



Q3-2019

QUARTERLY EARNINGS REPORT
GRUPO SURA

GRUPO SURA posted COP 2.4 trillion in operating earnings (+26.3%) along with a net income figure of COP 1.5 trillion (+ 35%) year-to-date. It is worth noting the organic growth and operating results, the positive performance of the investment portfolios as well as revenues from associates via the Equity method, all of which managed to offset specific impacts on certain business units.

November 14, 2019, Grupo de Inversiones Suramericana - Grupo SURA - has released its earnings report corresponding to the third quarter of 2019, the highlights of which are as follows:

On a consolidated level, given the growth dynamics of our core operations, operating revenues stood at COP 16.2 trillion for a growth of 14.8%, while operating expenses reached COP 13.8, with a 13.0% growth. This produced operating earnings amounting to COP 2.4 trillion, for a growth of 26.3%, thanks to our ongoing efforts to gain greater efficiencies, optimize the profitability of our operations and the positive returns on the investment portfolios. The Group's financial result, which include interest expenses, hedging income and/or expense as well as the exchange rate effect relating to our financing structure, stood at COP -592,996 million, with a 13.1% increase compared to the same period last year, given higher interest recorded with the new IFRS 16 coming into effect this year. Due to accounting standards, the increase in interest expense is not reflecting our deleveraging efforts, which form part of our strategic priority of increasing our investment capacity as a holding company. Here, debt amortizations so far have amounted to COP 430,000 million on a consolidated level.

All of this produced COP 1.49 trillion in net income, for a growth of 35%.

SURA Asset Management contributed to Grupo SURA's consolidated results with a net income figure of COP 681,776 million, showing an increase of 42.5%. Of the operating performance, it is worth noting:

Net operating income (including insurance margin) came to COP 2.4 trillion for a growth of 33.0% (24.5% in local currencies), this mainly due to higher returns on the Company's legal reserves, revenues obtained via the equity method and its total insurance margin, all of which were leveraged by positive performance in financial markets. Likewise, fee and commission income continued to show a resilient level of growth (+9.9% in COP or + 2.4% in local currencies) due to lower fee and commission rates in certain operations.

Operating expenses rose by 15.3% (8.3% in local currencies), which does not fully reflect the company's efficiency efforts due to significant investments being made in projects aimed at the sustainability of the business and the long-term value creation.

Suramericana's written premiums reached COP 9.5 trillion, having risen by 15.1% and revenues from services rendered came to COP 2.8 trillion for an increase of 23.7%.

Similarly, it is worth noting that the retained claims rate (including net level reserves) remained under control as did operating expenses which rose below the levels recorded with operating income.

Net income stood at COP 300,009 million for the last 9 months, showing a 24% drop, which does not reflect the positive of its main operations due to the non-comparable impacts that affected the Company's performance. These mainly included the macroeconomic and political situation in Argentina, the current situation of the public health sector in Colombia and the VAT expense incurred with life insurance commissions, also in Colombia.

Reflecting the positive operating dynamics and the impact of the situation in Argentina, the net income figure, upon excluding the results of our Argentinian subsidiary would have come to COP 398,359 million, for a growth of 10.1%.

Grupo SURA (Holding) contributed COP 511,046 million (+120.2%), as a result of higher revenues obtained from associates via the equity method (+39.5%) thanks to the results obtained mainly by Bancolombia, a positive variation with the exchange effect associated with hedging arrangements and exchange differences corresponding to the Group's indebtedness together with a reduction in income tax.

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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 Q3-2019 (3,462.01 COP/USD), as a restatement exercise only

1. Grupo SURA

Grupo de Inversiones Suramericana S.A (Stated in COP millions)	January 1 st to September 30 th			July 1 st to September 30 th		
	Sep-19	Sep-18	%Var	Q3-2019	Q3-2018	%Var
Written premiums	9,999,204	9,275,602	7.8%	3,517,563	3,108,520	13.2%
Ceded premiums	(1,823,182)	(1,547,661)	17.8%	(673,188)	(518,983)	29.7%
Retained premiums (net)	8,176,022	7,727,942	5.8%	2,844,375	2,589,537	9.8%
Commission income	2,020,976	1,836,379	10.1%	687,236	613,596	12.0%
Revenues from services rendered	2,943,707	2,395,761	22.9%	1,038,704	833,108	24.7%
Dividends	4,792	4,800	-0.2%	1,467	1,054	39.2%
Investment income	1,771,400	1,241,142	42.7%	623,006	476,044	30.9%
Equity method - Associates	1,040,025	723,111	43.8%	367,322	268,714	36.7%
Other revenues	239,834	183,171	30.9%	116,232	47,400	145.2%
Operating revenues	16,196,756	14,112,307	14.8%	5,678,342	4,829,452	17.6%
Total claims	(6,258,727)	(6,000,426)	4.3%	(2,132,687)	(2,133,306)	0.0%
Reimbursed claims	1,454,906	1,572,409	-7.5%	489,065	683,497	-28.4%
Retained claims	(4,803,821)	(4,428,017)	8.5%	(1,643,622)	(1,449,809)	13.4%
Adjustments to reserves	(218,674)	(355,354)	-38.5%	(142,214)	(160,140)	-11.2%
Cost of services rendered	(2,835,862)	(2,246,873)	26.2%	(988,899)	(792,561)	24.8%
Administrative expense	(2,915,132)	(2,665,853)	9.4%	(991,038)	(885,465)	11.9%
Depreciation	(157,226)	(60,362)	160.5%	(53,062)	(20,185)	162.9%
Amortizations	(219,657)	(208,140)	5.5%	(76,228)	(68,204)	11.8%
Brokerage commissions	(1,774,348)	(1,577,431)	12.5%	(593,542)	(534,876)	11.0%
Fees	(366,298)	(298,518)	22.7%	(133,290)	(106,477)	25.2%
Other expense	(472,066)	(342,575)	37.8%	(166,926)	(126,013)	32.5%
Impairment	(8,907)	(8,927)	-0.2%	(632)	(7,402)	-91.5%
Operating expenses	(13,771,991)	(12,192,049)	13.0%	(4,789,452)	(4,151,133)	15.4%
Operating earnings	2,424,765	1,920,258	26.3%	888,890	678,319	31.0%
Exchange difference + Fair value on Derivatives	(68,383)	(93,168)	-26.6%	(84,667)	(66,251)	27.8%
Interest expense	(524,614)	(431,204)	21.7%	(174,102)	(141,592)	23.0%
Financial Result	(592,996)	(524,372)	13.1%	(258,770)	(207,842)	24.5%
Earnings before tax	1,831,769	1,395,886	31.2%	630,120	470,477	33.9%
Income tax	(343,618)	(323,692)	6.2%	(89,423)	(74,237)	20.5%
Net income from continuing operations	1,488,151	1,072,194	38.8%	540,697	396,240	36.5%
Net income from discontinued operations	4,680	33,307	-85.9%	1,419	17,347	-91.8%
Net Income	1,492,831	1,105,501	35.0%	542,116	413,588	31.1%
Earnings - parent company	1,323,984	952,066	39.1%	477,264	357,298	33.6%
Earnings - non-controlling interest	168,847	153,436	10.0%	64,851	56,290	15.2%

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

At September 30th, 2019 and December 31st, 2018
(stated in million Colombian pesos)

	Sep-19	Dec-18	%Var
Cash and Cash Equivalents	2,519,372	1,878,040	34.1%
Investments	24,356,741	22,696,482	7.3%
Accounts receivable	6,360,881	6,649,457	-4.3%
Insurance reserves - reinsurers	3,723,338	3,562,157	4.5%
Current tax	416,342	308,039	35.2%
Deferred tax	293,591	207,115	41.8%
Other assets	913,478	473,498	92.9%
Investment properties	167,148	156,847	6.6%
Property, plant and equipment	1,200,060	1,235,912	-2.9%
Available-for-sale non-current assets	2,033	5,539,261	-100.0%
Right-of-use assets	665,466	0	
Goodwill	4,983,040	4,798,703	3.8%
Identified intangible assets	4,366,362	4,397,823	-0.7%
Investments in associates	20,040,859	19,170,040	4.5%
Total assets	70,008,711	71,073,374	-1.5%
Financial liabilities	1,777,517	2,141,755	-17.0%
Lease liabilities	685,556	0	
Technical reserves	23,230,804	22,199,074	4.6%
Provisions for employee benefits	557,336	539,787	3.3%
Other provisions	239,131	249,558	-4.2%
Accounts payable	3,447,177	3,330,513	3.5%
Current tax	568,516	580,672	-2.1%
Available-for-sale non-current liabilities	0	4,871,855	-100.0%
Issued securities	8,671,275	8,305,019	4.4%
Other non-financial liabilities	572,109	594,311	-3.7%
Deferred tax	1,421,840	1,359,916	4.6%
Total liabilities	41,171,261	44,172,460	-6.8%
Equity attributable to the owners of the parent company	26,261,494	24,473,747	7.3%
Non-controlling interest	2,575,958	2,427,165	6.1%
Total equity	28,837,453	26,900,912	7.2%

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 the Holding Company. The main factors here included::

Suramericana contributed COP 300,009 million to Grupo SURA's net income, showing a drop of COP 94,833 million or 24% for the first nine months of this year. In spite of this positive operating performance, the following specific impacts produced a reduction in the net income figure

- The Argentinian operation's net income which fell by COP 131,500 million, mainly explained by an unrealized loss on the valuation of the investment portfolio.
- Expenses of COP 36,500 million in the last 9 months due to the VAT on life insurance commissions.
- The impact of the current situation with the public health system in Colombia produced a drop of COP 58,400 million in the net income figure corresponding to the Health Care Segment.

SURA AM continued to post excellent results, contributing COP 681,776 million to the Group's consolidated net income figure, for an increase of 42.5% or COP 203,189 million. This growth was mainly due to improved returns on the investment portfolios belonging to its pension fund businesses, which in turn is reflected in an increase of COP 255,000 million (+406%) in revenues obtained from legal reserves along with COP 81,000 million (+87%) in revenues obtained via the equity method.

Grupo SURA, as the parent company contributed another COP 511,046 million to the Group's consolidated net income figure for a 120% increase, due to:

- Revenues obtained from associates via the equity method (excluding Protección which is consolidated in the results posted by SURA AM) recorded an increase of 39.5%, thanks to the good results of Bancolombia.
- The positive change in the income tax figure as posted by Grupo SURA (holding) is due to a drop in current tax given a lower portion of taxable dividends received along with an increase in the deferred tax provision covering hedging arrangements and the exchange difference.
- Gains on exchange differences and appraisals of hedging derivatives were due to our ongoing hedging strategy for our exposure to dollar-denominated debt.

Consolidated Net Income	Sep-19	Sep-18	%Var	\$Var	Q3-2019	Q3-2018	%Var	\$Var
Suramericana	300,009	394,843	-24.0%	(94,833)	126,238	135,551	-6.9%	(9,313)
SURA AM	681,776	478,587	42.5%	203,189	251,404	188,006	33.7%	63,397
Grupo SURA (Holding) and other:	511,046	232,072	120.2%	278,974	164,474	90,030	82.7%	74,443
REvenues via Equity Method	863,938	619,279	39.5%	244,659	313,818	233,253	34.5%	80,564
Interest expenses	(255,022)	(247,101)	3.2%	(7,920)	(84,829)	(81,363)	4.3%	(3,465)
Income Tax	6,315	(15,511)		21,827	13,089	11,328	15.5%	1,761
Admin. Expenses	(49,355)	(48,652)	1.4%	(704)	(12,332)	(14,829)	-16.8%	2,497
Exchange Diff + Hedging Derivatives	(48,923)	(86,786)	-43.6%	37,863	(62,159)	(58,593)	6.1%	(3,566)
ARUS + Habitat	(3,660)	2,066		(5,726)	(2,030)	2,422		(4,452)
Other	(2,248)	8,776		(11,024)	(1,084)	(2,189)	-50.5%	1,105
Consolidated Net Income	1,492,831	1,105,501	35.0%	387,330	542,116	413,588	31.1%	128,528

*Revenues obtained from AFP Protección via the equity method are included in SURA AM's net income figure.

** The Administrative Expense account includes Administrative Expense, Employee Benefits and Fees

Revenue from Associates via Equity Method

Equity Method	Sep-19	Sep-18	%Var	Q3-2019	Q3-2018	%Var
Bancolombia	647,272	404,945	59.8%	214,889	132,847	61.8%
Grupo Argos	68,201	74,299	-8.2%	52,148	50,854	2.5%
Grupo Nutresa	145,015	135,695	6.9%	46,227	49,490	-6.6%
AFP Protección	155,305	78,066	98.9%	49,897	27,007	84.8%
Other	24,232	30,106	-19.5%	4,162	8,516	-51.1%
Total	1,040,025	723,111	43.8%	367,323	268,714	36.7%

Investment in associates

Investments in associates	Sep-19	Dec-18	%Var
Bancolombia	8,737,451	8,214,022	6.4%
Grupo Argos	5,198,109	5,057,575	2.8%
Grupo Nutresa	4,822,588	4,696,943	2.7%
AFP Protección	1,222,099	1,105,289	10.6%
Other	60,612	96,211	-37.0%
Total	20,040,859	19,170,040	4.5%

Financial Liabilities

Grupo SURA (Holding)	Sep-19	Dec-18	%Var
Grupo SURA Bonds	4,223,088	4,088,984	3.3%
Banks and Leasing	716,917	913,087	-21.5%
Debt	4,940,005	5,002,071	-1.2%
Derivatives	171,561	91,054	88.4%
Preferred Dividends	460,624	460,699	0.0%
Total Financial Liabilities	5,572,190	5,553,824	0.3%
Cash and Cash Equivalentes	17,874	88,459	-79.8%

SURA AM	Sep-19	Dec-18	%Var
Bonds	2,991,401	2,760,832	8.4%
Banks and Leasing	423,904	638,586	-33.6%
Debt	3,415,305	3,399,418	0.5%
Derivatives	29,487	45,824	-35.7%
Total Financial Liabilities	3,444,792	3,445,242	0.0%

Suramericana	Sep-19	Dec-18	%Var
Bonds	996,162	994,503	0.2%
Banks and Leasing	351,924	326,143	7.9%
Debt	1,348,086	1,320,646	2.1%
Derivatives	51,553	34,598	49.0%
Total Financial Liabilities	1,399,639	1,355,244	3.3%

2. Suramericana (Insurance Subsidiary)

Suramericana S.A.

Statement of comprehensive income

(Figures in COP million)

January 1st to September 30th

July 1st to September 30th

	Sep-19	Sep-18	%Var	Q3-2019	Q3-2018	%Var
Written premiums	9,486,211	8,243,262	15.1%	3,326,217	2,756,276	20.7%
Ceded premiums	(1,795,780)	(1,450,484)	23.8%	(665,954)	(504,508)	32.0%
Retained premiums (net)	7,690,431	6,792,778	13.2%	2,660,262	2,251,768	18.1%
Reserves net of production	11,570	(19,551)		(28,513)	39,681	
Retained earned premiums	7,702,000	6,773,227	13.7%	2,631,749	2,291,449	14.9%
Total claims	(5,657,114)	(5,258,070)	7.6%	(1,945,823)	(1,902,028)	2.3%
Reimbursed claims	1,454,906	1,572,409	-7.5%	489,065	683,497	-28.4%
Retained claims	(4,202,208)	(3,685,661)	14.0%	(1,456,758)	(1,218,532)	19.6%
Net commissions	(1,083,348)	(977,114)	10.9%	(358,078)	(330,100)	8.5%
Income from services rendered	2,834,645	2,292,032	23.7%	1,006,673	792,402	27.0%
Cost of services rendered	(2,682,350)	(2,104,775)	27.4%	(939,977)	(736,846)	27.6%
Other operating income/expense	(803,624)	(581,386)	38.2%	(297,594)	(229,498)	29.7%
Technical result	1,765,116	1,716,324	2.8%	586,017	568,875	3.0%
Fees	(151,534)	(124,606)	21.6%	(55,580)	(43,766)	27.0%
Administrative expense	(1,896,894)	(1,715,346)	10.6%	(630,085)	(571,220)	10.3%
Amortization and depreciation	(171,269)	(117,220)	46.1%	(56,927)	(37,633)	51.3%
Impairment	(11,008)	(7,280)	51.2%	(1,928)	(6,352)	-69.7%
Underwriting profit	(465,590)	(248,129)	-87.6%	(158,503)	(90,096)	-75.9%
Dividends	892	1,522	-41.4%	379	348	8.9%
Investment income	783,484	763,164	2.7%	190,770	248,086	-23.1%
Interest	(90,634)	(68,952)	31.4%	(30,908)	(22,368)	38.2%
Other non-operating income / expense	87,398	62,441	40.0%	89,769	25,364	253.9%
Earnings (losses) before tax	315,552	510,047	-38.1%	91,507	161,333	-43.3%
Income tax	(15,542)	(115,204)	-86.5%	34,731	(25,782)	
Earnings (losses), net	300,009	394,843	-24.0%	126,238	135,551	-6.9%
Earnings (losses) - parent company	300,368	394,540	-23.9%	126,743	135,591	-6.5%
Earnings (losses) - non-controlling interest	(359)	303		(504)	(40)	

Suramericana S.A.

Consolidated Statement of Financial Position

(Figures in COP million)

As of September 30th, 2019 and December 31st, 2018

	Sep-19	Dec-18	%Var
Total assets	27,588,520	26,636,804	3.6%
Total liabilities	22,599,190	21,821,127	3.6%
Total equity	4,989,330	4,815,677	3.6%

Statement of Comprehensive Income – Suramericana S.A.

Written premiums rose by 20.7% during this past quarter thanks to the good performance obtained with our different lines of business, especially the growth in premiums recorded by our subsidiaries in Colombia, Brazil and El Salvador. Other positive factors included the newly negotiated reinsurance contracts on the part of our subsidiaries in Uruguay and El Salvador, which mainly affected the Fire insurance solution, since these contracts changed from being non-proportional to proportional.

On the other hand, the current growth in the number of users of our Healthcare services, which also benefits the other healthcare provider companies such as IPS and Dinamica, accounted for the growth posted in both healthcare revenues and the cost of services rendered.

The retained claims ratio increased from 54.1% to 54.8%, which was mainly due to the increase in Car and Mandatory Road insurance in the Non-Life segment.

Upon comparing Q3 2018 with the same period of 2017, financial income declined, which, taking into account all the items making up this account, recorded a 23.1% drop. Portfolio performance has been negatively affected by Argentina's investment portfolio and the result of the primary elections held in this part of the world which were won by left-wing candidate, Alberto Fernandez. This led to a depreciation of the Argentinean peso which came to almost 35% for this past quarter, thus forcing the Government to restructure its short-term debt, which in turn led to a collapse in bond prices thereby discounting a lower government debt payment of between 50% - 60%. The effect that the depreciating Argentinian peso and the exchange rate had on prices and the country's economy drove up inflation. The good levels of performance of our other subsidiaries were largely benefited by lower interest rates over the course of this past quarter which in turn produced market gains, higher inflation in Colombia and the depreciation of the Colombian peso against the majority of Latin American currencies, which partially neutralized the negative effect of the depreciating Argentinian peso

Consolidated Statement of Financial Position – Suramericana S.A.

Suramericana S.A.'s consolidated assets came to COP 27.6 trillion, for an increase of 3.6% compared to year-end 2017. This mainly corresponded to the seasonal nature of the insurance business, with policy renewals being mainly concentrated during the last few months of the year. Current tax, as posted in the asset accounts, shows a growth of 26.4% so far this year, this due to advanced payments being set up mainly relating to withholding tax due on dividend income received by Suramericana S.A. and the self-withholdings paid by its subsidiaries. On the other hand, deferred tax shows a growth of 66.6% on account of the tax deduction relating to adjustments for inflation made by our Argentinian subsidiaries, the former becoming applicable as of June this year.

With IFRS 16 coming into full force and effect this year, this establishing new principles for identifying and treating lease agreements, two new accounts have been included in the Company's balance sheet, namely Right of Use Assets and Financial Leasing Liabilities.

Provisions for employee benefits show a 13.4% growth due to the adjustment made to the long-term liabilities associated with this account.

Life Insurance Segment

The Life Insurance Segment is made up of Seguros de Vida Colombia, Asesuisa Vida in El Salvador, Seguros de Vida SURA Chile and Seguros Sura Vida in México.

The merger between the Life Insurance and Workers' Compensation subsidiaries in Colombia took place during the first quarter of this year, with the former now posting the results of their combined operations.

Life Insurance Segment	From January 1 st to September 30 th			From July 1 st to September 30 th		
(Figures in COP million)						
	Sep-19	Sep-18	%Var	Q3-2019	Q3-2018	%Var
Written premiums	3,852,432	3,105,792	24.0%	1,403,998	1,008,176	39.3%
Ceded premiums	(210,286)	(119,953)	75.3%	(72,374)	(45,367)	59.5%
Retained premiums (net)	3,642,146	2,985,840	22.0%	1,331,624	962,809	38.3%
Net level reserves	(85,319)	27,709		(91,613)	63,075	
Retained earned premiums	3,556,827	3,013,548	18.0%	1,240,011	1,025,885	20.9%
Total claims	(2,343,602)	(1,989,254)	17.8%	(756,856)	(659,338)	14.8%
Reimbursed claims	239,031	167,272	42.9%	45,726	66,489	-31.2%
Retained claims	(2,104,571)	(1,821,982)	15.5%	(711,130)	(592,849)	20.0%
Net commissions	(386,435)	(279,198)	38.4%	(130,403)	(98,438)	32.5%
Other operating income/expense	(526,647)	(428,128)	23.0%	(194,484)	(159,239)	22.1%
Technical result	539,174	484,240	11.3%	203,994	175,358	16.3%
Fees	(66,150)	(53,410)	23.9%	(25,844)	(19,191)	34.7%
Administrative expense	(617,245)	(498,992)	23.7%	(197,437)	(171,270)	15.3%
Amortization and depreciation	(13,929)	(7,268)	91.6%	(4,966)	(2,454)	102.3%
Impairment	(2,978)	(3,346)	-11.0%	(452)	(2,076)	-78.2%
Underwriting profit	(161,128)	(78,776)	-104.5%	(24,705)	(19,632)	-25.8%
Dividends	666	1,139	-41.5%	233	230	1.2%
Investment income	533,060	464,047	14.9%	176,351	134,962	30.7%
Interest	(2,361)	(11)		(784)	(2)	
Other non-operating income / expense	25,730	(6,822)		15,085	8,662	74.1%
Earnings (losses) before tax	395,968	379,576	4.3%	166,179	124,219	33.8%
Income tax	3,166	(1,258)		747	712	4.8%
Earnings (losses), net	399,134	378,318	5.5%	166,925	124,932	33.6%

Ratios	Sep-19	Sep-18	Q3-2019	Q3-2018
% Ceded Premiums	5.5%	3.9%	5.2%	4.5%
% Retained incurred claims / REP*	59.2%	60.5%	57.3%	57.8%
% Net commissions / REP*	10.9%	9.3%	10.5%	9.6%
% Administrative expense / REP*	17.4%	16.6%	15.9%	16.7%

* Measured against Retained Earned Premiums

Statement of Financial Position - Key Figures

	sep-19
Total assets	11,368,851
Total liabilities	8,961,462
Total equity	2,407,389

The Life Insurance segment shows a growth of 39.3% in written premiums thanks in part to the acquisition of Seguros de Vida SURA S.A. in Mexico in Q4 2018, which contributed a total of COP 21,709 million to the consolidated production figure for this past quarter. If we were to exclude the contribution from this recent acquisition, the Group Life solution would have recorded a growth of 11.2% mainly due to the positive dynamics seen with the affinity channel in Colombia and El Salvador; the Workers' Compensation solution also showed a growth of 16.2%, with this uptrend in revenues generated by a greater number of affiliates. The Pension Insurance solution also provided a significant amount of growth thanks to new business obtained in El Salvador for the 2019 policy.

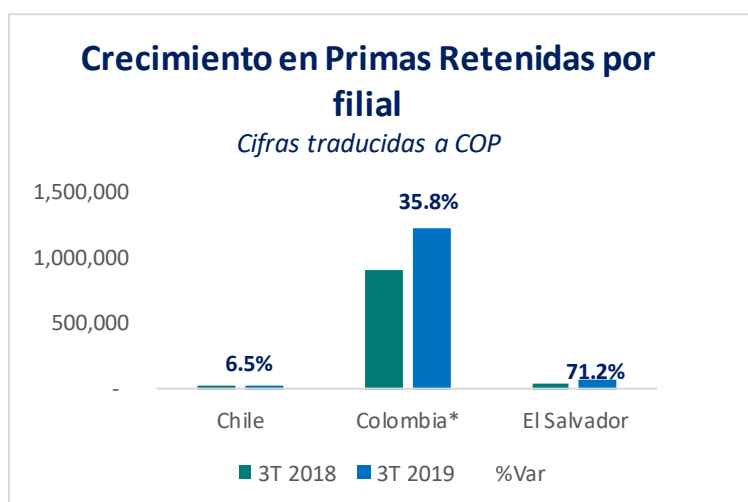
Furthermore, this past quarter marked one year since the capital optimization strategy was first deployed with the Healthcare insurance solution in Colombia. This consisted of matching premiums as posted on the income statement with the actual collections of such, for which the corresponding adjustments were made to both reserves and capital requirements to levels consistent with the Company's collection patterns, which in turn had a positive effect on the working capital invested in this solution. This new initiative, upon completing its first year of having been introduced, generated a 167.5% increase in written premiums, which in turn implied higher reserves to be set up which leveled off the growth in earned premiums to 27.3%

On the other hand, this segment's claims ratio performed much better as a result of our ongoing risk management efforts; especially in the case of Vida Colombia's workers' compensation solution, whose claims ratio declined from 58.0% in 2018 to 56.6% in 2019. Furthermore, the Group Life, Annuity and Personal Accident solutions also helped to drive down this indicator.

The 32.5% growth in commissions for this past quarter was due to the new Financing Law that was enacted at the beginning of this year in Colombia and which introduced new VAT tax on life insurance commissions. Also, during this past quarter, there was a rise in the amount of profits shared with the Affinity channel, thanks to the growth and technical performance obtained with the life insurance solution in Colombia.

Administrative expenses rose by 15.3% in the light of having recently acquired the Sura Vida subsidiary in Mexico, that contributed another COP 8,745 million to the overall expenditure for this past quarter. If we were to exclude the aforementioned item, administrative expense would have risen by 10.3%, which is in keeping with the pace of growth we are seeing with our different lines of business.

Financial income for this segment rose by 30.7% for this past quarter, thanks to the returns that fixed income securities have enjoyed globally given the change in the stances taken by the monetary authorities in the majority of the countries within the region as well as the more developed economies.



Figures in COP million

*Colombia: includes the Life Insurance and Workers' Compensation subsidiaries which were merged during Q1-2019, and whose results are shown together for the first quarter of last year, this for comparative purposes only.

Premiums and claims by solution

		Sep-19	Sep-18	% Var	%Var LC	Q3-2019	Q3-2018	% Var	%Var LC
Individual Life	Written premiums	574,735	534,997	7.4%	7.3%	244,772	221,937	10.3%	10.1%
	Retained premiums	505,727	469,613	7.7%	7.5%	218,206	196,612	11.0%	10.8%
	Retained claims	153,357	132,548	15.7%	15.6%	61,540	45,922	34.0%	34.0%
	% Retained claims ratio	30.3%	28.2%			28.2%	23.4%		
Group Life	Written premiums	811,280	568,772	42.6%	41.9%	258,949	213,359	21.4%	19.8%
	Retained premiums	733,273	550,264	33.3%	32.6%	238,487	206,431	15.5%	14.1%
	Retained claims	265,992	197,492	34.7%	33.9%	74,575	70,711	5.5%	3.2%
	% Retained claims ratio	36.3%	35.9%			31.3%	34.3%		
Pension (D&S)	Written premiums	65,858	59,845	10.0%	10.0%	23,323	827	2721.9%	2639%
	Retained premiums	52,043	59,751	-12.9%	-12.9%	18,544	817	2170.3%	2104%
	Retained claims	71,011	107,009	-33.6%	-33.6%	10,728	12,125	-11.5%	-15.8%
	% Retained claims ratio	136.5%	179.1%			57.8%	1484.4%		
Health Care (Voluntary)	Written premiums	936,341	698,925	34.0%	33.4%	368,940	137,920	167.5%	165.8%
	Retained premiums	909,150	683,092	33.1%	32.9%	356,025	131,957	169.8%	169.3%
	Retained claims	714,267	585,625	22.0%	21.8%	263,004	201,062	30.8%	30.5%
	% Retained claims ratio	78.6%	85.7%			73.9%	152.4%		
Workers' Compensation	Written premiums	1,169,223	1,006,174	16.2%	16.2%	404,181	347,953	16.2%	16.2%
	Retained premiums	1,169,223	1,006,174	16.2%	16.2%	404,181	347,953	16.2%	16.2%
	Retained claims	682,959	601,462	13.5%	13.5%	228,592	201,783	13.3%	13.3%
	% Retained claims ratio	58.4%	59.8%			56.6%	58.0%		
Other	Written premiums	294,995	237,079	24.4%	17.8%	103,832	86,181	20.5%	14.1%
	Retained premiums	272,731	216,945	25.7%	19.3%	96,180	79,039	21.7%	15.6%
	Retained claims	216,986	197,846	9.7%	7.0%	72,692	61,246	18.7%	15.2%
	% Retained claims ratio	79.6%	91.2%			75.6%	77.5%		
Total	Written premiums	3,852,432	3,105,792	24.0%	23.2%	1,403,998	1,008,176	39.3%	38.0%
	Retained premiums	3,642,146	2,985,840	22.0%	21.3%	1,331,624	962,810	38.3%	37.3%
	Retained claims	2,104,571	1,821,982	15.5%	15.0%	711,130	592,849	20.0%	19.1%
	% Retained claims Ratio	57.8%	61.0%			53.4%	61.6%		

Property and Casualty Insurance Segment

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

P&C Segment (Figures in COP million)	From January 1 st to September 30 th			From July 1 st to September 30 th		
	Sep-19	Sep-18	%Var	Q3-2019	Q3-2018	%Var
Written premiums	5,650,446	5,150,304	9.7%	1,930,041	1,749,801	10.3%
Ceded premiums	(1,593,713)	(1,335,264)	19.4%	(600,463)	(460,136)	30.5%
Retained premiums (net)	4,056,733	3,815,040	6.3%	1,329,577	1,289,664	3.1%
Net level reserves	96,889	(47,260)		63,100	(23,394)	
Retained earned premiums	4,153,622	3,767,780	10.2%	1,392,678	1,266,271	10.0%
Total claims	(3,425,508)	(3,365,319)	1.8%	(1,229,969)	(1,279,986)	-3.9%
Reimbursed claims	1,216,792	1,414,047	-13.9%	443,529	621,441	-28.6%
Retained claims	(2,208,716)	(1,951,272)	13.2%	(786,441)	(658,545)	19.4%
Net commissions	(693,364)	(695,014)	-0.2%	(225,975)	(230,244)	-1.9%
Other operating income/expense	(417,171)	(287,619)	45.0%	(146,206)	(128,991)	13.3%
Technical result	834,372	833,875	0.1%	234,056	248,491	-5.8%
Fees	(70,018)	(62,667)	11.7%	(23,973)	(20,070)	19.4%
Administrative expense	(907,773)	(856,183)	6.0%	(296,298)	(269,256)	10.0%
Amortization and depreciation	(122,834)	(99,743)	23.2%	(40,451)	(31,669)	27.7%
Impairment	(11,951)	(2,410)	395.9%	(4,839)	(3,710)	30.4%
Underwriting profit	(278,205)	(187,129)	-48.7%	(131,505)	(76,215)	-72.5%
Dividends	226	309	-26.9%	147	45	228.8%
Investment income	230,367	278,139	-17.2%	5,913	106,869	-94.5%
Interest	(8,891)	(2,045)	334.8%	(2,477)	(554)	346.7%
Other non-operating income / expense	25,609	75,321	-66.0%	29,938	30,117	-0.6%
Earnings (losses) before tax	(30,893)	164,595		(97,985)	60,261	
Income tax	25,579	(53,799)		49,925	(16,576)	
Earnings (losses), net	(5,314)	110,796		(48,060)	43,685	
Amortization of intangibles	(57,382)	(67,712)		(18,817)	(21,209)	
Amortizations of deferred tax	16,349	20,985		5,360	7,434	
Adjusted net income	35,718	157,523	-77.3%	(34,603)	57,460	

Ratios	sep-19	sep-18	3T 2019	3T 2018
% Ceded Premiums	28.1%	25.9%	31.1%	26.3%
% Retained incurred claims / REP*	53.2%	51.8%	56.5%	52.0%
% Net commissions / REP*	16.7%	18.4%	16.2%	18.2%
% Administrative expense / REP*	21.8%	22.7%	21.3%	21.3%
Combined Ratio	106.7%	105.0%	109.4%	106.0%

* Measured against Retained Earned Premiums

Statement of Financial Position – Key Figures

	sep-19
Total assets	14,478,218
Total liabilities	11,188,801
Total equity	3,289,418

The growth in written premiums corresponding to this segment was driven by Car insurance that continues to perform well and is an important driver of this segment's revenues. This branch of insurance, as for previous quarters, continues to show double-digit growths in local currencies; this due to having reassigned Car to Mobility insurance, thereby expanding the boundaries of this branch to assure the movement of people and not just the vehicles in which they are transported.

Additionally, it is worthwhile noting the growth with the Transportation insurance that is performing well in Brazil with an important growth in new business; as well as Civil Liability insurance with the new corporate policy obtained in Colombia over this past quarter.

The new reinsurance contracts, that were negotiated for the period July 2019 to June 2020 have come into full force and effect for this past quarter. The renewal of these contracts has allowed us to make adjustments to some of their structures, adapting deductions to the specific risk appetite and context of each subsidiary, thus allowing us to control the effect of volatility, due to the occurrence of severe events, on our overall results.

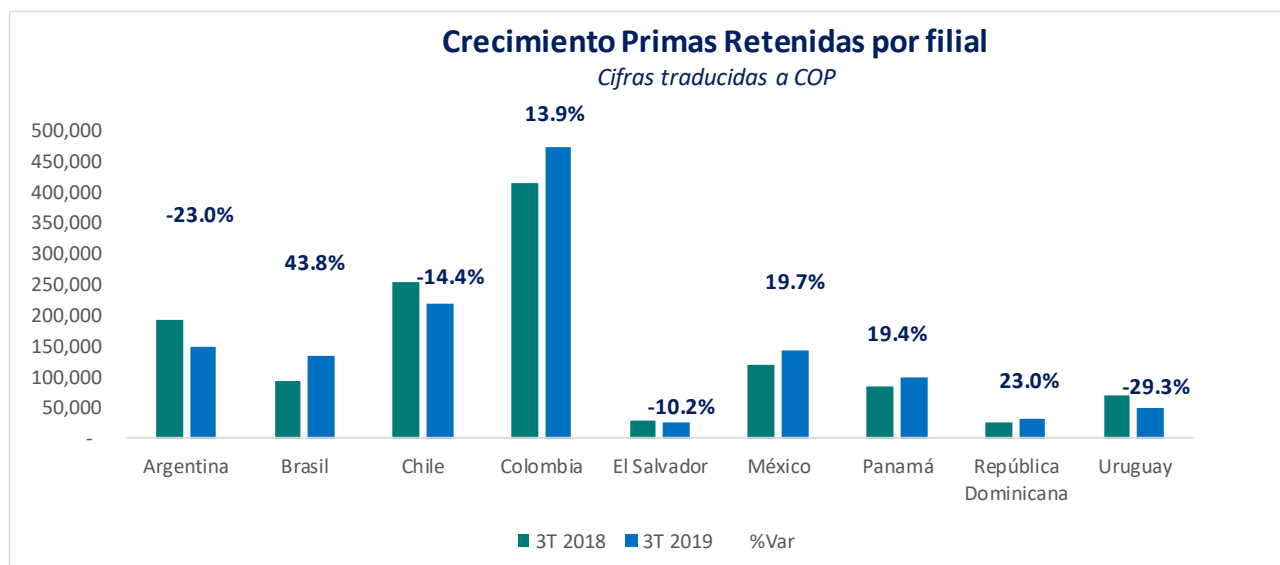
The main effects of these newly negotiated contracts are mainly felt with the Fire insurance solution, where the corresponding contracts in El Salvador and Uruguay now have a proportional coverage, as opposed to the former non proportional contracts. This change is reflected in a greater transfer of risk, and therefore a decrease in retained premiums for 40% of this branch of insurance, which in turn is offset with the freeing up of production reserves and the lower cost of non-proportional contracts.

On the other hand, the retained claims ratio showed an increase to 59.1% for Q3 2019, compared to 51.1% for the same period last year. This increase is mainly related to the increase in the claims of the Mandatory Road insurance in Colombia, due to a greater participation of motorcycles, which represent a higher claims ratio than for cars. The increase in the claims ratio in Argentina is due to the higher cost of claims in the light of the country's macroeconomic situation, this mainly affecting the Car solution. This increase is due to having updated the reserved and paid values given the prevailing inflation and exchange rates. Furthermore, claims frequency rates rose in the case of our subsidiaries in El Salvador, the Dominican Republic and Colombia.

The 13.3% increase in operating expenses for the quarter was due to higher non-proportional reinsurance costs relating to the growth of the mortgage insurance business in Chile, and an increase in insurance management and customer care costs which are directly related with the growth in premiums and client risk management expenses.

With regard to its financial income, this segment shows a drop of 94.5%, mainly due to the situation prevailing in Argentina. Also, worth noting are the gains obtained with fixed-income investments, given the change in the stances held by monetary authorities on a global level, particularly the more developed economies. On the other hand, higher inflation in Colombia drove up returns.

Finally, the income tax account for the Non-Life segment includes having freed up the deferred tax provision given the tax deduction relating to adjustments for inflation that were applied by our Argentinian subsidiaries. This deduction entered into full force and effect on a local level as of June of this year, with the consequent positive effect on this segment's tax account.



Figures in COP million

Premiums and claims by solution

		Sep-19	Sep-18	% Var	%Var LC	Q3-2019	Q3-2018	% Var	%Var LC
Car Insurance	Written premiums	1,991,844	1,920,954	3.7%	11.3%	673,163	625,526	7.6%	15.3%
	Retained premiums	1,920,676	1,832,349	4.8%	13.1%	645,780	596,385	8.3%	16.8%
	Retained claims	1,268,404	1,148,510	10.4%	21.4%	453,224	382,900	18.4%	32.2%
	% Retained claims ratio	66.04%	62.68%			70.18%	64.20%		
Fire	Written premiums	1,211,954	1,082,938	11.9%	12.6%	403,056	415,110	-2.9%	-1.5%
	Retained premiums	411,182	450,446	-8.7%	-5.2%	107,450	178,377	-39.8%	-35.6%
	Retained claims	145,262	128,066	13.4%	17.5%	48,549	38,733	25.3%	26.6%
	% Retained claims ratio	35.33%	28.43%			45.18%	21.71%		
Mandatory Road	Written premiums	359,403	314,192	14.4%	14.0%	117,988	109,254	8.0%	7.3%
	Retained premiums	347,820	293,078	18.7%	18.2%	112,181	100,836	11.3%	10.5%
	Retained claims	223,546	186,533	19.8%	19.4%	87,485	59,583	46.8%	45.7%
	% Retained claims ratio	64.27%	63.65%			77.99%	59.09%		
Transport	Written premiums	348,125	294,541	18.2%	21.6%	126,430	103,647	22.0%	21.7%
	Retained premiums	223,155	205,615	8.5%	11.4%	76,259	67,910	12.3%	12.5%
	Retained claims	87,596	106,952	-18.1%	-17.2%	27,517	39,808	-30.9%	-32.0%
	% Retained claims ratio	39.25%	52.02%			36.08%	58.62%		
Contractual Performance	Written premiums	122,869	119,793	2.6%	18.0%	40,325	39,717	1.5%	22.0%
	Retained premiums	52,636	50,588	4.0%	21.5%	17,256	17,151	0.6%	24.6%
	Retained claims	35,994	27,507	30.9%	45.4%	7,098	10,588	-33.0%	-6.0%
	% Retained claims ratio	68.38%	54.37%			41.13%	61.74%		
Civil Liability	Written premiums	173,368	141,883	22.2%	24.6%	68,800	51,117	34.6%	38.4%
	Retained premiums	111,664	100,813	10.8%	13.8%	36,031	34,895	3.3%	8.7%
	Retained claims	46,111	42,699	8.0%	4.9%	9,828	8,295	18.5%	0.0%
	% Retained claims ratio	41.29%	42.36%			27.28%	23.77%		
Theft	Written premiums	130,434	130,035	0.3%	-2.3%	42,515	41,524	2.4%	-4.2%
	Retained premiums	113,797	116,729	-2.5%	-5.0%	36,564	36,236	0.9%	-6.4%
	Retained claims	54,797	36,711	49.3%	45.6%	13,367	13,631	-1.9%	-8.4%
	% Retained claims ratio	48.15%	31.45%			36.56%	37.62%		
Other	Written premiums	1,231,075	1,145,968	7.4%	10.9%	409,810	363,906	12.6%	18.5%
	Retained premiums	804,310	765,421	5.1%	10.3%	255,879	257,874	-0.8%	6.1%
	Retained claims	302,229	274,294	10.2%	10.7%	112,547	105,007	7.2%	13.1%
	% Retained claims ratio	37.58%	35.84%			43.98%	40.72%		
Adjustments for inflation	Written premiums	81,374	0	-		47,954	0		
	Retained premiums	71,493	0	-		42,178	0		
	Retained claims	44,776	0	-		26,827	0		
	% Retained claims ratio	62.63%	-			63.60%			
Total	Written premiums	5,650,446	5,150,304	9.7%	14.1%	1,930,041	1,749,801	10.3%	15.2%
	Retained premiums	4,056,733	3,815,040	6.3%	12.2%	1,329,577	1,289,665	3.1%	9.5%
	Retained claims	2,208,716	1,951,272	13.2%	20.0%	786,441	658,545	19.4%	28.7%
	% Retained claims ratio	54.45%	51.15%			59.15%	51.06%		

Health Care Segment

The Health Care Segment includes the health care providers, EPS Dinamica and IPS.

Health Care (Figures in COP million)	From January 1 st to September 30 th			From July 1 st to September 30 th		
	Sep-19	Sep-18	%Var	Q3-2019	Q3-2018	%Var
Income from services rendered	3,327,721	2,681,284	24.1%	1,181,001	930,357	26.9%
Cost of services rendered	(2,973,767)	(2,333,533)	27.4%	(1,041,489)	(816,400)	27.6%
Other operating income/expense	8,069	9,746	-17.2%	4,167	4,252	-2.0%
Net commissions	(3,238)	(2,837)	14.1%	(1,435)	(899)	59.6%
Technical result	358,786	354,660	1.2%	142,245	117,309	21.3%
Fees	(15,818)	(9,338)	69.4%	(5,064)	(3,366)	50.4%
Administrative expense	(315,196)	(282,170)	11.7%	(113,117)	(97,786)	15.7%
Amortization and depreciation	(28,890)	(8,518)	239.2%	(9,586)	(2,924)	227.9%
Impairment	5,263	(171)		3,696	83	
Underwriting profit	4,144	54,462	-92.4%	18,175	13,317	36.5%
Investment income	13,293	12,572	5.7%	4,464	4,808	-7.2%
Interest	(12,282)	(3,194)	284.6%	(4,363)	(1,134)	284.7%
Other non-operating income / expense	7,204	5,118	40.8%	3,105	1,857	67.2%
Earnings (losses) before tax	12,360	68,959	-82.1%	21,380	18,848	13.4%
Income tax	(10,374)	(8,570)	21.1%	(3,316)	(3,882)	-14.6%
Earnings (losses), net	1,986	60,390	-96.7%	18,063	14,966	20.7%

Indicators	sep-19	sep-18	Q3-2019	Q3-2018
% Cost of services rendered	89.36%	87.03%	88.19%	87.75%
Expense ratio	9.47%	10.52%	9.58%	10.51%

sep-19	
Total assets	1,465,723
Total liabilities	1,117,993
Total equity	347,730

During the third quarter, the Healthcare segment secured a net income figure of COP 18,063 million showing a growth of 20.7% compared to the same period last year which amply reveals a healthy recovery in the light of the negative results obtained for the previous quarter.

Income from services rendered rose by 26.9% thanks to the increase in the client base corresponding to Mandatory Healthcare which came to 3.5 million at the end of Q3 2019, which in turn produced a 27.4% increase in revenues from the Basic Healthcare Plan and another 57.1% for the Complementary Healthcare Plan. Also, it is worth noting the growth in revenues obtained by Dinamica, our Diagnostic Imaging Provider, this mainly due to having consolidated the Assets, Liabilities and Contracts that were acquired from IATM during Q4 2018.

At the same time, the cost of services rendered rose by 27.6% for this past quarter, mainly in the Mandatory Healthcare sub-segment given higher levels of required medication, surgical procedures, diagnostic aids and high-cost disease treatments. There was also an increase in the disability claims rate, given the lower tariffs introduced by the Colombian Ministry of Health as of January 2019.

With IFRS 16 coming into full force and effect at the beginning of this year, there has been a change in how the Company's leases are recognized, which has had greater effect on the Healthcare segment given the amount of leased property required in order to provide the corresponding services. This change occurred mainly with recognizing depreciation on Right of Use Assets, which entailed an increase of 227.9% in depreciation and amortization expense.

Revenues and costs of services rendered

		sep-19	sep-18	% Var	Q3-2019	Q3-2018	% Var
EPS	Revenues from services rendered	2,607,229	2,090,987	24.7%	927,658	722,402	28.41%
	Cost of services rendered	2,484,801	1,919,792	29.4%	869,646	671,282	29.55%
	% Cost / Revenues	95.3%	91.8%		93.7%	92.9%	
IPS	Revenues from services rendered	459,032	391,690	17.2%	158,378	136,327	16.17%
	Cost of services rendered	322,977	274,322	17.7%	113,470	95,453	18.87%
	% Cost / Revenues	70.4%	70.0%		71.6%	70.0%	
Dinámica	Revenues from services rendered	261,461	198,607	31.6%	94,966	71,628	32.58%
	Cost of services rendered	165,990	139,419	19.1%	58,373	49,665	17.53%
	% Cost / Revenues	63.5%	70.2%		61.5%	69.3%	
Total	Revenues from services rendered	3,327,721	2,681,284	24.1%	1,181,001	930,357	26.94%
	Cost of services rendered	2,973,767	2,333,533	27.4%	1,041,489	816,400	27.57%
	% Cost / Revenues	89.4%	87.0%		88.2%	87.7%	

Holding Segment

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

Holding Segment (Figures in COP million)	From January 1 st to September 30 th			From July 1 st to September 30 th		
	Sep-19	Sep-18	%Var	Q3-2019	Q3-2018	%Var
Other operating income/expense	4,987	12,522	-60.2%	(1,366)	3,821	
Technical result	4,987	12,522	-60.2%	(1,366)	3,821	
Fees	(7,680)	(9,268)	-17.1%	(3,300)	(4,038)	-18.3%
Administrative expense	(61,720)	(58,925)	4.7%	(25,444)	(22,784)	11.7%
Amortization and depreciation	(2,302)	(590)	289.9%	(782)	(203)	285.3%
Impairment	(17)	(20)	-13.7%	(7)	(9)	-19.4%
Underwriting profit	(66,733)	(56,282)	18.6%	(30,899)	(23,213)	33.1%
Dividends	(1,501)	(3,243)	-53.7%	(1,502)	(0)	
Investment income	6,564	7,135	-8.0%	3,988	1,101	262.1%
Interest	(57,880)	(56,914)	1.7%	(20,230)	(18,717)	8.1%
Other non-operating income / expense	45,690	(19,706)		47,672	(7,067)	
Earnings (losses) before tax	(73,860)	(129,009)	-42.7%	(971)	(47,896)	-98.0%
Income tax	(25,226)	(35,449)	-28.8%	(11,125)	(3,709)	199.9%
Earnings (losses), net	(99,086)	(164,458)	-39.8%	(12,095)	(51,605)	-76.6%

The most representative accounts in the Holding segment are corporate office expense, interest on the bonds issued by Suramericana S.A. as well as taxes. Fees and Administrative Expense as a whole, posted a growth of 7.2% for this past quarter, relating to the amount of non-recurring income due on the amount of Industry and Commerce tax refunded in Q3 2018 as well as technology expenses accruing on regional process control systems. Higher interest payments for this past quarter compared to the same period last year was due to higher inflation prevailing in Colombia so far this year which had a consequent effect on the CPI-indexed coupons for the bonds issued by Suramericana.

The sale of the shares held in Palic Salud in the Dominican Republic was completed this past quarter, and the proceeds from this divestiture is shown in the non-operating income account. Additionally, this account shows income corresponding to the effect of fluctuating exchange rates on Suramericana S.A.'s net asset position coupled with the higher appraised value of our PLC subsidiary in Argentina.

Finally, the tax provision increased during this past quarter due to having sold off the Company, Palic Salud, and having set up a deferred tax provision based on the business expectations held.

3. SURA Asset Management

Estado de Resultados Integrales Consolidado	SEP 19	SEP 18	%Var Ex - Fx	3T-2019	3T-2018	%Var Ex - Fx
Fee and commission income	1,695,014	1,542,028	2.4%	577,294	519,895	2.2%
Income from legal reserves	318,711	62,923	377.9%	105,199	44,328	122.0%
Income (expense) via equity method	174,164	92,877	86.7%	56,271	32,087	73.8%
Other operating income	53,912	11,681	330.9%	10,990	833	880.2%
Operating Revenues - Pension & Fund Mgmt	2,241,800	1,709,509	22.6%	749,754	597,144	16.2%
Total insurance margin	169,788	104,007	55.6%	114,731	40,828	164.7%
Operating expense	(1,291,732)	(1,120,601)	8.3%	(457,497)	(384,671)	10.4%
Operating earnings	1,119,855	692,915	50.4%	406,988	253,301	48.8%
Financial income (expense)	(135,734)	(82,440)	66.6%	(32,421)	(25,793)	59.2%
Income (expense) - derivatives and exch. difference	27,027	26,701	-1.9%	12,605	2,350	341.8%
Earnings (losses) before tax	1,011,148	637,175	46.4%	387,173	229,859	51.3%
Income tax	(334,052)	(192,765)	60.1%	(137,188)	(57,915)	115.7%
Net income from continuing operations	677,096	444,410	40.4%	249,985	171,943	29.9%
Net income from discontinued operations	(91,425)	34,877	-353.7%	1,419	16,314	-91.4%
Net income (losses)	585,671	479,288	13.0%	251,404	188,257	20.0%
Net Income adjusted for non-cash expenses	SEP 19	SEP 18	%Var	3T2019	3T-2018	%Var
Net income (losses)	585,671	479,288	13.0%	251,404	188,257	20.0%
Amortization of intangibles	+70,878	+74,451	-4.8%	+23,862	+23,777	0.4%
Other amortization and depreciation	+66,709	+33,716	97.9%	+23,115	+8,173	182.9%
Discontinued operations	(91,425)	34,877	-353.7%	1,419	16,314	-91.4%
Net income adjusted for non-cash expenses	814,682	552,579	47.4%	296,962	203,892	45.6%

SURA Asset Management's operating earnings posted an important growth of 50.4% at the end of Q3 2019, driven mainly by the good levels of performance of its mandatory pension business which recorded an operating growth of 34.1%. The various income-generating drivers of the mandatory pension business all performed well, with the wage base increasing by 4.7%, and the volume of AUM held in Mexico rising as much as 11.8%. One of SURA Asset Management's strategic focal points is the sustainability of its mandatory pension business, and here we are working to bring down the average membership age as well as obtain greater operating efficiencies. The former is being secured by a new tender awarded in Peru as well as a new on-line channel and programs developed with our younger clients in mind.

SURA Asset Management continues to consolidate its leadership in the Latin American pension industry, where we hold a 22.7% share, and is gaining greater prominence in the savings and investment industry given its constantly growing market share. SURA Asset Management posted Assets under Management worth COP 491 trillion, representing a growth of 11.8% compared to the same period last year, while its client base reached 20.2 million, showing a growth of 2.3%. These increases in our AUM and client base amply shows SURA Asset Management's ability to deliver a powerful value-added offer to our clients, who are and shall always remain at the heart of the Company's strategic focus.

The strong performance of its mandatory pension business is allowing SURA Asset Management to continue driving the lines of business handled by SURA Investment Management (SURA IM) as well those of its Savings & Investment segment. SURA IM, which was set up only recently and therefore still at an early stage of its development, has made considerable progress with obtaining new AUM that is allowing the Unit to gain the necessary scale so as to ensure the profitability of its operations. The Savings and Investment business is complementing Sura Asset Management's value-added offer and is allowing us greater exposure to the Latin American savings industry, which is currently showing great potential given the growth of its middle class and the currently low penetration levels of the region's savings market. The volume of AUM corresponding to our Savings and Investment business rose by 23.3% at the end of Q3 2019.

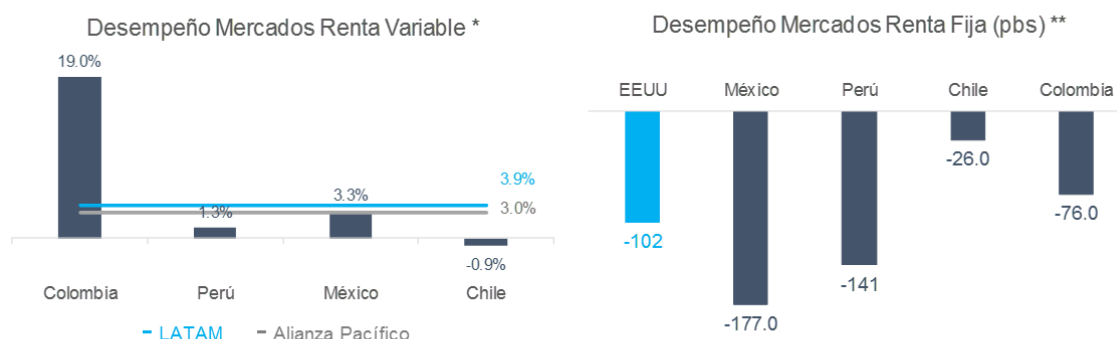
SURA Asset Management has a substantial ability for generating cash-based net income. Its net income duly adjusted for non-cash expense came to COP 814,682 million at the end of Q3 2019, which was 47.4% higher than

for the same period last year. SURA Asset Management's net income at the end of Q3 2019 contains the following items that do not constitute cash; 1) amortized intangible assets worth COP 70,878 million; 2) other amortizations amounting to COP 66,709 million; and 3) the accounting effects of the divested Annuity business in Chile for another COP 91,425 million.

SURA Asset Management's operating revenues amounted to COP 2.2 trillion at the end of Q3 2019, showing an increase of 22.6% compared to Q3 2018. Fee and commission income rose by just 2.4% having been squeezed by regulatory cuts to the fees and commissions charged on the mandatory pension business in Mexico, Peru and Uruguay, thereby affecting the full carry-over of higher wage bases and increased AUM. Fee and commission income corresponding to the voluntary pension segment, which combines the SURA IM and the Savings and Investment lines of business, rose by 7.5% on the back of the higher revenues obtained in Q3 2019, this in turn due to higher returns on investments obtained throughout the year as well as good levels of investment management.

The investments managed by SURA Asset Management have also shown an outstanding performance during the course of the year, as a result of the generalized gains obtained on the financial markets and successful levels of performance on the part of the Company's investment staff. SURA Asset Management's ability to provide higher returns is supported by a team of top-tier portfolio managers, a rigorous investment decision-making process and powerful data analysis systems. In Chile, Mexico and Uruguay the Company has generated alpha with its own pension funds over the last 12 months, while SURA IM has managed to generate alpha with 77% of the entire portfolios it handles. These good levels of investment performance account for a 378% growth in revenues from the Company's legal reserves at the end of Q3 2019. Revenues obtained via the equity method, which include those of AFP Protección in the overall consolidation, rose by 86.7%, these also being driven by positive levels of investment performance.

Desempeño Mercados Renta Variable & Renta Fija 3T19



* Índices de referencia: Colombia Colcap – Perú SPBLPGPT – México Mexbol – Chile IPSA – LATAM MXLA – Alianza Pacifico M1LAPAC.

** Índices de referencia bonos soberanos 10 años

The financial markets have performed well so far this year, which has come as a stark contrast with the poor performance recorded for the same period last year. The reason behind this recovery has to do with the more expansive monetary policies being deployed by the world's leading central banks, this with a view to incentivizing economic growth. The lack of any solution to the trade dispute between the US and China, the probability of the United Kingdom pulling out of the European Union without any formal agreement have slowed global economic growth and affected investment levels, given the amount of uncertainty all this has produced. In September, the FED introduced a rate cut of 0.25%, for the second time this year, this after an 11-year pause subsequent to the 2008 financial crisis. It also announced that it would be resuming its treasury purchases. On the other hand, the European Central Bank reduced its deposit rate by 10 bp to a more negative -0.50%, and announced that it would be recommencing its debt-purchasing program.

Operating expense rose by 8.3% at the end of Q3 2019, although recurring expenditure is rising in line with inflation. Operating expense is being driven up by project investment, the conformation of the SURA IM team of staff as well as all those items, that due to regulatory considerations, have risen to levels above inflation, for example, those that depend on the growth of AUM or changes to the minimum wage. Selling expense in the case

of Mexico has been affected by increased competition, which has forced us to increase our sales staff so as to be able to defend our market share. Nevertheless, this level of business activity should go back to normal in the mid-term. In Chile, improved levels of performance have entailed higher fee and commission payments to our sales staff in this part of the world.

The projects in which the SURA Asset Management has been investing focus mainly on securing greater operating efficiencies, enhancing our customer service levels and improving our overall investment processes. The setting up of a new on-line channel in Chile has provided good results so far, having produced 10% savings in selling expense since the project began back in 2017. 25% of the sales corresponding to our mandatory pension business in Chile is carried out through our on-line channel, where the average age of new members is 10 years lower than the age of members recruited through the traditional channels. Peru is also developing its own on-line channel, which already accounts for 8.5% of new membership. Customer service levels are improving with the consequent higher levels of customer satisfaction. Efforts to migrate our services on-line have already had a positive effect on our performance indicators, including a 60% reduction in the time it takes to process and receive a pension in the case of AFP Proteccion, as well as the time it takes to open an investment fund in Peru which went from 3 days to just 3 hours. Advanced analytics tools are allowing us to predict and handle exit rates, thereby producing a fourfold lower probability of “at-risk” clients migrating to other pension fund management firms.

SURA Asset Management's operating earnings came to COP 1.1 trillion at the end of Q3 2019, for an increase of 50.4% compared to the same period last year, this mainly due to higher returns on investment. Operating earnings duly adjusted for legal reserves rose by 5.2% on the back of valuation gains obtained from having restructured the financial instruments pertaining to the investment portfolio of our annuity business in Mexico.

EBITDA came to COP 1.3 trillion at the end of Q3 2019, representing a year-on-year increase of 52.8%. This growth was driven by higher returns obtained from the Company's legal reserves. Upon excluding the legal reserve portions, EBITDA shows an increase of 35.1%, thanks to a good level of performance with the revenues obtained via the equity method from Proteccion as well as the valuation gains from financial instruments.

EBITDA (COP million)	SEP-19	SEP-18	%Var	%Var Ex - Fx	Q3-2019	Q3-2018	%Var	% Var Ex - Fx
Chile	485,873	246,367	97.2%	91.5%	159,185	72,637	119.2%	105.5%
México	499,249	325,589	53.3%	38.2%	227,662	114,185	99.4%	82.5%
Perú	227,520	183,827	23.8%	12.5%	60,708	65,047	-6.7%	-17.1%
Uruguay	26,493	32,873	-19.4%	-17.7%	5,910	9,242	-36.0%	-36.4%
Protección	155,305	78,066	98.9%	98.9%	49,897	27,017	84.7%	84.7%
Corporativo y Otros	-80,750	-67,589	19.5%	19.4%	-28,167	-22,950	22.7%	22.6%
Total	1,313,690	799,133	64.4%	52.8%	475,196	265,177	79.2%	65.2%
Encaje	318,711	62,923	406.5%	377.9%	105,199	44,328	137.3%	122.0%
Ebitda sin encaje	994,979	736,210	35.1%	25.5%	369,996	220,848	67.5%	54.0%

Financial expense totaled COP 135,734 million, which represented an increase of 66.6% compared to the YTD figure posted at the end of the same period last year. This was mainly due to lower levels of debt recorded during the first half of 2018 given the amount of prepayments made taking advantage of transitory liquidity surpluses, hedges corresponding to the bonds maturing in 2024 being posted (as of Q3 2018) as well as those maturing in 2027 (these now being posted in the financial expense account as of this year, whereas before they had been posted in the derivative expense account), all this combined with the effect of the new IFRS 16 coming into full force and effect since the beginning of this year. SURA Asset Management's structural leverage levels have not changed compared to last year.

Taxes amounted to COP 334,052 million at the end of Q3 2019, for a growth of 60.1% compared to last year, given higher returns obtained from the Company's legal reserves. Discontinued operations represented a loss of COP 91,425 million as a result of residual effects left over from the divestiture of the annuity business in Chile, which were not fully recorded in 2018. This loss of COP 92,844 million is only shown on SURA Asset Management's Separate Financial Statement, and not on the Financial Statements of its parent Grupo SURA, since the latter does not record the exchange rate effect since its accounting currency is not the US dollar.

Consolidated net income came to COP 585,671 million at the end of Q3 2019, representing a growth of 13.0% compared to last year, in spite of the unfavorable non-cash effect of COP 91,425 million in discontinued operations.

Net income from continuing operations rose by 40.4%. The segment that contributed most to this increase in net income was the mandatory pension business, which accounted for 33.9% of this figure. The voluntary segment presented a loss of COP 20,472 million, this due the amount being invested in building up our capabilities so as to be able to fully deploy our strategy and capture the opportunities that arise. The Insurance and Annuities segment showed an increase of 260.3% thanks to having restructured the financial instruments held in Mexico as well as the favorable effect of having reallocated the accounting loss produced on the sale of the annuity business in Chile, which had initially been recorded in this segment but is now shown in the Others segment. The Others segment showed a loss of COP 489,864 million, given the aforementioned accounting loss produced on the divestiture of the annuities business.

Results by segment

	SEP 19	SEP 18	%Var Ex - Fx	Q3-2019	Q3-2018	%Var Ex - Fx
Consolidated Net Income	585,671	479,288	13.0%	251,404	188,257	20.0%
Mandatory Pension	926,696	651,418	33.9%	301,913	229,392	22.5%
Voluntary Savings	(20,472)	(17,292)	11.7%	(4,981)	(41)	2007.1%
Annuities	169,311	44,524	260.3%	56,850	17,996	199.0%
Fx Impact	12,941	19,150	-34.7%	7,244	279	1126.5%
Corporate Expenses	(187,654)	(160,847)	12.5%	(72,336)	(56,517)	22.7%
Financial Expenses	(137,232)	(92,511)	49.2%	(36,684)	(28,819)	55.2%
Other	(177,918)	34,846	-590.0%	(602)	25,966	-102.3%

ROE / ROTE

SURA Asset Management recorded an adjusted ROE of 8.5% at the end of Q3 2019, thanks to higher revenues obtained over the last few quarters from the Company's legal reserves. This adjusted ROE figure does not take into account the results of discontinued operations. The adjusted ROTE figure, which is calculated on tangible equity, came to 30.5% at the end of Q3 2019, showing a growth of 340 bp compared to the same period last year.

	3T19	2T19	1T19	4T18	3T18
ROE Ajustado	8.5%	7.9%	7.5%	6.4%	7.3%
ROTE Ajustado	30.5%	29.0%	27.8%	23.6%	27.1%

Assets under Management (AUM)

AUM	SEP-19	SEP-18	%Var	%Var Ex - Fx
Chile	155,928,764	125,712,302	24.0%	17.9%
Mexico	102,060,574	82,200,889	24.2%	12.5%
Perú	70,187,277	58,289,194	20.4%	5.5%
Uruguay	9,975,777	8,582,041	16.2%	10.7%
AFP Protección	112,185,673	97,926,146	14.6%	14.6%
El Salvador	19,100,282	15,068,979	26.8%	8.3%
Investment Management Unit	35,355,686	33,398,438	5.9%	-2.5%
*Duplicated AUM	-13,725,739	-10,338,867	32.8%	23.3%
Total	491,068,293	410,839,121	19.5%	11.8%

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

Clients (in million)	SEP-19	SEP-18	%Var
Chile	1.8	1.8	0.0%
México	7.7	7.7	-0.4%
Perú	2.2	2.0	7.7%
Uruguay	0.3	0.3	1.4%
AFP Protección	6.6	6.2	5.7%
El Salvador	1.7	1.7	4.2%
Total	20.2	19.8	2.3%

Mandatory Pension Business

Statement of Comprehensive Income

	SEP 19	SEP 18	%Var Ex - Fx	Q3-2019	Q3-2018	%Var Ex - Fx
Fee and commission income	1,492,307	1,370,139	1.3%	504,779	462,696	0.3%
Revenues from AUM	684,007	652,777	4.8%	238,042	225,354	5.6%
Revenues generated on wage base	808,300	717,362	-1.5%	266,737	237,342	-4.1%
Income from legal reserve	312,763	61,999	375.8%	102,987	43,541	121.1%
Income (expense) via equity method	156,225	80,323	93.5%	49,940	27,833	77.6%
Other operating income	7,695	3,342	111.4%	(2,195)	1,165	-277.4%
Operating Revenues - Pension & Fund Mgmt	1,968,989	1,515,804	21.3%	655,510	535,236	13.2%
Operating expense	(755,232)	(667,344)	5.2%	(263,358)	(235,166)	3.0%
Operating earnings	1,213,758	848,460	34.1%	392,152	300,070	21.3%
Financial income (expense)	3,868	10,193	-63.9%	5,016	3,062	50.8%
Income (expense) - derivatives and exch. difference	12,380	6,528	85.7%	4,136	1,996	90.0%
Earnings (losses) before tax	1,230,005	865,182	33.4%	401,305	305,128	22.1%
Income tax	(303,309)	(213,764)	31.9%	(99,392)	(75,736)	20.9%
Net income (losses)	926,696	651,418	33.9%	301,913	229,392	22.5%

Operating revenues corresponding to the mandatory pension business rose by 21.3% thanks to the stable levels of growth obtained with revenue generators as well as good levels of investment performance. Fee and commission income rose by 1.3% at the end of Q3 2019, driven by higher wage bases and AUM but nonetheless offset by regulatory cuts to the fees and commissions charged in Peru, Uruguay and Mexico. Revenues from AUM (Mexico and part of Peru) rose by 4.8%, driven by good levels of AUM performance in Mexico as well as the effect of a tender awarded in Peru. Revenues corresponding to the wage base (Chile, part of Peru and Uruguay) fell by 1.5%, this due to lower fee and commission charges in Peru and Uruguay.

On a consolidated level, the wage base rose by 4.7%, especially in Chile where a growth of 5.0% was recorded, this being the highest the country has seen over the last 5 years. This upturn has been due to an improved sales performance which in turn has been furthered by our on-line channel, which has allowed net fund flows to increase 5.5 times the figure obtained for the same period last year. In Colombia, the wage base rose by 5.7%, thereby exceeding inflation, while in Uruguay growth was below inflation because of the effect of the so-called "Over 50s", an age group who have long been paying into the pension system and who have now been given the chance, expiring next year, to migrate to the public pension system. On the other hand, the AUM held in Mexico rose by 11.8%, two thirds of which is due to higher returns and the other third to higher pension contributions.

Salary Base

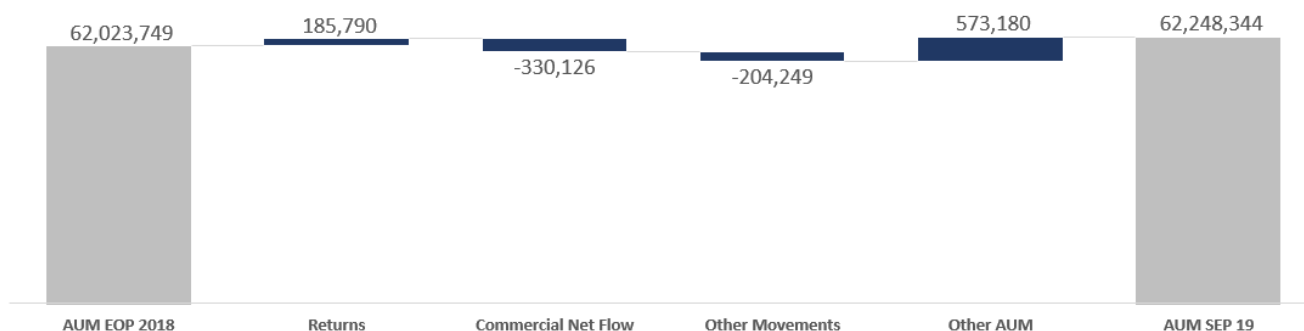
	SEP-19	SEP-18	%Var	%Var Ex - Fx
Chile	34,122,090	31,554,455	8.1%	5.0%
Perú	22,109,717	19,490,253	13.4%	3.1%
Uruguay	3,330,968	3,239,865	2.8%	5.0%
Protección	31,503,300	29,813,309	5.7%	5.7%
Consolidated	98,479,698	90,489,942	8.8%	4.7%

Among the various efforts aimed at ensuring greater sustainability for our mandatory pension business, winning the tender held in Peru was probably the most notable, since here SURA Asset Management secured the right to affiliate all new employees entering the workforce and who wish to pay into a private pension system. Winning this bid shall have a positive impact on the sustainability of our pension business, with more than 800 thousand new members expected to sign up over the next two years and the added advantage of being able to lower the average age of our membership base. The results of this tender in the first four months of entering into full force and effect have exceeded expectations, since we have now signed up 140,849 new members, for an average of 35,212 per month, which is well above the monthly target of 33,000 new affiliations.

AUM Mandatory Pension Business Mexico (in COP million)

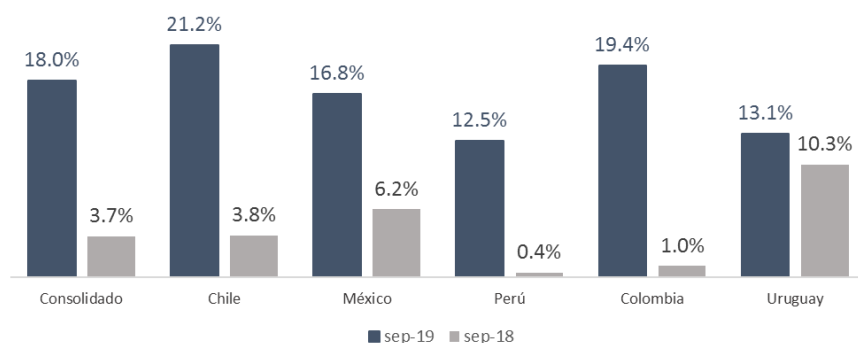


AUM Mandatory Pension Business Perú (in COP million)



Returns on investments have shown outstanding levels of performance throughout the year, thanks to widespread gains obtained on the financial markets and the ability of SURA Asset Management's investment staff to generate alpha. The Company has generated alpha in Chile, Mexico and Uruguay. Out of a total of 10 players in the Mexican pension industry SURA Asset Management is ranked in second place in terms of the level of returns obtained. AFORE Sura was recognized by Morningstar as the best Mexican pension fund management firm in terms of asset management, having evaluated the ability of said firms to generate long-term risk-adjusted returns. Out of a total of 6 pension fund management firms in Chile and 4 in Uruguay, our subsidiaries in these parts of the world came in second place in terms of rates of return. However, SURA Asset Management has not yet gained the same status in Colombia and Peru and consequently we are making the required adjustments so as to be able to make the grade with these rankings. Income from the Company's legal reserves came to COP 312,763 million at the end of Q3 2019, which was 3.7 times higher than that obtained the same period last year. Yields corresponding to the mandatory pension business (annualized legal reserve revenues divided by the legal reserve opening balance) stood at 18.0% at the end of Q3 2019, which was substantially higher than the 3.7% posted for Q3 2018.

Yield – Mandatory Pension Portfolio (Annual)



The mandatory pension business has obtained outstanding returns with all countries achieving ROEs that are higher than the opportunity cost of equity in Q3 2019. The efforts that SURA Asset Management is making in business sustainability, by bringing down the average membership age and securing greater operating efficiencies, are essential to maintaining these levels of profitability, since these are effectively mitigating the impacts of lower fees and commissions. The average membership age is being lowered, mainly, with the tender that was won in Peru and the implementation of the on-line channel in Chile. Efforts to enhance operating efficiencies are helping to keep operating expense under control, at levels close to inflation. Peru is a fine example of all of this since the recently awarded tender coupled with lower fees and commissions has built up a culture of efficiency that in turn is reflected in a zero change in administrative expenditure.

ROEs - Mandatory Pension Operations

ROE AFPs	3T19	2T19	1T19	4T18	3T18
ROE Chile	15.9%	14.2%	12.0%	10.4%	10.4%
ROE México	20.9%	20.9%	20.1%	19.3%	21.7%
ROE Perú	15.8%	17.3%	16.9%	15.4%	17.0%
ROE Colombia	20.0%	20.3%	20.8%	14.5%	19.7%
ROE Uruguay	42.2%	48.0%	52.9%	52.5%	52.4%

Net Income	SEP 19	SEP 18	%Var	%Var Ex	Q3-2019	Q3-2018	%Var	%Var Ex - Fx
Chile	285,594	236,024	21.0%	17.5%	164,458	77,454	112.3%	100.2%
México	303,402	201,082	50.9%	36.0%	143,763	73,338	96.0%	79.3%
Perú	129,904	105,703	22.9%	11.7%	34,380	40,220	-14.5%	-24.3%
Uruguay	13,497	25,919	-47.9%	-46.8%	2,806	10,304	-72.8%	-72.5%
MP Protección y Crecer	155,305	78,066	98.9%	98.9%	49,897	27,017	84.7%	84.7%
Total	585,671	479,288	22.2%	13.0%	251,404	188,257	33.5%	20.0%

Voluntary Business (Savings and Investments + Investment Management Unit)

	SEP 19	SEP 18	%Var Ex - Fx	Q3-2019	Q3-2018	%Var Ex - Fx
Fee and commission income	196,506	171,889	7.5%	70,440	57,635	13.6%
Income from legal reserve	5,948	924	525.2%	2,213	787	170.9%
Income (expense) via equity method	17,939	12,085	48.4%	6,331	4,296	47.4%
Other operating income	7,991	5,283	42.7%	(4,814)	885	-582.7%
Operating Revenues - Pension & Fund Mgmt	228,385	190,181	13.4%	74,170	63,604	8.9%
Total insurance margin	47,323	45,973	0.0%	15,345	16,227	-11.2%
Operating expense	(293,890)	(247,624)	12.7%	(96,140)	(80,117)	12.0%
Operating earnings	(18,182)	(11,470)	50.5%	(6,625)	(286)	1199.7%
Financial income (expense)	(2,252)	82	N/A	(721)	10	N/A
Income (expense) - derivatives and exch. difference	382	967	-62.2%	1,140	444	148.3%
Earnings (losses) before tax	(20,051)	(10,420)	81.7%	(6,206)	169	N/A
Income tax	(420)	(6,912)	-94.3%	1,225	(179)	N/A
Net income from continuing operations	(20,472)	(17,332)	11.4%	(4,981)	(10)	2374.2%
Net income from discontinued operations	-	41	N/A	-	(31)	N/A
Net income (losses)	(20,472)	(17,292)	11.7%	(4,981)	(41)	2007.1%

Sura IM continues to increase the volume of AUM held which shall allow it to reach, in the mid-term, the necessary scale on a regional level to maximize the operation's profitability, while at the same time building up its capabilities in terms of distribution channels and support systems so as to be able to fully deploy its strategy, namely structuring investment funds for SURA Asset Management's Savings and Investment distribution channel, further establishing itself with regard to handling insurance mandates and portfolios belonging to Latin American institutional investors and managing the Latin American exposure on the part of important investors outside the region. SURA IM expects to double its AUM in just 5 years, by maintaining its competitiveness in traditional asset management and increasing the proportion of alternative funds that make up the value-added offering it provides its clients.

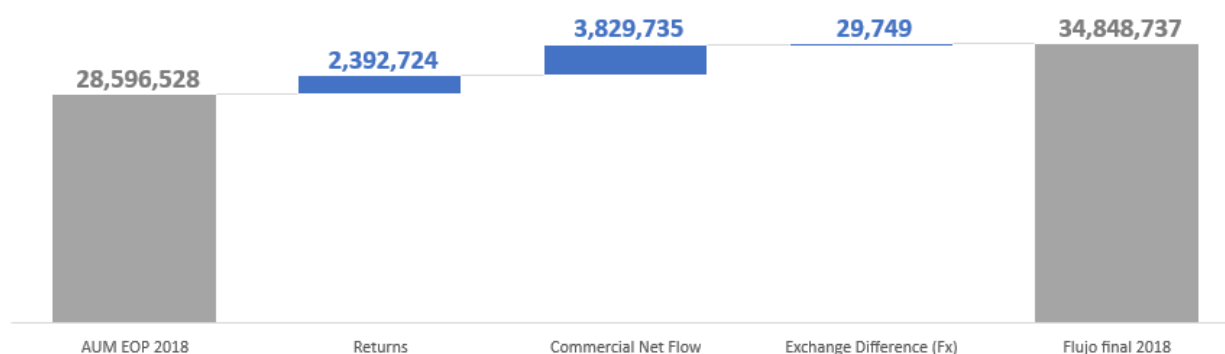
The Savings and Investment business complements Sura Asset Management's value-added offering while benefiting from the Company's entire ecosystem, thus allowing it to capture AUM that much more efficiently. Out of the entire Savings and Investment business, the line of voluntary pensions is especially important since this product has the power to positively impact the pensions belonging to SURA Asset Management's clients. The Savings and Investment business is focused on remaining close to our clients so as to be able to understand their needs and offer appropriate solutions so as to enable them to meet their financial objectives. Our on-line tools are helping us to achieve this closeness in a cost-efficient.

AUM Voluntary Business

AUM (COP million)	SEP-19	SEP-18	%Var	%Var Ex - Fx
Chile	15,541,902	11,935,895	30.2%	23.8%
México	4,166,435	2,858,900	45.7%	32.0%
Perú	5,326,649	3,739,256	42.5%	24.8%
Uruguay	660,563	449,701	46.9%	39.9%
Protección	9,153,188	7,832,365	16.9%	16.9%
Duplicated	-13,725,739	-10,338,867	32.8%	23.3%
Investment Management Unit	35,355,686	33,398,438	5.9%	-2.5%
Total	56,478,683	49,875,689	13.2%	5.8%

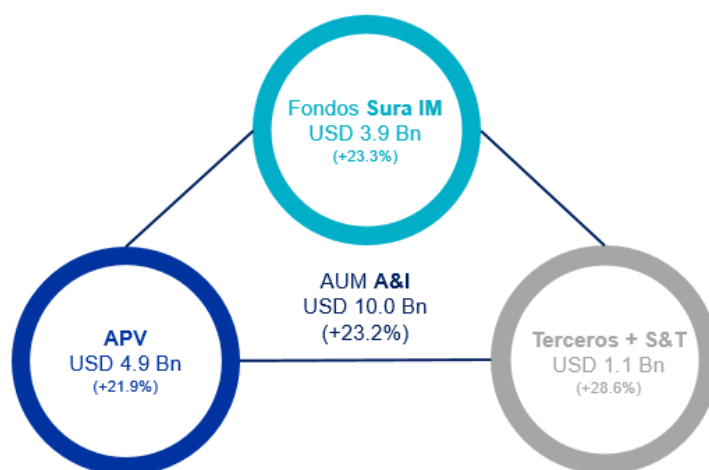
* AUM corresponding to the Savings & Investment segment are reported on an individual country level. The Savings & Investment lines of business together with those of the Investment Management Unit report their AUM in a consolidated fashion in all those countries where the aforementioned Unit is present.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

Savings and Investments AUM (COP million)



AUM belonging to the voluntary savings segment came to COP 56.5 trillion at the end of Q3 2019, for a growth of 5.8% compared to the same period last year, while the number of clients rose by 11.7%. The AUM corresponding to the Savings and Investment segment rose by 23.3%, mainly driven by outstanding marketing performance, which accounts for 59% of this growth, along with outstanding returns on investments. All segments of the Savings and Investment segment (Sura IM Funds, APV and Third-Party Funds) showed significant growths in terms of AUM at the end of Q3 2019. Sales activity has reached an all-time high this year having recorded COP 3.8 trillion in net fund flows. Sura IM funds marketed by the Savings and Investment segment grew by 23.3%, with Third Party Funds rising by 28.6%, while AUM belonging to the Voluntary Pension business were up by 21.9%.

Savings and Investments' AUM by Channel



Fondos Sura IM: Fondos estructurados por Sura IM

APV: Pensiones Voluntarias

Terceros + S&T: Fondos de Terceros + Sales & Trading

Sura IM's AUM dropped by 2.5% at the end of Q3 2019, given the divestiture of the annuity business in Chile, which was incorporated into this business' budget. Upon normalizing the effect of this divestiture, the AUM held by Sura IM rose by 15.1% compared to the same period last year. This growth was mainly driven by the Savings and Investment segment's retail distribution channel. The AUM corresponding to insurance mandates also performed well for a 5.8% growth (after normalizing the effect of divesting the annuity business in Chile) at the end of Q3 2019, thanks to the amount of new mandates obtained in Peru, Chile and Argentina. So far this year, Sura IM has launched 25 funds, half of which correspond to alternative products offering greater added value to SURA Asset Management clients.

Consolidated Statement of Financial Position

	SEP 19	DIC 18	Var%
Total Activo	22,771,438	23,576,772	-3.4%
<i>Goodwill</i>	<i>4,366,297</i>	<i>3,848,178</i>	<i>13.5%</i>
<i>Encaje</i>	<i>2,316,692</i>	<i>2,323,177</i>	<i>-0.3%</i>
Total Pasivo	12,934,786	15,193,648	-14.9%
<i>Obligaciones Financieras</i>	<i>3,444,793</i>	<i>3,163,506</i>	<i>8.9%</i>
Total Patrimonio	9,836,652	8,383,124	17.3%

Cifras en millones de pesos colombianos

4. Appendix

Separate Financial Statements – Grupo SURA

Grupo de Inversiones Suramericana S.A

January 1st to September 30th

	sep-19	sep-18	Var%
Dividends	435,403	406,031	7.2%
Income from investments	467	924	-49.5%
Loss at fair value, net	(21)	6,671	-100.3%
Revenues via equity method, net	809,468	692,749	16.8%
Income from sale of investments, net	0	364	-100.0%
Other income	373	20	1765.0%
Operating Revenues	1,245,690	1,106,759	12.6%
Administrative expenses	(23,328)	(25,482)	-8.5%
Employee benefits	(17,543)	(15,854)	10.7%
Fee	(7,177)	(5,774)	24.3%
Depreciations	(1,688)	(974)	73.3%
Operating Expenses	(49,736)	(48,084)	3.4%
Operating earnings	1,195,954	1,058,675	13.0%
Hedging derivatives loss at fair value, net	79,042	(52,285)	-251.2%
Exchange differences, net	(127,965)	(34,501)	270.9%
Interest expense	(254,458)	(216,224)	17.7%
Financial result	(303,381)	(303,010)	0.1%
Profit before tax	892,573	755,665	18.1%
Income tax	6,514	(15,353)	-142.4%
Net profit	899,087	740,312	21.4%

	sep-19	dic-18	Var%
Assets	30,026,495	28,773,968	4.4%
Liabilities	5,961,195	5,698,577	4.6%
Equity	24,065,300	23,075,391	4.3%

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

- **Dividends** increased 21.4% explained by the increase in dividends decreed by Bancolombia, Grupo Nutresa and Grupo Argos
- **Revenues via equity method:** grows 16.8% explained by the increase in the net profit SURA AM which offset the lower net profit posted by Suramericana.
- **Hedging derivatives loss at fair value + Exchange difference:** posted a positive variation of COP 131,327 million driven by the valuation of hedging derivatives
- **Interest expenses:** increased by 17.7% mainly due to accounting effects related to Grupo SURA's merger with totally owned subsidiaries and due to the adoption of IFRS 16.

Suramericana Appendix

Consolidated Statement of Financial Position

Suramericana S.A.

September 30th, 2019 and December 31st, 2018

(Figures in COP million)

	sep-19	dec-18	%Var
Cash and cash equivalents	1,524,297	1,289,193	18.2%
Investments	13,034,180	12,563,733	3.7%
Accounts receivable	5,616,392	5,998,734	-6.4%
Insurance reserves - reinsurers	3,703,716	3,538,992	4.7%
Current tax	214,142	169,456	26.4%
Deferred tax	132,795	79,727	66.6%
Other assets	131,218	107,913	21.6%
Right of Use Assets	381,451	-	
Investment properties	11,382	5,461	108.4%
Property, plant and equipment	1,006,015	964,149	4.3%
Goodwill	590,028	581,096	1.5%
Identified intangible assets	464,632	472,172	-1.6%
Investments in associates	6,853	38,271	-82.1%
Total assets	27,588,520	26,636,804	3.6%
Financial liabilities	403,477	360,740	11.8%
Financial leasing liabilities	392,557	-	
Technical reserves	16,471,992	15,894,415	3.6%
Provisions for employee benefits	410,303	361,873	13.4%
Other provisions	194,355	209,759	-7.3%
Accounts payable	2,666,533	2,798,279	-4.7%
Current tax	328,538	418,428	-21.5%
Issued securities	996,162	994,503	0.2%
Other non-financial liabilities	502,562	526,497	-4.5%
Deferred tax	232,711	256,632	-9.3%
Total liabilities	22,599,190	21,821,127	3.6%
Total equity	4,989,330	4,815,677	3.6%
Total equity and liabilities	27,588,520	26,636,803	3.6%

Separate Financial Statements

Suramericana S.A (Separate) Main Figures	July 1 st to September 30 th			January 1 st to September 30 th		
	Q3-2019	Q3-2018	%Var	sep-19	sep-18	%Var
Dividends	-	-		9,329	-	
Earnings from subsidiaries via equity method	138,573	184,491	-24.9%	398,047	557,312	-28.6%
Interest	1,384	525	163.6%	3,018	980	208.0%
Gains at fair value	9,054	(3,929)		9,489	(10,810)	
Gains from sales of assets held for sale	46,364	54		46,526	448	
Other income	195,375	181,141	7.9%	466,409	547,930	-14.9%
Exchange difference (net)	(13,472)	(6,524)	106.5%	(29,315)	(22,905)	28.0%
Total income	(11,778)	(16,260)	-27.6%	(31,820)	(35,986)	-11.6%
Administrative expense	(3,208)	(3,988)	-19.6%	(7,536)	(9,138)	-17.5%
Employee benefits	(947)	(203)	366.5%	(2,775)	(590)	370.3%
Fees	-	-		21	-	
Depreciation	(19,599)	(18,111)	8.2%	(56,137)	(55,119)	1.8%
Earnings from sales of investments	-	-		(2)	(3)	
Interest	(49,004)	(45,086)	8.7%	(127,564)	(123,741)	3.1%
Other expense	146,371	136,055	7.6%	338,845	424,189	-20.1%
Total expense	(11,238)	(3,755)	199.3%	(25,534)	(30,880)	-17.3%
Earnings (losses) before tax	135,133	132,300	2.1%	313,311	393,309	-20.3%

Suramericana S.A (Separate)

	sep-19
Total assets	6,116,754
Total liabilities	1,114,897
Total equity	5,001,857