) | (1,052) |
| Fair value gains, net | 681 | 203 | - | - | 7,398 | 124 | 8,406 |
| Revenues from legal reserves | 8,539 | 47 | - | - | - | - | 8,586 |
| Revenues (expense) via the equity method from associates and joint ventures, net | 2,930 | 4,401 | - | - | (1,775) | 1,824 | 7,380 |
| Other operating income | 229,723 | 10,264 | 36,639 | 443 | 4,548 | (224,926) | 56,691 |
| Operating revenues - fund and pension management | 797,544 | 142,953 | 36,639 | 599 | 454,152 | (685,482) | 746,405 |
| Gross premiums | - | 109,755 | 1,175,846 | - | - | (185,006) | 1,100,595 |
| Premiums ceded to reinsurers | - | (266) | (1,473) | - | - | - | (1,739) |
| Net premiums | - | 109,489 | 1,174,373 | - | - | (185,006) | 1,098,856 |
| Revenues from investments backing insurance reserves | - | 76,563 | 223,863 | - | - | (4,504) | 295,922 |
| Fair value gains and losses from investments backing insurance reserves | - | (89,649) | 4,712 | - | - | 5,380 | (79,557) |
| Claims | - | (132,376) | (8,228) | - | - | - | (140,604) |
| Movement in premium reserves | - | 59,355 | (1,208,622) | - | - | - | (1,149,267) |
| Total insurance margin | - | 23,382 | 186,098 | - | - | (184,130) | 25,350 |
| | | | | | | | - |
| Selling, general and administrative expense | (514,316) | (144,949) | (11,062) | (12,123) | (81,605) | 243,540 | (520,515) |
| Deferred acquisition costs (DAC): | 1,726 | (856) | (5) | - | - | - | 865 |
| Total operating expense | (512,590) | (145,805) | (11,067) | (12,123) | (81,605) | 243,540 | (519,650) |
| | | | | | | | - |
| Operating income | 284,954 | 20,530 | 211,670 | (11,524) | 372,547 | (626,072) | 252,105 |
| Financial income | 6,631 | 1,826 | 817 | 64 | 5,066 | (863) | 13,541 |
| Financial expense | (2,237) | (1,031) | (55) | (1) | (61,473) | 240 | (64,557) |
| Financial derivative (expense) income, net | (7) | (2) | - | - | 1,824 | - | 1,815 |
| (Expense) income on exchange differences, net | (2,636) | (519) | 163 | (18) | 4,553 | 524 | 2,067 |
| Earnings (losses) before income tax from continuing operations | 286,705 | 20,804 | 212,595 | (11,479) | 322,517 | (626,171) | 204,971 |
| Income tax, net | (66,207) | (9,340) | (54) | 247 | 7,246 | 7 | (68,101) |
| Net income for the year from continuing operations | 220,498 | 11,464 | 212,541 | (11,232) | 329,763 | (626,164) | 136,870 |
| Net income for the year from discontinued operations | - | - | - | - | (3) | (21,034) | (21,037) |
| Net income (losses) for the year | 220,498 | 11,464 | 212,541 | (11,232) | 329,760 | (647,198) | 115,833 |

(1) This is the result of having merged the Investment Management and Inversiones Sura business units.

45.3 Operating Revenues by Individual Country
Sura Asset Management S.A. and Subsidiaries
Consolidated Income Statement
At Year-End 2023
(stated in thousands of USD)

| | Consolidated | Chile | Mexico | Peru | Uruguay | El Salvador | Colombia | Others* |
|---|------------------|------------------|------------------|-----------------|-----------------|-----------------|------------------|--------------|
| Fee and commission income | 938,798 | 273,586 | 305,095 | 111,742 | 20,058 | 45,214 | 182,979 | 124 |
| Other investment income | 33,078 | 9,974 | - | (375) | - | 2 | 23,477 | - |
| Other fair value gains and losses | 20,234 | 14,937 | - | (1,509) | 16 | - | 6,790 | - |
| Revenues from legal reserves | 106,942 | 27,738 | 20,538 | 9,517 | 1,791 | - | 47,358 | - |
| Income (expense) from equity method | 7,768 | 7,197 | - | - | - | - | 571 | - |
| Other operating revenues | 18,834 | 10,092 | 5,635 | 1,634 | 77 | 3,196 | (1,800) | - |
| Operating revenues - fund and pension management | 1,125,654 | 343,524 | 331,268 | 121,009 | 21,942 | 48,412 | 259,375 | 124 |
| Gross premiums | 691,346 | 103,089 | - | - | - | - | 588,257 | - |
| Premiums ceded to reinsurers | (1,930) | (1,930) | - | - | - | - | - | - |
| Net premiums | 689,416 | 101,159 | - | - | - | - | 588,257 | - |
| Revenues from investments backing insurance reserves | 292,044 | 68,647 | - | - | - | - | 223,397 | - |
| Fair value gains and losses from investments backing insurance reserves | 90,863 | 74,642 | - | - | - | - | 16,221 | - |
| Claims | (252,811) | (131,307) | - | - | - | - | (121,504) | - |
| Movements- premium reserves | (804,513) | (82,684) | - | - | - | - | (721,829) | - |
| Total insurance margin | 14,999 | 30,457 | - | - | - | - | (15,458) | - |
| Selling, general and administrative expense | (705,824) | (188,189) | (201,644) | (73,288) | (18,874) | (27,768) | (195,529) | (532) |
| Deferred Acquisition Costs (DAC) (Expense) | (5,019) | (1,598) | (3,492) | (393) | 464 | - | - | - |
| Total operating expense | (710,843) | (189,787) | (205,136) | (73,681) | (18,410) | (27,768) | (195,529) | (532) |
| Operating income | 429,810 | 184,194 | 126,132 | 47,328 | 3,532 | 20,644 | 48,388 | (408) |
| Financial income | 32,703 | 10,571 | 4,833 | 3,421 | 962 | 415 | 12,499 | 2 |
| Financial expense | (58,292) | (1,907) | (1,029) | (643) | (23) | (7) | (54,680) | (3) |
| Financial derivative (expense) income | 1,258 | - | - | - | - | - | 1,258 | - |
| (Expense) income on exchange differences | 12,287 | (3,940) | (1,044) | (195) | 42 | - | 17,414 | 10 |
| Earnings (losses) before income tax from continuing operations | 417,766 | 188,918 | 128,892 | 49,911 | 4,513 | 21,052 | 24,879 | (399) |
| Income tax, net | (156,611) | (43,419) | (36,496) | (16,135) | (1,935) | (6,400) | (52,226) | - |
| Net income for the year from continuing operations | 261,155 | 145,499 | 92,396 | 33,776 | 2,578 | 14,652 | (27,347) | (399) |
| Net income for the year from discontinued operations | (16,392) | - | (9,942) | (47) | - | 12 | (6,295) | (120) |
| Net income for the year | 244,763 | 145,499 | 82,454 | 33,729 | 2,578 | 14,664 | (33,642) | (519) |

* Including the United States, Argentina and Luxembourg

Sura Asset Management S.A. and Subsidiaries
Consolidated Income Statement
At Year-End 2022
(stated in thousands of USD)

| | Consolidated | Chile | Mexico | Peru | Uruguay | El Salvador | Colombia | Others* |
|---|------------------|------------------|------------------|-----------------|-----------------|----------------|-----------------|--------------|
| Fee and commission income | 666,394 | 243,166 | 249,101 | 106,812 | 17,353 | 5,563 | 44,396 | 3 |
| Other investment income | (1,052) | (932) | - | (207) | - | - | 87 | - |
| Other fair value gains and losses | 8,406 | 358 | - | 94 | - | 45 | 7,909 | - |
| Revenues from legal reserves | 8,586 | 12,253 | (8,136) | (8,886) | (266) | - | 13,621 | - |
| Income (expense) from equity method | 7,380 | 10,345 | - | - | - | - | (2,965) | - |
| Other operating revenues | 56,691 | 2,991 | 12,083 | 820 | 244 | 310 | 40,243 | - |
| Operating revenues - fund and pension management | 746,405 | 268,181 | 253,048 | 98,633 | 17,331 | 5,918 | 103,291 | 3 |
| Gross premiums | 1,100,595 | 117,574 | - | - | - | - | 983,021 | - |
| Premiums ceded to reinsurers | (1,739) | (1,739) | - | - | - | - | - | - |
| Net premiums | 1,098,856 | 115,835 | - | - | - | - | 983,021 | - |
| Revenues from investments backing insurance reserves | 295,922 | 80,645 | - | - | - | - | 215,277 | - |
| Fair value gains and losses from investments backing insurance reserves | (79,557) | (84,294) | - | - | - | - | 4,737 | - |
| Claims | (140,604) | (135,990) | - | - | - | - | (4,614) | - |
| Movements- premium reserves | (1,149,267) | 56,252 | - | - | - | - | (1,205,519) | - |
| Total insurance margin | 25,350 | 32,448 | - | - | - | - | (7,098) | - |
| Selling, general and administrative expense | (520,515) | (179,265) | (180,999) | (74,931) | (18,212) | (4,862) | (61,997) | (249) |
| Deferred Acquisition Costs (DAC) (Expense) | 865 | (4,006) | 3,833 | 167 | 871 | - | - | - |
| Total operating expense | (519,650) | (183,271) | (177,166) | (74,764) | (17,341) | (4,862) | (61,997) | (249) |
| Operating income | 252,105 | 117,358 | 75,882 | 23,869 | (10) | 1,056 | 34,196 | (246) |
| Financial income | 13,541 | 5,241 | 1,322 | 778 | 1,179 | - | 5,021 | - |
| Financial expense | (64,557) | (8,452) | (1,225) | (707) | (106) | (137) | (53,930) | - |
| Financial derivative (expense) income | 1,815 | - | - | - | - | - | 1,815 | - |
| (Expense) income on exchange differences | 2,067 | 742 | (577) | (2,770) | (215) | - | 4,871 | 16 |
| Earnings (losses) before income tax from continuing operations | 204,971 | 114,889 | 75,402 | 21,170 | 848 | 919 | (8,027) | (230) |
| Income tax, net | (68,101) | (11,863) | (17,399) | (9,363) | (1,631) | (397) | (27,448) | - |
| Net income for the year from continuing operations | 136,870 | 103,026 | 58,003 | 11,807 | (783) | 522 | (35,475) | (230) |
| Net income for the year from discontinued operations | (21,037) | - | (16,153) | (192) | - | 8 | (4,608) | (92) |
| Net income for the year | 115,833 | 103,026 | 41,850 | 11,615 | (783) | 530 | (40,083) | (322) |

* Including the USA and Argentina

NOTE 46 - Earnings per share

The following figures are stated in US dollars:

Basic earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

| | 2023 | 2022 |
|--|---------|---------|
| Earnings for the year from continuing operations | 261,155 | 136,870 |
| Net earnings for the year, attributable to the controlling shareholder | 208,521 | 91,243 |

The weighted average number of ordinary shares used for determining basic earnings per share:

| | 2023 | 2022 |
|--|-----------|-----------|
| No. ordinary shares (weighted average) | 2,616,407 | 2,616,407 |

All shares belonging to SURA Asset Management's share capital are ordinary shares: there are no preferred shares.

| | 2023 | 2022 |
|---|-------|-------|
| Basic earnings per share | | |
| From continuing operations attributable to the controlling shareholder | 99.81 | 52.31 |
| From net operations for the year, attributable to the controlling shareholder | 79.70 | 34.87 |

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 Colombia, Chile, Mexico, Peru, Uruguay and El Salvador. 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) One insurance company, and (3) Fund Management and Brokerage firms. 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 from previous years (freely disposable capital), as well as discontinued operations, should these exist.

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, 2023. The currencies of the countries in which Sura Asset Management S.A. operates were adversely affected this past year. In reference to this, we include the following table showing changes in the exchange rates for each currency:

Dollar Exchange Rates

| Currency | 2023 | 2022 | % Change |
|--------------------|---------|---------|----------|
| CLP/ USD (Chile) | 877.1 | 855.9 | 2.5% |
| MXP/USD (Mexico) | 17.0 | 19.5 | -12.6% |
| PEN/USD (Peru) | 3.7 | 3.8 | -2.3% |
| UYU/USD (Uruguay) | 39.0 | 40.1 | -2.7% |
| COP/USD (Colombia) | 3,822.1 | 4,810.2 | -20.5% |

1.1 Risk Management Framework

Given the importance of handling the risks to which we are exposed in a timely and efficient manner, Sura Asset Management upholds a Risk Management System tailored to the Company's needs. This framework is based on the integral risk management carried out by our operating entities, both those coming under official oversight and those who are not, and complemented with a business portfolio vision that follows a cycle composed of: Prioritizing Trends and Risk Identification, Risk Assessment, Measurement, Monitoring and Management accompanied by a Communication program and a Corporate Governance that provides feedback with regard to the strategy and again to our operating Companies for their integral risk management frameworks. This Risk Management Framework has been continually upheld since SURA Asset Management was first founded and has evolved in keeping with its strategy, which allows for high levels of commitment to be reached within the Organization in terms of risk management while strengthening a robust base shared by all members of SURA Asset Management, through continuous improvement and adopting international best practices.

Notwithstanding the fact that the comprehensive risk management framework of each operating entity remains the basic component of the Company's risk management, the risk management monitoring and governance model has been perfected in a specialized manner for each type of risk: Financial Risks, which in turn are composed of accounting and actuarial risks, and Strategic and Business Risks, Investment Risks and Operating, Technology and Information Security Risks.

The main objective of Sura Asset Management's risk management framework is to protect the Company from undesired events that may affect its ability to achieve its organizational objectives and goals. Should these risks materialize, they could well 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. Comprising those responsible for carrying out the Company's processes and managing the specific risks of their related activities. This involves identifying and controlling the inherent risks, for an adequate residual risk level and accounting for any economic losses and other damages that may materialize in the activities for which they are responsible.

Second Line of Defense. Comprising the Risk and Compliance teams, whose responsibilities are focused on providing their Preventing and Counseling services. Their primary role is to provide support to the business

with regard to risk management, assist with interpreting risk management policies and standards, monitor compliance with risk management policies and report current risk levels for each sub-process.

Third Line of Defense. Comprising the Auditing Department, which is responsible for providing an objective and independent evaluation on the design and effectiveness of the Internal Control System (ICS), as well as to evaluate the effectiveness of the risk management function in each of its audits, taking into consideration the risk profile of the Company.

Risk management is overseen by the Board of Directors. The Board establishes risk management guidelines by issuing the corresponding policies, defining roles and responsibilities within the Company and determining its degree of risk appetite, among others.

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 material risk to which the activities of Sura Asset Management S.A. are exposed are properly identified, measured, controlled and monitored, this Note sets out the main sensitivities to the most relevant risks identified.

Profitability and Balance Sheet. This is the risk of potential losses or changes in the expected level of earnings due to movements given demographic, financial and business variables, 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 customer 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.

Operating risk 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.

Investment risk This group consolidates the risks of negative impacts on the value of investments made with third-party assets and/or the Company's own investments. These risks are directly managed by the operating units in which Sura Asset Management holds stakes, for which they use mechanisms to measure, monitor and manage the risks associated with market movements, credit risk, liquidity risk, among others; in which they seek to maintain continuous improvement plans that include initiatives having local scope or by means of synergies and corporate guidelines with a more regional scope.

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 2023, total Assets Under Management for the Mandatory

Pension business came to USD 149.706 million in the case of mandatory pension and severance funds, with another USD 7.134 million corresponding to the Voluntary Savings business.

Information stated in USD millions

| Product Family | Assets Under Management - Mandatory Pensions | Assets Under Management - Voluntary Savings | Assets Under Management - Mandatory Pensions | Assets Under Management - Voluntary Savings |
|----------------|--|---|--|---|
| | 2023 | | 2022 | |
| Chile | 35,428 | 1,776 | 32,963 | 1,797 |
| Mexico | 52,165 | 2,088 | 39,975 | 1,551 |
| Peru | 11,795 | 182 | 9,788 | 201 |
| Uruguay | 4,106 | - | 3,543 | - |
| Colombia | 39,158 | 3,082 | 24,964 | 2,136 |
| El Salvador | 7,054 | 6 | 6,330 | 5 |
| Total | 149,706 | 7,134 | 117,563 | 5,690 |

The Chilean Pension Fund Management firm at the end of 2023, had a total of 1.5 million members, of whom 0.9 million are direct contributors. This represents a contribution rate of 57%. The year-end wage base came to USD 15,342 m. Chile's income from its mandatory pension business largely corresponds to the commission charged on said wage base, which is 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 2023, the Mexican Pension Fund Management firm, had a total of 7.7 million fund members. Income from our Mexican Mandatory Pension business largely corresponds to the commission charged on Assets Under Management which came to USD 52,165 m. The commission at year-end 2023 came to 0.57% of total AuM. The Mexican Pension Fund Management firm also manages Voluntary Pension Funds

At the end of 2023, the Peruvian Pension Fund Management firm had 4.2 million members, 1.6 million of whom are direct contributors, representing a contribution rate of 38%. The year-end wage base came to USD 13,116 m. Peru's income from its mandatory pension business mainly corresponds to the commission charged on said wage base. This commission, at year-end 2023, 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 0.78% at year-end 2023.

At the end of 2023, the Uruguayan Pension Fund Management firm, had a total of 0.4 million members, of whom 0.2 million are direct contributors, representing a contribution rate of 51%. The year-end wage base came to USD 1,746 m. Uruguay's income from 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.

At the end of 2023, the Colombian Pension Fund Management firm, had a total of 5.6 million members, of whom 2.4 million are direct contributors, representing a contribution rate of 43% The year-end wage base came to USD 15,072 m. Colombia's income from its mandatory pension business largely corresponds to the fees and commissions charged on the aforementioned wage base. It is worth mentioning that Protección's commissions came to 3%, which includes a pension insurance premium, which in 2023 stood at 2.53%.

The El Salvadoran Pension Fund Management firm at the end of 2023, had 1.9 million members, of whom 0.5 million are direct contributors, representing a contribution rate of 27% The year-end wage base came to USD 4,337 m. El Salvador's income from its mandatory pension business mainly consists of the commission charged on said wage base,

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: the effects of a 10% drop in commission income are analyzed.
- Client factors: where the effects of a 10% increase in fund members transferring out in 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 same. There is also a diversification effect amongst countries as to the cause or type of risk.

Information stated in USD millions

| Deviation | Effect on Earnings before Tax | Effect on Earnings before Tax |
|--|----------------------------------|----------------------------------|
| | 2023 | 2022 |
| (10%) in Management Commissions | (93.0) | (77.8) |
| Chile | (23.0) | (21.1) |
| Mexico | (29.7) | (24.6) |
| Peru | (10.2) | (9.4) |
| Uruguay | (1.7) | (1.4) |
| Colombia | (23.8) | (17.8) |
| El Salvador | (4.5) | (3.4) |
| +10% in Transfers | (6.4) | (5.6) |
| Chile | (2.3) | (1.7) |
| Mexico | (1.4) | (1.1) |
| Peru | (0.4) | (0.5) |
| Uruguay | (0.0) | (0.0) |
| Colombia | (2.3) | (2.3) |
| El Salvador | - | - |

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 (where commissions are charged on Assets under Management), the third factor (3) 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 amount of fund members transferring out, its magnitude is related to commercial activities in each of the markets where Sura Asset Management S.A. operates.

2.3 Financial Risk

Financial Risk affecting the pension business is mainly related 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) movements with interest rates affecting the Provision for Deferred Income.

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 | 0.51% |
| Peru | 0.70% - 1.15% |
| Uruguay | 0.50% |
| Colombia | 1.00% |
| El Salvador | N/A |

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 reserve requirement. 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.

Information stated in USD millions

| Deviation | Effect on Earnings before Tax | Effect on Earnings before Tax |
|--|----------------------------------|----------------------------------|
| | 2023 | 2022 |
| -10% in the Valuation of Variables | (46.9) | (40.4) |
| Chile | (12.9) | (10.8) |
| Mexico | (18.3) | (15.7) |
| Peru | (4.6) | (2.7) |
| Uruguay | (0.5) | (0.5) |
| Colombia | (10.5) | (10.6) |
| El Salvador | Not applicable | Not applicable |
| +100Bps in Interest Rates | (58.8) | (47.7) |
| Chile | (22.0) | (20.7) |
| Mexico | (20.5) | (18.6) |
| Peru | (3.9) | (1.3) |
| Uruguay | (0.4) | (0.4) |
| Colombia | (12.1) | (6.8) |
| El Salvador | Not applicable | Not applicable |
| -10% depreciation in Foreign Currency | (41.8) | (36.1) |
| Chile | (16.3) | (13.7) |
| Mexico | (11.4) | (8.9) |
| Peru | (7.3) | (9.1) |
| Uruguay | (0.3) | (0.3) |
| Colombia | (6.5) | (4.1) |
| El Salvador | Not applicable | Not applicable |

The greatest effect comes from sensitivity to hikes 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 |
|--------------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| | 2023 | | 2022 | |
| Chile | | | | |
| Fund A | 4.2% | 0.5 | 4.2% | 0.5 |
| Fund B | 4.1% | 0.6 | 4.2% | 0.5 |
| Fund C | 2.5% | 1.2 | 2.3% | 1.2 |
| Fund D | 2.4% | 0.7 | 2.1% | 0.7 |
| Fund E | 2.3% | 0.6 | 2.2% | 0.6 |
| Mexico | | | | |
| | N/A | N/A | N/A | N/A |
| Peru | | | | |
| Fund 1 | 2.4% | 0.2 | 2.0% | 0.2 |
| Fund 2 | 3.4% | 0.8 | 2.0% | 0.7 |
| Fund 3 | 3.4% | 0.1 | 0.2% | 0.1 |
| Uruguay | | | | |
| Accumulation | 2.0% | 0.3 | 2.2% | 0.3 |
| Retirement | 1.7% | 0.1 | 1.8% | 0.1 |
| Colombia | | | | |

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 |
|--------------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| | 2023 | | 2022 | |
| Greater risk | 4.0% | 0.6 | 3.9% | 0.4 |
| Moderate risk | 3.6% | 1.9 | 3.1% | 1.6 |
| Conservative risk | 3.2% | 0.3 | 2.6% | 0.2 |
| Scheduled withdrawals (*) | 3.8% | 0.4 | 0.2% | 0.3 |
| Long-term severance | 5.2% | 0.2 | 4.9% | 0.1 |
| Short-term severance | 3.8% | 0.0 | 5.9% | 0.0 |
| El Salvador | | | | |
| Conservative Fund | 2.7% | 0.7 | 2.0% | 0.6 |
| Special Retirement Fund | N/A | N/A | 2.0% | 0.0 |

The information herein provided corresponds to that stated in the Statement of Financial Position at year-end 2023

It is also worth noting that AFP Protección retains part of its insurance risk since it does not take out pension insurance for 100% of the corresponding risk. With regard to this risk, AFP Protección maintains an actuarial provision for its expected future commitments.

Retained Insurance Risk - Pension Fund Management Firms (in USD millions)

| Product Family | Exposure | Exposure |
|-----------------------|----------|----------|
| | 2023 | 2022 |
| Colombia (Protección) | 105.5 | 108.5 |

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 pension insurance a new self-insured arrangement has been chosen through a stand-alone trust fund.

Pension Insurance Risk - AFP Protección (in USD millions)

| | Exposure | Exposure |
|----------------------------------|----------|----------|
| | 2023 | 2022 |
| +10% of the Implicit Claims Rate | (23.7) | (29.6) |
| +10% Slippage (Minimum Wage) | (0.8) | (0.4) |

2.4 Financial Risk Management on the part of Pension Fund Management Firms

2.4.1 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.

2.4.2 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 the asset allocation 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 2023, no fixed income security belonging to 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 2023 for Expected Losses on the Financial Assets held by Sura Asset Management's Pension Fund Management subsidiaries

3. Risk Management Notes - 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.

In December 2022 a new insurance company was created in Colombia called Asulado Seguros de Vida S.A., which in 2023 offered its pension insurance and annuities for the individual savings pension model.

Compañía de Seguros de Chile has the largest exposure, this through its Unit-Linked Individual Insurance, which is an important source of growth for the Company, and accounts for 83% of its 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 16% 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).

With respect to our reinsurance operations, in the case of Chile, our individual health care portfolio showed a significant ceded premium trailed by the Traditional Individual Insurance portfolios, with respect to Asulado this Company recorded catastrophic reinsurance for its Disability and Survivorship 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 demographic changes 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.

Volatility Risk - 1 year horizon (in USD millions)

| Deviation | Effect on Earnings before Tax | Effect on Earnings before Tax |
|--------------------------------------|-------------------------------|-------------------------------|
| | 2023 | 2022 |
| +10% with the Mortality Rate | (19.4) | (0.5) |
| Chile - Insurance | (0.5) | (0.5) |
| Colombia - Insurance | (18.9) | 0.0 |
| +10% with the Morbidity Rate | (26.2) | (0.2) |
| Chile - Insurance | (0.2) | (0.2) |
| Colombia - Insurance | (25.9) | 0.0 |
| + 10% with the Longevity Rate | (0.05) | (0.01) |
| Chile - Insurance | Not applicable | Not applicable |
| Colombia - Insurance | (0.05) | (0.01) |

Exposure to mortality and morbidity risk increased with respect to the previous year, this mainly due to the disability and survival insurance offered by Asulado.

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 demographic changes 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 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 | Effect on Earnings |
|--------------------------------------|--------------------|--------------------|
| | before Tax | before Tax |
| | 2023 | 2022 |
| +10% in Mortality Rate | (23.4) | (4.0) |
| Chile - Insurance | (4.5) | (4.0) |
| Colombia - Insurance | (18.9) | 0.0) |
| +10% in Morbidity Rate | (29.1) | (2.7) |
| Chile - Insurance | (3.1) | (2.7) |
| Colombia - Insurance | (25.9) | 0.0) |
| + 10% with the Longevity Rate | (20.7) | (11.8) |
| Chile - Insurance | (Not applicable) | (Not applicable) |
| Colombia - Insurance | (20.7) | (11.8) |

The greatest effect comes from the morbidity risk, which is concentrated in Asulado given its Disability and Survivorship insurance business.

3.2.3 Mitigating Factors in Business Risk

In order to mitigate all those risks that could affect Sura Asset Management S.A.'s income and equity accounts, its Insurance Companies have put into place underwriting policies and reinsurance agreements. Here it is worthwhile noting that Annuities are not subject to reinsurance and depending on the jurisdiction, local rules and regulations allow for companies to choose the risks to which they are exposed by abstaining from offering these products in certain cases. The underwriting analysis also includes validations of financial, actuarial and expense assumptions and the use of the insurance margin.

The underwriting strategy for Individual Life solutions is designed to avoid the risk of anti-selection and to ensure that tariffs cover the real risk. Here we have health care declarations and medical checkups as well regular reviews of 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 loss frequency and severity. Reinsurance negotiations include proportional, excess of loss and catastrophic coverages, the latter type of reinsurance applying to all Insurance Companies.

3.3 Financial Risk

Financial Risk for the insurance business relate 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.

Information stated in USD millions

| Business Unit | Fixed Income | Mortgage Loans (non-banking) | Real Estate Assets | Equity | Unit-Linked Funds | Total | % |
|-----------------------------|--------------|------------------------------|--------------------|----------|-------------------|--------------|---|
| | 2023 | | | | | | |
| Chile - Insurance | 357 | 4.8 | 93 | 7 | 1,322 | 37.1% | |
| % including Unit-Linked | 27.0% | 0.4% | 7.1% | 0.6% | | | |
| % excluding Unit-Linked | 77.2% | 1.0% | 20.2% | 1.6% | | | |
| Colombia - Insurance | 2,243 | 0 | 0 | 0 | 2,243 | 62.9% | |
| % including Unit-Linked | 100.0% | 0% | 0% | 0% | | | |
| % excluding Unit-Linked | 100.0% | 0% | 0% | 0% | | | |
| Total | 2,600 | 4.8 | 93 | 7 | 3,565 | 100% | |
| % including Unit-Linked | 72.9% | 0.1% | 2.6% | 0.2% | | | |
| % excluding Unit-Linked | 96.1% | 0.2% | 3.5% | 0.3% | | | |

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 2023 (In USD millions)

| Type | Chile - Insurance | Colombia - Insurance |
|------------|-------------------|----------------------|
| Government | 58 | 1,969 |
| AAA | 0.0 | 0.0 |
| AA+ | 0.0 | 0.0 |
| AA | 0.0 | 0.0 |

| Type | Chile - Insurance | Colombia - Insurance |
|-----------------------|-------------------|----------------------|
| AA- | 0.0 | 0.0 |
| A+ | 0.0 | 0.0 |
| A | 58 | 0 |
| A- | 0.0 | 0.0 |
| BBB+ | 0.0 | 0.0 |
| BBB | 206 | 0 |
| BBB- | 0.0 | 0.0 |
| BB+ | 0.0 | 243 |
| BB | 30 | 18 |
| BB- | 0.0 | 6 |
| B+ | 0.0 | 0.5 |
| B | 0.1 | 0.0 |
| Lower than a B rating | 0.0 | 5 |
| Deposits | 4 | 0.0 |
| Mortgage loans | 5 | 0.0 |
| Leasing | 0.0 | 0.0 |
| Total | 361 | 2,242 |

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.

The provisions for Expected Impairment Losses at year-end 2023 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) |
|------------------------------------|---|---|
| | 2023 | 2022 |
| Debt Instruments at Amortized Cost | 415 | 512 |
| Reinsurance Current Account | -0.1 | 0.9 |
| Mortgage loans | 10 | 0 |
| Total Chile - Insurance | 425 | 513 |
| Debt Instruments at Amortized Cost | 9,027 | 3,354 |
| Total Colombia - Insurance | 9,027 | 3,354 |

At year-end 2023 the maximum risk exposure of the insurance business in Chile came to USD 358.5 million, while the maximum exposure of the insurance business in Colombia came to USD 2,216.9 million.

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 prices of 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 with regard to the insurance business

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 projected reinvestments) in conjunction with premiums payable 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 |
|----------------------|----------------------|----------------------|----------------------|
| | 2023 | | 2022 |
| Chile - Insurance | 1,203 | 5.4% | 3.2% |
| Colombia - Insurance | 2,073 | 1.8% | 1.8% |

* including Unit-Linked in Chile

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* (USD millions)

| Business Unit and Currency | Exposure - Investment Assets | Exposure - Policy Liabilities |
|-----------------------------|------------------------------|-------------------------------|
| | 2023 | |
| Chile - Real Currency | 455.6 | 348.7 |
| Chile - Nominal Currency | 7.3 | 0.0 |
| Chile - USD | 0.0 | 0.0 |
| Chile - Other Currencies | 0.0 | 0.0 |
| Total Chile | 463 | 348.7 |
| Colombia - Real Currency | 1891.8 | 2,244.3 |
| Colombia - Nominal Currency | 350.8 | 0 |
| Colombia (USD) | 0 | 0 |
| Colombia Other Currencies | 0 | 0 |
| Total Colombia | 2,243 | 2,244.3 |

* excluding Unit-Linked in Chile

3.3.2.2.1 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. The results of this sensitivity analysis are explained by a higher asset position versus liabilities in USD.

Sensitivity to a 1 % depreciation (in USD millions)

| Business Unit | Effect on Earnings before Tax | Effect on Earnings before Tax |
|---------------|-------------------------------|-------------------------------|
| | 2023 | 2022 |
| Chile | 0.0 | 0.0 |
| Colombia | 0.0 | (16.9) |

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 |
|---------------|-------------------------------|-------------------------------|
| | 2023 | 2022 |
| Chile | (1.1) | (1.0) |
| Colombia | 0.0) | (5.7) |

3.3.2.3 Price Change Rate Risk: Equity and Real Estate

The risk of price changes in the insurance business relates to maintaining positions in assets whose market value 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 asset classes 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 |
|------------------------------|-------------------------------|-------------------------------|
| | 2023 | 2022 |
| Chile - Real Estate | (9.3) | (8.5) |
| Chile - Equity Securities | (0.7) | (0.7) |
| Colombia - Real Estate | 0.0 | 0.0 |
| Colombia - Equity Securities | 0.0 | (40.6) |

3.3.3 Liquidity Risk

The following table shows the flows of assets and liabilities for a period of between 0 to more than 5 years. 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 2023 - Short Term Cash Flow Position (in USD millions)

| Business unit | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|----------------------------------|------------------|--------------|-------------------|------------|
| Liquidity - Chile | 49 | (9) | 2 | 42 |
| Flows of assets | 102 | 117 | 168 | 387 |
| Flows of liabilities and expense | 53 | 126 | 166 | 345 |
| Liquidity - Colombia | (6) | 87 | 405 | 485 |
| Flows of assets | 311 | 587 | 1,832 | 2,729 |
| Flows of liabilities and expense | 317 | 500 | 1,427 | 2,244 |
| Total Liquidity | 43 | 78 | 407 | 527 |
| Flows of assets | 413 | 704 | 1,999 | 3,116 |
| Flows of liabilities and expense | 370 | 627 | 1,593 | 2,589 |

3.3.4 Mitigating Factors - Financial Risk

3.3.4.1 Credit Risk

Credit risk is managed from two standpoints. The first relates to fundamental analyses of the creditworthiness of potential issuers when the corresponding securities are being included in the investment portfolio.

As part of this process, a rating is established for each issuer based on Sura Asset Management's proprietary methodology, through which the creditworthiness of these issuers is determined along with whether they are eligible given the objectives of these 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 the corresponding 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.

The outlook for mitigating the market risk corresponding to price variations is concentrated in managing real estate assets, in the case of the Chilean insurance company, and equities in the case of the Colombian insurance company. Here, the concentration of the portfolio held in these assets is monitored. Furthermore, in the case of Chile, 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 the least possible 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 Total Assets under Management corresponding to the Fund Management business in 2023 came to USD 15,522 thousand.

| Business Unit | Assets Under Management | Assets Under Management |
|---------------|-------------------------|-------------------------|
| | 2023 | 2022 |
| Chile | 5,000 | 4,510 |
| Mexico | 7,295 | 5,205 |
| Peru | 1,091 | 1,224 |
| Uruguay | 389 | 342 |
| Argentina | - | 6 |
| Colombia | 2,986 | 1,973 |
| Total | 16,762 | 13,254 |

Including open architecture funds and insurance mandates.

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 same. There is also a diversification effect amongst countries as to the cause or type of risk.

| Deviation | Effect on Earnings | Effect on Earnings |
|---------------------------------------|--------------------|--------------------|
| | before Tax | before Tax |
| | 2023 | 2022 |
| -10% in Management Commissions | | |
| Chile | (4.41) | (4.1) |
| Mexico | (3.27) | (2.5) |
| Peru | (1.40) | (1.8) |
| Uruguay | (0.26) | (0.21) |
| Argentina | - | (0,001) |
| Colombia | (0.61) | (0.8) |

The risks to commission income consist of:

- (1) a reduction in commission rates (given market competition, etc.); and
- (2) a drop in the number of client funds (market conditions, exit rates, competition, macroeconomic situation, etc.)

The sensitivity 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.

There was no provision set up at year-end 2023 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 management notes referring to other companies belonging to Sura Asset Management S.A. that do not classify in the Pension, Insurance and Fund Management categories.

6. Risk Management Notes - Risks With Sura Asset Management's Corporate Debt

Sura Asset Management's capital structure includes a debt component composed of two bond issues 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 currency exposures

| Currency | Currency Exposure on Corporate Debt (in USD millions) | |
|----------------------|---|--------------|
| | 2023 | 2022 |
| USD-Denominated Debt | 855.4 | 854.1 |
| COP-Denominated Debt | 0.02 | 0.02 |
| Total | 855.4 | 854.1 |

At year-end 2023, the large majority of this debt corresponded to bonds issued in USD on the international markets in USD, with 93% of their nominal amount hedged in the form of Cross Currency Swaps

Credit Risk

Counterparty risk is calculated using the Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) methodologies. This takes into account the risk classifications of all those entities with whom hedges have been taken out so as to be able to assign the corresponding default probabilities. 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 2023 reached USD 0.2 million, this corresponding to an exposure of 0.1%

7. Risk Management Note - Risks With Sura Asset Management's Seed Capital

In 2023, SURA Asset Management was involved in a new infrastructure project by investing its Seed Capital, and in turn the seed capital invested in the Colombia Fixed Income Fund was returned. At year-end 2023, the Company held twenty-one seed capital projects in its investment portfolio.

The following is a brief overview of the more relevant of these portfolio projects, along with Sura Asset Management's involvement and the amount of capital committed in these ventures.

7.1 Traditional Assets

7.1.1 *Fondo Latin America Corporate Debt denominated in USD*

The SURA Latin America Corporate Debt Fund in USD was first launched on December 14, 2020 and is domiciled and managed in Mexico. Thus fund's objective is to achieve levels of income and capital appreciation over the mid to long term through a diversified strategy based on dollar-denominated commercial paper issued by Latin American corporates. This fund is aimed at investing primarily in instruments from corporate issuers whose assets and/or revenues are mostly from the Latin American region. This fund also strives to add value through an investment strategy that relies on the regional fixed income team accompanied by the regional credit team.

The firm responsible for managing this fund is SURA Investment Management México S.A. de C.V., S.O.F.I. SURA Asset Management has invested seed capital in this fund directly through a sub-fund belonging to SURA-AM SICAV vehicle.

At year-end 2023, the exposure corresponding to this fund in terms of currency and types of assets is as follows:

| Geographical and currency concentration | Absolute | % |
|---|----------|------|
| | 2023 | |
| US (Dollars) | 40.1 | 100% |

| Concentration per asset class. | Absolute |
|--------------------------------|-------------|
| | 2023 |
| Fixed income securities | 37.9 |
| Cash and banks | 2.2 |
| Total | 40.1 |

7.1.2 Fondo de Inversión Privado SURA Rentas México Serie A (Absolute Return)

The Absolute Return Fund, domiciled in Mexico, was launched in October 2021. The fund's objective is to offer clients the option of investing in debt securities, either directly, or through mutual funds, Exchange Traded Funds (ETF) collective investment vehicles and/or stock-referenced certificates called TRACs in Spanish, in pesos, Inflation Indexed Investment Units called UDIS in Spanish and/or foreign currency. The fund's objective is to provide the investor with an annual gross targeted return of the 28-day CETES + 170bps. The strategy to achieve this objective is divided into a Core component that through different traditional fixed income instruments is aimed at producing a return similar to the 28-day CETES ; and on the other hand, a tactical component that seeks through positions in more sophisticated instruments (derivatives) to generate a premium independent of market conditions.

At year-end 2022, at total commitment of MXN 196.4 million (USD 11.5 million) was fully disbursed. As of October 2023, Series A (Absolute Return) and Series C (Rentas Mexico Industrial Assets) were merged, where the total investment of the Rentas Mexico Private Investment Fund had a book value of USD 38.3 million at year-end 2023.

7.2 Alternative Assets

7.2.1 Infrastructure Fund

7.2.1.1 FCP Debt 4G Sura Asset Management - Credicorp Capital I Private Debt Infrastructure Compartment I

At the end of 2015, Credicorp Capital and Sura Asset Management signed a strategic alliance for setting up a long-term debt fund for financing infrastructure projects within the region. As a result of this effort, Unión para la Infraestructura came into being in Colombia as a professional manager of infrastructure funds, with the launching of the FCP 4G Credicorp Capital-Sura Asset Management - Compartment DPI I fund, which has commitments from institutional investors amounting to COP 1.4 trillion (USD 363.7 million). Currently, 98.5% of the resources committed in this sub-fund have been invested in the financing of four road concession projects under an APP scheme in Colombia through senior debt facilities in local currency.

Given the nature of these investments, this capital shall be exposed to the inherent financial volatility risks given changes in project appraisals.

The capital committed to this fund by SURA Asset Management through its subsidiary SURA Asset Management Chile S.A. comes to COP 75,000 million (USD 19.6 million) of which COP 68.667

million (USD 17.9 million) have been drawn down at year-end 2023. The book value of the stake held amounts to COP 95.678 million (USD 25.0 million).

| Country (Currency) | Absolute | % |
|----------------------------|----------|------|
| | 2023 | |
| Colombia (Colombian Pesos) | 25.0 | 100% |

7.2.2 Real Estate

7.2.2.1 Sura Private Real Estate Investment Fund

This private real estate investment fund is managed by Fondos Sura SAF (Peru), the purpose of which is to invest in a single asset located in the city of Lima, and managing and stabilizing its occupancy so as to subsequently sell it off to a real estate rental fund.

The initial amount of seed capital invested in this fund amounted to USD 24.7 million. In 2019, there were 2 capital repayments the first for USD 7.4 million on July 5, and the second for USD 3.3 million on November 21. In 2020, there were 2 capital repayments the first for USD 6.0 million. No additional investments or distributions have been made since 2021 to date. The carrying value of the balance invested at year-end 2023 came to USD 7.2 million.

| Country (Currency) | Absolute | % |
|--------------------|----------|------|
| | 2023 | |
| Peru (US dollar) | 7.2 | 100% |

7.2.2.2 Sura Real Estate Investment Fund III

The objective of the SURA Real Estate Investment Fund III is to invest in stabilized assets in Chile, specifically in the office, industrial and retail property segments. The fund was launched in January 2019 and obtained committed investments amounting to 1,091,745 UFs (development units). On August 31, 2019 it conducted a second closure with committed investments totaling 2,051,585 UFs (development units).

At year-end, 2023, Sura Asset Management Chile has made net disbursements of seed capital worth CLP 7.117 million (USD 8.1 million). The book value of the stake held at year-end 2023 amounts to CLP 8.424 (USD 9.6 million).

The Fund carried out its first investment in January 2019 with the purchase of a Class A office building and at year-end 2023 the Fund has invested in the acquisition of 23 assets distributed in the office (70%), industrial warehousing (21%) and retail premises (9%) and for a value of UF 5,935,071 (USD 247 million).

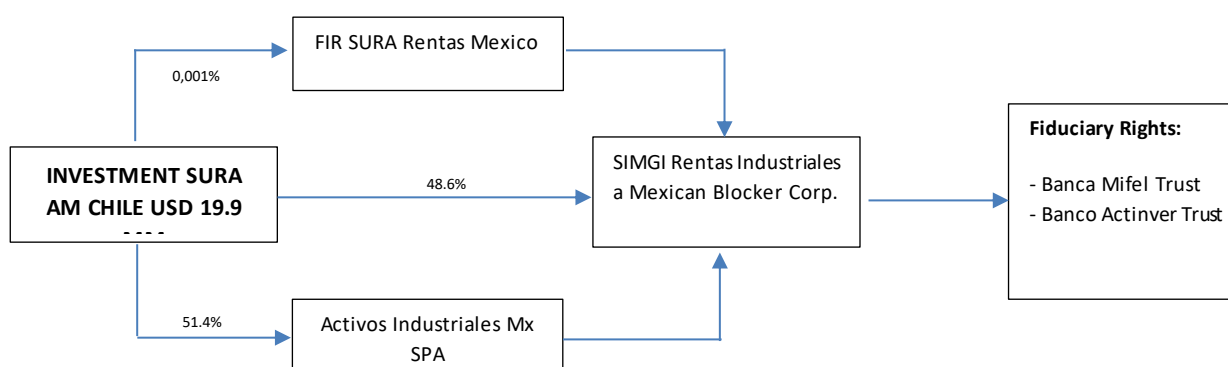
| Country (Currency) | Absolute | % |
|-----------------------|----------|------|
| | 2023 | |
| Chile (Chilean Pesos) | 9.6 | 100% |

7.2.2.3 Fondo de Inversión Privado SURA Rentas México Serie C (Rentas México)

Investment through SIMGI Rentas Industriales SA de CV (Mexican Blocker Corp.) in two real estate assets as anchors of Fondo México Rentas, an investment vehicle in the process of being set up and marketing its offering. The main objective of this fund is to preserve capital, generate cash flow and obtain capital gains through a portfolio of industrial property located in Mexico, producing USD- denominated income.

- In September 2021, 80% of the trust rights of "trust 4594/2021 Banca Mifel" were acquired for USD 16.6 million, plus 2.0 million in value added tax. This trust has only a Class A industrial warehouse located in Ciudad Juarez in Mexico consisting of 27,759 m2 of GLA and carries a medium-term, dollar-indexed, triple net lease agreement expiring in February 2025. The value of this asset amounts to USD 22.1 million according to JLL's appraisal dated December 1, 2023.
- In October 2022, an industrial warehouse was acquired in Pesqueria, Nuevo Leon, Mexico, which was contributed to the "Trust 5458/2022 Banco Actinver". This industrial building consists of 34.141 m2 of GLA and carries a medium-term, dollar-indexed, triple net lease agreement with no possibility of early exit. The purchase value of this asset came to USD 19.8 million, plus 2.5 million in value added tax. This asset was appraised at USD 22.6 million by CBRE on October 01, 2023.
- In the case of both acquisitions, a portion of the value thus disbursed includes USD 4.5 million of value added tax, which will be recovered once the fund is set up and SIMGI Rentas Industriales SA de CV sells to the fund its interests in these trusts.

At year-end, 2023, Sura Asset Management Chile has disbursed seed capital amounting to USD 19.9 million, of which (i) 48.6% was a direct investment in SIMGI Rentas Industriales SA de VA, (ii) 51.4% was invested through the company Activos Industriales Mx SpA and (iii) 0.001% was invested through FIR SURA Rentas Mexico. The investments made in (ii) and (iii) above was then invested in SIMGI Rentas Industriales SA de CV. The above is explained in the following diagram:



As of June 2023, Series A (Absolute Return) and Series C (Rentas Mexico) were merged, where the total investment of the Rentas Mexico Private Investment Fund had a book value of USD 38.3 million at December 31, 2023.

7.3 Private Debt

7.4 Fund of Funds

7.4.1 *SURA Global Real Estate Investment Fund*

The SURA Global Real Estate Investment Fund, domiciled in Chile, is a non-callable investment vehicle denominated in USD whose main objective is to obtain capital gains and/or cash flows by investing in real estate funds and/or ETFs. The purpose of this is to invest in stabilized real estate assets that are strategically located in different sectors such as: residential, retail, office, industrial, hotels, among others. Its geographic investment focus is on the United States and Europe. This Fund was started up in January 2022.

At year-end 2023, USD 12.4 million has been disbursed for the strategy, of which USD 4.1 million has been repaid. The book value of this investment came to USD 7.3 million.

| Country (Currency) | Absolute | % |
|--------------------|----------|------|
| | 2023 | |
| Chile (US dollar) | 7.3 | 100% |

7.5 Other related investments

7.5.1 *Real Estate Assets in Colombia*

This portfolio includes two real estate investments in Colombia, these being plots of land

- In April 2020, a plot of land was acquired in Medellín for COP 16,500 million (USD 4.3 million), which has an approximate area of 2,600 m2 on which a real estate project is to be developed. The marketing strategy for the asset in question is currently being defined. This land is currently held as part of the Trust, Fideicomiso 1 Sur managed by the Alianza Fiduciaria, where Sura Asset Management Chile S.A. holds a 100% stake. At year-end 2023, total disbursements came to COP 18.978 million (USD 5.0 million) and the equity value of this investment totaled COP 16.703 million (USD 4.4 million).
- In June 2021, in conjunction with Arquitectura & Concreto and FCP Sura Asset Management Desarrollo Inmobiliario, a plot of land was acquired in Bogotá for COP 21,000 million (USD 5.5 million), which has an approximate area of 1,500 m2 and on which an office building is to be developed. The Company is currently waiting to reach a break-even point in terms of its commercialization. This land is currently held as part of the Trust, Fideicomiso Edificio 7.84 managed by Sura Asset Management Chile S.A, through the SUAM Chile Stand-Alone Trust which holds a 23.5% stake. At year-end 2023, total disbursements corresponding to this initiative came to COP 15.809 million (USD 4.1 million) and the equity value of the investment amounted to COP 16.349 million (USD 4.3 million).

| Country (Currency) | Absolute | % |
|----------------------------|------------|------|
| | 2023 | |
| Colombia (Colombian Pesos) | 8.7 | 100% |
| Total | 8.7 | |

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, 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 2023:

| Free Capital - 2023 (in USD m) | | | | | | |
|--------------------------------|-------------------------|-------------------|----------------|--------------|--------------|------------|
| Business Unit | Fixed Income Securities | Equity Securities | Cash and banks | Mutual Funds | Total | % |
| 2023 | | | | | | |
| Chile | 0.89 | 0 | 25 | 79 | 104.9 | 33% |
| Chile CLP | 0.8 | 0 | 16.7 | 69 | | |
| Chile - USD | 0.09 | 0 | 8.3 | 10 | | |
| Corporate | 17.52 | 0.06 | 58.2 | 0 | 75.8 | 24% |
| Corporate - COP | 17.52 | 0.1 | 28.6 | 0 | | |
| Corporate - USD | 0 | 0 | 29.6 | 0 | | |
| Peru | 10.9 | 0 | 4.7 | 43.8 | 59.3 | 19% |
| Peru - PEN | 0.4 | 0 | 3.7 | 43.8 | | |
| Peru - USD | 10.4 | 0 | 1 | 0 | | |
| Mexico | 33.1 | 0.3 | 1.3 | 0 | 34.7 | 11% |
| Mexico MXN | 33.1 | 0.3 | 0.6 | 0 | | |
| Mexico - USD | 0 | 0 | 0.7 | 0 | | |
| Colombia | 4.3 | 0 | 28.7 | 0 | 33 | 10% |
| Colombia - COP | 3 | 0 | 20.5 | 0 | | |
| Colombia - USD | 1.3 | 0 | 8.2 | 0 | | |
| Uruguay | 4.8 | 0.1 | 0.4 | 0 | 5.2 | 2% |
| Uruguay - UYU | 4.8 | 0.1 | 0.2 | 0 | | |
| Uruguay - USD | 0 | 0 | 0.2 | 0 | | |
| El Salvador | 2.1 | 0 | 0 | 0 | 2.1 | 1% |
| Salvador USD | 2.1 | 0 | 0 | 0 | | |
| USA | 0 | 0 | 1.2 | 0 | 1.2 | 0% |
| USA USD | 0 | 0 | 1.2 | 0 | | |
| Luxembourg | 0 | 0 | 0 | 0 | 0 | 0% |
| Luxemburg EUR | 0 | 0 | 0 | 0 | | |
| Luxemburg USD | 0 | 0 | 0 | 0 | | |
| Total | 23% | 0.20% | 38% | 39% | | |

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.

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 2023 | Number of persons employed at year-end | | |
|--------------------------|--|--------------|--------------|
| | Men | Women | Total |
| Senior Management | 52 | 31 | 83 |
| Administrative Personnel | 1,648 | 2,154 | 3,802 |
| Sales Personnel | 1,029 | 1,868 | 2,897 |
| Total | 2,729 | 4,053 | 6,782 |

| At year-end 2022 | Number of persons employed at year-end | | |
|--------------------------|--|--------------|--------------|
| | Men | Women | Total |
| Senior Management | 43 | 24 | 67 |
| Administrative Personnel | 1,681 | 1,992 | 3,673 |
| Sales Personnel | 1,168 | 2,155 | 3,323 |
| Total | 2,892 | 4,171 | 7,063 |

Information regarding the Parent Company's governing bodies

For the year ended December 31, 2023, 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 2023:

- Fees to be paid on a bimonthly basis to the principal members of the Board of Directors: USD 8.662
- Fees for attending ordinary or extraordinary Board Committee meetings USD 2.887

Total paid in 2023 came to COP 1,179,588,239 or USD 272.734.

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 - Post-Closing Events

2023

Share purchase agreement for divesting a subsidiary:

In February 2024, Protección S.A., a subsidiary in which SURA AM holds a 52.91% stake, entered into a share purchase agreement with Centro Financiero Crecer, S.A., a Panamanian company that operates on the financial markets of Central America and the Caribbean. The purpose of this agreement is to sell 100% of the shares held by the Company in Administradora de Fondos de Pensiones Crecer S.A., a corporation, incorporated and domiciled in El Salvador.

The trading value of the shares in AFP Crecer S.A. is broken down as follows: A selling price of USD 60 million plus an adjustment to the above amount based on the performance of AFP Crecer from January 1, 2024 until whenever the transaction is completed (and the shares delivered).

As a result of the signing of the above contract, the investment in AFP Crecer as recognized in the financial statements will be reclassified during the first quarter of 2024 as non-current assets held for sale and

discontinued operations in accordance with the presentation and valuation criteria established in IFRS 5; as a result of this reclassification, no impairment losses are expected to be recognized.

Financial obligation

On January 5, 2024, an agreement was signed with Bancolombia Panama for a loan of USD 30 million for a term of 2 years, as part of a debt refinancing maturing in April 2024.

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, 2023, were authorized by the Board of Directors, as stated in Minutes No. 103 of a meeting of the Board of Directors held February 28, 2024.