



# Q1 2019

**QUARTERLY EARNINGS REPORT**  
**GRUPO SURA**



**GRUPO SURA posted COP 827,220 million in operating income (+ 52.1%) along with a net income figure of COP 560,272 million (+ 80.6%) at the end of Q1 2019, thanks to positive results for all its investments. An improved performance on the part of its investment portfolios along with higher revenues obtained from its associates via the equity method were key factors in achieving this level of results**

May 15, 2019 Grupo de Inversiones Suramericana - Grupo SURA - has released its earnings report corresponding to the first quarter of 2019, the highlights of which are as follows:

On a consolidated level, operating revenues stood at COP 5.1 trillion for a growth of 12.4%, this driven by higher investment income (+91.0%) thanks to higher returns of the portfolios on the part of both the insurance as well as the pension fund management subsidiaries, as well as increased revenues obtained from associates via the equity method (+64.0%) and higher revenues from services rendered (+24.3%). On the other hand, operating expense came to COP 4.2 trillion, for an increase of 7.0%, with lower reserves being set up and a lower growth in both retained claims (+1.4%) and administrative expense (+4.7%). Consequently, operating earnings came to COP 827,220 million, for a growth of 52.1%.

On the other hand, the Group's financial result, which includes interest and the exchange rate effect (exchange differences + appraisals of hedging derivatives) associated with the financing structure, reached COP -105,171 million, for a decline of 21.6% compared to the first quarter of 2018.

This good level of operating performance, together with an improved financial result drove up the Group's net income figure to COP 560,272 million for a growth of 80.6%.

**SURA Asset Management contributed to Grupo SURA's consolidated results with a net income figure of COP 227,922 million, showing an increase of (+ 72.6%).** As for the Group's operating performance, it is worthwhile noting the following factors:

Net operating income (including insurance margin) came to COP 793,362 million for a growth of 31.7% (in local currencies), this mainly due to a growth of 1,006% in revenues obtained from legal reserves and a 259% increase in revenues obtained via the equity method, all or which was further leveraged by positive levels of pension fund performance. This contrasts with just a 2.4% growth in fee and commission income, which has slowed over previous quarters due to cuts to the commissions charged on some operations.

Operating expense rose by 8.4% at the end of Q1 2019, which included significant investments in projects focused on sustainability of the business and creating long term value.

Consequently, operating earnings came to COP 385,015 million, having increased by 70.6%, but upon normalizing this figure from the revenues on legal reserves, it would have declined by 3.3%.

**Suramericana posted COP 118,308 million (+17.6%) in net income** this mainly due to:

A 7.1% increase with the Company's technical result, driven by:

- Written premiums rising by 11.1%, with all different business segments performing well. This offset the impact of the strategic decisions taken in 2018 (the accounting of health insurance premiums and the decision not to take part in a pension insurance in Colombia) as well as the depreciation of the Argentinean peso.
- Revenues from services rendered on the part of the health care segment posted a growth of 24.5%.
- The retained claims rate went from 55.2% to 55.5%, which was offset by freeing up a reserve to cover the seasonal effects of the insurance business along with other effects relating to the strategic decisions mentioned above.

Administrative expense rose by 6.5%, which was lower than the growth in premium income and revenues from services rendered. Finally, investment income increased by 21.2%, thanks to an improved performance of the Colombian stock market, higher inflation in Argentina and falling worldwide interest rates that are driving up yields for fixed income securities.

**Grupo SURA (Holding) contributed another COP 214,043 million (+176.1%) to its consolidated net income figure.** It is worth noting the increase in revenues obtained via the equity method (+46.6%), thanks to the positive results posted by Bancolombia and Grupo Nutresa, along with lower interest expense and the positive exchange rate effect corresponding to hedging arrangements as well as exchange differences on the Group's indebtedness.

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*All figures in this report are shown in millions of Colombian pesos unless otherwise stated. Figures stated in dollars were converted to Colombian pesos using the exchange rate applicable at the end of Q1 2019 (3,174.79 COP/USD), as a restatement exercise only*

# 1. Grupo SURA

Grupo de Inversiones Suramericana S.A

From January 1<sup>st</sup> to March 31<sup>st</sup>

Consolidated Statement of Comprehensive Income (Stated in million Colombian pesos)

	mar-19	mar-18	%Var
Written premiums	3,031,155	2,928,475	3.5%
Ceded premiums	(549,855)	(370,631)	48.4%
<b>Retained premiums (net)</b>	<b>2,481,300</b>	<b>2,557,844</b>	<b>-3.0%</b>
Commission income	653,501	612,717	6.7%
Revenues from services rendered	927,437	746,253	24.3%
Dividends	945	674	40.1%
Investment income	584,767	306,211	91.0%
Equity method - Associates	340,370	207,556	64.0%
Other revenues	62,722	60,758	3.2%
<b>Operating revenues</b>	<b>5,051,042</b>	<b>4,492,013</b>	<b>12.4%</b>
Total claims	(2,228,017)	(1,844,003)	20.8%
Reimbursed claims	715,538	352,195	103.2%
<b>Retained claims</b>	<b>(1,512,479)</b>	<b>(1,491,808)</b>	<b>1.4%</b>
Adjustments to reserves	40,250	(87,968)	
Cost of services rendered	(879,804)	(694,751)	26.6%
Administrative expense	(923,759)	(882,350)	4.7%
Depreciation	(49,610)	(19,754)	151.1%
Amortizations	(70,426)	(71,825)	-1.9%
Brokerage commissions	(473,261)	(442,232)	7.0%
Fees	(210,299)	(162,788)	29.2%
Other expense	(141,443)	(93,979)	50.5%
Impairment	(2,991)	(537)	457.0%
<b>Operating expenses</b>	<b>(4,223,822)</b>	<b>(3,947,992)</b>	<b>7.0%</b>
<b>Operating earnings</b>	<b>827,220</b>	<b>544,021</b>	<b>52.1%</b>
Exchange difference + Fair value on Derivatives	65,591	13,384	390.1%
Interest expense	(170,762)	(147,514)	15.8%
<b>Financial Result</b>	<b>(105,171)</b>	<b>(134,130)</b>	<b>-21.6%</b>
<b>Earnings before tax</b>	<b>722,049</b>	<b>409,891</b>	<b>76.2%</b>
Income tax	(164,308)	(108,118)	52.0%
<b>Net income from continuing operations</b>	<b>557,741</b>	<b>301,773</b>	<b>84.8%</b>
Net income from discontinued operations	2,531	8,380	-69.8%
<b>Net Income</b>	<b>560,272</b>	<b>310,153</b>	<b>80.6%</b>
Earnings - parent company	500,120	268,982	85.9%
Earnings - non-controlling interest	60,153	41,171	46.1%

**Grupo de Inversiones Suramericana S.A**  
**Consolidated Statement of Financial Position**

At March 31<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2018  
(stated in million Colombian pesos)

	mar-19	dec-18	%Var
Cash and Cash Equivalents	1,805,197	1,878,040	-3.9%
Investments	23,920,193	22,696,482	5.4%
Accounts receivable	6,667,508	6,649,457	0.3%
Insurance reserves - reinsurers	3,715,214	3,562,157	4.3%
Current tax	421,657	308,039	36.9%
Deferred tax	194,516	207,115	-6.1%
Other assets	400,382	473,498	-15.4%
Investment properties	163,433	156,847	4.2%
Property, plant and equipment	1,153,763	1,235,912	-6.6%
Available-for-sale non-current assets	2,754	5,539,261	-100.0%
Right-of-use assets	652,960	0	
Goodwill	4,844,538	4,798,703	1.0%
Identified intangible assets	4,282,671	4,397,823	-2.6%
Investments in associates	19,111,494	19,170,040	-0.3%
<b>Total assets</b>	<b>67,336,278</b>	<b>71,073,373</b>	<b>-5.3%</b>
Financial liabilities	2,062,473	2,141,755	-3.7%
Lease liabilities	676,813	0	
Technical reserves	22,416,417	22,199,074	1.0%
Provisions for employee benefits	433,616	539,787	-19.7%
Other provisions	241,603	249,558	-3.2%
Accounts payable	3,515,273	3,330,513	5.5%
Current tax	644,197	580,672	10.9%
Available-for-sale non-current liabilities	0	4,871,855	-100.0%
Issued securities	8,247,288	8,305,019	-0.7%
Other non-financial liabilities	563,085	594,311	-5.3%
Deferred tax	1,355,032	1,359,916	-0.4%
<b>Total liabilities</b>	<b>40,155,797</b>	<b>44,172,460</b>	<b>-9.1%</b>
Equity attributable to the owners of the parent company	24,785,531	24,473,747	1.3%
Non-controlling interest	2,394,950	2,427,165	-1.3%
<b>Total equity</b>	<b>27,180,481</b>	<b>26,900,912</b>	<b>1.0%</b>
<b>Total equity and liabilities</b>	<b>67,336,278</b>	<b>71,073,372</b>	<b>-5.3%</b>

## Consolidated Net Income

The following table shows a breakdown of the parent's consolidated net income based on the amounts contributed by each of its subsidiaries as well as the different income and expense accounts corresponding to Grupo SURA as a holding company. The main factors here included:

- **Suramericana** contributing COP 118,308 million to Grupo SURA's net income figure, showing an increase of COP 17,719 million or 17.6%. The most salient factors here included the growth in written premiums and revenues from services rendered, the freeing up of reserves which offset a slight increase in the Company's retained claims rate, as well as higher investment income.
- **SURA AM** contributed another COP 227,922 million to the Group's consolidated net income figure, for an increase of 72.6% or COP 95,888 million for this first quarter. This growth was mainly due to an improved performance on the part of the investment portfolios belonging to our pension fund line of business, which in turn is reflected in an increase of COP 111,000 million (+ 1,006%) in revenues obtained from legal reserves along with COP 49,865 million (+ 260%) in revenues obtained via the equity method.

Grupo SURA, as the parent holding contributed with another COP 214,043 million to the Group's consolidated net income figure for a 176.1% increase, due to:

- **Revenues obtained from associates via the equity method** (excluding Protección which is consolidated in the results posted by SURA AM) increased by 46.6%, thanks to significant increases obtained by Bancolombia and Grupo Nutresa in terms of their net income for this past quarter.
- The change in the **income tax figure as posted by Grupo SURA** (holding) is due to an increase in the deferred tax provision related to hedging derivatives and the exchange difference. This did not allow for the drop in current tax to be shown, this based on a lower presumptive income rate.
- The **decline in administrative expense** due to lower expense and assumed taxes after simplifying the Group's corporate structure (Grupo SURA merging with its wholly-owned subsidiaries).
- Accounting profit obtained from **exchange differences and appraisals of hedging derivatives** given the depreciation of the Colombian peso during this past quarter.

<b>Consolidated Results</b>	<b>mar-19</b>	<b>mar-18</b>	<b>%Var</b>	<b>\$Var</b>
Suramericana	<b>118,308</b>	100,590	17.6%	17,719
SURA AM	<b>227,922</b>	132,034	72.6%	95,888
Grupo SURA (Holding) and Other:	<b>214,043</b>	77,529	176.1%	136,514
Revenues from Equity Method	<b>271,374</b>	185,073	46.6%	86,301
Interest expenses	<b>(84,189)</b>	(85,551)	-1.6%	1,361
Taxes	<b>(14,101)</b>	1,411		(15,511)
Admin. Expenses*	<b>(12,726)</b>	(15,327)	-17.0%	2,601
Exchange Difference + Hedging	<b>55,322</b>	(12,634)		67,957
ARUS + Habitat	<b>(1,261)</b>	(883)	42.7%	(377)
Other	<b>(376)</b>	5,441		(5,817)
<b>Consolidated Net Income</b>	<b>560,274</b>	<b>310,153</b>	<b>80.6%</b>	<b>250,120</b>

\*Revenues via equity method from Protección are reported within SURA AM's consolidated net income.

\*\*Admin. expenses include Administrative expenses, Fees and Employee Benefits.

## Revenue from Associates via Equity Method

Equity Method	mar-19	mar-18	%Var
Bancolombia	203,690	127,502	59.8%
Grupo Argos	6,004	12,347	-51.4%
Grupo Nutresa	61,343	42,504	44.3%
AFP Protección	62,233	13,831	350.0%
Other	7,100	11,372	-37.6%
<b>Total</b>	<b>340,370</b>	<b>207,556</b>	<b>64.0%</b>

## Investments in associates

Investments in associates	mar-19	dec-18	%Var
Bancolombia	8,100,230	8,214,022	-1.4%
Grupo Argos	5,025,789	5,057,575	-0.6%
Grupo Nutresa	4,781,455	4,696,943	1.8%
AFP Protección	1,126,508	1,105,289	1.9%
Otros	77,512	96,211	-19.4%
<b>Total</b>	<b>19,111,494</b>	<b>19,170,040</b>	<b>-0.3%</b>

## Pasivos Financieros

Grupo SURA (Holding)	mar-19	dec-18	%Var
Grupo SURA Bonds	4,063,147	4,088,984	-0.6%
Banks and Leasing	894,322	913,087	-2.1%
<b>Debt</b>	<b>4,957,468</b>	<b>5,002,071</b>	<b>-0.9%</b>
Derivatives	121,826	91,054	33.8%
Preferred Dividends	460,564	460,699	0.0%
<b>Total Financial Liabilities</b>	<b>5,539,858</b>	<b>5,553,824</b>	<b>-0.3%</b>
<b>Cash and Cash Equivalentes</b>	<b>17,874</b>	<b>88,459</b>	<b>-79.8%</b>

SURA AM	mar-19	dec-18	%Var
Bonds	2,729,168	2,760,832	-1.1%
Banks and Leasing	633,162	638,586	-0.8%
<b>Debt</b>	<b>3,362,330</b>	<b>3,399,418</b>	<b>-1.1%</b>
Derivatives	39,619	45,824	-13.5%
<b>Total Financial Liabilities</b>	<b>3,401,949</b>	<b>3,445,242</b>	<b>-1.3%</b>

Suramericana	mar-19	dec-18	%Var
Bonds	994,409	994,503	0.0%
Banks and Leasing	328,221	326,143	0.6%
<b>Debt</b>	<b>1,322,630</b>	<b>1,320,646</b>	<b>0.2%</b>
Derivatives	22,851	34,598	-34.0%
<b>Total Financial Liabilities</b>	<b>1,345,481</b>	<b>1,355,244</b>	<b>-0.7%</b>

## 2. Suramericana

### Suramericana S.A.

From January 1<sup>st</sup> to March 31<sup>st</sup>

### Statement of Comprehensive Income

(stated in COP millions)

	mar-19	mar-18	%Var
Written premiums	2,876,780	2,590,246	11.1%
Ceded premiums	(538,288)	(340,648)	58.0%
<b>Retained premiums (net)</b>	<b>2,338,492</b>	<b>2,249,599</b>	<b>4.0%</b>
Reserves net of production	94,161	(16,841)	
<b>Retained earned premiums</b>	<b>2,432,653</b>	<b>2,232,758</b>	<b>9.0%</b>
Total claims	(2,014,280)	(1,594,605)	26.3%
Reimbursed claims	715,538	352,195	103.2%
<b>Retained claims</b>	<b>(1,298,742)</b>	<b>(1,242,410)</b>	<b>4.5%</b>
Net commissions	(347,587)	(325,408)	6.8%
Income from services rendered	887,192	717,436	23.7%
Cost of services rendered	(828,967)	(654,817)	26.6%
Other operating income/expense	(237,872)	(161,042)	47.7%
<b>Technical result</b>	<b>606,677</b>	<b>566,517</b>	<b>7.1%</b>
Fees	(46,425)	(36,295)	27.9%
Administrative expense	(603,070)	(566,046)	6.5%
Amortization and depreciation	(54,414)	(41,644)	30.7%
Impairment	(3,358)	(324)	935.5%
<b>Underwriting profit</b>	<b>(100,589)</b>	<b>(77,792)</b>	<b>29.3%</b>
Dividends	174	145	20.4%
Investment income	282,954	233,443	21.2%
Interest	(29,009)	(23,901)	21.4%
Other non-operating income / expense	(2,427)	2,622	
<b>Earnings (losses) before tax</b>	<b>151,103</b>	<b>134,517</b>	<b>12.3%</b>
Income tax	(32,795)	(33,927)	-3.3%
<b>Earnings (losses), net</b>	<b>118,308</b>	<b>100,590</b>	<b>17.6%</b>
Earnings (losses) - parent company	118,108	100,289	17.8%
Earnings (losses) - non-controlling interest	200	300	-33.4%

### Statement of Comprehensive Income – Suramericana S.A.

During Q1 2019, the Company posted a 17.6% increase in net income compared to the same quarter of the previous year. This was due to business growth observed in increased retained premiums, the positive net production reserves, and to the contribution of the financial result of investment portfolios.

Thanks to the Company's reinsurance strategy, the increase observed in Total Claims is offset by the reimbursed claims by reinsurers, thus increasing just 4.5% in Retained Claims. Large catastrophic losses, which mainly affect the Fire insurance solution in the region and which primarily underline weather-related events in Chile, have been duly covered by the reinsurance schemes handled by the Company.

Likewise, revenue from services rendered by the companies in Colombia contributes to a 23.7% growth. The growth dynamics of the healthcare sector – with an increased number of affiliates in the EPS (mandatory healthcare provider) – also benefits health providers such as the IPS and Dinámica.

In terms of the Company's financial results for Q1 2019, there was a drop in debt servicing expenses compared to the same period the previous year, given the lower inflation in Colombia. On the other hand, there was a good



performance in the investment portfolio, which resulted in a 21.2% increase in the Investments Income. To date, the equity markets in Colombia have displayed an appreciation of 20.2%, favoring the performance of the portfolio for the Life and Property & Casualty segments. Moreover, the increased inflation observed in Argentina and the lower interest rates worldwide this year favor the fixed income yields in most countries.

The foregoing factors, along with the good commercial activity for Suramericana's insurance solutions as well as the sound performance of the subsidiaries, display a 17.6% increase in net income in Q1-2019.

## Statement of Financial Position – Suramericana S.A.

Suramericana S.A.'s consolidated assets came to COP 26.9 trillion, for an increase of 1.1% compared to year-end 2018. This is a reflection of the organic growth that our subsidiaries have obtained, coupled with the increased assets in the first three months of the year after. One of these accounts is Current Tax, which increased 37.7% in the quarter due to the new advanced payments made which will decrease throughout the year.

In terms of the assets of investment properties, the 96.4% increase of the quarter is due to the reclassification of lands owned by one of the complementary services companies of Colombia, which are not used by the Company to develop its purpose and were classified as property, plant and equipment.

With the new IFRS 16 coming into effect on 1 January 2019, relative to Leases, two new accounts on the Company's balance sheet are included. These accounts are: Right of Use Assets and Lease Liabilities, which meet the goal of regulating the identification and the accounting treatment of said Leasing contracts.

Lastly, the consolidated equity of Suramericana dropped 2.4% compared to year-end 2018, thanks mainly to a lower proportion of the profits in Q1 2019, and a decree of dividends for shareholders close to COP 200,000 million in the Assembly held on March. This is coupled with the impact that the depreciation of the peso of Argentina and Uruguay, which in turn has a negative effect on the Other Comprehensive Income.

**Suramericana S.A.**  
**Statement of Financial Position**

At March 31st, 2019 and December 31<sup>st</sup>, 2018  
(stated in COP millions)

	<b>mar-19</b>	<b>dec-18</b>	<b>%Var</b>
Cash and Cash Equivalents	<b>1,238,227</b>	1,289,193	-4.0%
Investments	<b>12,694,353</b>	12,563,733	1.0%
Accounts receivable	<b>5,720,641</b>	5,998,734	-4.6%
Insurance reserves - reinsurers	<b>3,692,190</b>	3,538,992	4.3%
Current tax	<b>233,315</b>	169,456	37.7%
Deferred tax	<b>75,795</b>	79,727	-4.9%
Other assets	<b>122,547</b>	107,913	13.6%
Right-of-use assets	<b>355,891</b>	-	
Investment properties	<b>10,728</b>	5,461	96.4%
Property, plant and equipment	<b>963,164</b>	964,149	-0.1%
Goodwill	<b>573,198</b>	581,096	-1.4%
Identified intangible assets	<b>1,231,374</b>	1,300,078	-5.3%
Investments in associates	<b>26,129</b>	33,975	-23.1%
<b>Total Assets</b>	<b>26,937,552</b>	<b>26,632,508</b>	<b>1.1%</b>
Financial liabilities	<b>351,072</b>	360,740	-2.7%
Lease liabilities	<b>359,531</b>	-	
Technical reserves	<b>16,015,381</b>	15,894,415	0.8%
Provisions for employee benefits	<b>318,634</b>	361,873	-11.9%
Other provisions	<b>198,015</b>	205,464	-3.6%
Accounts payable	<b>2,853,876</b>	2,798,279	2.0%
Current tax	<b>415,318</b>	418,428	-0.7%
Issued securities	<b>994,409</b>	994,503	0.0%
Other non-financial liabilities	<b>496,016</b>	526,497	-5.8%
Deferred tax	<b>233,775</b>	256,632	-8.9%
<b>Total liabilities</b>	<b>22,236,026</b>	<b>21,816,831</b>	<b>1.9%</b>
<b>Total equity</b>	<b>4,701,526</b>	<b>4,815,677</b>	<b>-2.4%</b>
<b>Total equity and liabilities</b>	<b>26,937,552</b>	<b>26,632,508</b>	<b>1.1%</b>

## Life Insurance Segment

The Life Insurance Segment is made up of Seguros de Vida Colombia, Riesgos Laborales Colombia, Asesuisa Vida in El Salvador, Seguros de Vida in Chile and the life insurance sold by Sura México.

During this quarter, Vida Colombia and the ARL (Workers' Compensation Company) merged. The following lists their combined operations under the company of Seguros de Vida Colombia.

### Segmento Vida

De enero 1 a marzo 31

(Valores expresados en millones de pesos colombianos)

	mar-19	mar-18	%Var
Written premiums	<b>1,121,304</b>	1,006,121	11.4%
Ceded premiums	<b>(56,677)</b>	(31,387)	80.6%
<b>Retained premiums (net)</b>	<b>1,064,627</b>	<b>974,734</b>	<b>9.2%</b>
Reserves net of production	<b>34,909</b>	(2,010)	
<b>Retained earned premiums</b>	<b>1,099,536</b>	<b>972,724</b>	<b>13.0%</b>
Total claims	<b>(723,150)</b>	(657,777)	9.9%
Reimbursed claims	<b>72,875</b>	42,557	71.2%
<b>Retained claims</b>	<b>(650,275)</b>	<b>(615,220)</b>	<b>5.7%</b>
Net commissions	<b>(120,246)</b>	(92,296)	30.3%
Other operating income/expense	<b>(151,301)</b>	(121,540)	24.5%
<b>Technical result</b>	<b>177,714</b>	<b>143,669</b>	<b>23.7%</b>
Fees	<b>(19,581)</b>	(15,964)	22.7%
Administrative expense	<b>(200,359)</b>	(156,668)	27.9%
Amortization and depreciation	<b>(4,582)</b>	(2,496)	83.6%
Impairment	<b>671</b>	(395)	
<b>Underwriting profit</b>	<b>(46,136)</b>	<b>(31,854)</b>	<b>44.8%</b>
Dividends	<b>143</b>	119	19.3%
Investment income	<b>161,422</b>	150,453	7.3%
Interest	<b>(589)</b>	(0)	
Other non-operating income / expense	<b>1,286</b>	(4,392)	
<b>Earnings (losses) before tax</b>	<b>116,126</b>	<b>114,325</b>	<b>1.6%</b>
Income tax	<b>(48)</b>	(945)	-94.9%
<b>Earnings (losses), net</b>	<b>116,078</b>	<b>113,380</b>	<b>2.4%</b>

Indicators	mar-19	mar-18
% Ceded premiums	<b>5.1%</b>	3.1%
% Retained Incurred Claims*	<b>59.1%</b>	63.2%
% Net Commissions*	<b>10.9%</b>	9.5%
% Administrative Expense	<b>18.2%</b>	16.1%

\* *Indicadores medidos sobre Primas retenidas devengadas*

### Statement of Financial Position

mar-19

Total assets	<b>10,801,804</b>
Total liabilities	<b>8,701,663</b>
Total equity	<b>2,100,141</b>

This segment produced a 23.7% growth in the technical result of the quarter. In spite of the decreased production of solutions such as Pension and Health Care insurance, the premiums issued by the segment rose 11.4%, driven in part by the acquisition of the Mexican insurance subsidiary Seguros de Vida SURA S.A. in October 2018, which represented additional written premiums for this solution that came to COP 49,811 million during the quarter, and by the sound performance of solutions, such as Group Life. Likewise, the segment released production reserves to respond to the capital optimization initiative in Health Care implemented since July 2018, thus helping to drive up the segment's overall technical result.

The project implemented with the Health Care solution consists of matching accrued premiums on the Company's income statement with the client's actual payment of the policies. In this way, reserves and capital requirements remain more in sync with the Company's cash collection patterns. Previously, the matching was done with an annual methodology, implying a larger premium base. This new way of recording the Health Care solution in Colombia does not impact the expenses for losses, commissions or nominal value; hence, the indicators on written premiums will normalize a year after the change is implemented.

Excluding the effects from not participating in the Pension insurance since 2Q18 and the change in the production accounting of Health Care in the Colombian operation, the Life segment grew 23.6% this quarter at constant exchange rates.

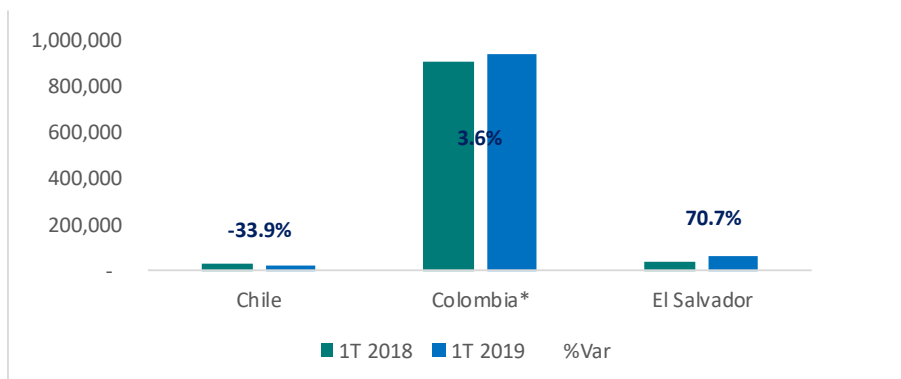
The increase of fees in 1Q19 came to 30.3% compared to 1Q18 and responds to the change of product mix and channels experienced by the segment throughout the region. With the departure of the Pension insurance and the higher share of the banking channel, the fees as a percentage of Written Premiums increased from 9.2% in 1Q18 to 10.7% in 1Q19. On the other hand, Administrative Expenses grew 27.9% during the quarter as a result of the seasonal nature of the insurance business, making it difficult to compare quarters.

The Investment Income of the segment improved 7.3% in the quarter, driven mainly by the Life insurance company in Mexico which wasn't consolidated under Suramericana in Q1-2018, which initially contributed close to COP 2,300 million in income from its investments. Excluding this effect, the financial income of the segment climbed 5.8% in the quarter, underlining the positive performance in variable income in Colombia, up 20.2% to date.

Lastly, the provision set up for income tax lowered 94.9%, due to the consolidation of the results of the operation of Life in Mexico. This company displayed an income for the provision for income tax as a result of the creation of the deferred tax for those provisions that will be deductible in the future when the payment is made.

The growth in production, the positive adjustment to Reserves, the expansion of financial income and the lower provision set up for income tax during the quarter, leveraged the quarter's growth 2.4% of the net income of the segment

**Retained Premiums Growth (in COP) by Country**



*Cifras en COP millones*

\*Colombia: refers to Life and ARL companies which merged in Q1-2019. For comparison purposes both companies are consolidated in Q1-2019 and Q1-2018.

## Premiums and claims by solution

		mar-19	mar-18	% Var	%Var Local Ccy
<b>Individual Life</b>	Written Premiums	151,760	137,117	10.68%	10.55%
	Retained Premiums	132,800	119,502	11.13%	11.01%
	Retained Claims	44,554	43,212	3.11%	2.99%
	% Ret. Claims Ratio	33.55%	36.16%		
<b>Group Life</b>	Written Premiums	237,551	148,297	60.19%	60.35%
	Retained Premiums	217,736	145,017	50.15%	50.35%
	Retained Claims	79,674	63,776	24.93%	25.08%
	% Ret. Claims Ratio	36.59%	43.98%		
<b>Pension</b>	Written Premiums	20,599	57,435	-64.1%	-64.14%
	Retained Premiums	16,162	57,414	-71.8%	-71.85%
	Retained Claims	26,942	79,964	-66.3%	-66.31%
	% Ret. Claims Ratio	166.69%	139.28%		
<b>Health Care</b>	Written Premiums	248,347	272,829	-8.97%	-9.21%
	Retained Premiums	241,921	268,156	-9.78%	-9.87%
	Retained Claims	214,873	177,100	21.33%	21.19%
	% Ret. Claims Ratio	88.82%	66.04%		
<b>Workers' Comp. (ARL)</b>	Written Premiums	366,867	318,510	15.18%	15.18%
	Retained Premiums	366,867	318,510	15.18%	15.18%
	Retained Claims	220,927	189,133	16.81%	16.81%
	% Ret. Claims Ratio	60.22%	59.38%		
<b>Other</b>	Written Premiums	96,179	71,934	33.71%	27.78%
	Retained Premiums	89,141	66,136	34.78%	29.09%
	Retained Claims	63,305	62,034	2.05%	0.11%
	% Ret. Claims Ratio	71.02%	93.80%		
<b>Total</b>	Written Premiums	1,121,304	1,006,121	11.45%	11.00%
	Retained Premiums	1,064,627	974,734	9.22%	8.88%
	Retained Claims	650,275	615,220	5.70%	5.46%
	% Ret. Claims Ratio	61.08%	63.12%		

## Written and retained premiums

In spite of the aforementioned factors regarding the Pension and Health Care solutions, written premiums of the segment were offset by double-digit growth rates obtained with the other solutions. The growth of Group Life for the quarter was 60.4%, whereas 33% is thanks to the acquisition of the Mexican insurance subsidiary Seguros de Vida SURA S.A., contributing COP 49,811 million, and to Suramericana's consolidation strategy in the region. Also worth highlighting is the 40% growth in the Group Life solution in Colombia, primarily leveraged by the banking channel which grew 51.9% in the quarter.

On the other hand, the 15.2% increase for Workers' Compensation solution, is obtained thanks to an increase in the number of companies insured and in the average rates due to a higher share in the infrastructure sector. The Voluntary Pension Insurance (grouped under Others) in Colombia grew 94%, due to the new financing law that is driving the growth of this solution through the pension fund management company Protección, as well as the direct distribution channel. The foregoing also increased the salesforce of the product and its average premium.

In addition, the Personal Accidents solution (gathered as well under Others) grew 60.2% in Colombia thanks to the banking channel, which expanded 126.2%.

## Siniestros retenidos y siniestralidad retenida

The retained claims rate for the quarter improved with respect to Q1-2018 (61.1% vs. 63.1%), thanks to Group Life and Individual Life, up 7% and 3%, respectively. The foregoing is explained by the product mix of the banking channel, which otherwise has higher fee levels.

The solution Others improves claims by 21% thanks to the significant growth of premiums written and to a lower share of the “Pensiones Ley 100” solution, which involves high levels of claims.

On the other hand, the new way of account for Premiums in the Health Care solution in Colombia had no effect on the number of claims taken at their nominal values and therefore, the Claims over retain premiums account grew 22.8%. These indicators shall normalize within one year after the changeover takes place

## Property and Casualty Insurance Segment

This segment corresponds to the results of Property and Casualty insurance companies in Colombia, El Salvador, Panama, Dominican Republic, Argentina, Brazil, Chile, Mexico and Uruguay.

### P&C Segment

From January 1<sup>st</sup> to March 31<sup>st</sup>

(Stated in COP millions)

	mar-19	mar-18	%Var
Written premiums	1,756,316	1,585,821	10.8%
Ceded premiums	(482,338)	(309,814)	55.7%
<b>Retained premiums (net)</b>	<b>1,273,978</b>	<b>1,276,007</b>	<b>-0.2%</b>
Reserves net of production	59,251	(14,831)	
<b>Retained earned premiums</b>	<b>1,333,229</b>	<b>1,261,176</b>	<b>5.7%</b>
Total claims	(1,324,644)	(963,487)	37.5%
Reimbursed claims	643,221	311,737	106.3%
<b>Retained claims</b>	<b>(681,423)</b>	<b>(651,750)</b>	<b>4.6%</b>
Net commissions	(227,033)	(232,881)	-2.5%
Other operating income/expense	(135,725)	(83,937)	61.7%
<b>Technical result</b>	<b>289,049</b>	<b>292,608</b>	<b>-1.2%</b>
Fees	(23,221)	(20,497)	13.3%
Administrative expense	(294,512)	(295,107)	-0.2%
Amortization and depreciation	(39,253)	(35,851)	9.5%
Impairment	(5,007)	673	
<b>Underwriting profit</b>	<b>(72,944)</b>	<b>(58,174)</b>	<b>25.4%</b>
Dividends	32	25	25.4%
Investment income	115,420	78,293	47.4%
Interest	(2,853)	(805)	254.3%
Other non-operating income / expense	2,583	9,555	-73.0%
<b>Earnings (losses) before tax</b>	<b>42,238</b>	<b>28,894</b>	<b>46.2%</b>
Income tax	(14,854)	(3,364)	341.5%
<b>Earnings (losses), net</b>	<b>27,383</b>	<b>25,530</b>	<b>7.3%</b>
<b>Amortization of intangibles</b>	<b>(19,068)</b>	<b>(24,723)</b>	
<b>Amortizations of deferred tax</b>	<b>5,492</b>	<b>7,262</b>	
<b>Adjusted net income</b>	<b>40,960</b>	<b>42,990</b>	<b>-4.7%</b>

Indicators	mar-19	mar-18
% Ceded	27.46%	19.54%
% Retained incurred claims*	51.11%	51.68%
% Net commissions*	17.03%	18.47%
% Administrative expense*	22.09%	23.40%
Combined ratio	105.47%	104.61%

\* Measured against retained earned premiums

## Statement of financial position

mar-19

Total assets	<b>14,433,181</b>
Total liabilities	<b>11,057,789</b>
Total equity	<b>3,375,392</b>

The Property and Casualty insurance segment posted a 10.8% production increase thanks to the good growth dynamics in the region, where most countries displayed two-digit growth rates in premiums. In local currency, that is, excluding foreign exchange effects, the aggregate growth of the segment is 19.3% in the quarter.

The good performance in the Fire solution shows a quarterly growth of 39.2% in local currencies. Car insurance increased 6.4% in local currencies due to its good performance in the different markets and its good competitive position in the region.

Moreover, the result of this segment benefitted by the positive movement of the Net Production Reserves, which reached almost COP 60,000 million. This performance is thanks to the seasonal nature of the insurance business, in which policy renewals are mainly concentrated during the last months of the year, creating a positive adjustment of reserves in the following years. In turn, the company in Chile issued multi-annual policies in December 2018, which begin their accrual period in 2019.

Ceded premium rose by 55.7% in the quarter, thanks to the shift of the segment's mix which is increasing its share in corporate businesses and highly ceded solutions.

In terms of claims, a decrease is observed in the indicator when measured against Retained Earned Premiums, sliding from 51.7% in 1Q18 to 51.1% in 1Q19, thanks to the increased Earned Premiums, which compensate the increased Total nominal Claims of the segment. In addition, claims reimbursed by reinsurers increased significantly thanks to high severity events in Chile, which were highly ceded.

Administrative expenses for this segment dropped 0.2% thanks to the efforts made by the Company to boost operation efficiency. Although the segment's production grew 10.8%, operations in Brazil, Mexico and Uruguay grew at rates lower than their production levels. The account of Impairment increased close to COP 3,000 million due to adjustments made to the methodology of the accounts receivable from the premiums in Panama, and a 30% increase in the receivables from premiums at the Chile operation.

With regard to investment income, the segment displayed a positive performance of the investment portfolios in the quarter, driven by yields in Colombia, Argentina and Panama. For the company in Colombia, the depreciation of the COP against the U.S. dollar stands out, coupled with a better performance in equity markets. On the other hand, the up-trend inflation and interest rate led to a higher financial income for the company of Argentina. Lastly, the company of Panama had a fixed income valuation of international securities thanks to the fall of interest rates worldwide observed so far in 2019.

The income tax provision increased significantly during the quarter thanks to a non-recurring event in the first quarter of 2018. During the end of 2017, the Mexican operation released the Catastrophic Reserve in 1Q18, a deferred tax in favor which in turn significantly decreased the income tax provision for that quarter. In turn increased income and non-deductible expenses of subsidiaries contributed to increase the segment's tax provision

Lastly, the segment ends the quarter with higher earnings before taxes (+46.2%) and net income (+7.3%) thanks to a higher production, to the release of Net Production Reserves, and to the increased financial income of investment portfolios

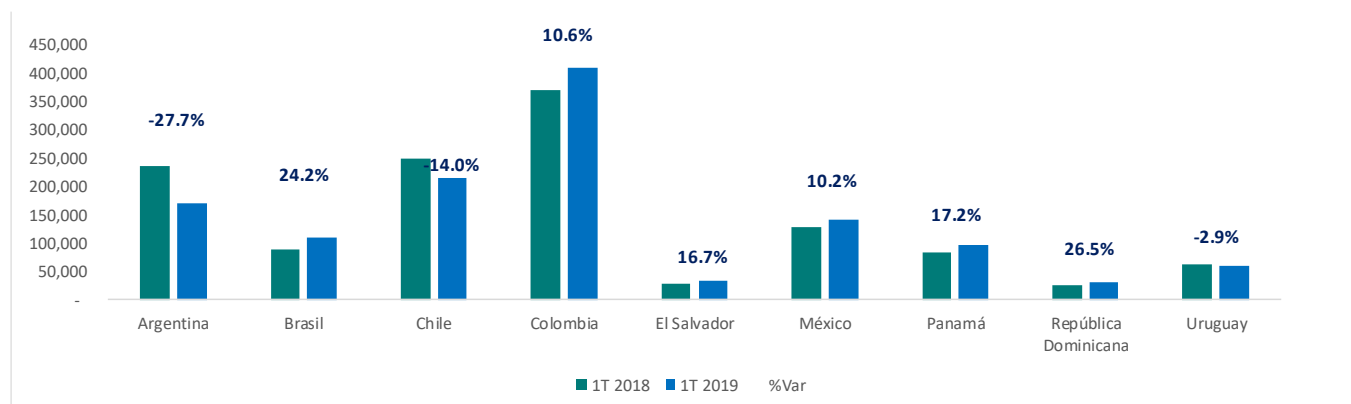
## Premiums and claims by solution

		mar-19	mar-18	% Var	%Var ML
<b>Car</b>	Written Premiums	619,186	645,890	-4.13%	6.42%
	Retained Premiums	601,841	621,033	-3.09%	7.92%
	Retained Claims	390,081	379,693	2.74%	16.44%
	% Ret. Claims Ratio	64.81%	61.14%		
<b>Fire</b>	Written Premiums	375,695	280,012	34.17%	39.15%
	Retained Premiums	111,966	133,049	-15.85%	-8.92%
	Retained Claims	50,983	40,089	27.17%	37.36%
	% Ret. Claims Ratio	45.53%	30.13%		
<b>Mandatory Road</b>	Written Premiums	140,960	117,533	19.93%	19.60%
	Retained Premiums	136,842	113,679	20.38%	20.03%
	Retained Claims	71,751	73,296	-2.11%	-2.52%
	% Ret. Claims Ratio	52.43%	64.48%		
<b>Transport</b>	Written Premiums	114,589	96,996	18.14%	27.73%
	Retained Premiums	69,090	69,690	-0.86%	6.72%
	Retained Claims	31,329	32,235	-2.81%	2.39%
	% Ret. Claims Ratio	45.34%	46.25%		
<b>Contractual Performance</b>	Written Premiums	40,214	40,002	0.53%	17.86%
	Retained Premiums	17,059	16,811	1.47%	19.87%
	Retained Claims	13,168	10,025	31.35%	64.81%
	% Ret. Claims Ratio	77.19%	59.63%		
<b>Civil Liability</b>	Written Premiums	50,324	42,963	17.13%	20.25%
	Retained Premiums	36,327	31,713	14.55%	18.87%
	Retained Claims	18,074	18,944	-4.59%	7.41%
	% Ret. Claims Ratio	49.75%	59.74%		
<b>Theft</b>	Written Premiums	40,985	33,889	20.94%	25.11%
	Retained Premiums	36,426	32,380	12.50%	16.95%
	Retained Claims	15,566	13,753	13.19%	16.61%
	% Ret. Claims Ratio	42.73%	42.47%		
<b>Other</b>	Written Premiums	367,060	328,535	11.73%	20.53%
	Retained Premiums	257,892	257,651	0.09%	9.27%
	Retained Claims	83,957	83,715	0.29%	2.13%
	% Ret. Claims Ratio	32.55%	32.49%		
<b>Adjustment for inflation*</b>	Written Premiums	7,302	0	-	-
	Retained Premiums	6,534	0	-	-
	Retained Claims	6,515	0	-	-
	% Ret. Claims Ratio	99.70%	-		
<b>Total</b>	Written Premiums	1,756,316	1,585,821	10.75%	19.26%
	Retained Premiums	1,273,978	1,276,007	-0.16%	8.77%
	Retained Claims	681,423	651,750	4.55%	14.20%
	% Ret. Claims Ratio	53.49%	51.08%		

*Adjustments for inflation\**: A new classification called 'Adjustments for Inflation' has been included in this report, which reflects the fact that Suramericana's Argentinian subsidiary had to restate its accounts as a result of the country's hyperinflationary economy in 2018. This restatement took place in October, according to Suramericana's accounting policy and once the Argentinian government issued the corresponding rates to be applied. The methodology employed had a direct impact on all the subsidiaries earnings, equity and non-monetary asset and liability accounts, that were adjusted based on the prevailing price indexes. Finally, the previous table shows the total effect of hyperinflation on the amount of premiums and claims recorded by the Argentinian subsidiary.



## Retained Premiums Growth (in COP) by Country



Figures in COP million

## Written and retained premiums

Car insurance solutions contracted 4.1% in premiums when measured in Colombian pesos. When excluding the effect of exchange rates in the region, the solution increased 6.4% in local currencies driven by the higher levels in Colombia, the subsidiary that represents 39% of the total Car solution products, which expanded 4.3% during the quarter. In addition, countries such as Brazil and Dominican Republic contributed to the solution with double-digit growth rates (38% and 15%, respectively, at constant rate).

In the Fire insurance solution, the 39.2% growth in the quarter is mainly thanks to the 73% expansion of the company in Chile as well as the new corporate growth businesses gained and the longer effective term of several policies. In turn, the company in Argentina contributes with a 126% growth in the issuance of new policies.

The Mandatory Car insurance solution (SOAT in Colombia and SOAP in Chile) represents 11% of the product mix for the segment. This solution grew 19.6% in 1Q19 compared to 1Q18. The performance in Colombia is thanks to the digital channel strategies while in Chile it is due to the improved market dynamics.

## Retained claims and retained claims rate

The Car insurance solution increased its retained claims 16.4% in local currency. The claims rate indicator, as a proportion of the retained premium, rose from 61% to 65%. In Argentina, the higher inflation has increased the cost of spare parts while the claims rate in Uruguay was hurt by an increase in the frequency rate, decreasing sales and consequently, increasing the claims rate. Lastly, product rate in Colombia decreased due to market strategies, increasing the claims rate.

On the other hand, the Fire insurance leaped from having a claims rate of 30% in 1Q18 to 46% in 1Q19 thanks to the severity claims made in the companies of Colombia and Chile.

## Health Care Segment

The Health Care Segment includes the health care providers, EPS SURA, IPS SURA and Dinamica (Diagnostic Imaging Service Provider).

### Health Care Segment

From January 1st to March 31<sup>st</sup>

(stated in COP millions)

	mar-19	mar-18	%Var
Revenues from services rendered	<b>1,042,653</b>	837,415	24.5%
Cost of services rendered	<b>(921,451)</b>	(728,019)	26.6%
Other operating income/expense	<b>2,365</b>	2,475	-4.4%
Net commissions	<b>(673)</b>	(1,083)	-37.8%
<b>Technical result</b>	<b>122,894</b>	<b>110,788</b>	<b>10.9%</b>
Fees	<b>(4,489)</b>	(2,107)	113.0%
Administrative expense	<b>(87,525)</b>	(88,267)	-0.8%
Amortization and depreciation	<b>(8,832)</b>	(2,759)	220.2%
Impairment	<b>1,480</b>	(325)	
<b>Underwriting profit</b>	<b>23,529</b>	<b>17,330</b>	<b>35.8%</b>
Investment income	<b>3,807</b>	3,685	3.3%
Interest	<b>(3,946)</b>	(877)	350.1%
Other non-operating income / expense	<b>1,998</b>	1,741	14.8%
<b>Earnings (losses) before tax</b>	<b>25,388</b>	<b>21,879</b>	<b>16.0%</b>
Income tax	<b>(6,602)</b>	(2,604)	153.6%
<b>Earnings (losses), net</b>	<b>18,786</b>	<b>19,275</b>	<b>-2.5%</b>

Indicators	Q1- 2019	Q1- 2018
% Cost of services rendered	<b>88.4%</b>	86.9%
Expense ratio	<b>8.4%</b>	10.5%

### Statement of financial position

mar-19

Total assets	<b>1,329,818</b>
Total liabilities	<b>983,892</b>
Total equity	<b>345,926</b>

Earning before taxes improved 16.0% during the first quarter of the year, thanks to the increased revenues for services rendered (24.5%), a proper expense management, and a 3.3% financial income increase.

The increase in revenues from services rendered is thanks to the 15.7% rise in the number of affiliates to the EPS from 1Q18 to 1Q19, with a total of 3.24 million affiliates which in turn increased by 24% the POS revenues, and 63% of the complementary health plan (or PAC). The double-digit growth is thanks to the aforementioned increase of the number of affiliates to the EPS, and to the acquisition of Assets, Liabilities and Contracts of the IATM made by Dinámica, a transaction that expanded the company's service capacity by 35.5% during the quarter.

The growth in revenues is partially offset by a higher cost for services rendered which increased 1.5% during the quarter (88.4% in 1Q19 vs. 86.9% in 1Q18), thanks to the expanded inclusions in the Healthcare Benefits Plan (or PBS) and a higher claims rate for disabilities, related to the lower rate made by the Ministry of Health as of January 1, 2019.

In terms of the Depreciations account, which increased 220% after acknowledging assets with rights to use related to IFRS 16, IPS Sura presents the highest impact in depreciation expense, with total assets for rights to use an asset of COP 104,524 million

On the other hand, the 3.3% increase of financial income during the quarter was driven by the company of the EPS thanks to the interest rates of Colombia, given the high share of fixed income securities.

Lastly, the 153.6% increase in the income tax provision rises from higher non-deductible expenses of the IPS company, led by civil and labor contingencies. Moreover, the good result of Dinámica increased the tax provision, contributing to increase this account for the segment.

## Revenues and Costs from services rendered

		1T 2019	1T 2018	% Var
<b>EPS (Mandatory Health Care Provider)</b>	Revenues from services rendered	812,854	653,841	24.3%
	Cost of services rendered	763,756	597,681	27.8%
	% Cost / Revenues	94%	91%	
<b>IPS (Mandatory Health Care Institutes)</b>	Revenues from services rendered	147,864	123,142	20.1%
	Cost of services rendered	101,882	86,631	17.6%
	% Cost / Revenues	69%	70%	
<b>Dinámica (Diagnostic Imaging Provider)</b>	Revenues from services rendered	81,935	60,451	35.5%
	Cost of services rendered	55,813	43,707	27.7%
	% Cost / Revenues	68%	72%	
<b>Total</b>	Revenues from services rendered	1,042,653	837,434	24.5%
	Cost of services rendered	921,451	728,019	26.6%
	% Cost / Revenues	88%	87%	

## Holding Company Segment

The Holding segment mainly includes our Corporate Headquarters and the debt serviced by Suramericana S.A.

<b>Holding Segment Main Figures</b>	From January 1 <sup>st</sup> to March 31 <sup>st</sup> (stated in COP millions)		
<b>QUARTER</b>	<b>Q1 2019</b>	Q1 2018	%Var
Other operating income/expense	<b>1,433</b>	3,787	-62.1%
<b>Technical result</b>	<b>1,433</b>	<b>3,787</b>	<b>-62.1%</b>
Fees	<b>-1,824</b>	-2,225	-18.0%
Administrative expense	<b>-19,221</b>	-19,417	-1.0%
Amortization and depreciation	<b>-691</b>	-191	262.0%
Impairment	<b>-1</b>	-5	-77.3%
<b>Underwriting profit</b>	<b>-20,304</b>	<b>-18,050</b>	<b>12.5%</b>
Dividends	<b>0</b>	0	0.0%
Investment income	<b>2,214</b>	646	242.7%
Interest	<b>-18,429</b>	-19,668	-6.3%
Other non-operating income / expense	<b>-3,143</b>	-5,786	-45.7%
<b>Earnings (losses) before tax</b>	<b>-39,662</b>	<b>-42,858</b>	<b>-7.5%</b>
Income tax	<b>-4,543</b>	-14,954	-69.6%
<b>Earnings (losses), net</b>	<b>-44,205</b>	<b>-57,813</b>	<b>-23.5%</b>

The most representative accounts in the Holding segment are corporate headquarter expense, interest on the bonds issued by Suramericana S.A. as well as taxes. However, the account of 'Other Income' had a sharp movement this quarter. This account consolidates the income from the subsidiaries, and experienced a 62.1% contraction during the quarter due to the sale of a non-strategic investment made in last months of 2018.

In terms of expenses, this segment dropped in the account of Fees and Administrative Expenses, to 18.0% and 1.0%, respectively. Fees decreased since technology projects were developed in 1Q18 to manage corporate information, which were non-recurring concepts.

Income from investments posted a positive movement thanks to the higher short-term liquidity surplus of the Company, and hence, backing the 242.7% increase in the segment's Investments. These resources are invested in low-risk assets, such as investment funds and fixed income funds.

On the other hand, the lower interest payments for 1Q19 compared to the same quarter last year was due to lower inflation prevailing in Colombia (3.13% in 1Q19 vs. 3.40% in 1Q18) which had a consequent effect on the CPI-indexed coupons for the bonds issued by Suramericana. The account of Other Non-Operating Expense decreased 45.7% during the quarter due to the fluctuation in exchange and equity valuation of several financial assets held by the Company.

Finally, the tax provision during the quarter dropped 69.6% in relation to 1Q18, for having a higher amount of deferred tax payable caused over the expectation of the dividends to be received in 209, which led to a higher tax in said period.

### 3. SURA Asset Management

Consolidated Income Statement	MAR 19	MAR 18	%Var Ex - Fx
Fee and commission income	544,340	513,515	2.4%
Income from legal reserve	122,224	11,050	966.9%
Income (expense) via equity method	67,859	18,893	260.0%
Other operating earnings	23,400	5,896	291.3%
<b>Operating revenues - Pension and Fund Mgmt</b>	<b>757,822</b>	<b>549,355</b>	<b>33.5%</b>
<b>Total insurance margin</b>	<b>35,540</b>	<b>34,187</b>	<b>3.0%</b>
<b>Operating expense</b>	<b>(408,347)</b>	<b>(366,379)</b>	<b>8.5%</b>
<b>Operating earnings</b>	<b>385,015</b>	<b>217,163</b>	<b>70.6%</b>
Financial income (expense)	(55,994)	(31,416)	69.0%
Income (expense) - derivatives and exch. difference	13,652	17,396	-21.5%
<b>Earnings (losses) before tax</b>	<b>342,673</b>	<b>203,143</b>	<b>63.2%</b>
Income tax	(117,282)	(78,455)	44.2%
<b>Net income from continuing operations for the period</b>	<b>225,391</b>	<b>124,688</b>	<b>75.2%</b>
Net income for the year from discontinued operations	(93,573)	7,622	-1349%
<b>Net income (losses) for the period</b>	<b>131,817</b>	<b>132,310</b>	<b>-3.2%</b>
Amortized intangibles of acquisitions + Deferred tax from amortizations	(19,368)	(19,543)	-0.9%
<b>Net income + amortizations</b>	<b>151,185</b>	<b>155,711</b>	<b>-2.9%</b>

SURA Asset Management's operating revenues came to COP 757,822 million at the end of Q1 2019, for a growth of 33.5% compared to Q1 2018, thanks to a 2.4% increase in fee and commission income and, to a greater extent, an excellent performance obtained with the Company's legal reserve, which went from COP 11,050 million for Q1 2018 to COP 122,224 million for Q1 2019. Net income before discontinued operations amounted to COP 225,391 million, for a growth of 75.2% compared to Q1 2018.

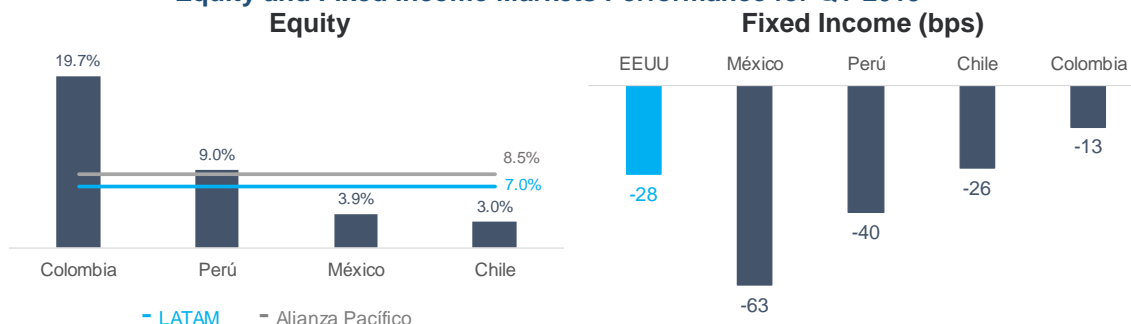
Fee and commission income came to COP 544,340 million, for an increase of 2.4% compared to Q1 2018 thus amply demonstrating SURA Asset Management's robust revenue-generating platform, which together with favorable demographic variables and a successful range of value-added products and services, has allowed us to absorb the cuts in fees and commissions introduced by regulatory changes in Peru and Uruguay. The Company now has more than 20 million clients throughout the region, as it continues to lead the Latin American pension industry. Favorable demographic variables produced a 4.7% growth in the regional wage base, thereby exceeding the different inflation rates in all countries while scoring a 9.5% increase in AUMs in Mexico (where commissions are charged based on the volume of AUMs held). SURA Asset Management's value-added offering is based on the performance obtained by our customer care channels on the one hand and on the other, our high-performing investment teams of staff that are delivering returns exceeding the industry average. All of this has led to a 5.0% growth in our client base at the end of Q1 2019, along with an impressive level of performance in terms of our NPS (Net Promoter Score) that went from 9.2 in 2017 to 28.3 in 2018.

The Company's legal reserve also obtained an excellent performance for Q1 2019, thanks to the good results obtained from the financial markets as well as the successful strategies that were implemented by SURA Asset Management's investment staff in their quest to maximize long-term returns. In the case of the Company's two main markets, namely Chile and Mexico, which represent 63.1% of the AUMs of the mandatory pension business, their Alpha (excess returns against the rest of the market) has steadily risen. Our Pension Fund Management firm in Chile, AFP Capital, earned an Alpha in all its managed funds and is currently leads the pack in terms of returns, (6 competitors in total) for the two largest funds in the Chilean pension system, which is allowing us to improve our clients' savings. AFORE SURA, our Mexican Pension Management firm also secured a positive Alpha for all its managed funds and is currently ranked in second place (out of a total of 10 competitors) in terms of the return obtained for three of the four funds that make up the Mexican pension system. In Uruguay, AFAP SURA enjoys No. 1 position with its two pension funds. All the aforementioned benchmarks were calculated on a 12-month rolling average basis.

Last year was a challenging one for investments, however this year got off to a good start with the financial markets producing widespread gains in Q1 2019 thanks to a change in the tone of the monetary policies upheld by global

central banks, which are shifting towards a more relaxed stance in the face of renewed threats of a worldwide economic slowdown. The US Federal Reserve ruled out further hikes in interest rates this year, while the European Central Bank not only ruled out a rate hike but also resumed its monetary stimulus program in the case of long-term loans (TLTRO III). The change in monetary tone worldwide, together with new fiscal stimulus measures in China, drove up commodity prices (oil + 32.4%, copper + 11.6%) as well as other Latin American financial assets. Benchmark interest rates in all those countries where SURA Asset Management is present dropped by an average of 35 bp, while stock market indexes scored an average gain of 8.9%. In terms of Asset Allocation corresponding to Sura Asset Management's mandatory pension business, 2/3 of this is concentrated in fixed income securities with the remaining 1/3 in equity

### Equity and Fixed Income Markets Performance for Q1-2019



\* Índices de referencia. Colombia Colcap – Perú SPBLPGPT – México Mexbol – Chile IPSA – LATAM MXLA – Alianza Pacífico M1LAPAC.  
 \*\* Índices de referencia bonos soberanos 10 años

Revenues from the equity method of associates, these mainly corresponding to AFP Protección, amounted to COP 67,859 million in Q1 2019, having scored a notable growth compared to Q1 2018, when these stood at COP 18,893 million, this thanks to higher returns obtained from the Company's legal reserve. Gross fee and commission income from AFP Protección maintained a steady pace of growth, having increased by 3.9% for Q1 2019, this as a result of a 5.5% rise in the wage base corresponding to the mandatory pension business along with severance funds that scored a 7.2% increase in operating earnings for Q1 2019.

Acquisition expenses amounted to COP 100,541 million for Q1 2019, for a growth of 1.6%, which was lower than the increase in fee and commission income. This favorable evolution is due to the efforts towards achieving greater sales efficiencies and the alignment of our sales force's remuneration plans with the value creation of our business. In terms of efficiencies, we have obtained important savings with our digital transformation plan which has been a key enabling factor that is achieving at the same time higher client satisfaction indicators. In Chile, our on-line channel is already representing 10% of new sales with a 60% decrease compared to the cost involved with our "bricks and mortar" branches, thus enabling us to counteract the high levels of sales activities in our regional pension industry. In the case of Mexico, we have been able to reduce the time it takes to sign up new clients from 7 days in 2016 to just 15 minutes in 2018, which has had a beneficial effect on the productivity of our client advisors. These excellent results with our sales efficiencies have been possible in spite of the onslaught of sales activities in Mexico and the start-up of our Investment Management Unit (UIM), which in Q1 2018 did not have the entire specialized staff we were aiming for.

Administrative expense for Q1 2019 came to COP 297,653 million which represents a growth of 10.2% compared to Q1 2018. This was mainly due to (i) an increase in recurrent spending which was in keeping with the average inflation rates; (ii) an additional increase in expenditure with our new Investment Management Unit; and lastly (iii) the amount invested in new projects aimed at improving our sales efficiencies and investment performance. SURA Asset Management is also implementing operating efficiency initiatives through a more efficient structure. Here, savings were obtained through the measures taken with optimizing our office space with flex-office strategies and migrating service transactions towards digital media, the cost of which is five times lower than those carried out through our "bricks and mortar" branch offices. In Colombia, productivity has increased with our pension procedures, with benefits being delivered within an average period of 15 days, as opposed to the 5 months taken in 2016, this representing a 17.8% drop in the cost per transaction.

SURA Asset Management's operating earnings came to COP 385,015 million at the end of Q1 2019 for a 70.6% increase, driven by the excellent results obtained with our legal reserves given widespread gains on the financial markets and the outstanding performance of SURA Asset Management investment staff throughout the region.

Operating income, adjusted for legal reserve requirements fell by 3.3%, this due to regulatory changes in Peru and Uruguay, which effectively lowered the fees and commissions charged on our mandatory pension business.

Financial expense totaled COP 55,994 million, which represents an increase of 69.0% compared to Q1 2018. This increase was due to (i) a lower amount of debt recorded in Q1 2018 given tactical debt prepayments using temporary liquidity surpluses; (ii) a higher cost of debt coverage corresponding to the 2024 bond swap that was carried out subsequent to Q1 2018; and (iii) the impact of the new changes to the International Financial Reporting Standards introduced under IFRS 16. SURA Asset Management's structural leverage level has not changed compared to last year.

SURA Asset Management's net income came to COP 131,817 million at the end of Q1, 2019, which represents a decrease of 3.2% compared to the same period last year. The decline in net income is mainly due to the change in discontinued operations. Income tax totaled COP 117,282 million, which implies a 44.2% growth compared to last year due to higher deferred tax on higher returns obtained from our legal reserves.

In March 2019, we completed the divestiture of our Annuities business in Chile. Although this was first announced in 2018, it was only last March when we received all the required regulatory approvals for withdrawing this line of business from SURA Asset Management's consolidated financial statements. In 2018, the impairment with our investment in our Chilean company was duly posted, and we reclassified the corresponding assets and liabilities as available for sale in our consolidated financial statement. Furthermore, due to the effect of converting this impairment to our reporting currency (the Colombian peso), the increase recorded at year-end 2018 came to COP 79,916 million, which did not apply in the case of our US dollar-denominated consolidated financial statements. In March 2019, we updated the results of this transaction taking into account the corresponding (i) exchange rate fluctuations (CLP to USD, and USD to COP); (ii) fluctuations with the value of Development Units (Unidades de Fomento or UF in Spanish); and (iii) price adjustments, thereby arriving at a final operating earnings figure in Colombian pesos of COP 2,536 million which is the figure shown on the consolidated financial statements of our parent holding, Grupo SURA. The impact on SURA Asset Management's consolidated financial statements, as reported in USD, consisted of a loss amounting to COP 93,573 million (that is to say, USD 29.2 million), which did not apply when converting this sum to Colombian pesos given the adjustments made in 2018.

## Earnings by segment

	MAR 19	MAR 18	%Var Ex - Fx
<b>Consolidated Net Income</b>	<b>131,817</b>	<b>132,310</b>	<b>-3.2%</b>
Mandatory pensions	<b>316,032</b>	199,175	53.8%
Savings & Investment /IMU	<b>(12,137)</b>	(12,802)	-6.8%
Insurance & Annuities	<b>106,708</b>	8,094	4212.5%
Exchange Rate Effect	<b>9,564</b>	18,505	-48.5%
Corporate Expense	<b>(48,964)</b>	(55,699)	-13.4%
Financial expense	<b>(54,833)</b>	(35,136)	48.9%
Others*	<b>(184,553)</b>	10,174	-1890.1%

\* "Others" now include the discontinued operations referred to above

Clientss (in million)	mar-19	mar-18	%Var
Chile	<b>1.8</b>	1.8	-1.0%
Mexico	<b>7.8</b>	7.3	7.0%
Peru	<b>2.0</b>	2.0	0.7%
Uruguay	<b>0.3</b>	0.3	1.4%
AFP Protección	<b>6.6</b>	6.2	6.3%
El Salvador	<b>1.7</b>	1.6	4.3%
<b>Total</b>	<b>20.2</b>	<b>19.2</b>	<b>5.0%</b>

## Assets under Management (AUM)

AUM	mar-19	mar-18	%Var	%Var Ex - Fx
Chile	<b>137,546,651</b>	123,807,344	11.1%	8.3%
Mexico	<b>88,188,462</b>	73,513,522	20.0%	10.2%
Peru	<b>63,126,823</b>	56,371,224	12.0%	0.9%
Uruguay	<b>9,401,523</b>	8,638,713	8.8%	12.6%
AFP Proteccion	<b>104,908,968</b>	94,436,671	11.1%	11.1%
El Salvador	<b>16,722,949</b>	13,611,652	22.9%	7.6%
Investment Management Unit	<b>36,895,004</b>	32,609,360	13.1%	6.3%
* Duplicated AUMs:	<b>-11,213,961</b>	-9,454,904	18.6%	15.1%
<b>Total</b>	<b>445,576,419</b>	393,533,582	<b>13.2%</b>	<b>7.9%</b>

\* *Duplicated AUMs: These are AUMs that the Sura's Savings & Investment Channel handles for the Investment Management Unit (IMU). Both businesses report these AUMs as their own, which is why we include these as "Duplicated AUMs", so as not to double count these when calculating Total AUMs.*

## EBITDA

SURA Asset Management's EBITDA scored a growth of 63.0% for Q1 2019 compared to Q1 2018, due to the higher returns from the legal reserves supported by the general gains on the financial markets as well as the good performance shown by our specialized investment staff. EBITDA excluding returns corresponding to legal reserve grew by 2.1%.

EBITDA	mar-19	mar-18	%Var	%Var Ex - Fx
Chile	<b>165,655.8</b>	95,499.3	73.5%	75.1%
Mexico	<b>141,036.9</b>	102,767.3	37.2%	28.3%
Peru	<b>93,758.8</b>	65,953.0	42.2%	33.2%
Uruguay	<b>10,741.3</b>	10,694.3	0.4%	5.5%
Protección	<b>62,232.7</b>	13,831.1	349.9%	349.9%
Corporate and Others	<b>-26,478.5</b>	-24,755.7	7.0%	6.9%
<b>Total</b>	<b>446,947.0</b>	<b>263,989.3</b>	<b>69.3%</b>	<b>63.0%</b>



## Mandatory Pensions

### Statement of Comprehensive Income

	MAR 19	MAR 18	%Var Ex - Fx
Fee and commission income	482,178	455,054	2.2%
Income from legal reserve	120,242	11,008	953.4%
Income (expense) via equity method	61,596	18,246	238.4%
Other operating earnings	(3,981)	(7,355)	-44.5%
<b>Operating earnings - Pension and Fund Mgmt</b>	<b>660,035</b>	<b>476,954</b>	<b>33.6%</b>
<b>Operating expense</b>	<b>(243,034)</b>	<b>(211,692)</b>	<b>10.6%</b>
<b>Operating earnings</b>	<b>417,000</b>	<b>265,263</b>	<b>52.1%</b>
Financial income (expense)	(319)	4,247	-107.5%
Income (expense) - derivatives and exch. difference	4,377	(1,410)	-396.3%
<b>Earnings (losses) before tax</b>	<b>421,058</b>	<b>268,099</b>	<b>52.0%</b>
Income tax	(105,025)	(68,924)	46.7%
<b>Net income (losses) for the period</b>	<b>316,032</b>	<b>199,175</b>	<b>53.8%</b>

Operating earnings corresponding to the mandatory pension business for Q1 2019 came to COP 417,000 million, for a 52.1% growth compared to Q1 2018, thanks to the excellent performance obtained with the Company's legal reserves which went from COP 11,008 million in Q1 2018 to COP 120,242 million for Q1 2019. SURA Asset Management's specialized investment staff have achieved outstanding returns, delivering results exceeding the industry average. Fee and commission income rose by 2.2%, thanks to a 4.7% increase in the wage base and a 9.5% growth in AUMs in Mexico, thereby attenuating the cuts to fee and commission rates introduced by the regulatory authorities in Peru and Uruguay. Operating expense rose by 10.6% compared to Q1 2018, given the new projects deployed to enhance our efficiencies and investment performance. SURA Asset Management is committed to securing greater operating efficiencies through more efficient operating structures and its digital transformation drive.

### Salary Base

	mar-19	mar-18	%Var	%Var Ex - Fx
Chile	19,242,469	17,970,483	7.1%	4.4%
Perú	7,169,104	6,260,090	14.5%	3.2%
Uruguay	1,270,165	1,148,100	10.6%	14.4%
Protección	10,152,712	9,622,417	5.5%	5.5%
El Salvador	2,395,850	2,009,460	19.2%	4.4%
<b>Total</b>	<b>40,230,301</b>	<b>37,010,549</b>	<b>8.7%</b>	<b>4.7%</b>

### Assets Under Management (AUM) – Mandatory Pension Business

	mar-19	mar-18	%Var	%Var Ex - Fx
Chile	124,425,990	112,356,371	10.7%	8.0%
México	84,828,400	71,165,782	19.2%	9.5%
Perú	58,696,760	52,893,844	11.0%	0.0%
Uruguay	8,872,761	8,195,395	8.3%	12.0%
Protección	96,455,800	86,949,773	10.9%	10.9%
El Salvador	16,722,949	13,611,652	22.9%	7.6%
<b>Total</b>	<b>390,002,660</b>	<b>345,172,818</b>	<b>13.0%</b>	<b>7.8%</b>

## Chile

AFP Capital recorded an outstanding level of performance for Q1 2019 with a 56.3% growth in operating earnings, as a result of a stable pace of growth with its fee and commission income along with higher returns from its legal reserve. AFP Capital is the No. 1 Pension Fund Management firm in terms of the rates of return obtained by its two main investment funds that participate in the Chilean pension system, this in terms of the volume of AUMs held, and No. 2 in terms of its other two funds. This marks a milestone for AFP Capital, having achieved the best investment numbers in the Company's entire history. This has been made possible given the amount of effort that SURA Asset Management has made with positioning its investment teams of staff as the best in our industry, providing higher long-term returns that in turn have had a beneficial effect on client replacement rates.

- Operating earnings rose by 37.9% thanks to a 2.6% increase in fee and commission income and a thirteen-fold increase in returns obtained from its legal reserve. Fee and commission income was driven by (i) a 4.4% increase in the salary base; (ii) higher returns from its legal reserve given the general gains obtained on the financial markets; and (iii) the excellent performance of the AFP Capital investment staff. On a 12-month rolling average basis, AFP Capital has obtained a positive Alpha for all the funds it manages as part of the Chilean pension system.
- Operating expense rose by 15.2% due to various new strategic projects that have been carried out. Recurring expense rose at levels approaching the inflation rate, while acquisition expense increased in keeping with income, in spite of the onslaught of sales activities as well as the efforts to increase our efficiencies by furthering our digital channels.

## México

AFORE SURA's operating earnings rose by 27.5% for Q1 2019 thanks not just to a good level of investment performance but also to a 3.7% growth in fee and commission income, the latter achieved through our proven sales and investment performance. Thanks to AFORE SURA's investment team, we managed to score a positive Alpha for all our managed funds and we effectively rank as the second most profitable pension fund management firm (out of a total of ten competitors) with three of the four funds that make up the Mexican pension system. AUMs corresponding to our mandatory pension business rose by 9.5%.

- In México, fee and commission income rose on the back of a 9.5% growth in AUMs together with a 7.1% increase in our client. Revenues obtained from the legal reserve rose from COP 3,167 million for Q1 2018 to COP 32,433 million for Q1 2019, thanks to the positive returns obtained on the financial markets.
- Operating expense increased by 11.3% for Q1 2019, given an onslaught of sales activity within the pension industry that has required AFORE SURA to take measures to defend its market share, which has remained stable at 14.8%. Administrative expenses increased in keeping with inflation.
- AFORE SURA did well with the allocation and reassignment of client accounts that takes place on an annual basis in Mexico, whereby it receives clients who cannot decide to which pension fund management firm they wish to belong, these corresponding to 25.8% of the accounts included in this process together with 21.6% of the entire volume of AUMs held by the Mexican Pension system. These accounts are assigned by the Mexican regulatory authorities based on levels of service and profitability.

## Perú

AFP Integra's operating earnings rose by 34.4% for Q1 2019. Fee and commission income remains stable despite the cuts to the commissions charged (in February the flow-based component for the mixed commission was reduced from 0.90% to 0.56%) this in keeping with the regulatory changes introduced back in 2012. If we were to exclude the effect of lower commissions, operating earnings would have increased by 2.4%. After winning a tender for new clients entering the private pension system between June 2019 and May 2021, AFP Integra is working on a project aimed at these new sign-ups. It should be noted that this tender shall have a positive impact on the Company's enterprise value and long-term business sustainability, having signed up more than 800 thousand new clients and brought down the average age of our membership portfolio.

- Operating income increased by 21.2% thanks to higher returns from its legal reserve. Fee and commission income remained practically unchanged for Q1 2019. Cuts to commission charges partially offset the favorable effects of a 3.2% increase in the wage base as well as the income received from an extraordinary collection of contributions owing from previous years given the Public Sector Debt Rescheduling Law, which grants facilities to state institutions for the payment of contributions going back over previous years.
- Operating expense rose by 2.7%, given a 1.7% increase in acquisition expense together with an increase of 4.3% in administrative expense, which increased slightly higher than inflation, this due to having deployed a series of new projects aimed at strengthening the Company's analytical capabilities while encouraging greater innovation and organizational Agility.

## Uruguay

SURA Asset Management has amply demonstrated in Uruguay its capacity to withstand unfavorable regulatory changes thanks to various strategic projects being carried out aimed at extending the sustainability of our mandatory pension business, enhancing our operating efficiencies and guaranteeing a value-added range of products and solutions specially tailored to our clients.

- AFAP SURA's operating earnings rose by 11.6% for Q1 2019 in spite of a 15% cut to the commission rate charged this past quarter. New sales strategies were adopted after regulatory changes were introduced at the end of 2017, and these are making for a more positive wage base performance, which rose by 14.4% in Q1 2019. AFAP SURA's team of investment staff scored an excellent level of performance, and the Company now ranks as the most profitable Pension Fund Management firm in the Uruguayan pension system. Operating expense rose well below inflation (2.6% vs 7.78%), thanks to our efficiency efforts in terms of sales force remuneration and retrofitting our office space.
- Operating earnings rose by 8.3% given higher returns obtained from the Company's legal reserve. Fee and commission income dropped by 2.4% given the 15% cut to the commissions charged. If we were to exclude the effect of these cuts to our commissions, our fee and commission account would have posted a double-digit growth.

<b>Net Income</b>	<b>MAR 19</b>	<b>MAR 18</b>	<b>%Var</b>	<b>%Var Ex - Fx</b>
Chile	<b>104,698</b>	69,812	50.0%	51.4%
México	<b>87,115</b>	65,475	33.1%	24.4%
Perú	<b>58,977</b>	41,424	42.4%	33.4%
Uruguay	<b>8,984</b>	8,945	0.4%	5.5%
MP Protección and Crecer	<b>56,258</b>	13,518	316.2%	316.2%
<b>Total</b>	<b>316,032</b>	199,175	58.7%	53.8%

## Voluntary Business (Savings and Investments + Investment Management Unit)

### Statement of Comprehensive Income

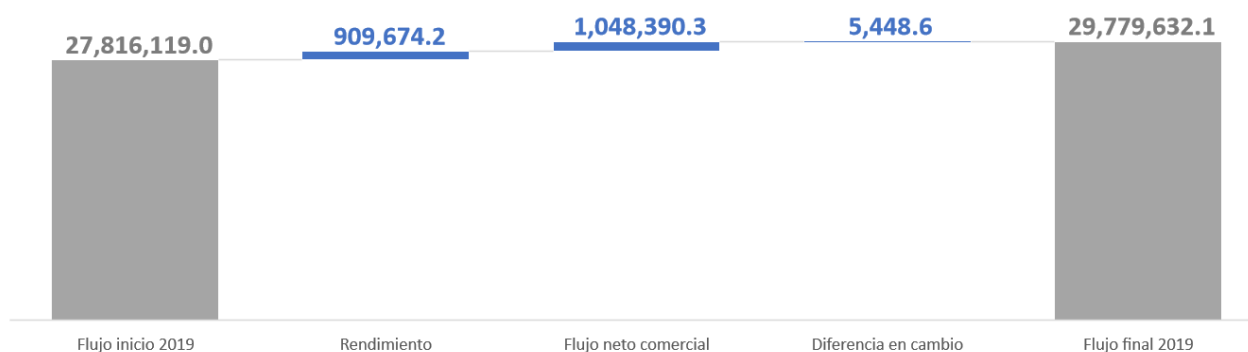
	MAR 19	MAR 18	%Var Ex - Fx
Fee and commission income	60,336	58,234	1.2%
Income from legal reserve	1,982	42	4684.6%
Income (expense) via equity method	6,262	665	841.3%
Other operating earnings	2,157	1,354	62.7%
<b>Operating earnings - Pension and Fund Mgmt</b>	<b>70,737</b>	<b>60,296</b>	<b>14.7%</b>
<b>Total insurance margin</b>	<b>15,561</b>	<b>14,949</b>	<b>5.1%</b>
<b>Operating expense</b>	<b>(97,030)</b>	<b>(85,273)</b>	<b>12.2%</b>
<b>Operating earnings</b>	<b>(10,733)</b>	<b>(10,028)</b>	<b>7.4%</b>
Financial income (expense)	(770)	(471)	48.5%
Income (expense) - derivatives and exch. difference	(373)	159	-352.3%
<b>Earnings (losses) before tax</b>	<b>(11,876)</b>	<b>(10,340)</b>	<b>14.6%</b>
Income tax	(261)	(3,366)	-92.8%
<b>Net income from continuing operations for the period</b>	<b>(12,137)</b>	<b>(13,706)</b>	<b>-13.3%</b>
Net income from discontinued operations for the period	-	904	-100.0%
<b>Net income (losses) for the period</b>	<b>(12,137)</b>	<b>(12,802)</b>	<b>-6.8%</b>

### Assets Under Management (AUM) – Voluntary Pension Business

AUM – Voluntary Business	mar-19	mar-18	%Var	%Var Ex - Fx
Chile	13,120,661	11,450,972	14.6%	11.7%
México	3,360,062	2,347,740	43.1%	31.5%
Perú	4,430,063	3,477,379	27.4%	14.8%
Uruguay	528,762	443,318	19.3%	23.4%
Protección	8,453,168	7,486,898	12.9%	12.9%
Duplicate AUMs	-11,511,466	-9,454,904	21.8%	16.1%
Investment Management Unit	36,895,004	32,609,360	13.1%	6.3%
<b>Total</b>	<b>55,276,255</b>	<b>48,360,764</b>	<b>14.3%</b>	<b>8.7%</b>

\* AUMs corresponding to the Savings & Investment segment are reported in the different countries. The Savings & Investment lines of business together with those of the Investment Management Unit report their AUMs in a consolidated fashion in all those countries where the aforementioned Unit is present. Consequently, there are AUMs that are reported by both the aforementioned lines of business, but these duplicates are eliminated from the total AUM figure.

### AUM Savings and Investments Business



## Q1-2019 Results

The Savings & Investment business together with those of our Investment Management Unit have continued to expand and consolidate their positioning. The volume of AUMs corresponding to this segment rose by 8.7% thanks to an outstanding sales performance and the favorable returns obtained from the Company's portfolios given the general gains on the financial markets and an exceptional performance on the part of our specialized investment staff, having obtained a positive Alpha for more than 80% of the AUMs. Fee and commission income rose by 1.2%, this mainly due to clients migrating to fixed income funds that command lower commissions, this given the amount of uncertainty triggered by poor market performances in 2018. SURA Asset Management is currently dedicated to building up its lines of savings and investment as well as those of its Investment Management Unit with a view to scaling these up to becoming more profitable. These lines of business are allowing us to expand the savings and investments of our retail clients and manage the resources of our institutional investors in Latin America.

The AUMs corresponding to our lines of Savings and Investment / Investment Management Unit came to COP 55.3 trillion at the end of Q1 2019, which represents a growth of 8.7%. The increase in AUMs for the Savings and Investment segment was mainly due to our commercial net flow, which represented 50% of the growth obtained. The AUMs corresponding to our Investment Management Unit rose by 6.3% given not only the growth posted by the Savings and Investment segment but also the new insurance mandates obtained throughout the region. However, this increase was limited by the fact that in Q1 2018 short-term liquid assets were managed for a major client, which came out on budget at year-end 2018. If we were to exclude the aforementioned effect, the growth in AUM on the part of the Investment Management Unit would have come to 12.7%. In Q1 2019, the Investment Management Unit launched 19 new products for a total of 372 portfolios.

Revenues obtained via the equity method, which include those of AFP Protección and AFP Crecer in the overall consolidation, reached COP 6,262 million for Q1 2019 compared to just COP 665 million for the same period last year. Protección's APV (voluntary pension) operating earnings increased by 45.9%, thanks to lower operating expense as a result of having aligned the remuneration of its sales force with the added value created for the business. AUM growth in Mexico and Chile continues at a good pace. In Mexico, the AUMs for the voluntary pension business rose by 41.3%, given ongoing sales efforts and a good level of performance on the part of the financial markets so far this year. As for the voluntary pension business in Chile, AUMs secured a 11.7% growth which was higher than the average growth posted by the entire savings industry, with SURA Asset Management now ranking in No. 3 position on the domestic savings market.

Our priorities for 2019 shall include: adapting our organizational structure to meet the challenges posed with this year's business plan; furthering our efficiencies and expanding local operations; continuing to strengthen our operating platform in preparation for new sign-ups; developing and deploying our global distribution model; expanding our geographic coverage throughout the region; completing our value proposal on a segment by segment basis according to our strategic scaling and internationalization plan; continuing to reinforce local vehicles for the purpose of leveraging new business; and investing in alternate assets, real estate and infrastructure .

## Holding Segment

This segment includes expenses that are not allocated on an individual country basis as well as operating expenses corresponding to corporate headquarters, amortizations of intangible assets and financial structure.

	MAR 19	MAR 18	%Var Ex - Fx
<b>Operating revenues</b>	<b>27,753</b>	<b>14,907</b>	<b>86.9%</b>
<b>Operating expense</b>	<b>(48,964)</b>	<b>(55,699)</b>	<b>-13.4%</b>
<b>Operating earnings</b>	<b>(21,211)</b>	<b>(40,792)</b>	<b>49.1%</b>
Financial income	(2,939)	2,029	N/A
Financial expense	(51,894)	(37,165)	33.5%
(Expense) income from financial derivatives	5,605	12,968	-56.8%
(Expense) income on exchange differences	3,958	5,537	-29.5%
<b>Earnings (losses) before tax</b>	<b>(66,479)</b>	<b>(57,423)</b>	<b>11.0%</b>
Income tax	(8,910)	(4,733)	-96.1%
<b>Net income from continuing operations for the period</b>	<b>(75,389)</b>	<b>(62,157)</b>	<b>17.0%</b>
Net income from discontinued operations for the period	(203,397)		
<b>Net income (losses) for the period</b>	<b>(278,786)</b>	<b>(62,157)</b>	<b>332.6%</b>

Operating revenues corresponding to the Holding segment rose given good levels of market performance and sound investments of seed capital. These seed capital investments are a driving factor for the Investment Management Unit, since it is aimed at creating a track record for the different funds, thus allowing us to demonstrate to our different stakeholders, the investment capabilities of our investment staff in continuing to promote our funds.

Operating expense dropped by 13.4%, thanks to the different efficiency drives carried out at headquarter level. The Operating Expense account includes amortization expense incurred with non-cash intangibles this totaling COP 27,167 million at the end of Q1 2019 compared to COP 26,426 million for the same period last year. In this way, cash expenses not attributable to the countries that are in charge of the corporate office would be COP 21,797 million as of 1Q19 and LTM would be COP 115,441 million.

Financial expense and the impact of discontinued operations were discussed above in the consolidated segment.

## SURA Asset Management's Consolidated Balance Sheet

	MAR 19	DIC 18	Var%
<b>Total Activo</b>	<b>21,640,153</b>	<b>23,576,772</b>	<b>-8.2%</b>
<i>Goodwill</i>	<i>4,244,624</i>	<i>3,848,178</i>	<i>10.3%</i>
<i>Encaje</i>	<i>2,316,692</i>	<i>2,323,177</i>	<i>-0.3%</i>
<b>Total Pasivo</b>	<b>12,574,797</b>	<b>15,193,648</b>	<b>-17.2%</b>
<i>Obligaciones Financieras</i>	<i>3,401,946</i>	<i>3,163,506</i>	<i>7.5%</i>
<b>Total Patrimonio</b>	<b>9,065,353</b>	<b>8,383,124</b>	<b>8.1%</b>

*Cifras en millones de pesos colombianos*

SURA Asset Management recorded COP 21.6 trillion in assets at the end of Q1 2019 showing a drop of 8.1% compared to year-end 2018, mainly given exchange differences and the divestiture of the annuities business in Chile.

Liabilities ended up at COP 12.6 trillion, showing a decline of 17.2%. The Company's consolidated financial debt came to COP 3.4 trillion, for a growth of 7.5% compared to the previous year given the effect of changes made to IFRS 16. The net debt / EBITDA ratio came to 2.3x, while the LTM EBITDA / interest ratio stood at 7.8x, thereby reflecting adequate leverage levels.

SURA Asset Management's posted COP 9.06 trillion in Shareholders' Equity at the end of Q1 2019 which is 8.1% higher than the figure posted for the same period last year. This increase is mainly due to exchange differences

## ROE / ROTE

SURA Asset Management posted an adjusted ROE of 4.2% at the end of Q1, 2019, which was lower compared to the 7.6% recorded for the same period last year, this mainly due to the effect of discontinued operations for which a loss of COP 93,573 million was posted. If we were to exclude the aforementioned discontinued operations, the duly adjusted ROE figure would have stood at 6.9%, compared to 6.6% for the same period last year. The adjusted ROTE went from 32.7% to 16.6%. Were we to eliminate the effect of these discontinued operations ROTE would have come to 27.3%.

The adjusted ROE figure does not take into account expense incurred with amortizations of intangibles when calculating net income, while the adjusted ROTE figure does not include intangible assets in the equity account. These adjustments are made in order to show the net profitability of each operation.

## Highlights for Q1 2019 - SURA Asset Management

### **CDPQ becomes a shareholder of SURA ASSET MANAGEMENT**

The Federal Commission of Economic Competition (COFECE) in Mexico authorized the acquisition of a 6.68% stake in SURA Asset Management, on the part of the Canadian company Caisse de Dépôt et Placement du Québec (CDPQ), as first announced in December. Consequently, we now welcome CDPQ as SURA Asset Management's newest shareholder.

CDPQ is an institutional investment company that manages various pension plans and public health insurance programs in Quebec-Canada, with more than 50 years of market experience together with a great deal of expertise in both lines of business. This shall doubtlessly provide us with valuable insight in continuing to build up our Company and helping our clients to achieve their goals and aspirations.

### **qiip is recognized as one of the top 25 Fintechs in Latin America**

qiip, a platform promoting savings in a completely innovative manner, has been selected by Fintech Americas as one of the top 25 financial innovations this year. qiip, shares this honour with other important financial companies within the region, that also submitted its vanguard projects showing how today's companies are getting to grips with their digital transformation.

This recognition is a faithful reflection of the efforts and investments made by SURA Asset Management in promoting financial inclusion and developing innovative products leveraged on technological platforms so as to offer our clients better savings options and providing our assistance with just the right products.

### **SURA Asset Management signed a sales agreement for its annuity business in Chile**

Last February, the sale of Rentas Vitalicias SURA to Grupo BICE was approved by the Commission for the Chilean Financial Market. Consequently, Grupo BICE shall be responsible for taking over this business.

SURA Seguros de Rentas Vitalicias SA, is convinced that Grupo BICE, with its proven strength and an experience spanning 38 years, shall continue to serve our former clients in keeping with the highest service standards.

### **For the second year running SURA AM Mexico presented the results of its Acceleration Program**

SURA Asset Management Mexico unveiled the results of its Second Annual SURA Acceleration program. For six months the Company carried out pilot projects in conjunction with four finalist startups from Mexico and Chile.

For this latest Acceleration Program, we invited startups from six different countries in Latin America, these being: Argentina, Brazil, Chile, Colombia, Mexico and Peru and focused on verticals such as: WealthTech, SalesTech, Savings Disruption and Digital identity Management.

After six months of work, on January 31, the four startups that were selected, namely Kubo Financiero, Kunder, Akiba and GusChat, submitted to the Company's Executive Committee and representatives of the entrepreneurial ecosystem, their reports on the pilot programs carried out within SURA AM México and the results thus achieved.

Unlike the previous Acceleration Program, this Second Annual version focused on creating a win - win strategy for achieving the best possible results both for entrepreneurs and the Company itself. Beyond having an absolute winner, the goal is to form strategic alliances in the field of innovation that translates into the possibility of establishing long-term relationships that benefit the business objectives of both parties.

## Utilidad Recurrente– 1T 2019

<i>In millions of US dollars</i>	2012	2013	2014	2015	YEAR- END 2016	YEAR- END 2017	YEAR- END 2018	Q1 2019
<b>Net income - IFRS</b>	336,8	238,2	204,7	183,2	202,3	<b>180,8</b>	<b>146,2</b>	<b>71,8</b>
Discontinued income						<b>27,6</b>	<b>-47,8</b>	<b>-29,8</b>
Minority interest	-134,2	-5,2	-3,9	-5,7	-7,8	<b>-0,1</b>	<b>-0,2</b>	<b>-0,1</b>
<b>Net income - IFRS (excl. minority interest)</b>	<b>202,7</b>	<b>233,0</b>	<b>200,9</b>	<b>177,5</b>	<b>194,5</b>	<b>208,4</b>	<b>98,2</b>	<b>41,9</b>
<b>Adjustments for non-recurring expense</b>								
Wealth tax payable on the part of SURA AM - Colombia				-23,3	-18,6	<b>-7,5</b>	<b>-0,1</b>	<b>-0,1</b>
Dividends - Protección			17,4					
Impact of wealth tax on equity method applied to Protección				-2,5	-2,0	<b>-1,7</b>		
Issue of international bonds			-6,5			<b>-4,6</b>		
Bank Guarantee		-33,2						
Reversal of provision set up by Sura-AM Colombia				23,2				
Provision for the COFECE sanction in Mexico						<b>-9,4</b>		
<b>Recurring net income - IFRS</b>	<b>202,7</b>	<b>266,2</b>	<b>190,0</b>	<b>180,2</b>	<b>215,1</b>	<b>231,5</b>	<b>98,4</b>	<b>42,0</b>
<b>Non-cash items</b>								
Amortization of Intangibles (ING and Invita)	-52,9	-54,5	-54,5	-41,2	-34,4	<b>-35,5</b>	<b>-35,2</b>	<b>-8,6</b>
Deferred tax on intangibles (ING and Invita)	13,9	14,3	-14,0	19,7	4,1	<b>9,8</b>	<b>10,0</b>	<b>2,4</b>
Amortization of intangibles (Horizonte)		-5,8	-8,79	-7,14	-6,85	<b>-7,06</b>	<b>-7,06</b>	<b>1,73</b>
Deferred tax on intangibles (Horizonte)		1,7	2,6	2,0	1,9	<b>2,0</b>	<b>2,0</b>	<b>-0,5</b>
Income (expense) on exchange difference	-3,3	37,4	10,1	25,2	1,1	<b>-21,6</b>	<b>11,8</b>	<b>2,6</b>
Income (expense) from derivatives	0,0	0,0	-26,2	-30,0	17,6	<b>1,8</b>	<b>-7,6</b>	<b>1,8</b>
<b>Net income after non-recurring and non-cash items</b>	<b>245,0</b>	<b>273,1</b>	<b>280,8</b>	<b>211,7</b>	<b>231,6</b>	<b>282,2</b>	<b>124,4</b>	<b>42,6</b>
Returns from legal reserve*	84,1	30,8	75,6	27,2	30,5	<b>39,0</b>	<b>4,7</b>	<b>39,0</b>
<b>Net income after non-recurring and non-cash items - EXCL LEGAL RESERVE</b>	<b>160,9</b>	<b>242,3</b>	<b>205,2</b>	<b>184,5</b>	<b>201,1</b>	<b>243,2</b>	<b>119,7</b>	<b>3,7</b>
*Excluding Protección's legal reserve								
Equity	3,935,3	3,927,8	3,729,3	2,875,0	2,832,0	<b>3,114,7</b>	<b>2,809,4</b>	<b>2,855,4</b>
Legal reserve		486,0	678,9	617,2	647,6	<b>778,5</b>	<b>729,9</b>	<b>789,4</b>
<b>Equity excl. legal reserve</b>	<b>3,935,3</b>	<b>3,441,8</b>	<b>3,050,4</b>	<b>2,257,8</b>	<b>2,184,4</b>	<b>2,336,2</b>	<b>2,079,4</b>	<b>2,066,0</b>
<b>Return on equity excl. legal reserve</b>	<b>4.1%</b>	<b>7.0%</b>	<b>6.7%</b>	<b>8.2%</b>	<b>9.2%</b>	<b>10.4%</b>	<b>5.8%</b>	<b>0.2%</b>
<b>Return on legal reserve</b>		<b>6.3%</b>	<b>11.1%</b>	<b>4.4%</b>	<b>4.7%</b>	<b>5.0%</b>	<b>0.7%</b>	<b>4.9%</b>



## 4. Appendix

### Grupo SURA

#### Separate Income Statement

Grupo de Inversiones Suramericana S.A

From January 1<sup>st</sup> to March 31<sup>st</sup>

	mar-19	mar-18	Var%
Dividends	435,403	330,824	31.6%
Income from investments	195	437	-55.4%
Loss at fair value, net	(70)	1,656	-104.2%
Revenues via equity method, net	284,697	179,694	58.4%
Income from sale of investments, net	0	364	-100.0%
Other income	322	32	906.3%
<b>Operating Revenues</b>	<b>720,547</b>	<b>513,007</b>	<b>40.5%</b>
Administrative expenses	(4,009)	(6,706)	-40.2%
Employee benefits	(5,534)	(5,390)	2.7%
Fee	(2,696)	(1,958)	37.7%
Depreciations	(546)	(323)	69.0%
<b>Operating Expenses</b>	<b>(12,785)</b>	<b>(14,377)</b>	<b>-11.1%</b>
<b>Operating earnings</b>	<b>707,762</b>	<b>498,630</b>	<b>41.9%</b>
Hedging derivatives loss at fair value, net	(8,128)	(141,262)	-94.2%
Exchange differences, net	63,451	128,628	-50.7%
Interest expense	(84,015)	(71,897)	16.9%
<b>Financial result</b>	<b>(28,692)</b>	<b>(84,531)</b>	<b>-66.1%</b>
<b>Profit before tax</b>	<b>679,070</b>	<b>414,099</b>	<b>64.0%</b>
Income tax	(14,042)	1,460	-1061.8%
<b>Net profit</b>	<b>665,028</b>	<b>415,559</b>	<b>60.0%</b>

	mar-19	Dec-18	Var%
Assets	29,391,198	28,773,968	2.1%
Liabilities	5,947,959	5,698,577	4.4%
Equity	23,443,239	23,075,391	1.6%

The net income of the separate financial statements of Grupo SURA increased 60.0%, which highlights the following accounts:

- **Dividends** increased 31.6% explained by the increase in dividends decreed by Bancolombia, Grupo Nutresa, as well as Grupo Argos dividends that were recorded in 2Q2018 in 2018..
- **Revenues via equity method:** grows 58.4% explained by the increase in the net profit of Suramericana and SURA AM.
- **Administrative expenses** decrease 40.2% explained by lower expenses due to simplification of the corporate structure of Grupo SURA.
- **Hedging derivatives los at fair value + Exchange difference:** posted a positive variation of COP 67,957 million driven by the positive valuation of hedging derivatives.
- **Interest expense:** increased 16.9% mainly due to accounting effects associated with the merger of Grupo SURA with subsidiaries that were 100% owned.

## Appendix: Suramericana

### Separate Financial Statements

#### Suramericana S.A (Separate)

#### Main Figures

January 1<sup>st</sup> to March 31<sup>st</sup>

(Valores expresados en millones de pesos colombianos)

QUARTER	Q1 2019	Q1 2018	%Var
Dividends	<b>9,328</b>	-	
Earnings from subsidiaries via equity method	<b>161,819</b>	153,416	5.5%
Interest	<b>280</b>	148	89.2%
Gains at fair value	<b>2,194</b>	644	240.7%
Other revenues	<b>134</b>	762	-82.4%
Exchange difference (net)	<b>(3,258)</b>	(6,461)	-49.6%
<b>Total revenues</b>	<b>170,497</b>	<b>148,509</b>	<b>14.8%</b>
Administrative expense	<b>(9,355)</b>	(9,661)	-3.2%
Employee benefits	<b>(9,856)</b>	(9,641)	2.2%
Fees	<b>(1,806)</b>	(2,198)	-17.8%
Depreciation	<b>(691)</b>	(191)	261.8%
Interest	<b>(17,804)</b>	(19,083)	-6.7%
Other expenses	-	-	
<b>Total Expenses</b>	<b>(39,491)</b>	<b>(40,774)</b>	<b>-3.1%</b>
<b>Earnings (losses) before tax</b>	<b>131,006</b>	<b>107,735</b>	<b>21.6%</b>
Income tax	<b>(4,709)</b>	(11,036)	-57.3%
<b>Earnings (losses), net</b>	<b>126,297</b>	<b>96,699</b>	<b>30.6%</b>

#### Suramericana S.A (Separate)

mar-19

Total assets	<b>5,950,250</b>
Total liabilities	<b>1,127,589</b>
Total equity	<b>4,822,661</b>