

3Q - 2017

QUARTERLY NEWSLETTER RESULTS



Grupo SURA posted YTD revenues of COP 15.2 billion (+16.3%) at the end of 3Q 2017, thanks to a good level of operating performance on the part of its subsidiaries.

Grupo SURA presented its results for the third quarter of this year, showing a 16.3% year-on-year growth in YTD revenues, which totaled COP 15.2 billion (USD 5.2 billion).

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QUARTERLY HIGHLIGHTS »



Suramericana acquires the life insurance business formerly belonging to SURA Asset Management in Mexico

This transaction shall allow Suramericana to concentrate its insurance business in Mexico, while allowing SURA Asset Management to focus its efforts on its core pension, savings and investment management business.

[Highlight, after closing 3Q 2017](#)

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The divestiture of Seguros SURA Peru formerly belonging to SURA Asset Management has now been completed.

All the corresponding regulatory permits were duly obtained prior to completing this transaction.

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Reaffirmation of the Group's Credit Ratings

The international credit ratings agencies, Fitch Ratings and Standard & Poor's reaffirmed their international ratings for Grupo SURA.

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Awards and Recognition

During the third quarter of 2017, the companies belonging to the SURA Business Group received different awards.

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**GRUPO SURA POSTED YTD REVENUES OF COP 15.2 BILLION (+16.3%) AT THE END OF 3Q 2017
THANKS TO A GOOD LEVEL OF OPERATING PERFORMANCE ON THE PART OF ITS SUBSIDIARIES »**

Grupo SURA presented its results for the third quarter of this year, showing a 16.3% year-on-year growth in YTD revenues, which totaled COP 15.2 billion (USD 5.2 billion).

This was made possible by the good level of operating performance obtained from the Group's pension, savings and investment subsidiary, SURA Asset Management, as well as its insurance and trend/risk management arm, Suramericana which have continued reinforcing their competitive standing in all those countries where present. A main highlight for this past reporting period was the increase in revenues obtained from retained premiums (+ 21.6%), services rendered (+ 21.0%) and revenues obtained via the equity method (+18.7%); the latter from our associates, Grupo Bancolombia, Grupo Argos, Grupo Nutresa and AFP Protección.

Suramericana, for its part recorded an EBIT of COP 498,279 million (USD 169.5 million), for a 3.5% growth, thanks to a positive level of operating performance on the part of its regional operations as well as higher contributions from all those businesses acquired from RSA. In the case of SURA Asset Management, operating earnings came to COP 797,572 million (USD 271.3 million), for a growth of 10.6% in local currencies, this mainly driven by investment income as well as the revenues obtained from AFP Protección via equity method.

Similarly, revenues obtained from associates via the equity method rose by 18.7% to COP 765,203 million (USD 260.3 million) mainly due to the good levels of performance on the part of Grupo Argos and AFP Protección.

The Company's total expenditure came to COP 13.7 billion (USD 4.7 billion), having risen by 21.3%. Consequently, the net income attributable to shareholders at the end of 3Q 2017 reached COP 943,607 million (USD 321 million) having declined by 26.6% due to the prevailing exchange rates. It is to be noted that exchange differences were particularly positive last year, thereby affecting the basis for comparison between the two years. Another contributing factor were the non-recurring provisions set up during the first half of the year, which also had a consequent effect on our final results. Upon isolating the effects of both items, the Company's net income would have dropped by just 0.3%.

Finally, at the end of 3Q 2017, assets rose by 5.6% to COP 71.6 billion (USD 24.4 billion), and equity reached COP 25.5 billion (USD 8.7 billion), for a 0.4% increase compared to the same period last year.

YTD REVENUES

COP 15.2 billion
USD 5.2 billion ▲ **16.3%**

ASSETS

COP 71.6 billion
USD 24.4 billion ▲ **5.6%**



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STOCK PERFORMANCE »

The price of the ordinary share of GRUPOSURA on September 30th, 2017, closed at COP 40,880, displaying an annual variation of 8.7% and a YTD variation of 7.0%. The preferential share PFGRUPSURA closed at COP 40,180 with an annual variation of 7.7% and a YTD variation of 8.6%.

HOW OUR SHARES HAVE PERFORMED ON THE COLOMBIAN STOCK EXCHANGE



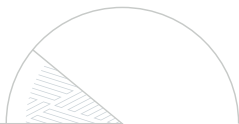
891

INTERNATIONAL FUNDS

having

21.5%

Of total shares



	30-SEP-17	% ANNUAL VAR*	% VAR YTD*	30-DEC-16	30-SEP-16
GRUPOSURA (Pesos)	40,880	8.7%	7.0%	38,200	37,620
PFGRUPSURA (Pesos)	40,180	7.7%	8.6%	37,000	37,300
COLCAP (Points)	1,488	11.1%	10.0%	1,352	1,339

*Appreciation with dividend



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SURAMERICANA ACQUIRES THE LIFE INSURANCE BUSINESS FORMERLY BELONGING TO SURA ASSET MANAGEMENT IN MEXICO »

**Highlight, after
closing 3Q**

As part of its strategy aimed at optimizing its portfolio, Grupo SURA has announced that a transaction has been carried out between its two main subsidiaries, whereby the life insurance business handled by SURA Asset Management in Mexico is to be purchased by Suramericana, a specialized insurance and trend/risk management company, thus supplementing its portfolio in this part of the world.

This comes after analyzing the specific conditions of the Mexican insurance operation and deciding that Grupo SURA's best interests would be served by transferring its insurance business to its specialized insurance arm with more than 70 years of experience in this field, thus allowing SURA Asset Management to focus its efforts and resources more on its core business in the pension, savings and investment management industry. At the same time, both subsidiaries shall continue with their common purpose of harnessing the synergies existing with their complementary lines of business thus enhancing their value-added offerings.

In this regard, David Bojanini, Grupo SURA's Chief Executive Officer stated: "By placing each line of business in the capable hands of each specialized company we shall be able to take advantage of the full potential that each business has to offer both in terms of efficiencies and growth opportunities. This move is consistent with our organizational strategy aimed at optimizing our investment portfolio".

This transaction is worth USD 20.6 billion and carries a multiple of 1.36 x P/BV and was based on the exchange rate and equity recorded at the end of 1Q, 2017. The SBI Investment Banking firm assisted with appraising the Mexican insurance firm providing all the technical and financial support in compliance with the Group's corporate governance standards.



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THE DIVESTITURE OF SEGUROS SURA PERU HAS NOW BEEN COMPLETED »

SURA Asset Management S.A. and SURA Asset Management Perú S.A., in conjunction with Grupo Wiese, all three in their capacity as sellers, together with Intercorp Financial Services Inc. ("IFS") and Interseguro Compañía de Seguros S.A., these in their capacity as buyers have signed the legal documents aimed at perfecting the sale of up to 100% of the share capital belonging to Seguros SURA S.A. ("Seguros SURA Perú") and Hipotecaria SURA Empresa Administradora Hipotecaria S.A. ("Hipotecaria SURA Perú"). The signing of this share purchase agreement came about after duly obtaining the regulatory permits issued for this purpose in Peru.

It is worth noting that the price of the transaction was agreed at USD 276.3 million.

**Consequently, the
sale of 100% of
the share capital
belonging to
Seguros SURA Peru,**
a firm specializing in
annuities, has been
completed



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REAFFIRMATION OF THE GROUP'S CREDIT RATINGS »

Fitch Ratings published its international ratings report, reaffirming its 'BBB' investment grade rating for Grupo SURA, along with a stable outlook. This rating reflects the Holding's creditworthiness as well as its stable, well-diversified stream of revenues. Similarly, the aforementioned credit ratings agency confirmed its expectations that the Company shall be able to maintain adequate levels of liquidity and a stable while moderately leveraged capital structure over the coming years.

This report was supplemented by that issued by Standard & Poor's, which again reaffirmed a 'BBB' rating for Grupo SURA albeit with a negative outlook. The latter credit ratings agency considers that leveraging shall remain low, while the flow of dividends from subsidiaries should cover its operating costs and interest expense over the next two years.

FitchRatings

**A 'BBB' rating was
reaffirmed along
with a stable outlook**

STANDARD & POOR'S

**A 'BBB' rating was
reaffirmed along
with a negative
outlook**



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AWARDS AND RECOGNITION »

1. — **ALAS 20**
Grupo SURA obtained the Alas20 Colombia 2017 award in the category “Leading Company in Corporate Governance”.
2. — **MERCO**
Grupo SURA was ranked in 8th place amongst the Top Companies with the Best Reputation.
3. — **Dow Jones Sustainability Index - MILA**
Grupo SURA was ranked amongst the 42 companies belonging to the Pacific Alliance member countries (Chile, Mexico, Peru and Colombia), that were chosen by the MILA index for upholding the best environmental, social and economic practices.
4. — **AM Best** – assigned a positive rating to the insurance firm, Seguros SURA Panama
Seguros SURA Panama received an A - rating (excellent) for its financial strength along with an “A-” rating as an issuer of long-term debt.
5. — **Morningstar** – Bronze Grade
Afore SURA (SURA Asset Management’s specialized pension management firm in Mexico) obtained a bronze rating, the highest awarded this year to the Mexican Pension Funds by the Morningstar analysts.

