

4Q - 2017

Results  
Presentation

## DISCLAIMER



The forward-looking statements contained herein are based on Management's current forecasts and outlook

For better illustration and decision-making, figures for Suramericana, SURA Asset Management and its subsidiaries are administrative rather than accountant, and therefore may differ from those presented to entities officers. Thus, Grupo de Inversiones Suramericana assumes no obligation to update or correct the information contained in this presentation.

## AGENDA



# Grupo SURA

**Consolidated Results**

# Suramericana

**Insurance, Trends and Risk Management**

# SURA Asset Management

**Pensions, Savings and Asset Management**



# Grupo SURA

Consolidated  
Results 3Q 2017

# HIGHLIGHTS »

## GRUPO SURA

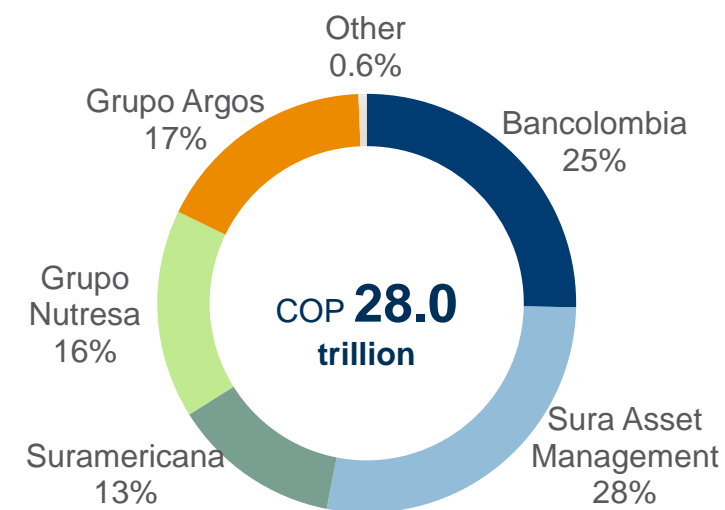


- Growth in all businesses: Total revenues of **COP 20.5 tn (+12.0%)**.
  - Driven by good dynamics of written premiums (+15.9%), revenues from services rendered (21.1%) and investment income (+ 12.6%).
- Effort in efficiency: Suramericana improves operating efficiency by **90 pbs** and SURA AM by **30 pbs**.
- Commitment to profitable growth: net income attributable to shareholders of COP 1.26 tn (-13.0%) YTD and COP 312,648 MM (+97.2%) in 4Q.
  - Positive exchange impact in 2016 of COP 28,903 MM contrasts with COP -145,525 MM in 2017.
  - Excluding foreign exchange and non-recurring impact **+7.7% in 2017**.

### Portfolio Strategy

- Portfolio optimization via profitability of operations and divestments of non-strategic assets
  - ROTE improvement at Suramericana and SURA AM
  - Divestitures for USD 300 MM in insurance operations and non-strategic assets in Grupo SURA.
  - Investment of USD 20 MM in our *Corporate Venture* program

### INVESTMENT PORTFOLIO \*

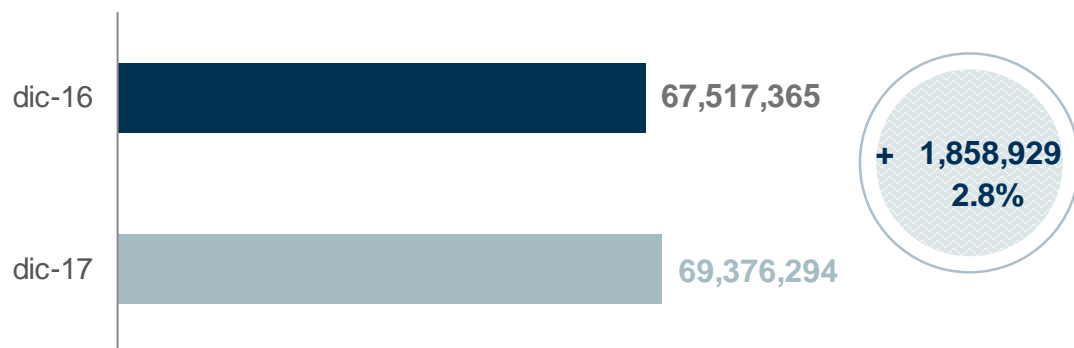


*Considering Suramericana and SURA Asset Management at 1x P/BV, listed companies at market value.*

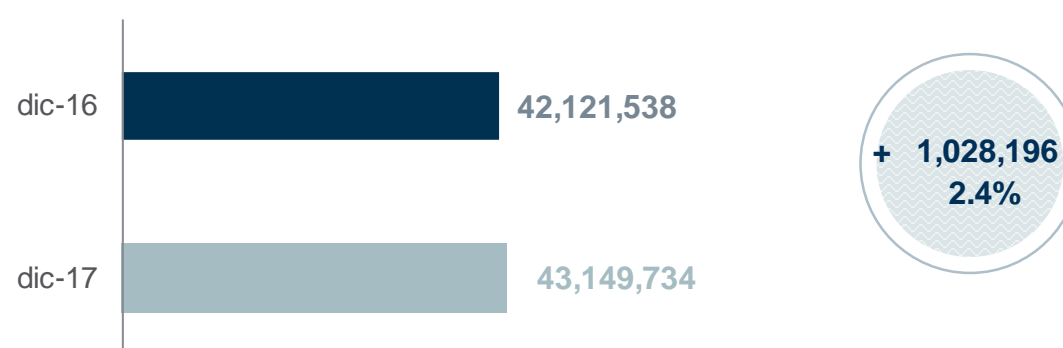
# STATEMENT OF FINANCIAL POSITION »

## CONSOLIDATED

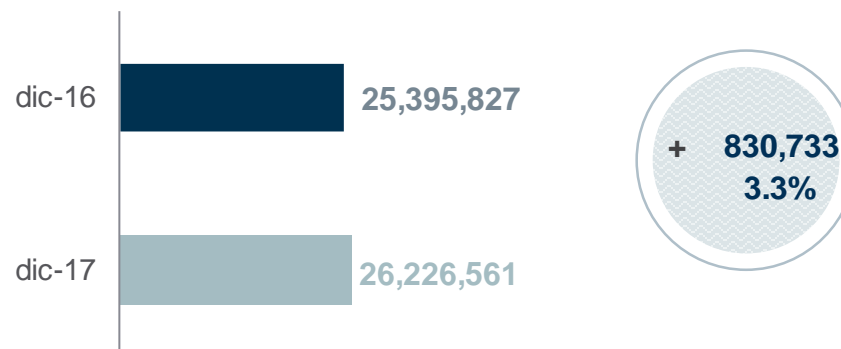
### Assets »



### Liabilities »



### Total Equity»



#### Note:

The sale of Seguros SURA Perú decreased assets by COP 4.8 tn and liabilities by COP 4.1 tn.

# STATEMENT OF FINANCIAL POSITION

## DEBT

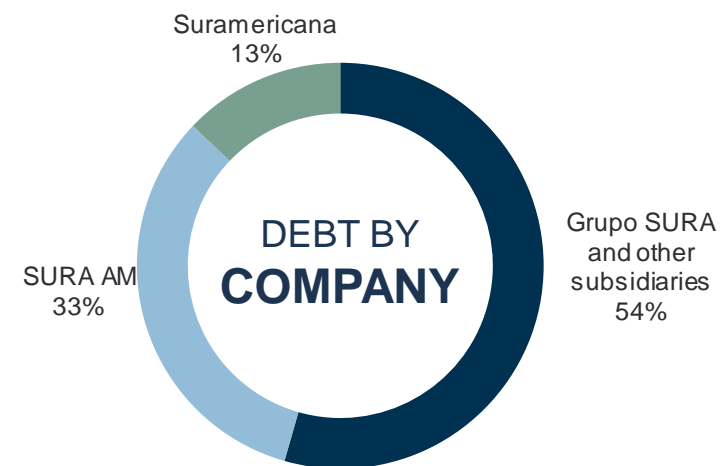
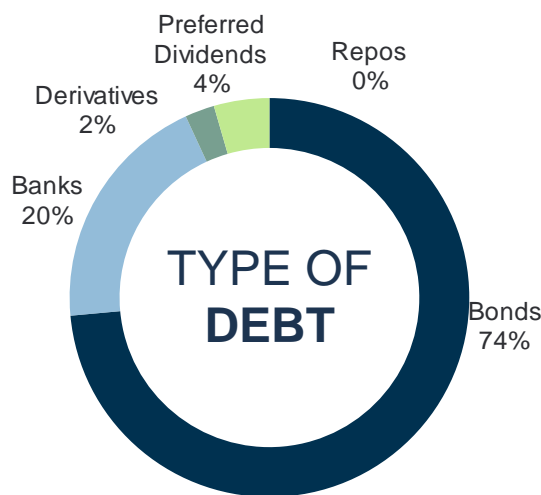
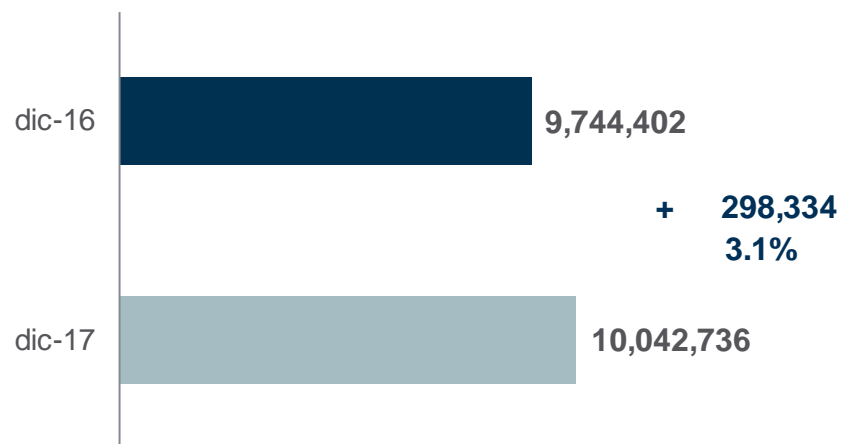
**Grupo SURA's unconsolidated Financial Debt: COP 4.99 trillion\***

**Subsequent Event to 4Q2017:**

In January 2018 we finished hedging 100% of the 2021 international bonds, bringing the total USD exposure to 21%.



**Consolidated Financial Liabilities»**

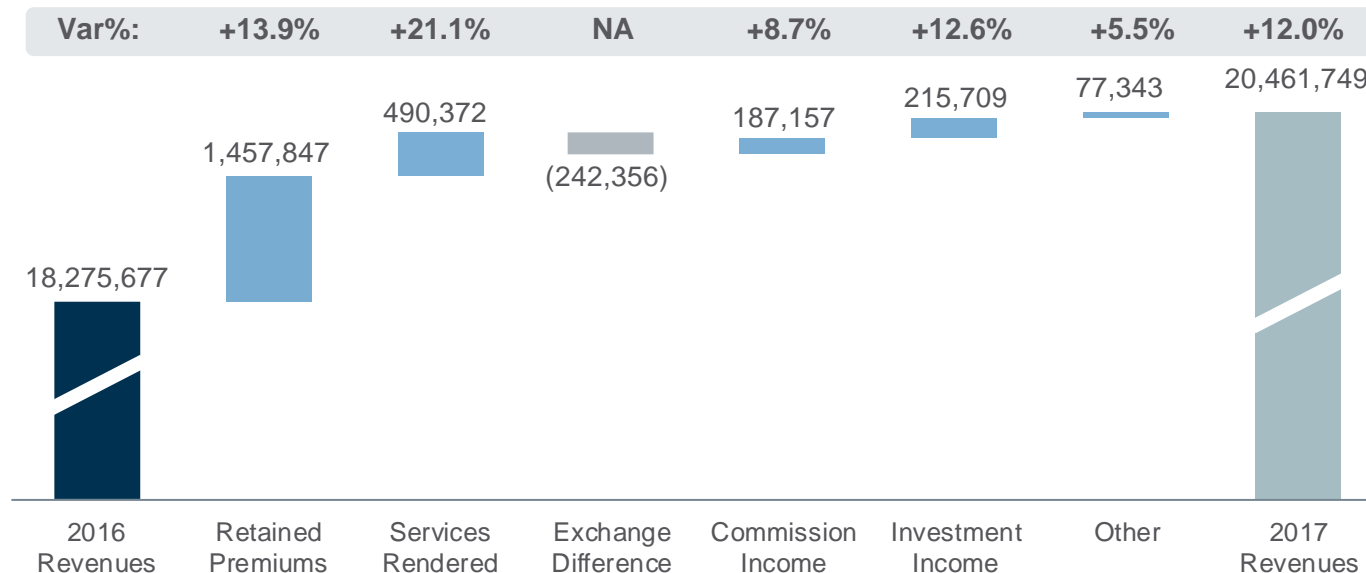
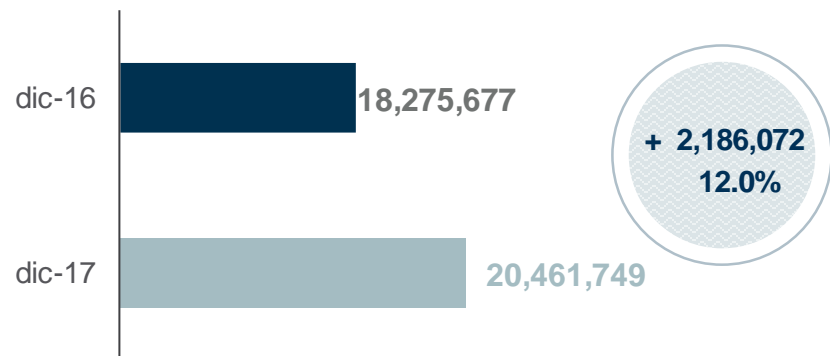


# STATEMENT OF COMPREHENSIVE INCOME »

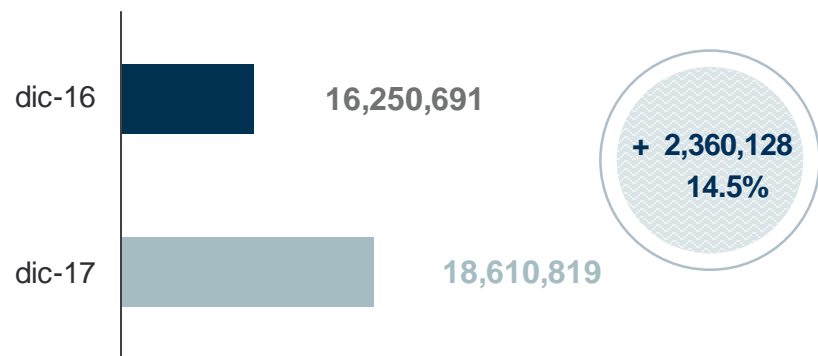
## CONSOLIDATED



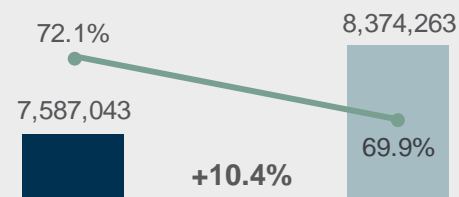
### Total Revenues»



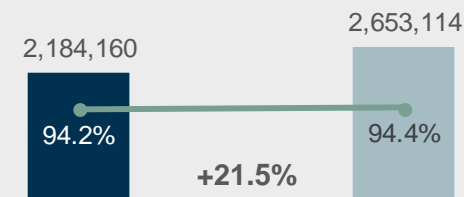
### Total Expenses »



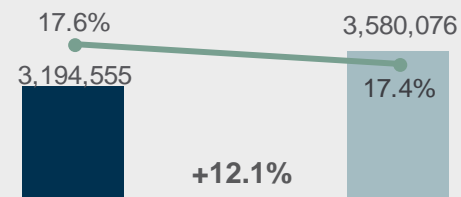
#### Claims + Reserve Adj: % Retained Premiums



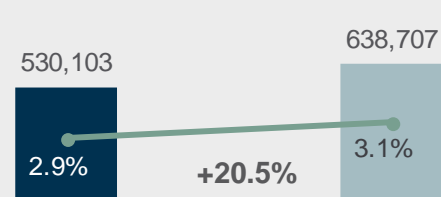
#### Services Rendered: Costs / Revenues



#### Admin. Expenses: % of Total Revenues



#### Interest Expense: % of Total Revenues

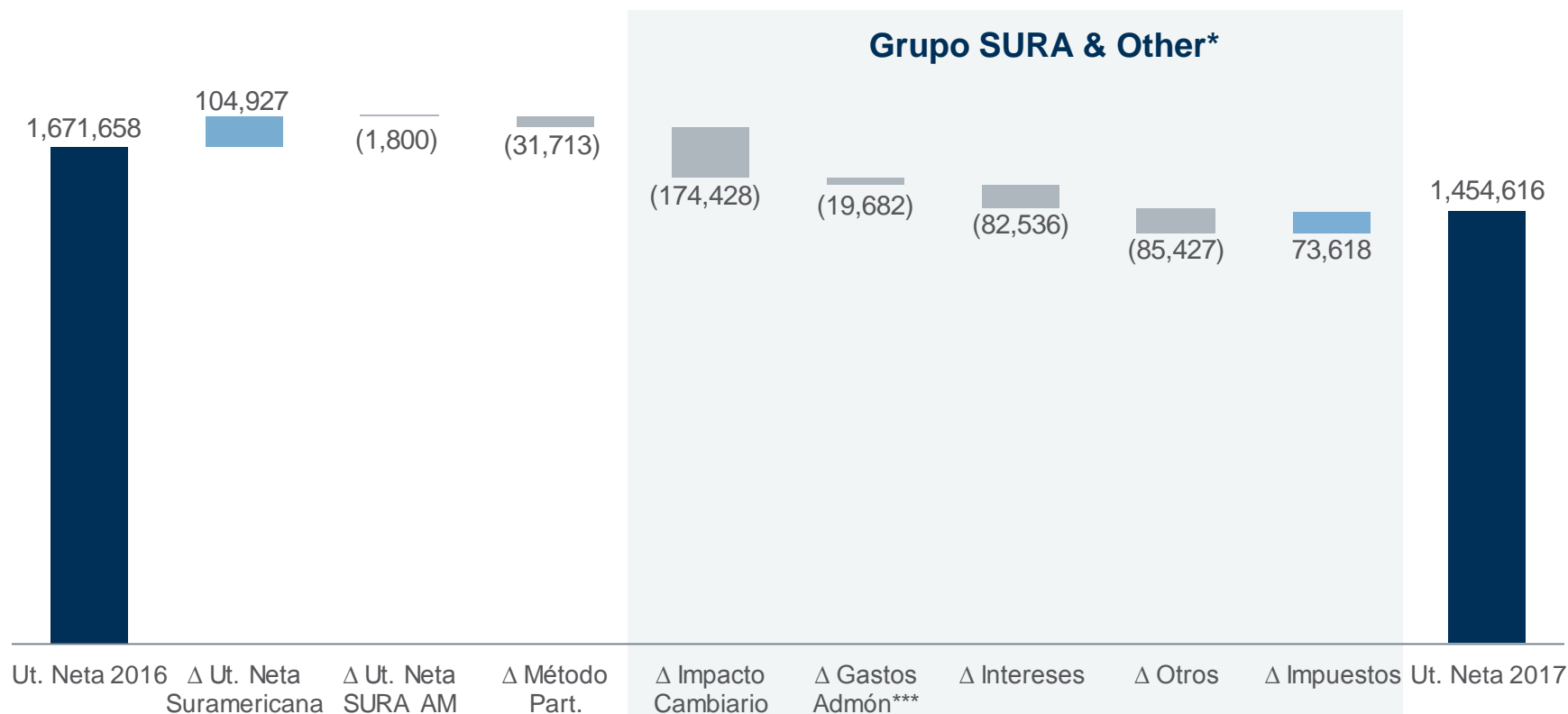


Figures in COP million



# STATEMENT OF COMPREHENSIVE INCOME »

## CONSOLIDATED



### Net Income Excluding

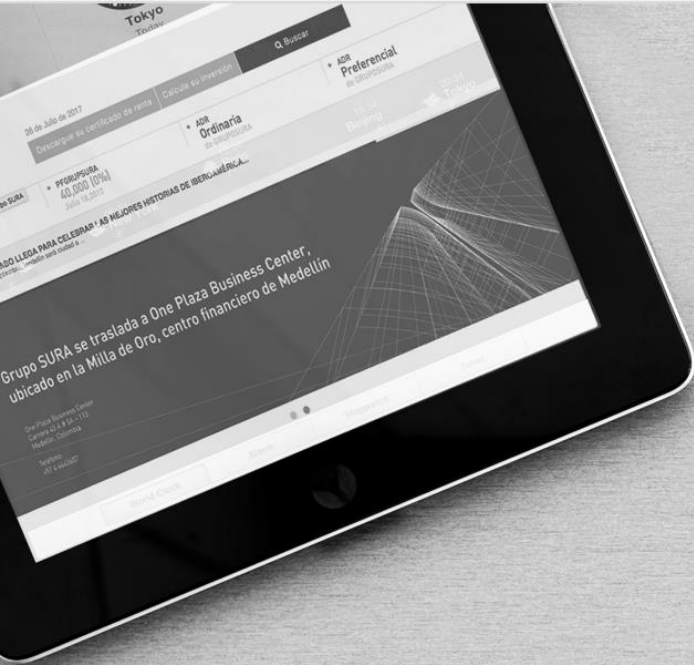
	Var\$
Fx Impact Corporate Segment**:	
Grupo SURA	(174,428)
SURA AM	(77,920)
Suramericana	(28,281)
Other Non-Recurring Expenses	(58,259)

**+7.7%**

\* Grupo SURA and Other (GS) includes Grupo SURA Grupo SURA Finance, Grupo SURA Panamá, Habitat and Arus.

\*\* Fx Impact Corporate Segment = Exchange difference + Gains (losses) at fair value (valuation of hedging derivatives). Non recurring charges include non recurring expense of COP 40,000 MM related to a conciliation process with DIAN (tax authority) and a provision of COP 21,00 MM for a fine at Afore SURA in México.

\*\*\* GS Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees at Grupo SURA and Other level. Includes expense related to conciliation process with DIAN.



# SURA INSURANCE, TRENDS AND RISK MANAGEMENT

SURAMERICANA S.A

## CONSOLIDATED RESULTS

# HIGHLIGHTS »

## SURAMERICANA



- Positive progress in the integration of operations acquired in 2016, incorporating Trends and Risks Management as a strategic differentiation factor.
- Total revenues of COP 14.2 bn (+ 20.9%), driven by acquired operations and organic growth.
- Efforts continue in operational efficiency: expense ratio goes from 17.1% to 16.2%.
- Operating segments with good growth in income and profits:
  - **Life:** growth in premiums (+14.8%) and improvement in efficiency (-60 bps) boost net income (+6.7%) despite lower investment income.
  - **Non-Life:** growth in revenues (+ 29.9%), improvement in efficiency (-130 pbs) and lower constitution of reserves (-50.6%) offset an increase in claims (+380 pbs). Adjusted net income for amortization of intangibles grows 92.2%.
  - **Salud:** net profit (+38%) driven by good revenue dynamics (+21.7%) and improvement in efficiency (-80 bps).
- **Net Income:** COP 506,586 MM, growing 26.1% despite higher amortizations, taxes and deceleration in income from investments in the Life segment.

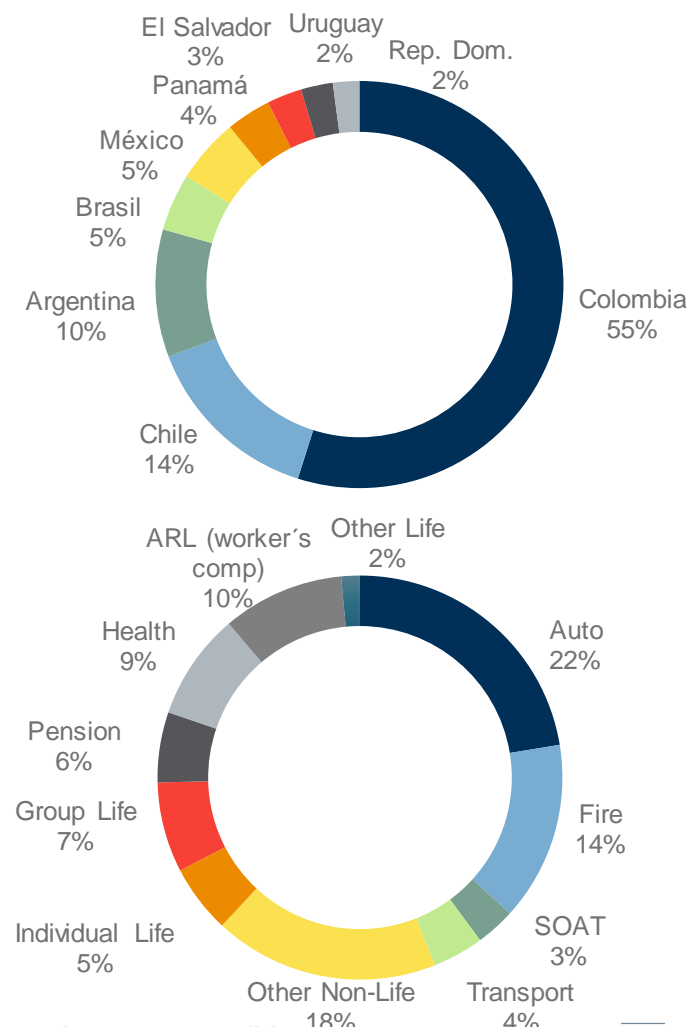
ADJUSTED ROE\*

**14.9%**

ADJUSTED ROTE\*

**20.2%**

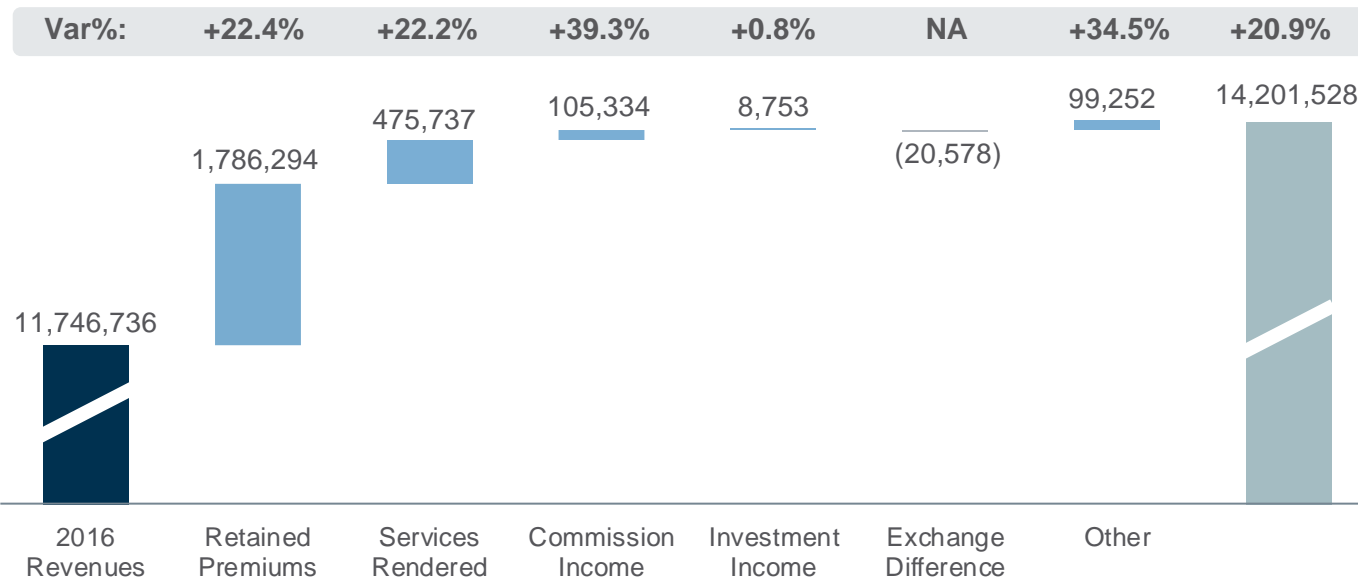
### % WRITTEN PREMIUMS



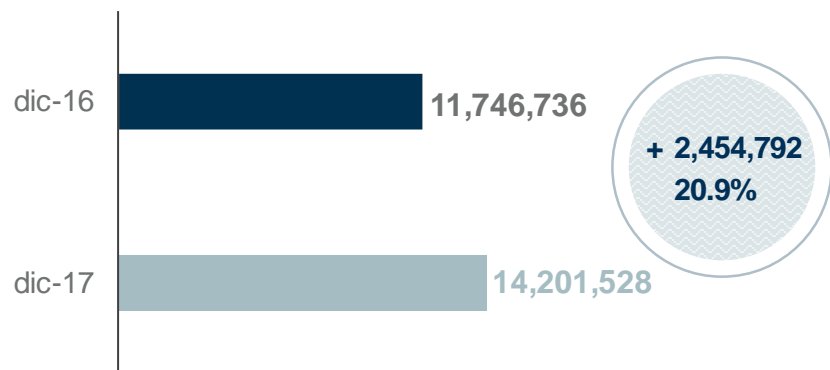
\*\* ROE and ROTE with net income adjusted for amortization of intangibles associated to acquisitions, divided by average equity and average tangible equity.

# STATEMENT OF COMPREHENSIVE INCOME »

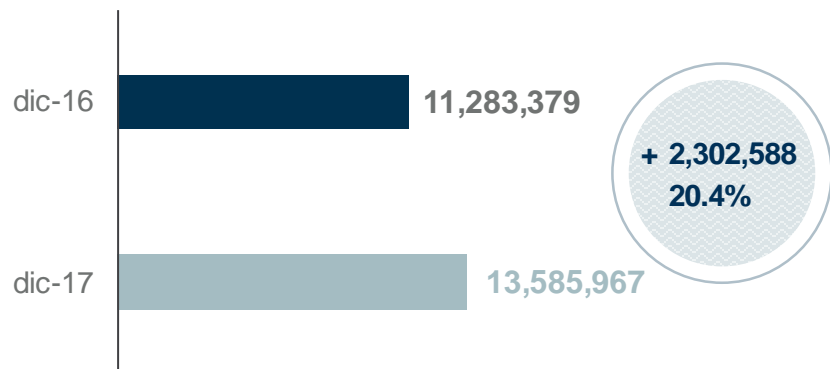
## CONSOLIDATED



### Total Revenues »

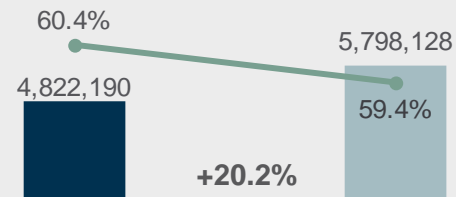


### Total Expenses »

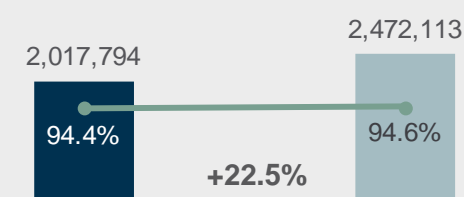


Figures in COP million

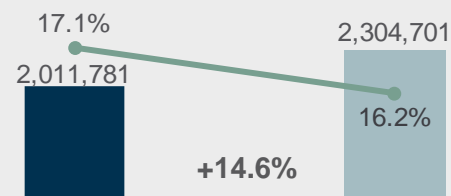
#### Claims + Reserve Adj.: % Retained Premiums



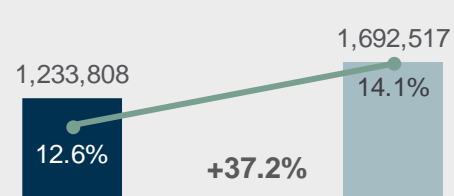
#### Services Rendered: Costs / Revenues



#### Admin Expenses: % Total Revenues

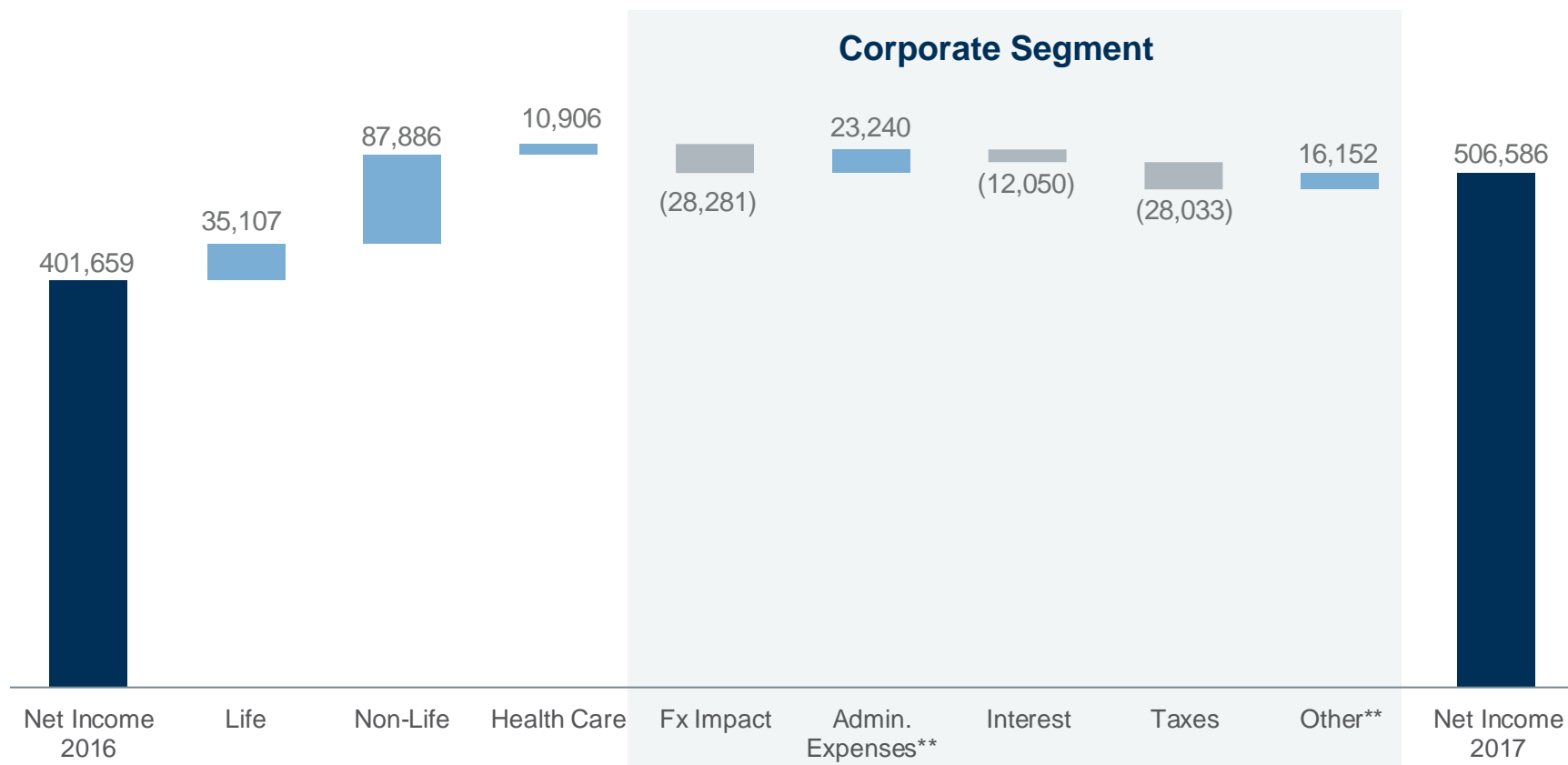


#### Brokerage Commiss.: % Written Premiums



# STATEMENT OF COMPREHENSIVE INCOME »

## CONSOLIDATED FIGURES SURAMERICANA S.A.



### Net Income Excluding:

- Exchange rate difference from the corporate segment
- Intangible amortizations (not comparables to 2016)

**+35.6%**

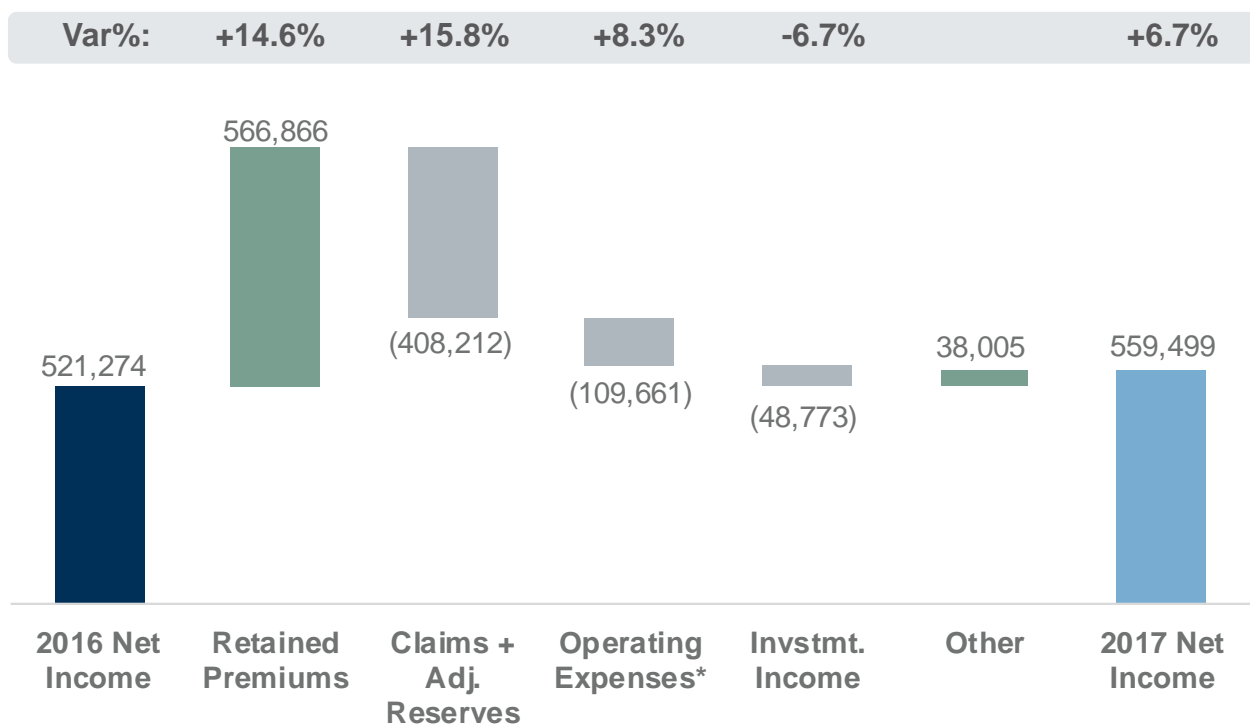
\* Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees of the corporate segment.

\*\*\*"Other" variation mainly corresponds to other income and expenses of the corporate segment, as well as the variation in the net income of the "Other" segment, which includes the support operations of Suramericana SA, which went from a loss of COP 4,855 million in 2016 to a net profit of COP 4,613 million in 2017.

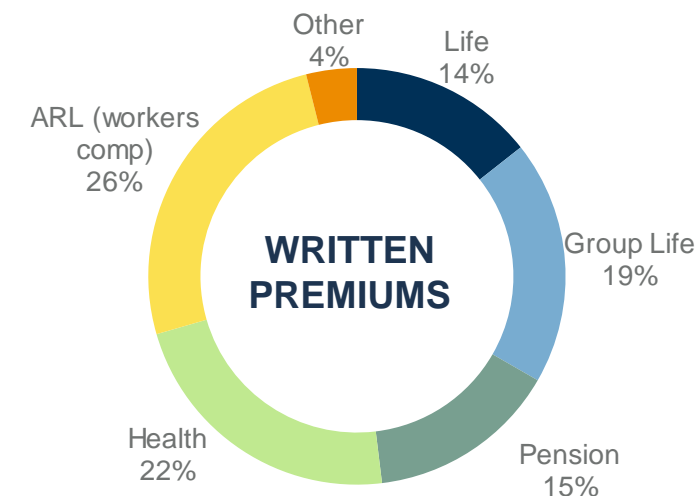
# SURA INSURANCE, TRENDS AND RISK MANAGEMENT »

## MAIN FIGURES SEGMENTS

### LIFE »



	Premiums		Retained Claims Ratio	
	dic-17	%Var	dic-17	dic-16
Life	660,531	4.7%	28.5%	23.9%
Group Life	871,066	20.9%	35.1%	34.9%
Pension	678,691	10.4%	103.6%	102.6%
Health	1,031,757	17.4%	64.6%	63.4%
ARL (workers comp)	1,174,780	19.6%	62.3%	61.1%
Other	180,344	0.9%	106.5%	106.0%
<b>Total</b>	<b>4,597,169</b>	<b>14.8%</b>	<b>61.3%</b>	<b>60.1%</b>



\*Operating Expenses = Administrative Expenses + Commissions and Fees  
Figures in COP Million

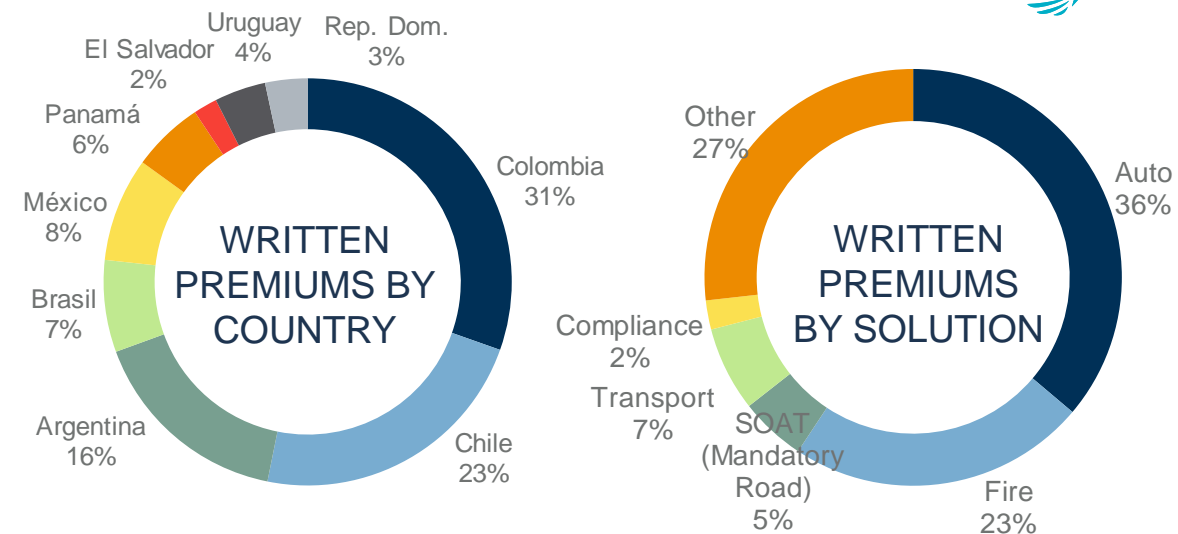
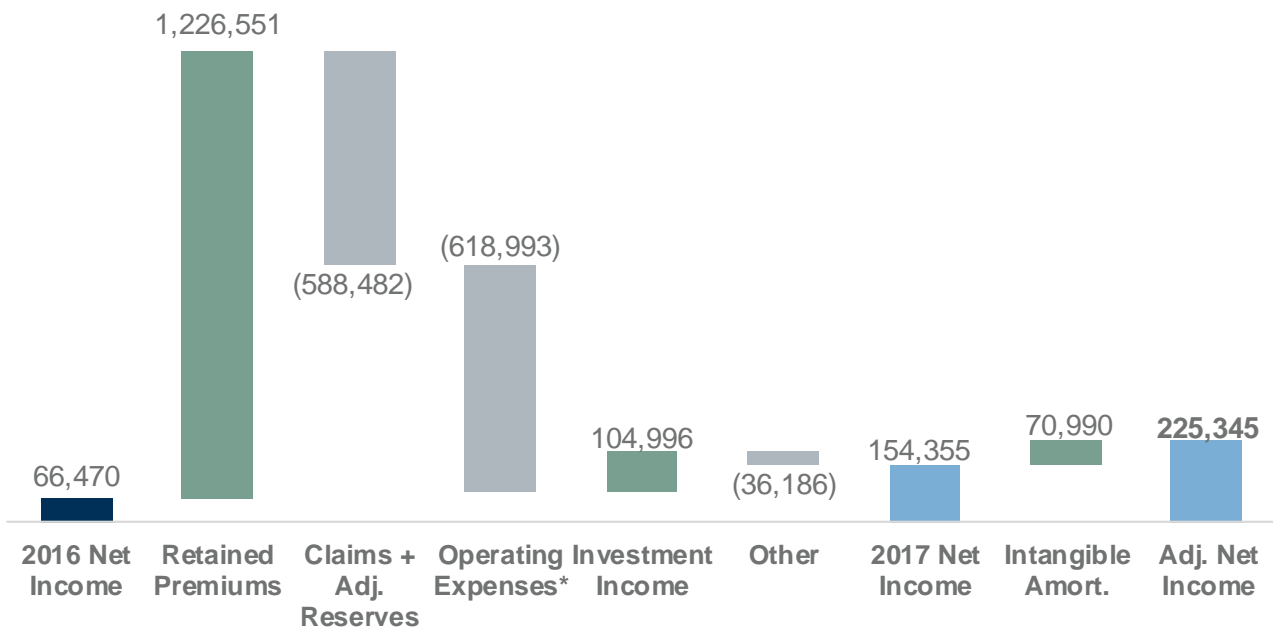
# SURA INSURANCE, TRENDS AND RISK MANAGEMENT »



## MAIN FIGURES SEGMENTS

### NON-LIFE»

Var%: **+29.8%** **+25.3%** **+28.6%** **+40.9%** **-19.1%** **+132%** **+92.2%**



	Premiums		Retained Claims Ratio	
	dic-17	%Var	dic-17	dic-16
Auto	<b>2,705,597</b>	37.3%	<b>60.9%</b>	62.0%
Fire	<b>1,728,724</b>	27.3%	<b>32.4%</b>	14.5%
SOAT (Mandatory Road)	<b>382,338</b>	-2.1%	<b>70.1%</b>	58.8%
Transport	<b>490,705</b>	45.3%	<b>43.5%</b>	53.2%
Compliance	<b>168,894</b>	9.8%	<b>79.2%</b>	44.6%
Other	<b>2,001,917</b>	26.8%	<b>34.9%</b>	30.1%
<b>Total</b>	<b>7,478,175</b>	<b>29.2%</b>	<b>51.0%</b>	<b>47.2%</b>

\*Operating Expenses = Administrative Expenses + Commissions and Fees  
 Figures in COP Million

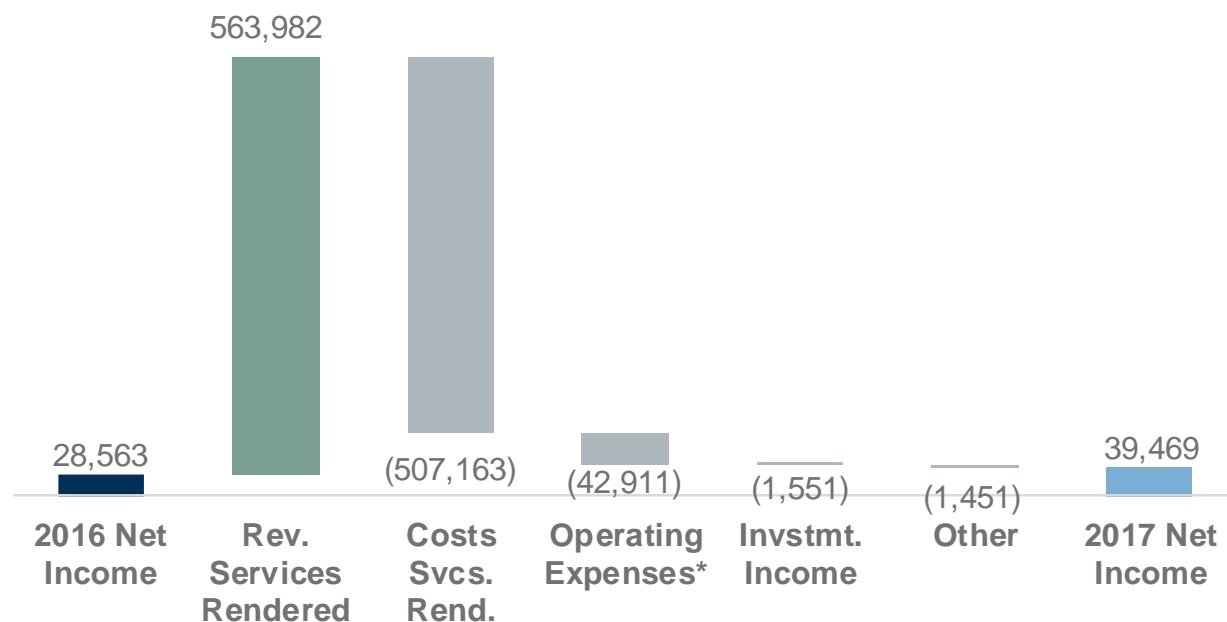
# SURA INSURANCE, TRENDS AND RISK MANAGEMENT »



## MAIN FIGURES SEGMENTS

### HEALTH CARE »

Var%: +22.1% +22.8% +13.2% -4.3% +38.2%



	Services rendered		Claims Ratio	
	dic-17	%Var	dic-17	dic-16
EPS	2,432,223	23.6%	92.8%	92.8%
IPS	467,012	19.8%		
Dinámica	219,830	11.4%		
<b>Total</b>	<b>3,119,065</b>	<b>22.1%</b>		

\*Operating Expenses = Administrative Expenses + Commissions and Fees  
Figures in COP Million





**SURA ASSET MANAGEMENT**

CONSOLIDATED RESULTS

# HIGHLIGHTS »

## SURA ASSET MANAGEMENT

### SURA AM Consolidated

- **Net operating income +10%**
  - Income from legal reserve +119%
  - Total insurance margin -6%
  - Income via Equity Method +45%.
- **Net income -0.3%, impacted by:**
  - Exchange difference and non-recurring provisions
  - Excluding impacts +16.8%.
- **Total AUM : COP 403 tn (+21%)**
- **Clients: 18.8 MM (+0.6%)**

Adjusted ROE\*

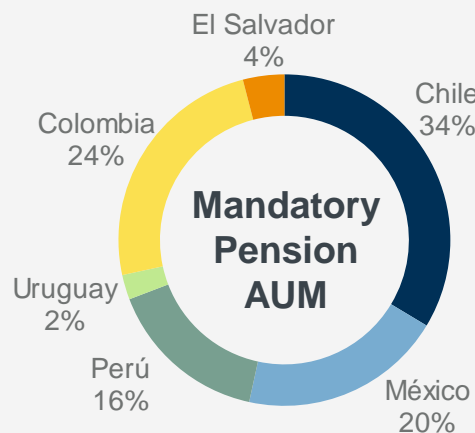
**7.9%**

Adjusted ROTE\*

**30.7%**

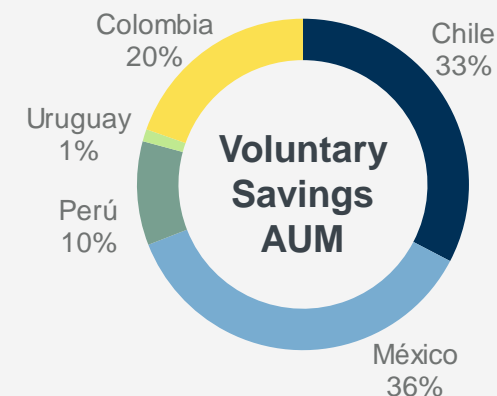
### Mandatory Pensions

- **Commission income growing +2.3%**
- **Operating earnings +11.8%**
  - Driven by return on legal reserves (encaje) and AFP Protección equity method.
- **Net income +3.8% vs 2016**
  - Impacted by lower taxes in 2016 and provision in México.
- **Mandatory AUM: COP 355 tn (+19%)**



### Voluntary Savings

- **Creation of Asset Management unit**
- **Positive growth evolution**
  - Commission income (+25.7%)
  - Net Flow of COP 4.5 tn (+34.8%)
- **Voluntary AUM: COP 37 tn (+39%)**



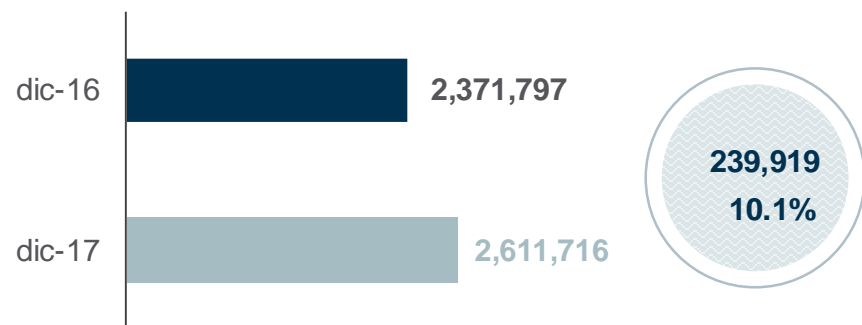
\* ROE y ROTE with net income adjusted for intangible amortization related to acquisitions.

# SURA ASSET MANAGEMENT »

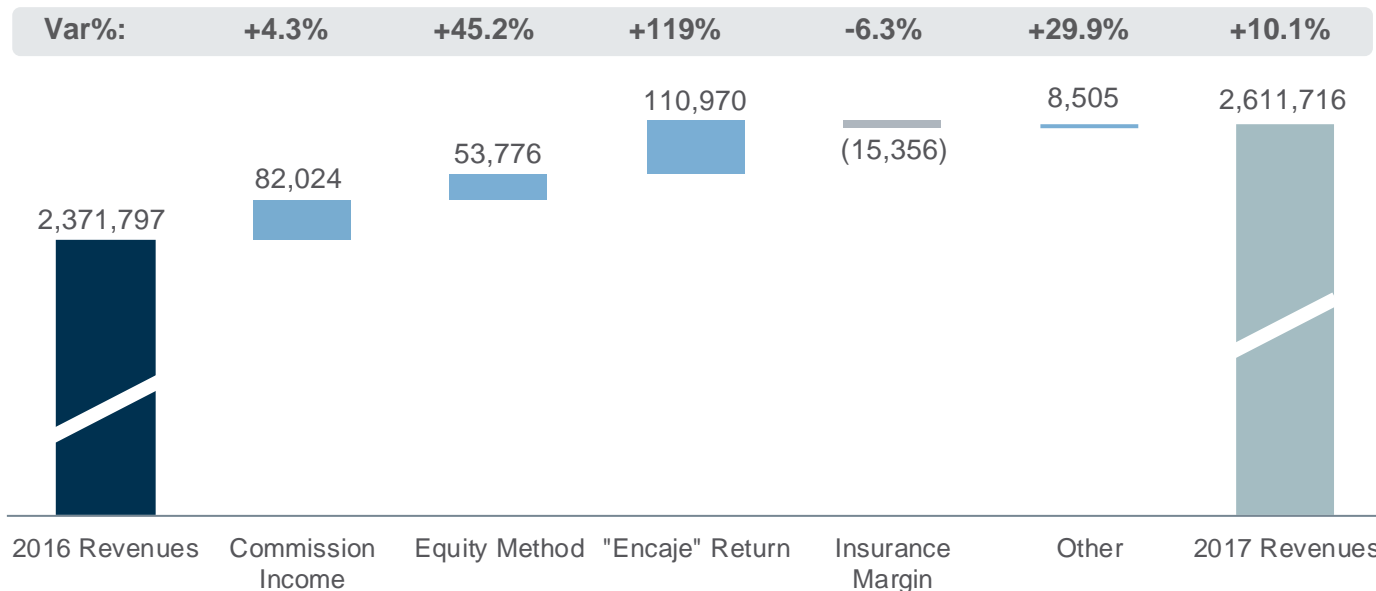
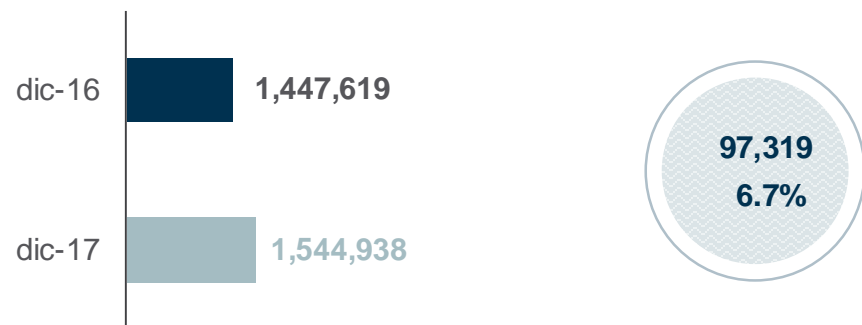
## CONSOLIDATED FIGURES



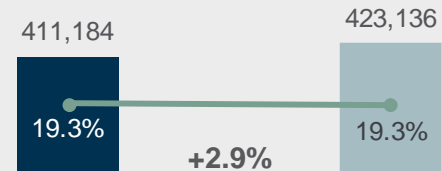
### Operating Income + Insurance Margin»



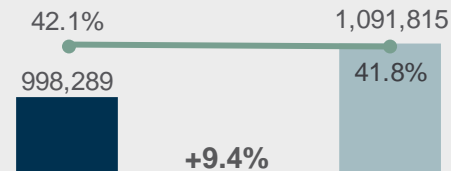
### Operating Expense»



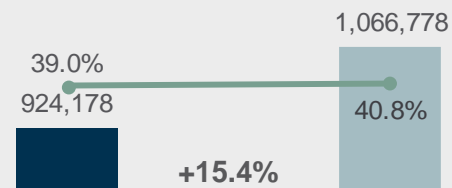
#### Selling Exp: % Commiss. Inc.+ Insurance Mgn.



#### Admin Exp: % Oper. Income + Insurance Mgn.



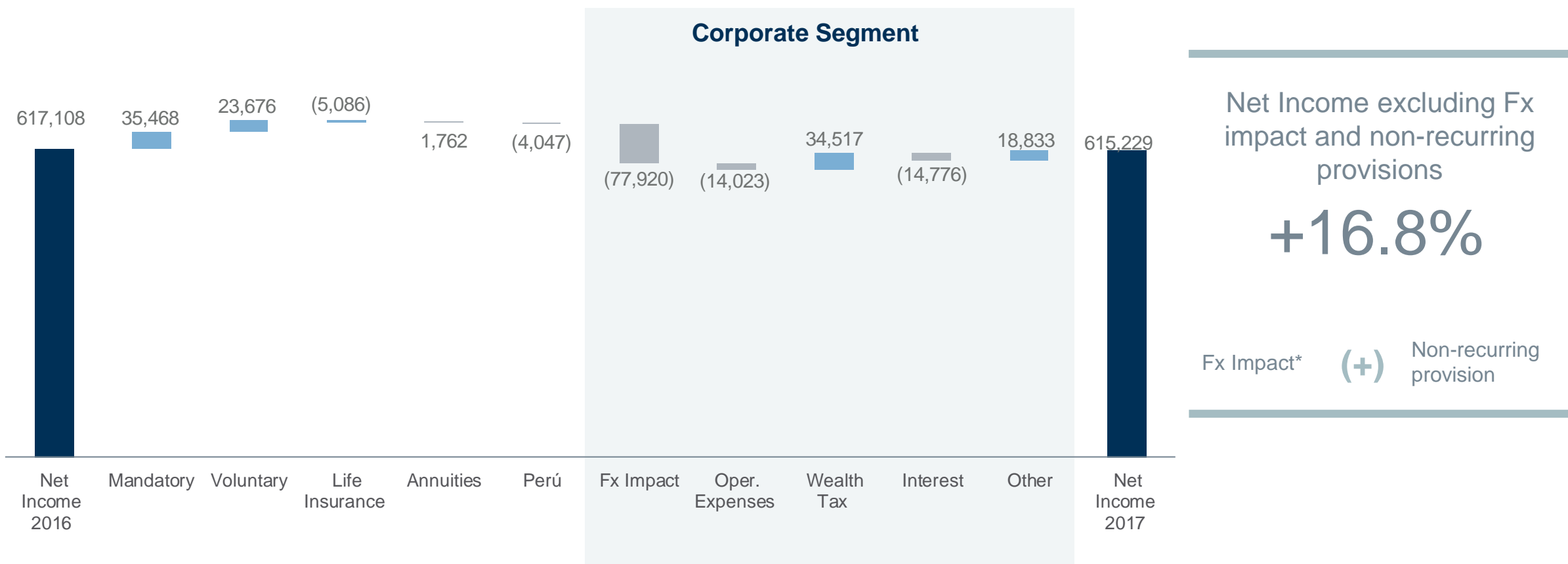
#### Ut. Operativa: % de Ing. Oper. + Mgn Seguros



Figures in COP million. Variations in real exchange rates

# STATEMENT OF COMPREHENSIVE INCOME »

## CONSOLIDATED FIGURES – SURA ASSET MANAGEMENT



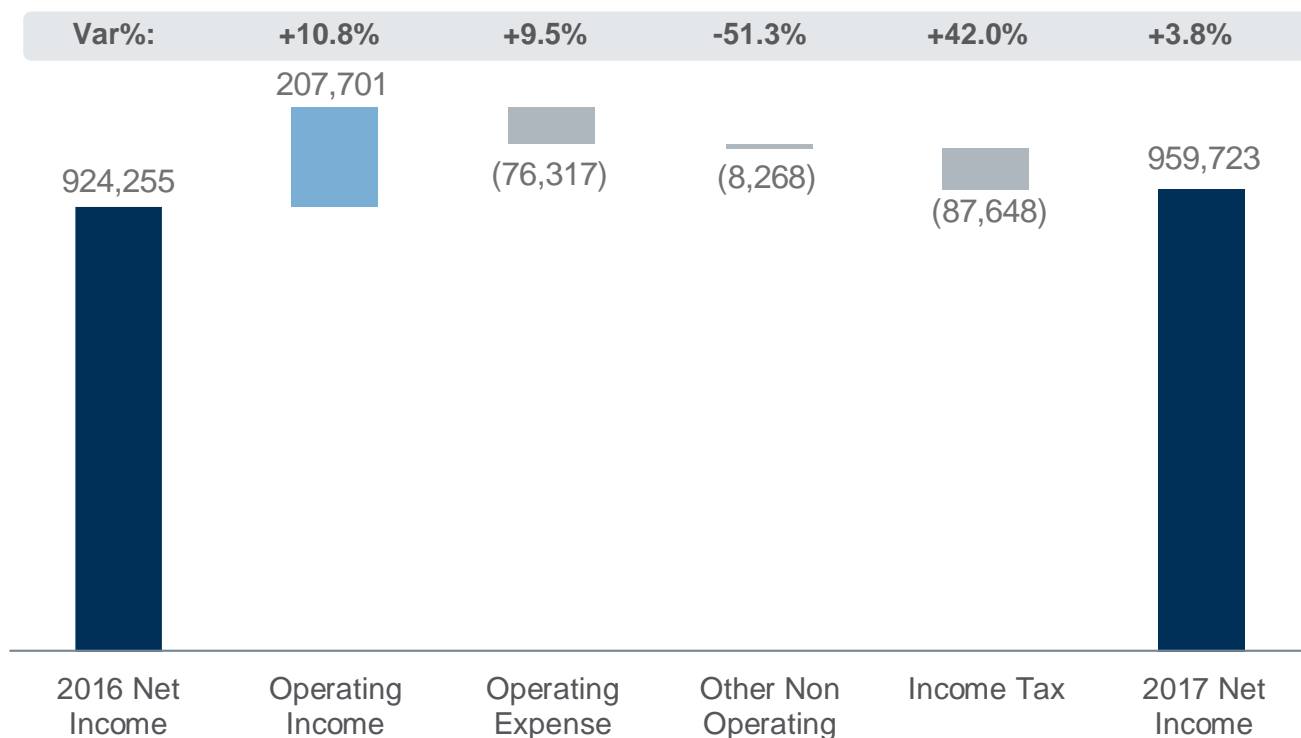
\* Fx Impact = Exchange difference + Gains (losses) at fair value. In 2016 Fx Impact amounted to a net gain of COP 42,502 MM vs. net loss of COP 35,419 MM in 2017.

\*\*Others include income from corporate investments, income taxes that showed a decrease of COP 44,000 million compared to 2016.

# SURA ASSET MANAGEMENT »



## MANDATORY PENSIONS BUSINESS



### Operating income driven by:

- “Encaje” return: COP +109,943 MM
- Commission income: COP +38,897 MM
- Equity Method: COP +57,480 MM

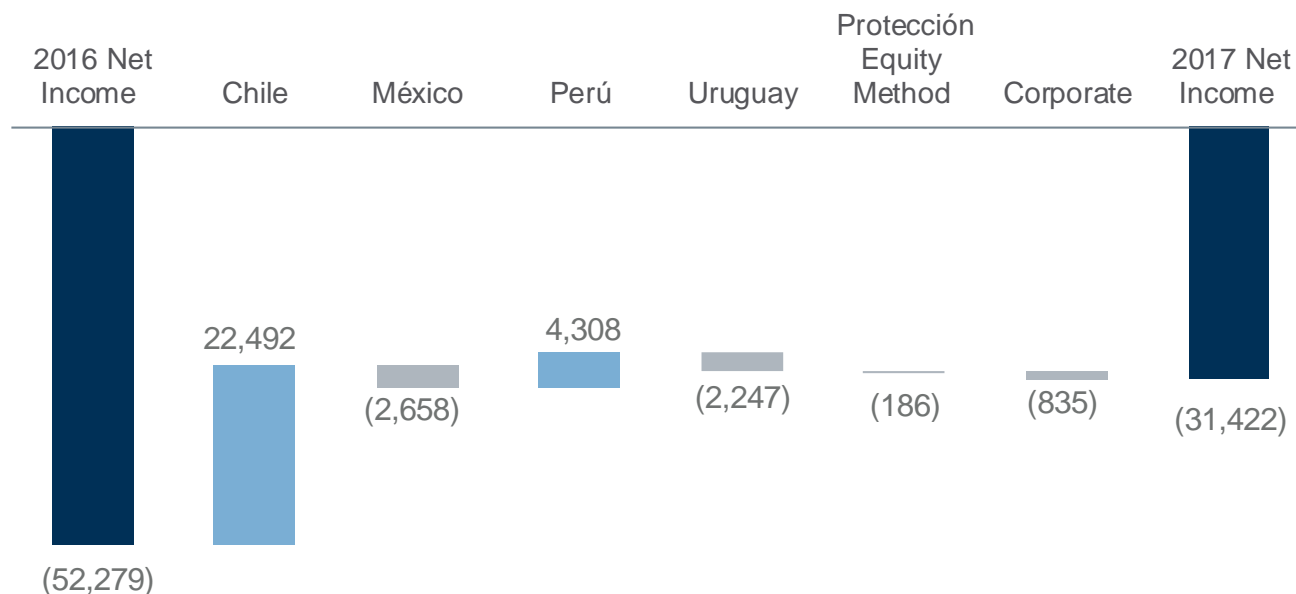
- Operating earnings of COP 1.25 tn (+11.8%) driven by encaje return and equity method.
- Net income impacted by non recurring charges and lower taxes in 2016.
  - Excluding non recurring charges +6.1%.
- AUM of COP 355 tn (+18.5%), net flow COP 6.1 tn and good market performance are highlights for 2017.
  - México reached AUM of COP 70.3 tn (+18%).
- Consolidated salary base of COP 115.8 tn (+4%).

Constant Rate Variations	Commission Income	Operating Income	Net Income	AUM
Chile	3.5%	11.0%	-11.6%	9.3%
México	7.7%	11.2%	7.3%	12.6%
Perú	-3.7%	1.8%	6.8%	12.5%
Uruguay	8.0%	13.2%	13.0%	26.7%
Colombia			57.2%	19.3%
El Salvador				9.5%
<b>Total</b>	<b>3.7%</b>	<b>9.3%</b>	<b>4.6%</b>	<b>13.2%</b>

Variations in constant Exchange rates.

# SURA ASSET MANAGEMENT »

## VOLUNTARY SAVINGS BUSINESS



- Voluntary savings business continues with growth strategy
- AUM of COP 37.1 tn (+39%) with double digit growth in all countries.
- Positive Net Flow of COP 4.5 tn, contributes significantly to AUM growth.
- Total Clients reached 1.1 million (+15.1%).
- Commission income growing 25.7% with double digit growth in all countries.

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CFO: RICARDO JARAMILLO

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Gerente IR:  
JUAN CARLOS GOMEZ

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