

Q3 – 2018

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

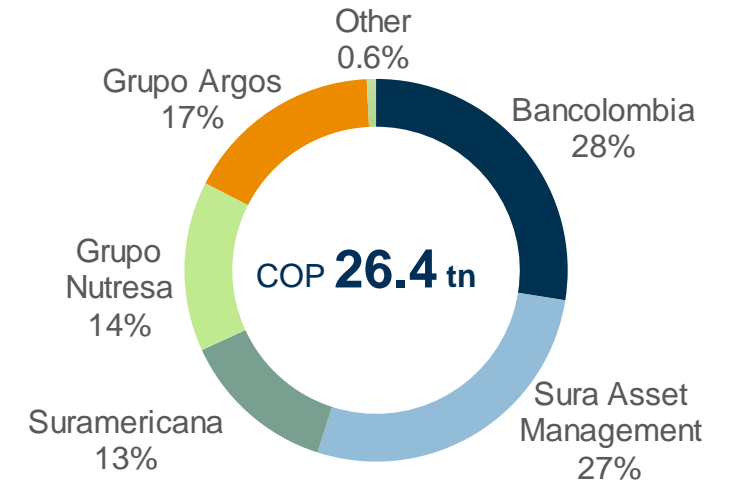
Consolidated
Results Q3 2018

HIGHLIGHTS »

GRUPO SURA

- **Total YTD revenues of COP 14.5 tn** decrease 4.3% due to strategic decisions and external impacts.
 - Organic growth continues, in comparable terms, in the main business lines: mandatory + 6.6%, voluntary + 15.1%, general + 8.1%, life + 12.8%, health + 20.5%.
- **Total YTD expenses of COP 13.1 tn** decrease 4.7% due to lower insurance claims, adjustment to reserves and interest expenses.
- **Net income YTD of COP 1.1 tn** growing 0.7%.
 - For the quarter, net income reached COP 413,588 MM (-10.2%), with a negative effect from revenues on exchange difference and hedging derivatives.
- **SURA Ventures** invested in 2 startups and its portfolio is now comprised of 11 companies, with total capital investments of USD 33 MM.
 - 2 alliances already in place: Invesbot de Bancolombia y Protección SMART
- **Recognitions**
 - DJSI: #3 worldwide in diversified financial services
 - Merco: #4 in Colombia in reputation

INVESTMENT PORTFOLIO *

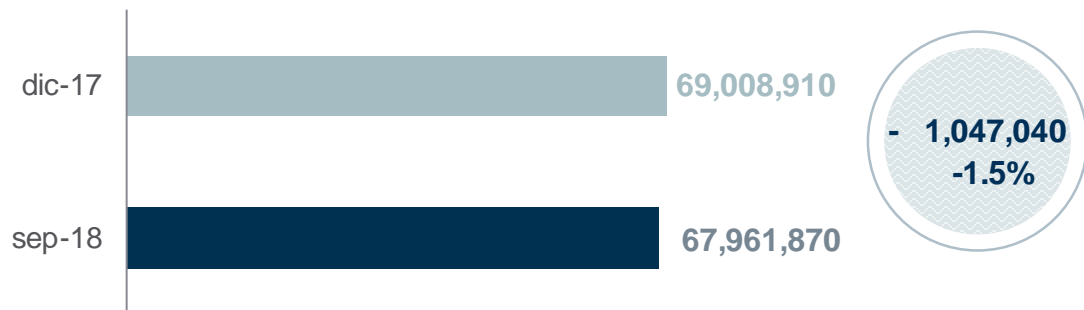


Considering Suramericana and SURA Asset Management at 1x P/BV, listed companies at market value.

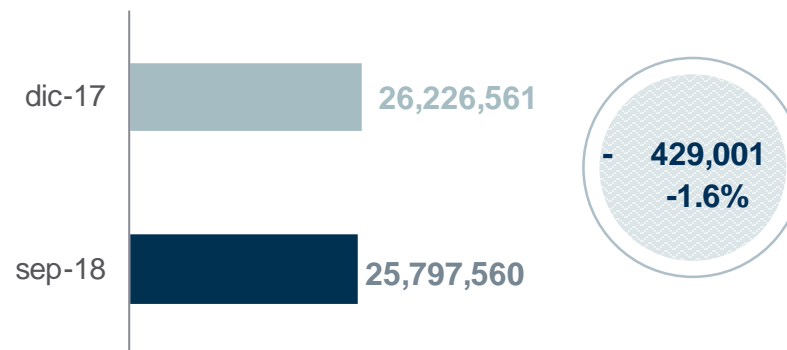
STATEMENT OF FINANCIAL POSITION »

CONSOLIDATED

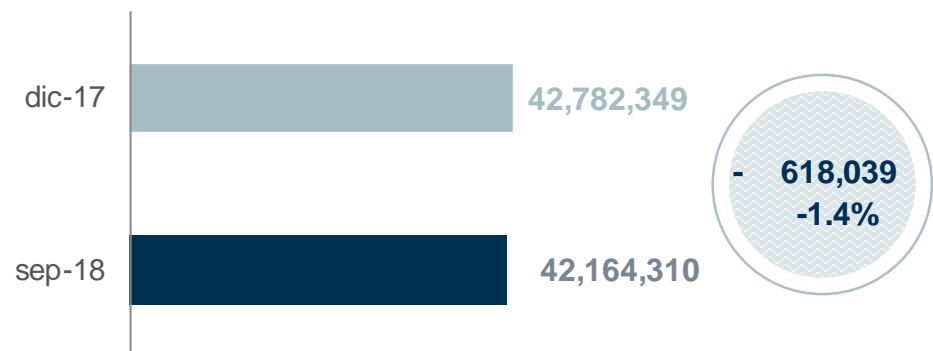
Assets »



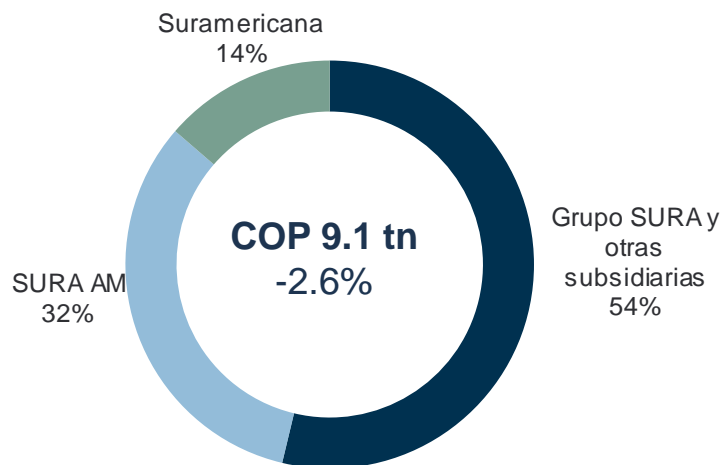
Total Equity »



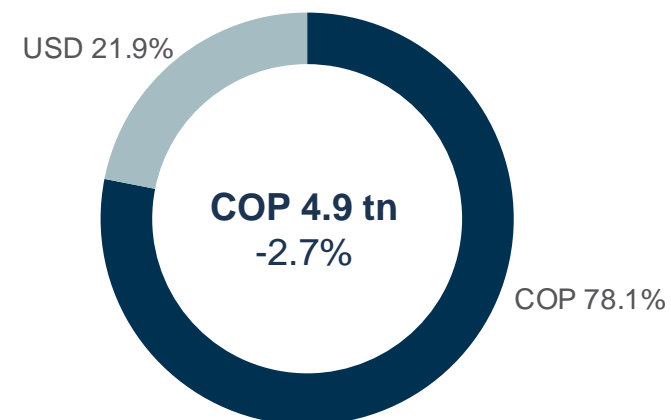
Liabilities »



Consolidated Financial Debt



Individual Financial Debt

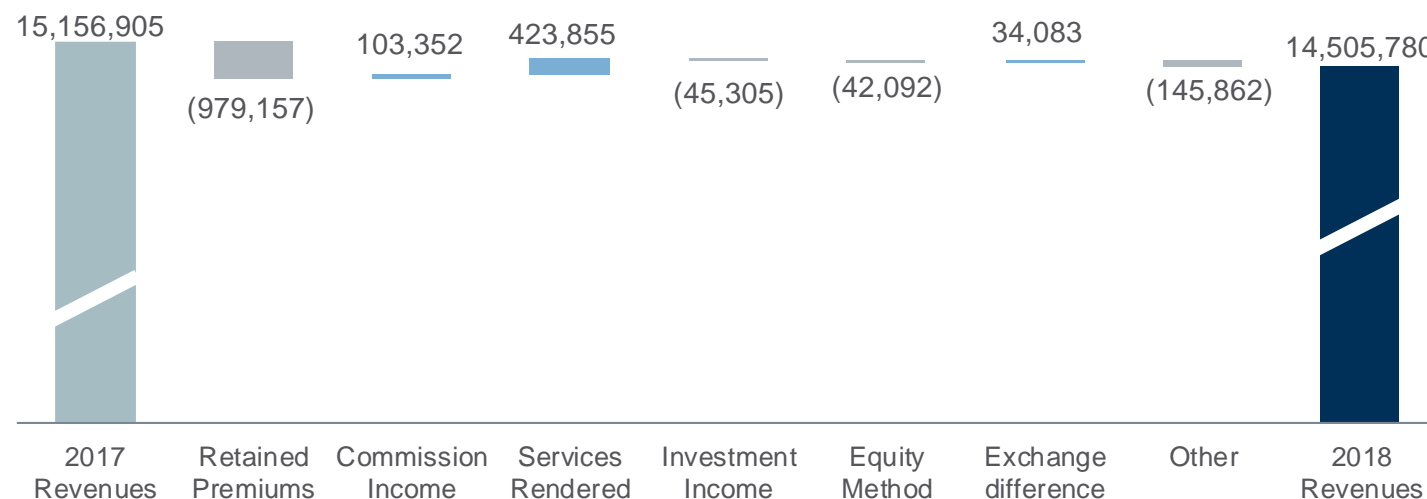
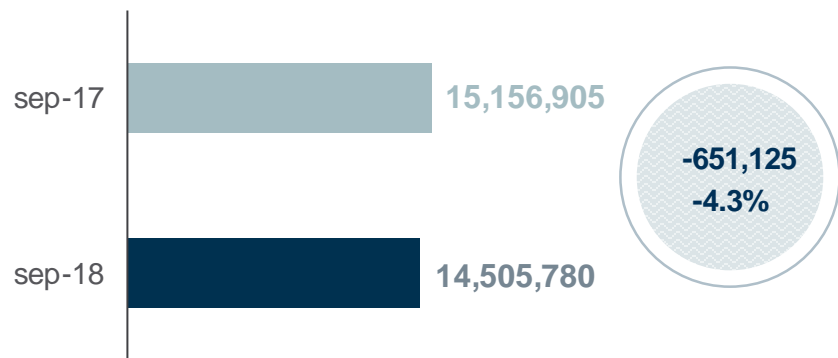


STATEMENT OF COMPREHENSIVE INCOME »

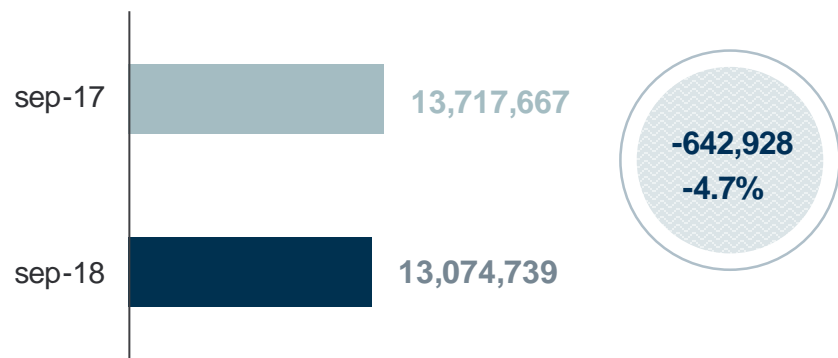
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Var%: **-11.1%** **+6.0%** **+20.6%** **-3.1%** **-5.5%** **-44.9%** **-4.3%**

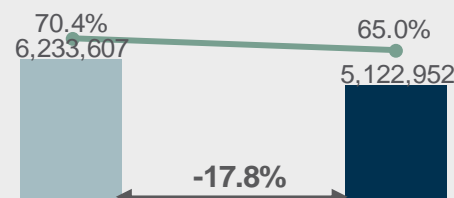
Total Revenues »



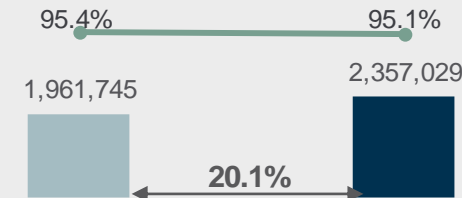
Total Expenses »



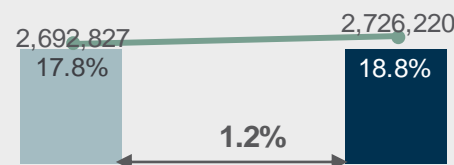
Claims + Reserve Adj: % Retained Premiums



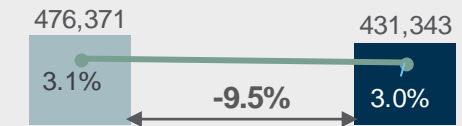
Services Rendered: Costs / Revenues



Admin. Expenses: % of Total Revenues



Interest Expense: % of Total Revenues

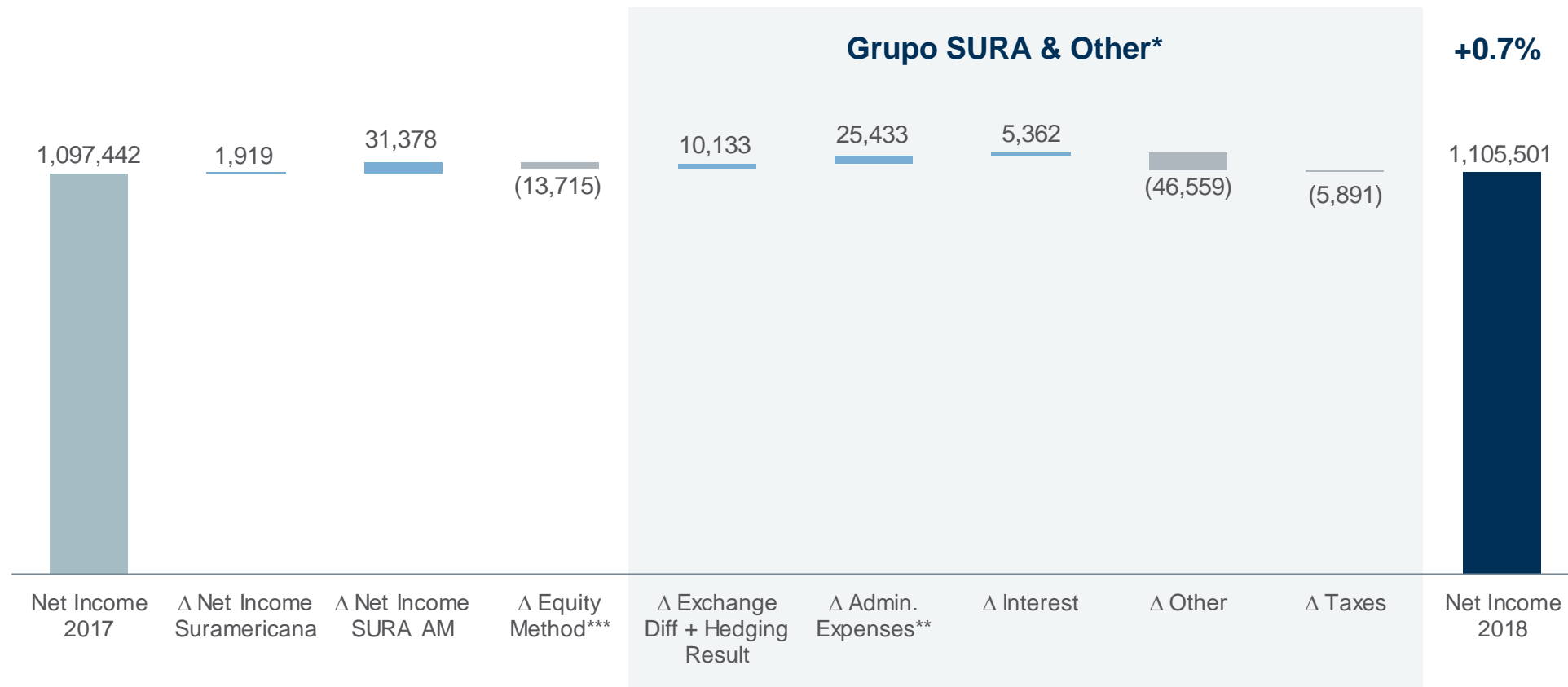


Figures in COP million

2017
2018

STATEMENT OF COMPREHENSIVE INCOME »

CONSOLIDATED NET INCOME

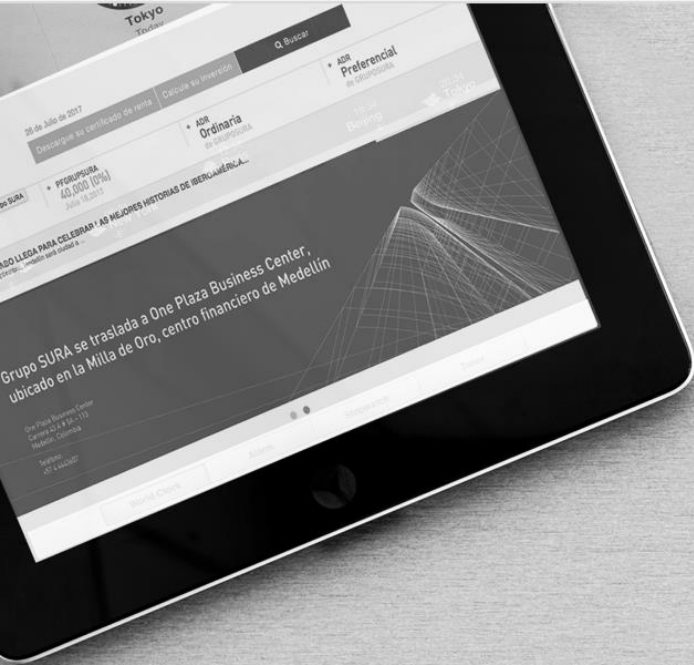


Earnings – parent company: : COP 952,066 MM (+0.9%)

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

** GS Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees at Grupo SURA and Other level. Includes expense related to conciliation process with DIAN in 2017.

*** Equity method from associates at Grupo SURA doesn't include AFP Protección since its already accounted in SURA AM's net income



INSURANCE, TRENDS AND RISK MANAGEMENT

SURAMERICANA S.A

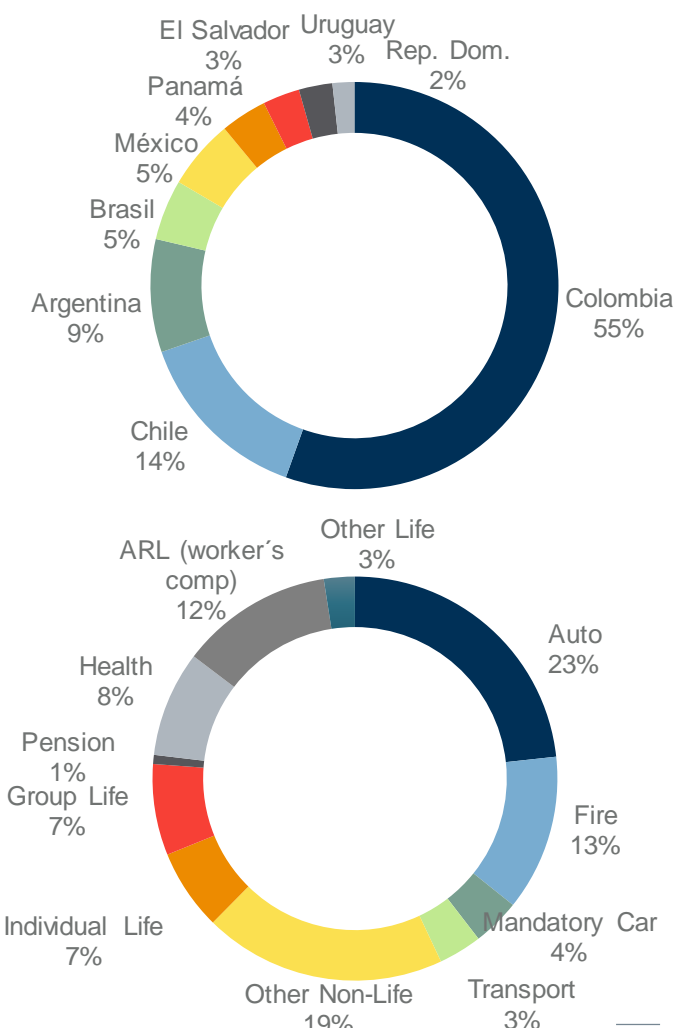
CONSOLIDATED RESULTS

HIGHLIGHTS »

SURAMERICANA

- **Positive operating Dynamic:** technical result increased 8.3%
 - Retained premiums -4.2% or +2.2% excluding pension insurance. Negative effects from currency devaluations and change in methodology for health insurance premiums.
 - Lower retained claims ratio YTD from 55.5% in 2017 to 54.3% (-120 bps) thanks to better ratios in P&C and Life.
 - Revenues from services rendered +23.7%, with a decrease in cost ratio of 230 bps.
- **Continued focus on efficiency:** expenses controlled posting a 1.9% growth, with an increase lower than the technical result.
- **Investment income partially recovered YTD (-2.4%)** thanks to better returns in Q3 (+20.5%) due to foreign currency denominated investments and higher inflation in some countries.
- **Net income YTD increases 0.5%**, driven by a 33.2% growth in the quarter's net income.
 - Excluding non-recurring revenues on 2017, net income would grow 26.6%
- **Subsequent events:**
 - Hyperinflation in Argentina: negative impact estimated at COP 27,000 MM as of september, not yet included in these results.
 - Completion of regulatory approval process for the acquisition of SURA AM's Life Insurance company in Mexico by Suramericana.

% WRITTEN PREMIUMS



ADJUSTED ROE*

13.2%

ADJUSTED ROTE*

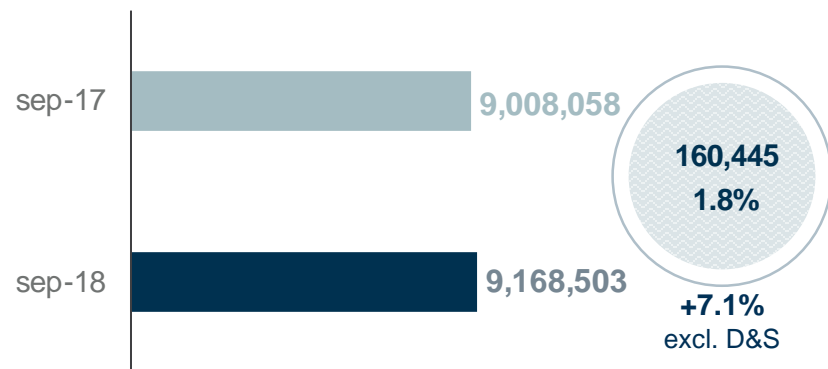
17.7%

** 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 »

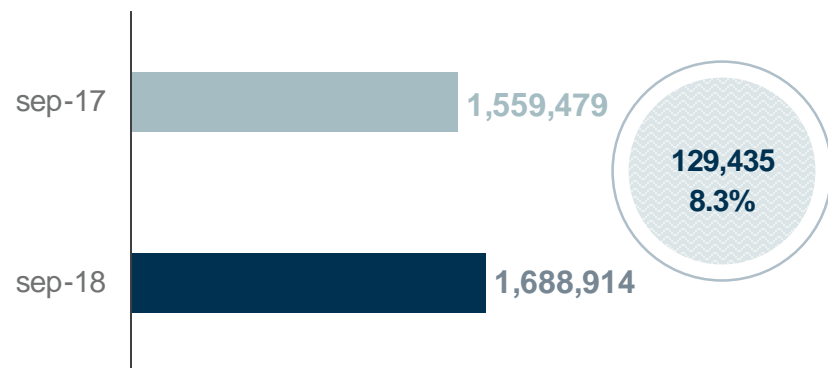
CONSOLIDATED

Operating Revenues* »



* Retained premiums + Revenues on services rendered

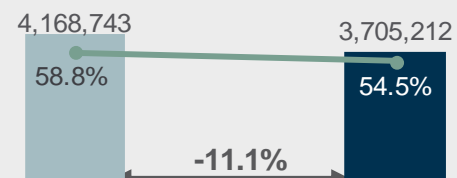
Technical Result** »



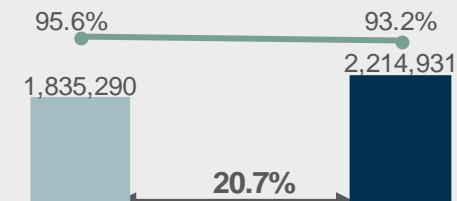
**Technical result equals underwriting result before administrative expenses and investment income

***Admin. Expenses = Administrative Expenses + Fees + Amortizations and Depreciations + Impairment. Figures in COP millions

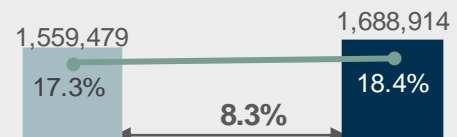
Claims + Reserve Adj.: % Retained Premiums



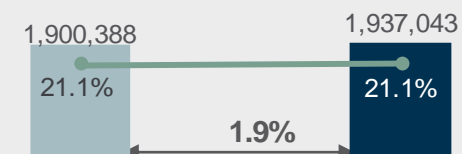
Services Rendered: Costs / Revenues



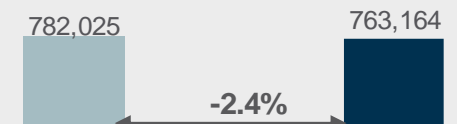
Technical Result: % Operating Revenues



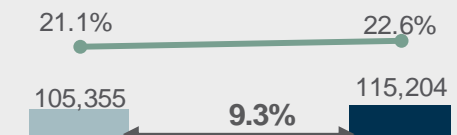
Admin. Expenses***: % Operating Revenues



Investment Income



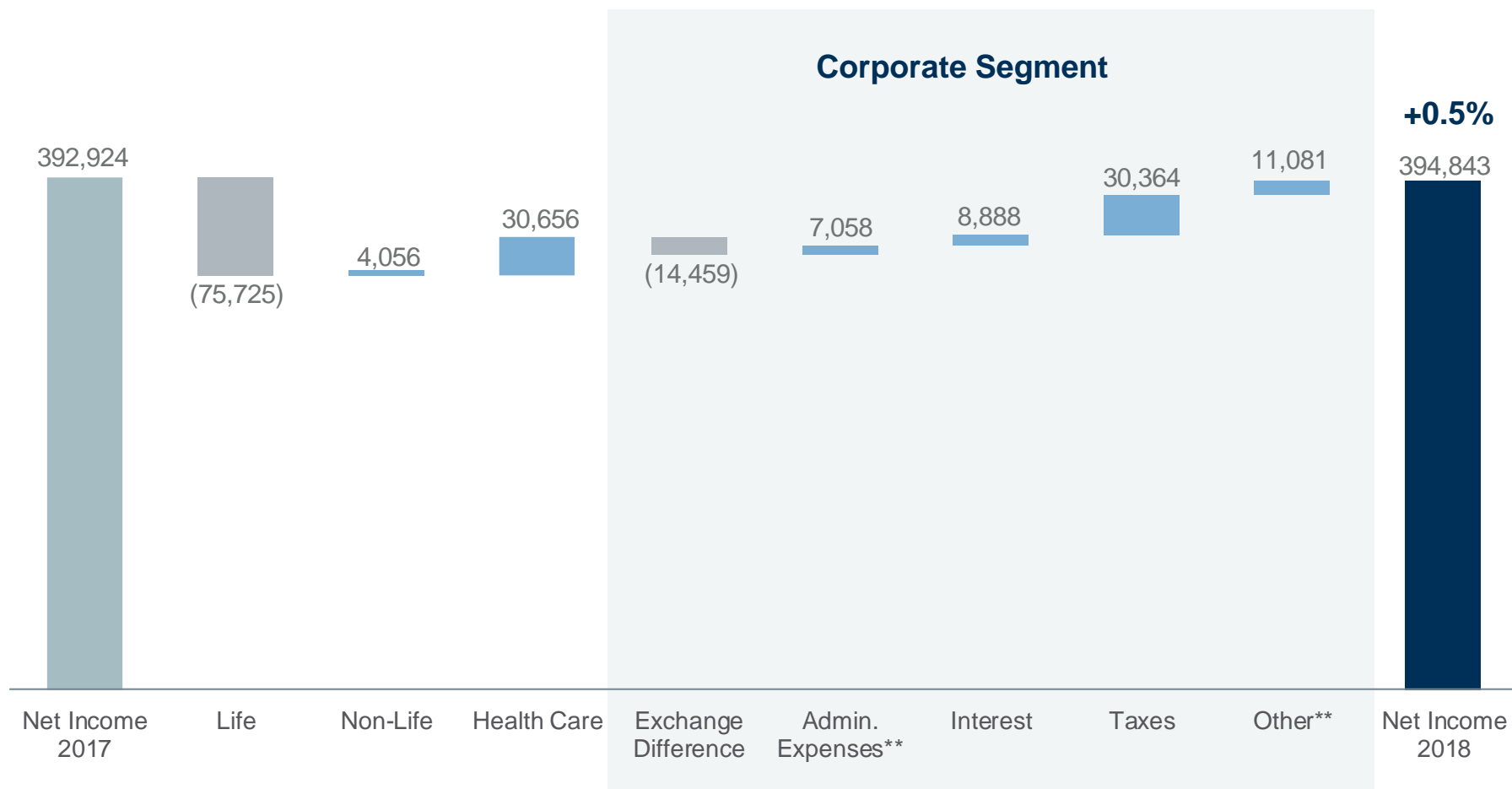
Taxes: % de EBT



2017
2018

STATEMENT OF COMPREHENSIVE INCOME »

CONSOLIDATED FIGURES SURAMERICANA S.A.

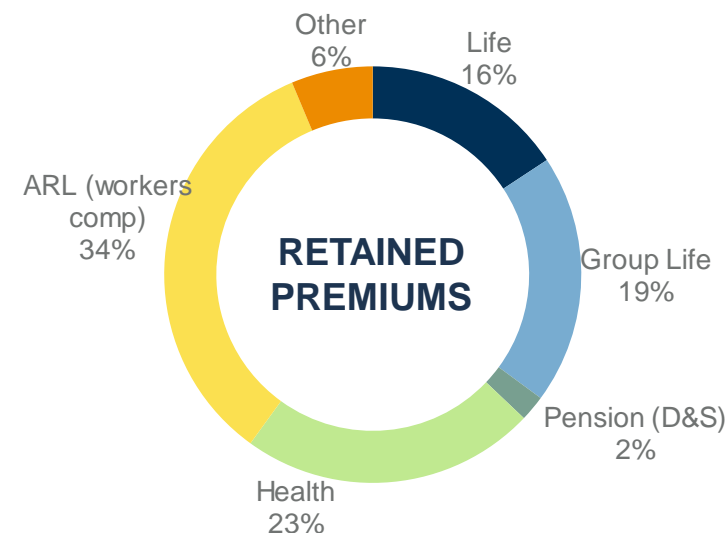
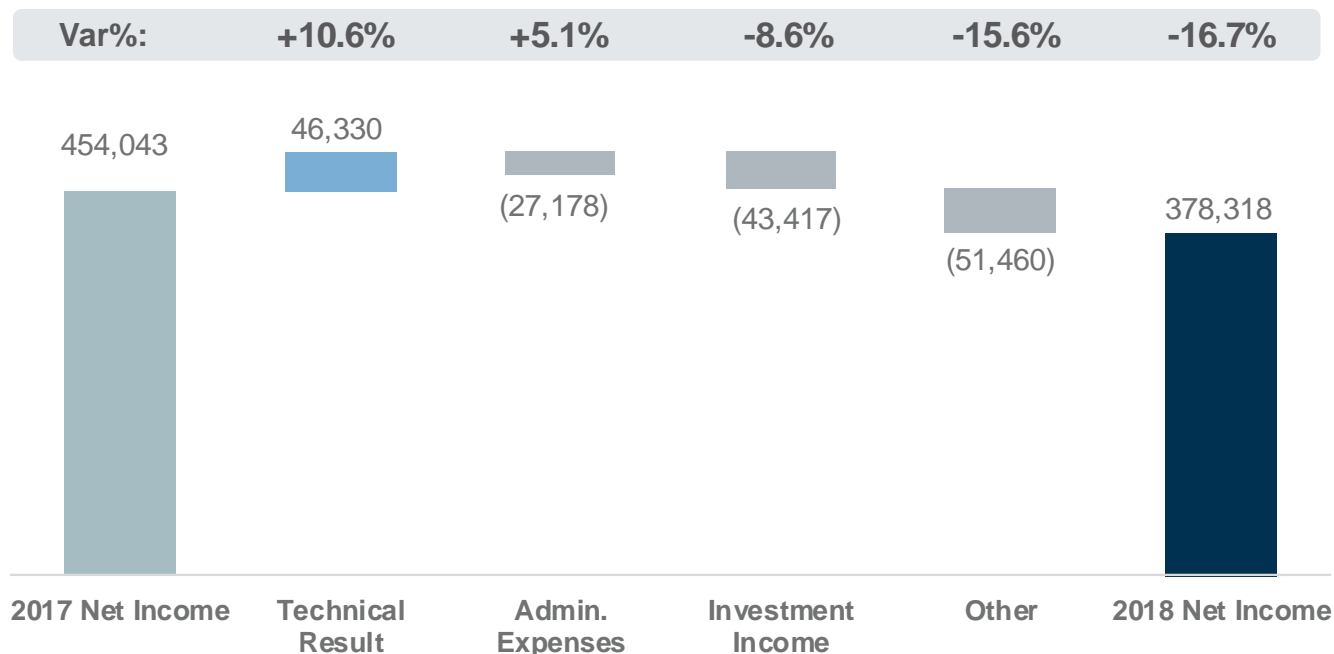


* Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees of the corporate segment.

***"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.

SURA INSURANCE, TRENDS AND RISK MANAGEMENT »

LIFE INSURANCE SEGMENT



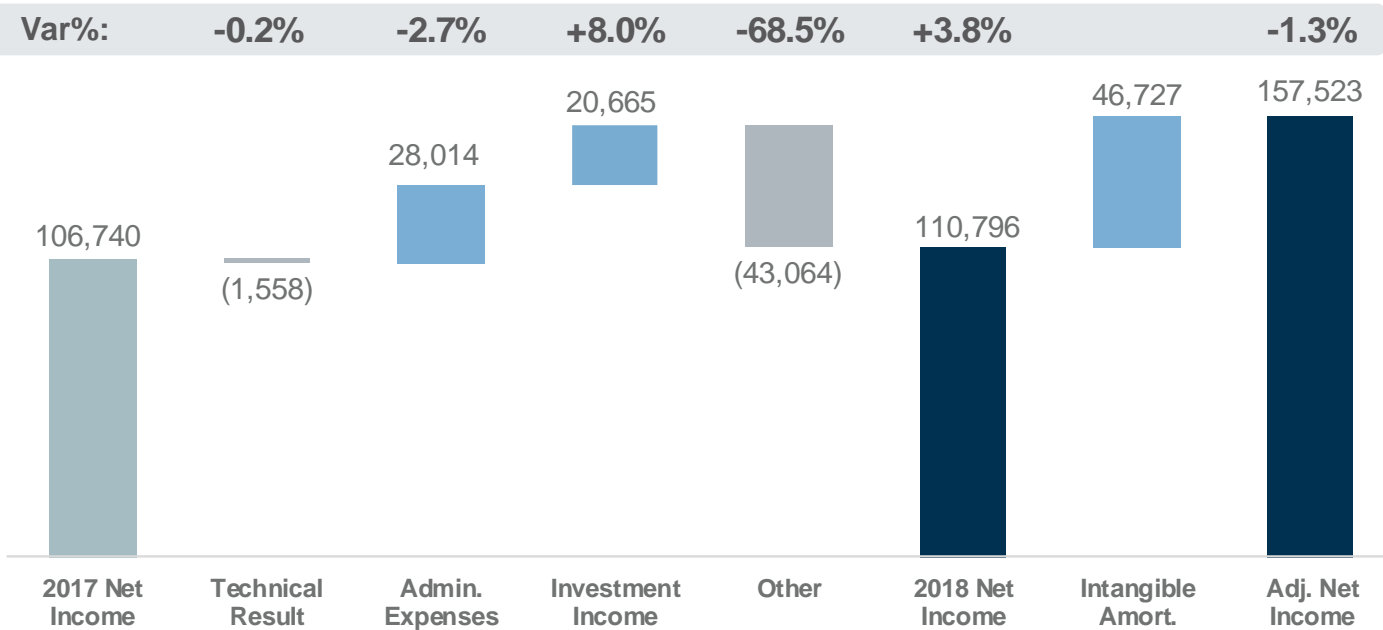
- **Lower retained premiums (-7.3%)** reflect decision not to participate in Pension D&S and change in premium methodology in health insurance. Normalized growth of 12.9%.
- **Technical result +10.6% YTD** driven by a 28.5% increase in the quarter.
- **Investment income** continues with a decrease in YTD results (-8.6%) but with a slight recovery in the quarter (+8.1%) due to long position in USD.
- **Net income** decreased 16.7% YTD due to non-recurring revenues in 2017 (COP 46,000 MM) and lower investment income.
 - Change in trend in Q3 results: net income +9.2%.

	Retained Premiums		Retained Claims Ratio	
	sep-18	%Var	sep-18	sep-17
Life	469,612	5.4%	28.2%	26.3%
Group Life	578,302	11.1%	36.5%	36.1%
Pension	59,751	-88.1%	179.0%	107.4%
Health	683,104	-4.2%	85.7%	68.3%
ARL (worker corr)	1,006,174	17.8%	59.8%	60.2%
Other	188,896	2.8%	97.3%	88.8%
Total	2,985,840	-7.3%	61.0%	62.4%

SURA INSURANCE, TRENDS AND RISK MANAGEMENT »

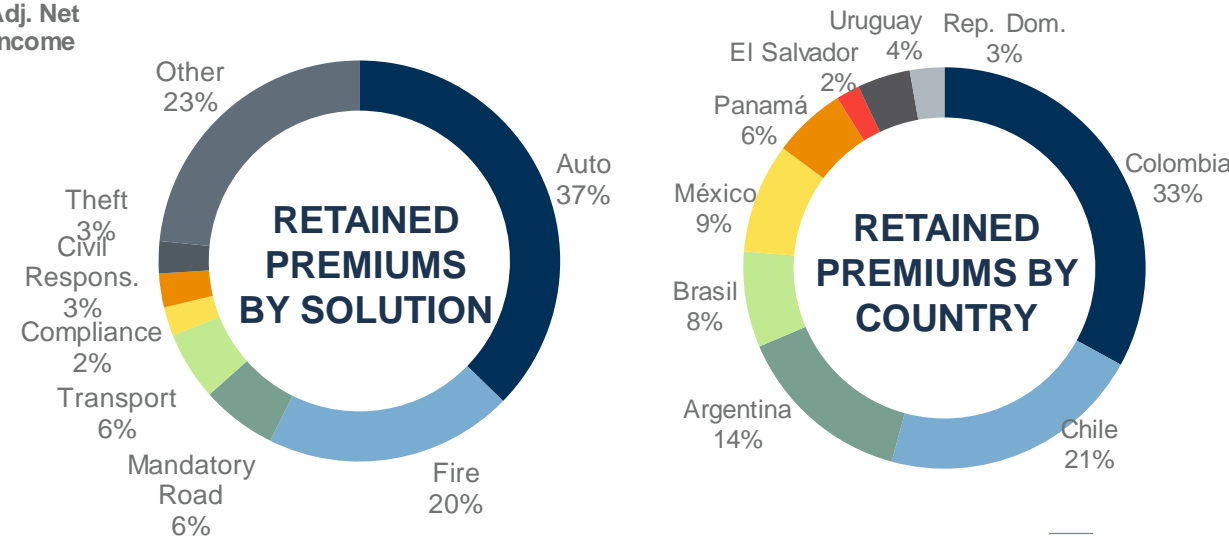


NON-LIFE (P&C) SEGMENT



	Retained Premiums			Retained Claims Ratio	
	sep-18	%Var	%Var LC*	sep-18	sep-17
Auto	1,832,335	-3.9%	7.7%	63.0%	61.3%
Fire	432,630	1.5%	8.4%	29.5%	36.1%
Mandatory road	293,078	2.2%	2.0%	63.7%	72.1%
Transport	205,632	-13.2%	-1.7%	54.4%	46.1%
Compliance	50,587	3.2%	21.1%	54.6%	65.1%
Civil Respons.	100,877	9.7%	15.3%	44.9%	49.5%
Theft	121,325	5.3%	3.6%	29.6%	40.5%
Other	778,576	1.0%	13.6%	33.6%	30.5%
Total	3,815,040	-1.8%	8.1%	51.1%	51.4%

- **Retained premiums grow 8.1% YTD** and 15.8% in the quarter (in constant exchange rates), reflect positive operating performance.
- **Combined ratio improves 60 pbs** reaching 105.0% YTD, despite negative impact in Q3 due to an increase in loss ratio.
- **Investment income YTD +8.0%** driven by quarter results (+38.0%) due to higher returns in Colombia (fx devaluation), Argentina (higher inflation and interest rates) and Chile (lower interest rates)
- **“Other”**: explained by higher income tax in an amount of COP 40,500 MM mainly explained by non-recurring tax deduction in 2017.

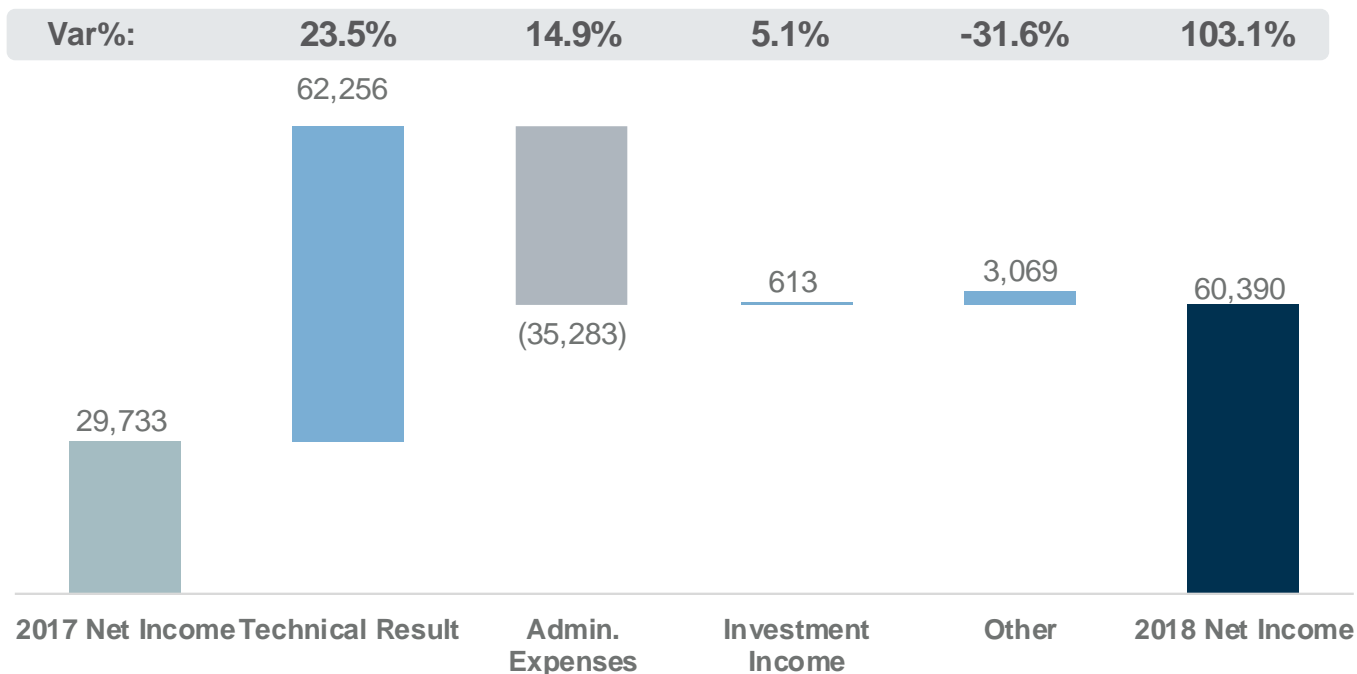


*%Var LC: variation in local currencies
Figures in COP Million

SURA INSURANCE, TRENDS AND RISK MANAGEMENT »



HEALTH CARE SEGMENT



	Services rendered		Claims Ratio	
	jun-18	%Var	jun-18	jun-17
EPS	2,173,734	21.8%	93.4%	94.0%
IPS	391,690	13.4%	70.0%	68.7%
Dinámica	198,626	21.5%	70.2%	72.4%
Total	2,764,050	20.5%	88.4%	88.6%

- Revenues grow 20.5% YTD driven by a 12% increase in the number of affiliates of the EPS
 - Affiliates reached 3.0 million and Complementary Care Plans continue growth trend (+64%)
- 22 bps decrease in cost ratio YTD, despite 180 bps increase in Q3 due to inclusions in the Health Care Plan Benefits (PBS)
- Technical result growing 23.5% YTD
- Net income grows 103.1% driven by operating performance and control in administrative expenses



SURA ASSET MANAGEMENT

CONSOLIDATED RESULTS

HIGHLIGHTS »

SURA ASSET MANAGEMENT



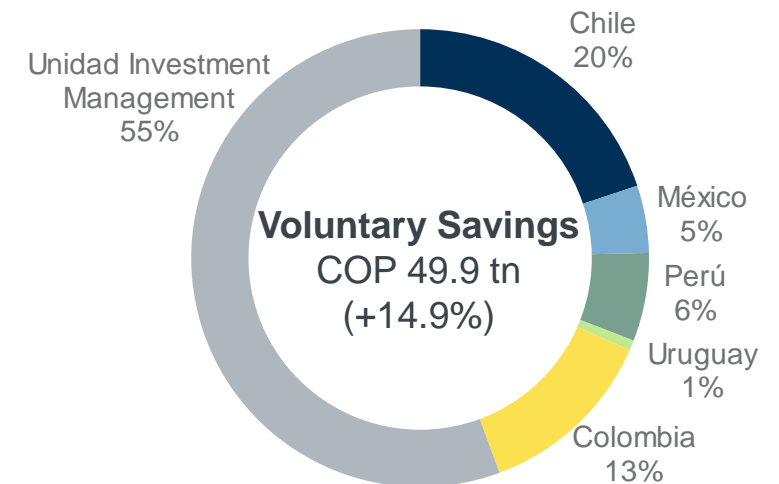
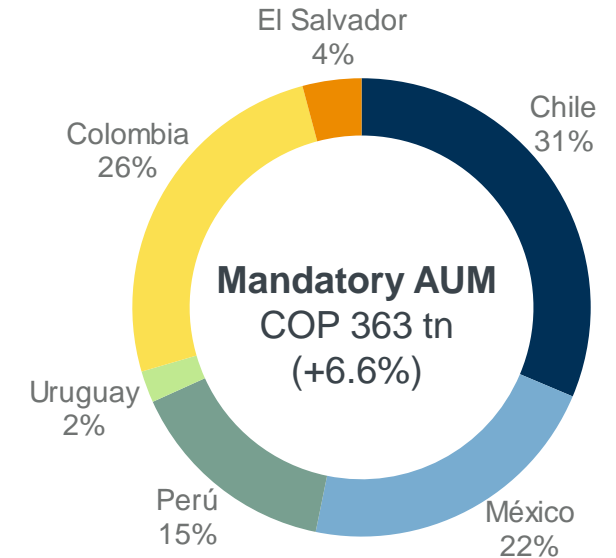
- **Total AUM** of COP 412.8 bn (+7.5%) y 19.8 MM **clients**(+3.6%).
 - Mandatory pension with COP 363 tn in AUM and 17.9 MM clients
 - Voluntary business with COP 49.9 bn in AUM and 1.3 MM clients
- **Positive growth dynamics:** fee and commission income +7.5%: Mandatory +6.6% and Voluntary +15.1%
- **Net income +7.7%** even with a decrease in revenues from legal reserves (-64.8%) and revenues via equity method (-25.9%), also associated with the former.
- Siefos managed by Afore SURA in México obtained a Morningstar Silver rating, the highest granted in 2018 to the Mexican Siefos.
- **Subsequent events:**
 - Approval to split-off annuities business assets in Chile as part of the sale process
 - Chilean pension reform proposal

ADJUSTED ROE*

8.7%

ADJUSTED ROTE*

35.3%



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

DIVESTMENT OF ANNUITIES BUSINESS IN CHILE »

SURA ASSET MANAGEMENT

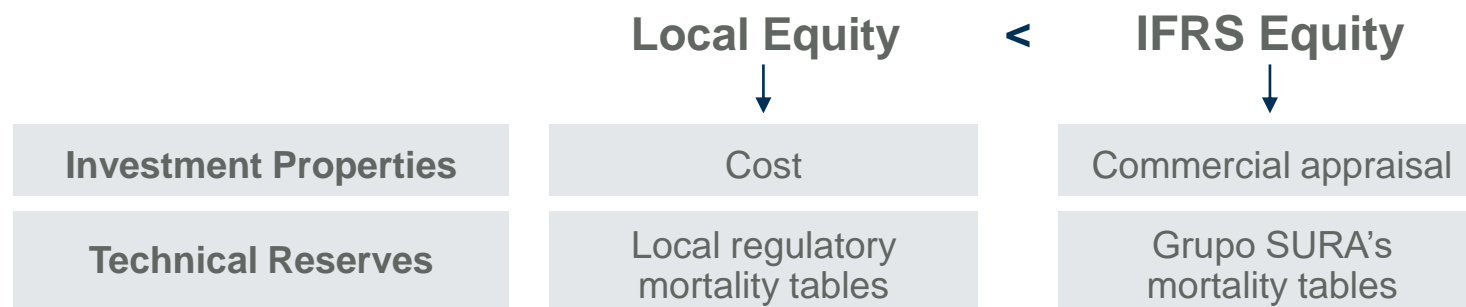
- **March 7, 2018:** announcement of sale agreement of the life annuity business in Chile to Bicecorp for USD 232 MM, at a 1.36x P/BV multiple. It was anticipated that it would have an accounting impact.
- **October 30, 2018:** approval from the Chilean regulator to split-off the life annuities business of Seguros de Vida SURA S.A. (SURA Chile).

Strategic and economic rationale

- Part of the portfolio optimization strategy, focusing on profitability and allocating capital towards strategic businesses.
- Value of transaction: USD 232 MM or COP 648,682 MM at a **1.36x book value multiple** in local accounting.
- Total investments in the business, including capitalizations and seed capital, amounted to USD 145 MM (COP 394,411 MM) generating an **IRR of 15.3% in Chilean pesos and 18.6% in Colombian pesos**.
- The contribution of this operation to the consolidated ROE was lower than the cost of capital and did not contribute with dividends to SURA AM.

Non cash accounting impact

- Once the split-off of the business is materialized, it can be reported that the accounting impact of the transaction corresponds to a loss estimated in COP 128,036 MM for Grupo SURA (adjusted for stake in SURA AM). Said loss does not imply cash outflow and is explained because the sale price is lower than the equity under IFRS, which differs from equity in local accounting due to:

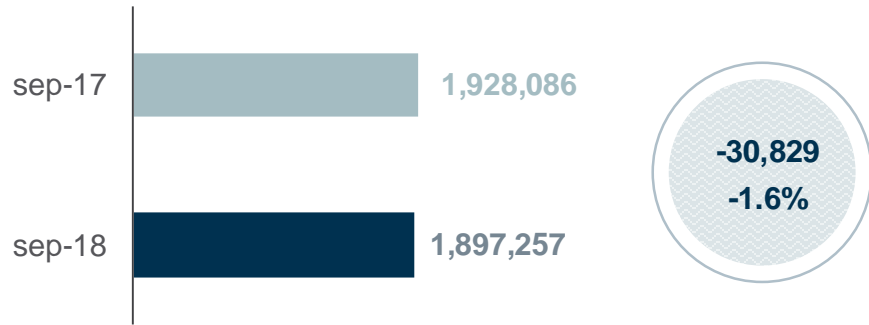


SURA ASSET MANAGEMENT »

CONSOLIDATED FIGURES

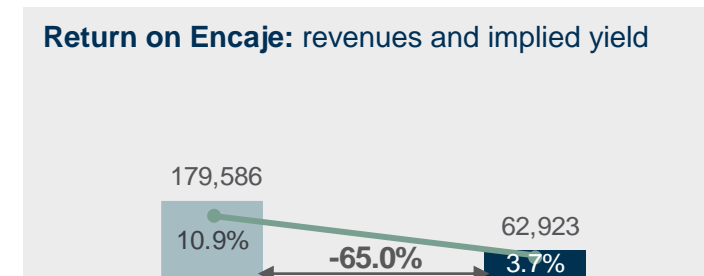
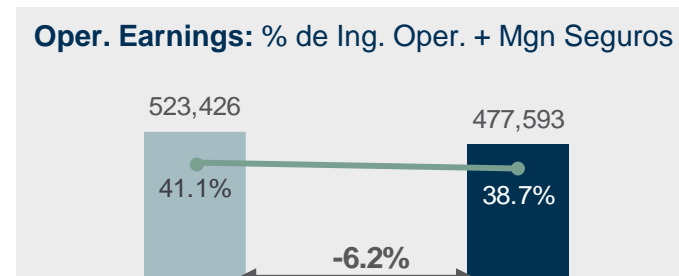
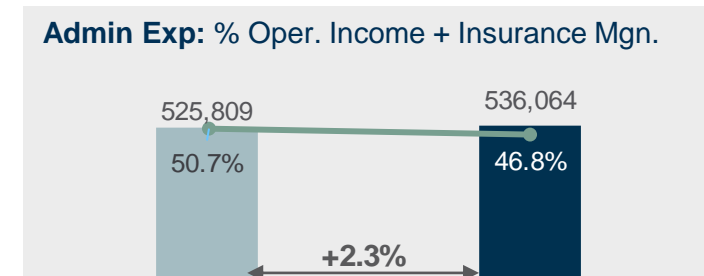
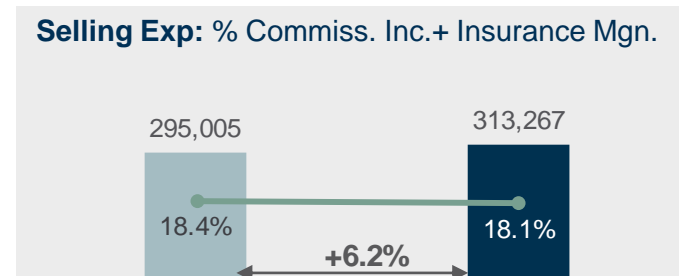
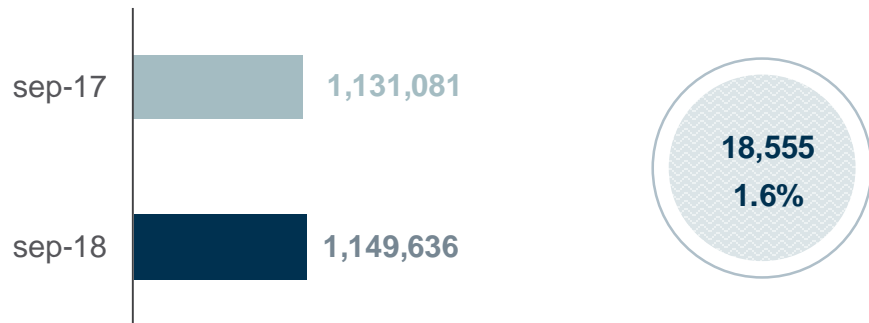


Operating Income + Insurance Margin»



Var%:	+6.5%	-25.7%	-65.0%	+23.9%	-57.3%	-1.6%
Local Fx:	+7.5%	-25.9%	-64.8%	+22.3%	-57.6%	-1.0%
	94,451	(32,177)	(116,663)	36,842	(13,282)	
2017 Revenues						2018 Revenues

Operating Expense»

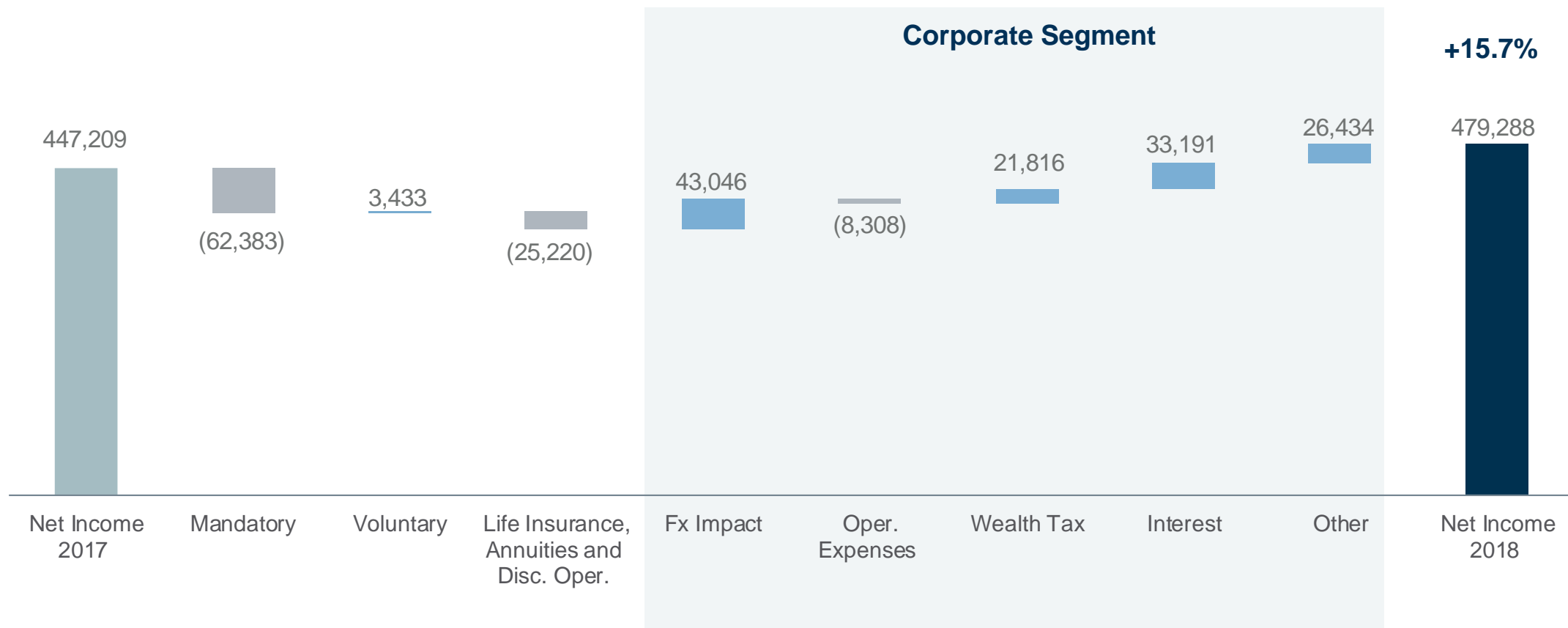


Figures in COP million. Variations in real exchange rates

2017
2018

STATEMENT OF COMPREHENSIVE INCOME »

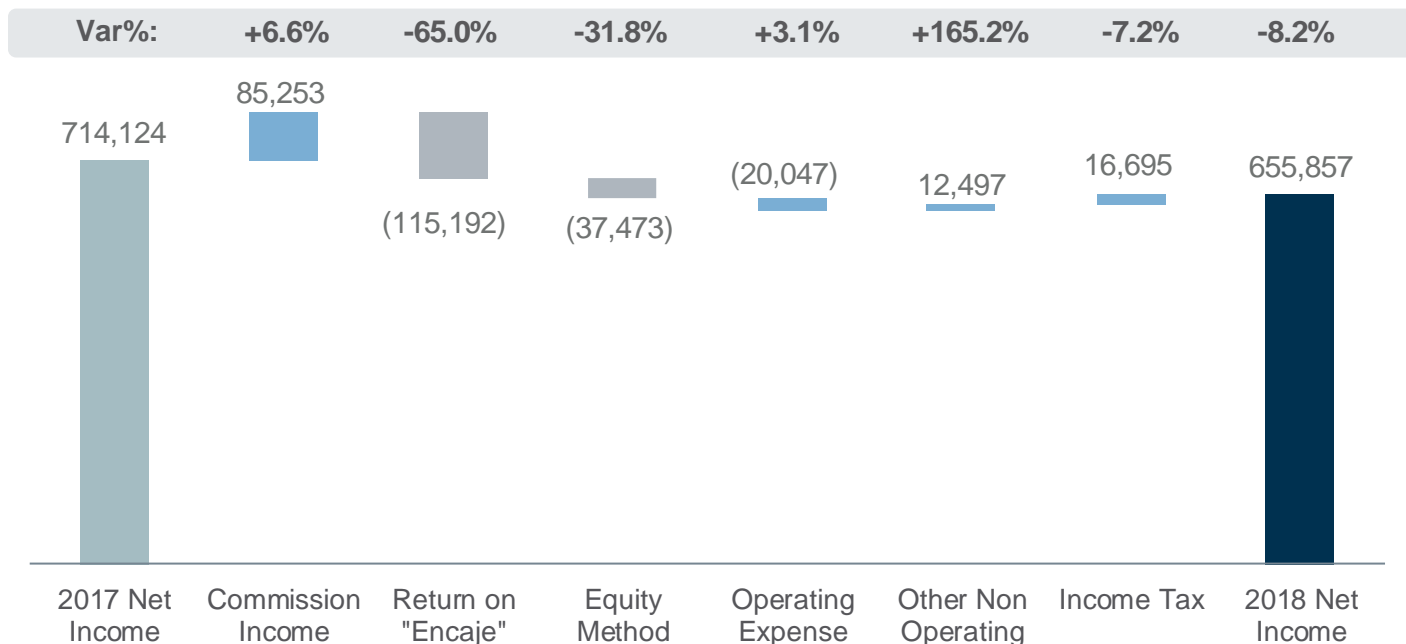
CONSOLIDATED FIGURES – SURA ASSET MANAGEMENT



*Fx Impact = Exchange difference + Gains (losses) at fair value.

**Others include income from corporate investments, income taxes that showed a decrease of COP 38,200 million compared to 2017.

MANDATORY PENSIONS BUSINESS



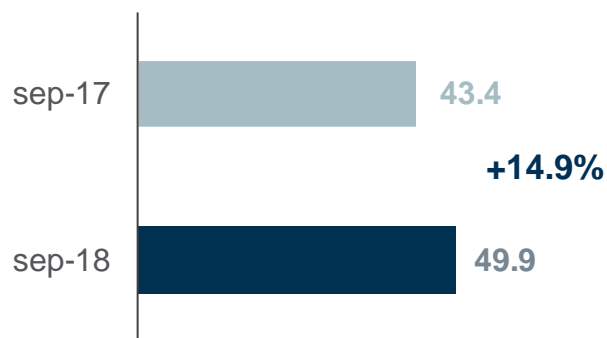
Figures in COP MM	Net Income	Var \$	Var\$ "Encaje"	Var\$ Net income ex. "Encaje"
Chile	224,563	(37,552)	(49,930)	12,378
México	212,368	33,095	(17,696)	50,791
Perú	119,149	(18,355)	(43,816)	25,461
Uruguay	33,345	(3,556)	(4,432)	877

- AUM reached COP 362.9 tn (+6.6%), driven by a positive net flow of COP 6.5 tn (+12.5%) YTD.
 - AUM in Mexico: COP 79.3 tn (+9.0%)
- Salary base: COP 90.5 tn (+5.7%); Perú (+5.5%) and AFP Protección (+8.3%) are highlighted growing above inflation.
- Commission income continues growing above inflation: +6.6% YTD and +6.1% in the quarter.
- Encaje returns continue negatively impacting results with a 65.0% decrease (or COP 115,875 MM) but with a slight recovery in the quarter (-9.5%).
- Total EBITDA reached COP 901,383 MM (-8.6%); or COP 839,383 MM (+3.7%) when measured excluding "encaje" return.

Figures in COP millions. Variations in constant exchange rates (excluding foreign exchange variations).

*"Encaje": return on legal reserves from Mandatory Pension Fund Managers.

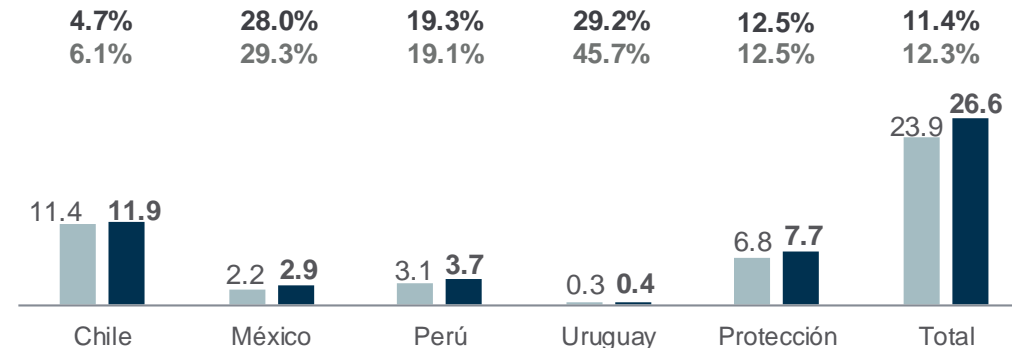
VOLUNTARY SAVINGS AUM (trillion COP)*



INVESTMENT MANAGEMENT AUM



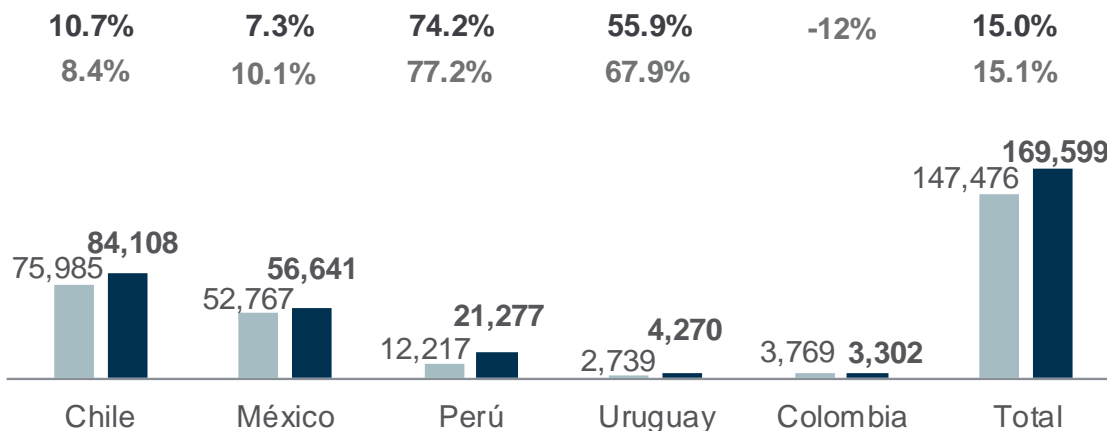
SAVINGS AND INVESTMENTS AUM



*COP 10.1 tn eliminated from duplicate AUM between the Investment Management Unit and Savings and Investments business

COMMISSION INCOME

◆ Sep - 17 ◆ Sep - 18 %Var COP %Var Exc. Fx Variations



- Voluntary business continues its growth strategy: clients, revenues and AUM growing at double digits.
- Total insurance margin (-3.9%) impacted by lower sales of Unit Linked insurance products in Chile. Better commercial dynamics in Q3 with retained premiums growing 51% vs. Q2-2018 and 12.2% vs. Q3-2017.
- Operating result of COP -9,816 MM; improves by COP 9,765 MM.
- Strengthening of value proposition: 12 new products launched in 2018

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