

# **Grupo SURA** **Corporate Presentation**

Q4-2019

# Disclaimer

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

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

Figures from income statement are converted to USD with an exchange rate of 3,281.1 COP/USD (average exchange rate for 2019), other financial figures are converted to USD with an exchange rate of 3,277.1 COP/USD (rate for end of period Q4-2019) only for re-expression purposes.

# Leading Financial Services Group in Latam

with a solid and diversified portfolio



## #1 PENSION FUND MANAGER

in Latam, with a growing voluntary savings business

**USD 147 bn**  
in AUM



## #1 INSURANCE COMPANY

in Colombia, with an established growth platform in Latam

**USD 5.2 bn**  
in Operating Revenues



## #1 COLOMBIAN BANK

with a leading presence in Central America

**USD 55.6 bn**  
in loans



## INDUSTRIAL INVESTMENTS

with relevant positions in attractive markets

**11 countries**  
**+52 million clients**

ASSETS MANAGED BY OUR STRATEGIC INVESTMENTS\*

**USD 240 bn**

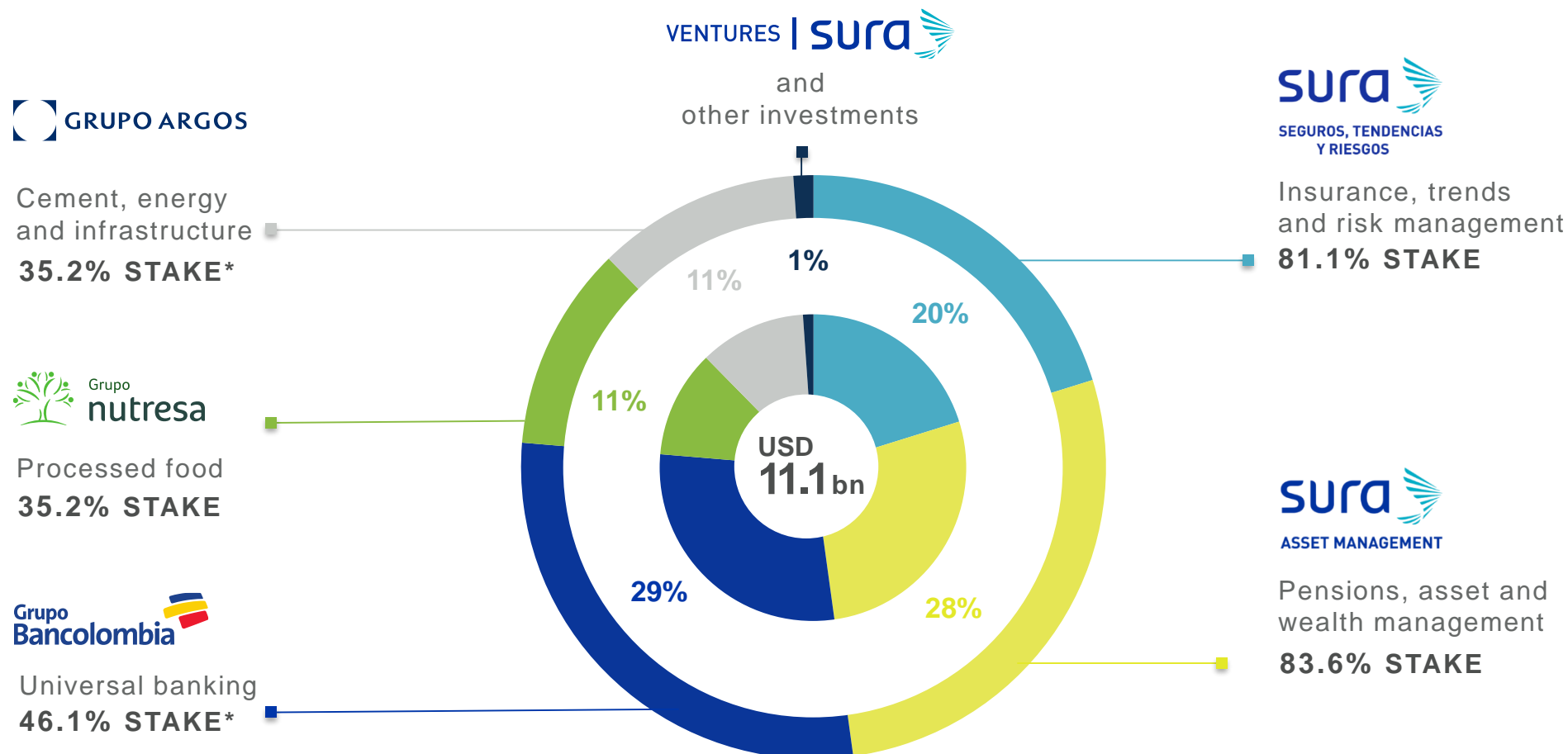
MARKET CAP  
**USD 5.9 bn**  
December 31, 2019

BRAND RECOGNITION  
**~60%**

INVESTMENT GRADE:  
**FITCH BBB S&P BBB-**

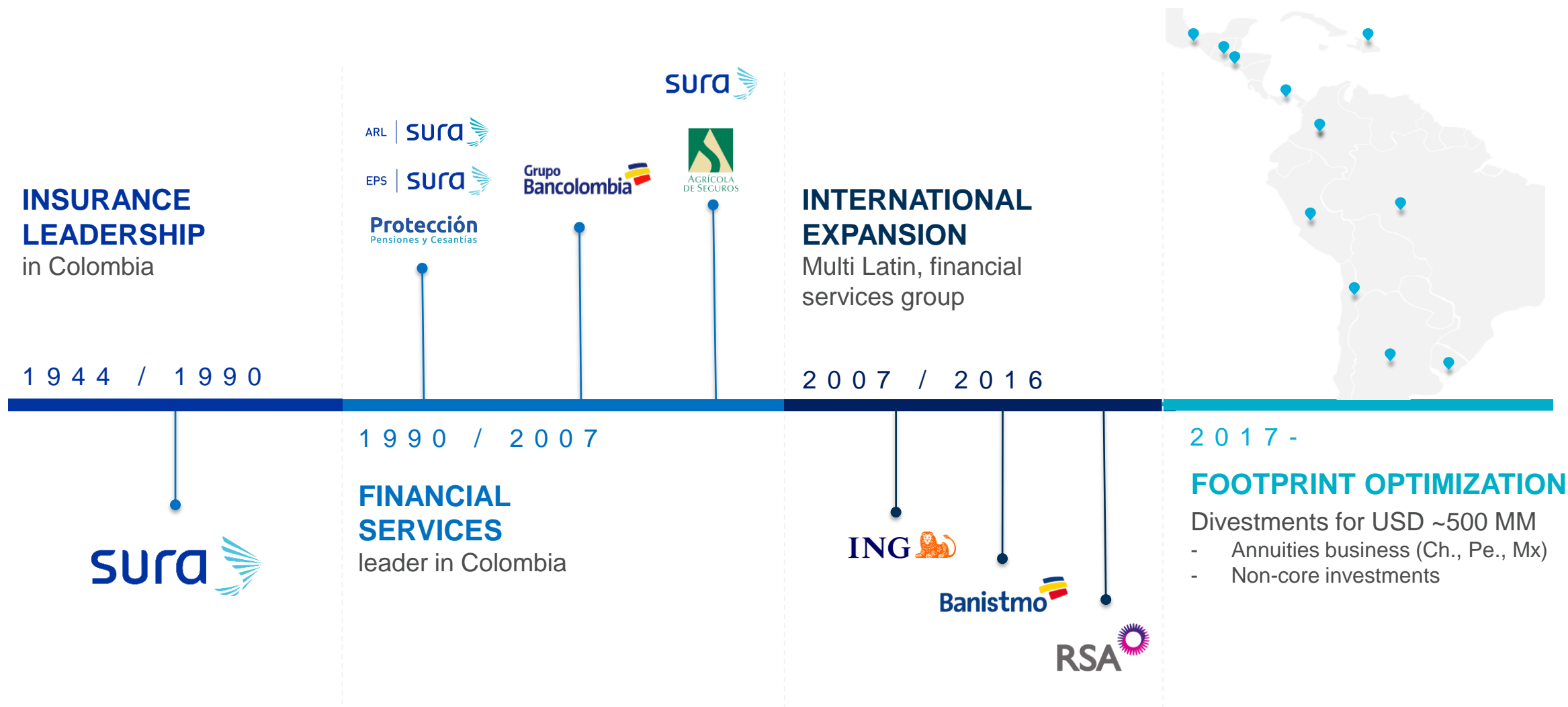
EMPLOYEES\*  
**+60,000**

# Diversified Investment Portfolio



Note: \*SURA AM valued at the last transaction (CDPQ), Suramericana at 1.8x BV and companies listed at market value at the end of the quarter.  
\*Stakes in common shares

# History & Growth Stages



# Building a Regional Platform with a Long Term View

**CREATING LONG  
TERM RELATIONS  
WITH OUR CLIENTS**



<b>14</b>	<b>52</b>
MILLION	MILLION
2010	2019

**BECOMING THE  
LARGEST PENSION FUND  
MANAGER IN LATAM**



**AUM**  
from pension  
management  
business

USD <b>10 bn</b>	USD <b>147 bn</b>
2010	2019

**AND THE 4TH  
LARGEST LATAM  
INSURANCE GROUP**



**Gross**  
written premiums

USD <b>1.2 bn</b>	USD <b>5.2 bn</b>
2010	2019

**WITH A FOCUS ON  
FINANCIAL STRENGTH**



**Dividends**  
received from  
our portfolio

USD <b>90</b>	USD <b>320</b>
MILLION	MILLION
2010	2019

**SUCCESSFUL  
DIVERSIFICATION  
FROM COLOMBIA**

# of countries

<b>3</b>	<b>11</b>
2010	2019

% Dividends & Net Income from Colombia

<b>100%</b>	<b>49%</b>
2010	2019

# Geographic Footprint

POPULATION

**520MM**

+1.1% CAGR (2000-2018)

CLIENTS

**52MM**

IN 11 COUNTRIES

PENETRATION\*

INSURANCE

**2.8% vs. 7.8%**

for advanced countries

PENSION

**31% vs. >80%**

for US and UK

BANKING

**~ 48 % vs. >150%**

for US and EU

FINANCIAL  
SERVICES



DRIVERS



**ECONOMIC  
GROWTH**



**MIDDLE  
CLASS  
FORMATION**



**DEMOGRAPHICS**



**UNDER  
PENETRATED  
SECTORS**



**FORMALIZATION  
OF THE  
ECONOMY**

\*Penetration as measured by Premiums/GDP of the countries where Suramericana has presence, AUM/GDP in the countries where SURA AM has presence and loans/GDP in Colombia.







**Purpose:** Create well-being and sustainable development for people, organizations and society.

**Aspiration:** to become a referent Latin American Group in the financial services sector, thanks to our ability to evolve and provide superior added value to shareholders and society.

### STRATEGIC PRIORITIES

- Transformation and evolution of our businesses
- Financial strength and investment capacity
- Delivering greater value to our clients

### STRATEGIC PILLARS

-  Financial management
-  Human talent and culture
-  Innovation and entrepreneurship
-  Internal and external alliances
-  Trust and reputation
-  Knowledge

ALIGNING OUR BUSINESSES WITH METRICS AND GOALS			
• VALUE CREATION	• SUSTAINABILITY	• TRUST	• CONTRIBUTION TO SOCIETY
ROE EVA	Dow Jones Sustainability Index	Brand and reputation positioning	Market development, externalities and contribution to SDG

# Portfolio Management Strategy

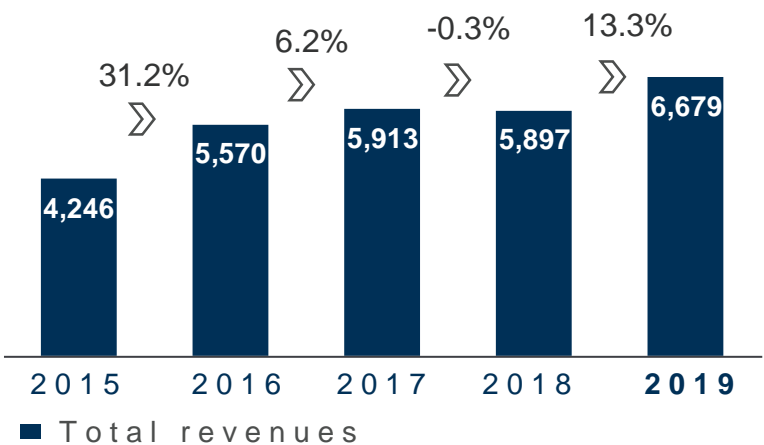


- Focus on value creation, granular analysis for whole portfolio.
- After an intensive expansion phase, focus on profitability and organic growth.
- Understanding of competitive advantages and value creation levers of each operation.
- Review capital exposure and allocation process criteria.
- Position ourselves for future profitable growth.

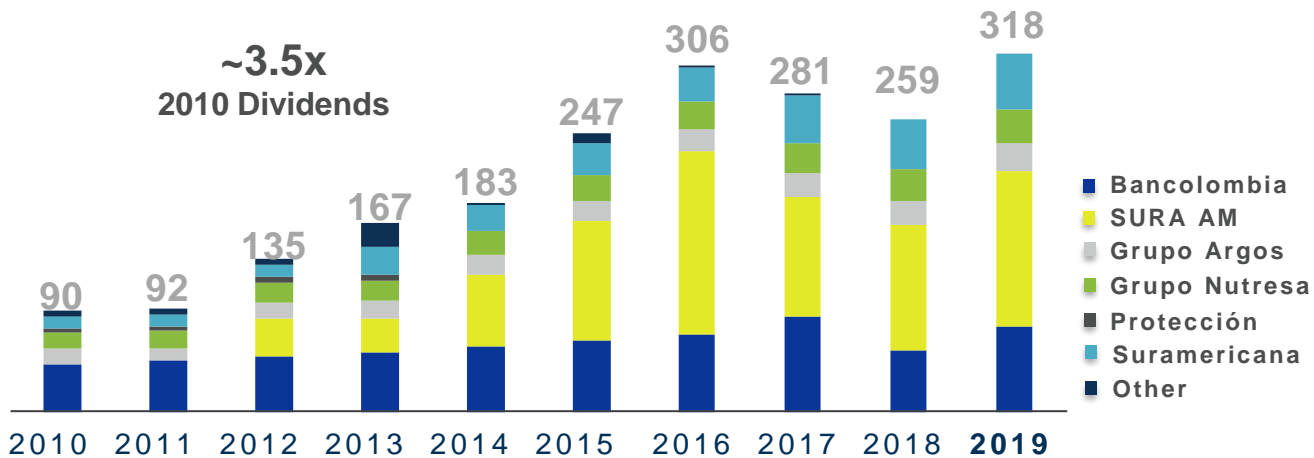
# Grupo SURA's Financials Evolution



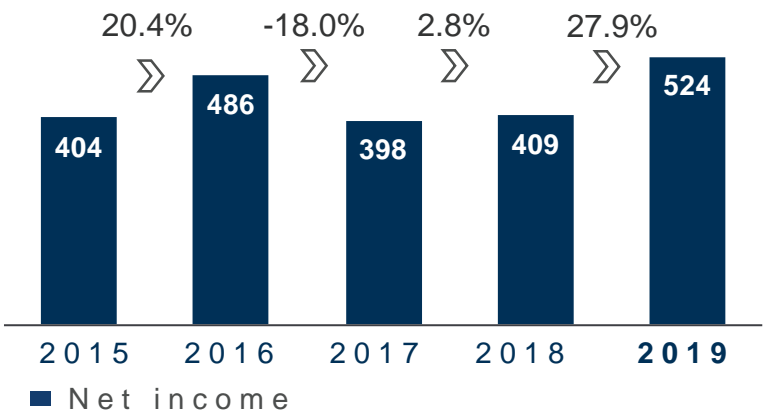
CONSOLIDATED REVENUES\*



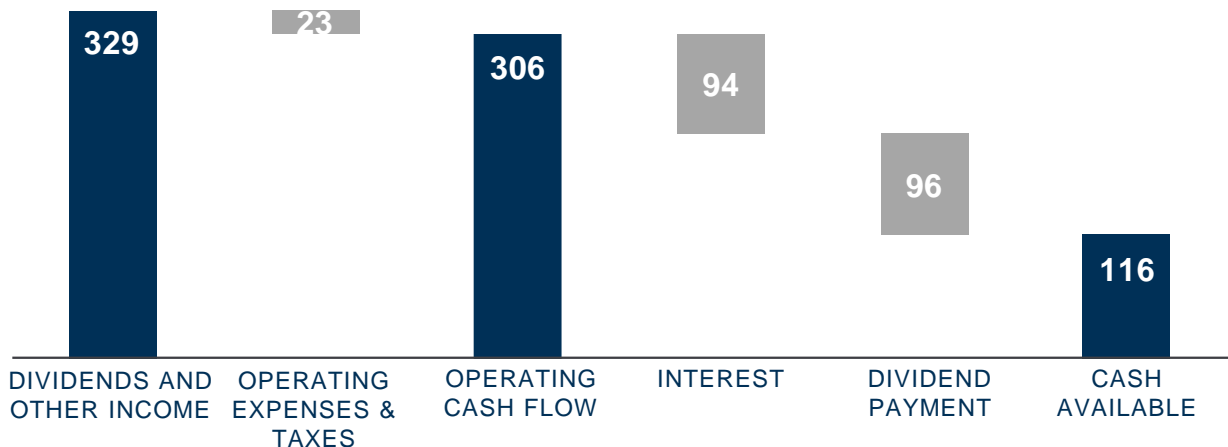
HOLDING COMPANY RECEIVED DIVIDENDS



CONSOLIDATED NET INCOME CONT. OPERATIONS



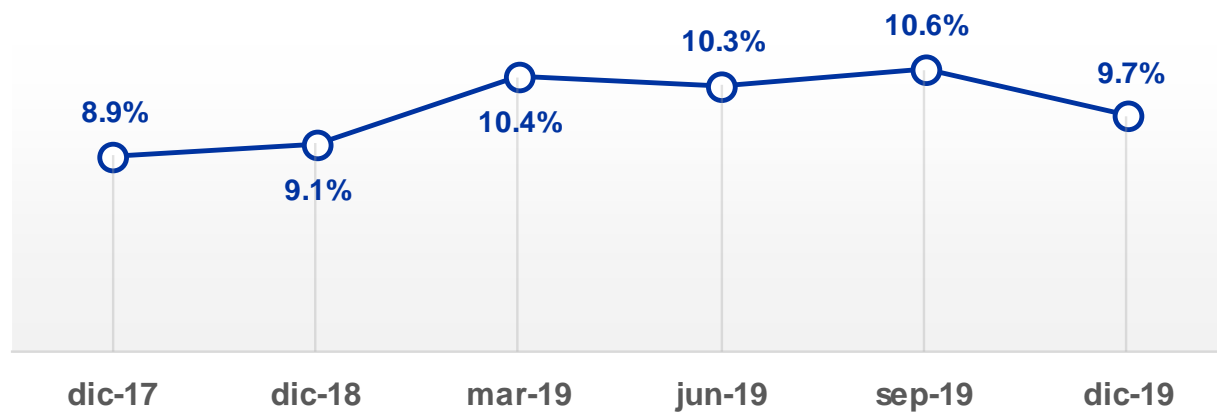
HOLDING COMPANY CASH FLOW (2019)



\*Consolidated revenues figure includes Exchange Difference  
Figures in USD million

# ADJUSTED ROE

With an upward trend



## ADJUSTMENTS TO ROE

### Net Income:

- Addback of non-cash expenses related to M&A

### Equity

- Associates and their portfolios, which are valued close to market prices

### Normalized Adjusted ROE

- Returns on legal reserves from mandatory pension funds (“encaje”) are normalized to reflect long-term returns on diversified portfolios

## ADJUSTED ROTE:



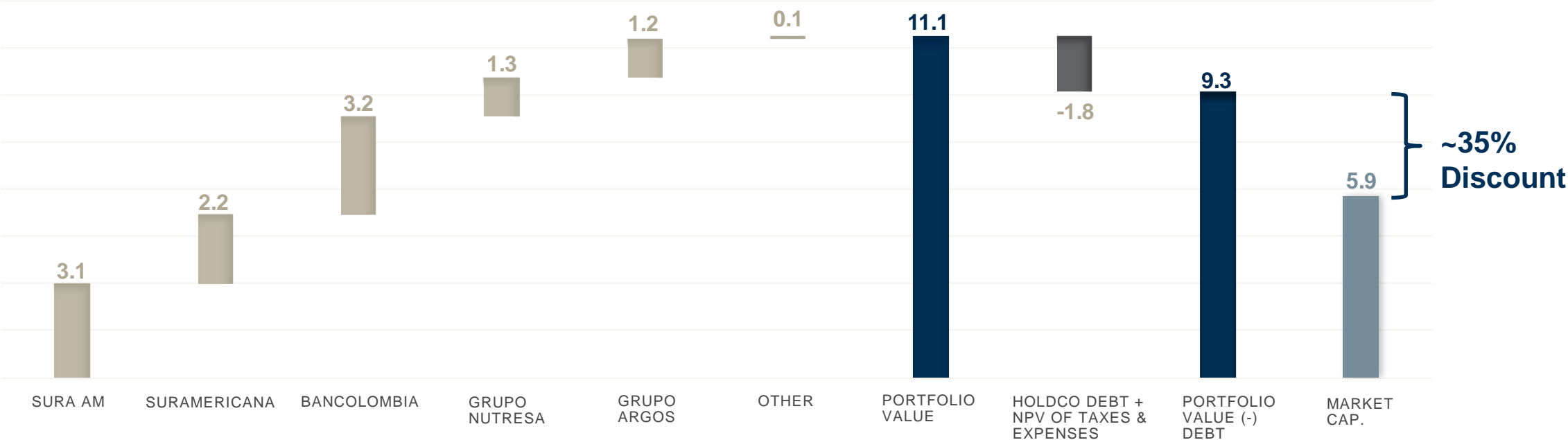
**11.4%**



**31%**

# OUR PORTFOLIO

Estimated value



MARKET CAPITALIZATION  
(Dec. 31, 2019)

USD **5.9 bn**

Current Market Cap implies  
non-listed assets valued at:

**0.6x BV**

**0.4x Estimated value**

SHARES ADTV  
(COMMON + PREF)

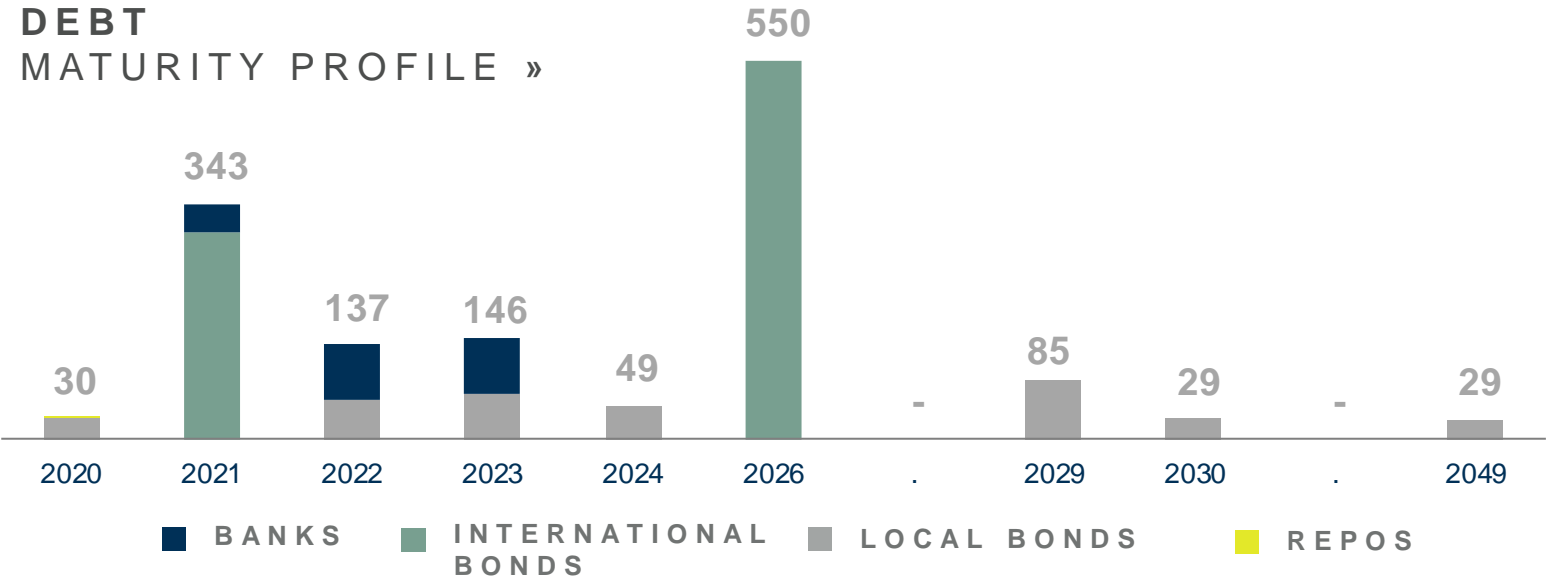
USD **4.5 MM**

SURA AM valued at the last transaction (CDPQ), Suramericana at 1.8x equity and companies listed at market value at the end of the quarter  
Portfolio valuation estimated by Grupo SURA. Does not constitute an investment advisory  
Figures in USD billion

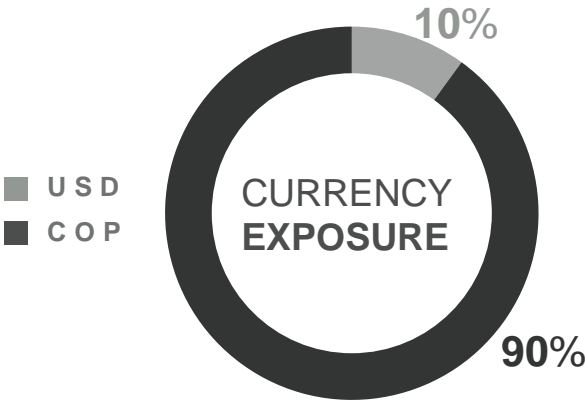
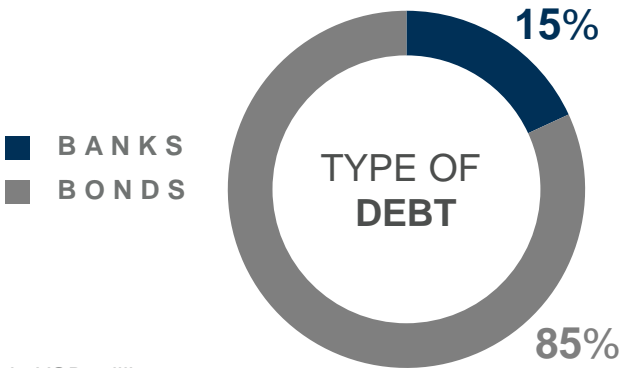
# Grupo SURA Individual Debt



DEBT  
MATURITY PROFILE »



» FINANCIAL DEBT: **USD 1.4 bn**



CREDIT RATIOS »

NET DEBT/  
DIVIDENDS (FTM)

**4.1x**  
Max. 5x

LIQUIDITY

**0.93x**  
Min. 1.2x

LOAN  
TO VALUE

**13.1%**  
Max. range 25-30%

# EXCELLENT RESULTS WITH RECORD HIGH NET INCOME

Driven by operating dynamics and investment income

## ♦ OPERATING REVENUES

**COP**  
**21.9 tn**

▲ 13.3%

## ♦ OPERATING INCOME

**COP 3.0 tn**

▲ 19.5%

## ♦ NET INCOME

**COP 1.7 tn**

▲ 27.9%

## ♦ ADVANCES IN STRATEGY

- Improvement in profitability

**+ 55 bps**  
Adjusted ROE

- Optimization of invested capital

**COP 2.5 tn**  
Before taxes

- Divestments by Grupo SURA and subsidiaries

**USD 500 MM**  
2017-2019

- Grupo SURA (holding) debt reduction

**COP 380,000 MM**  
2019

**COP 850,000 MM**  
2017-2019

- Transformation of our businesses and creation of greater value to clients

## ♦ PROPOSALS FOR AGM

- Dividend payment

**+15.3%**

- Share repurchase

**COP 300,000 MM**  
3 years

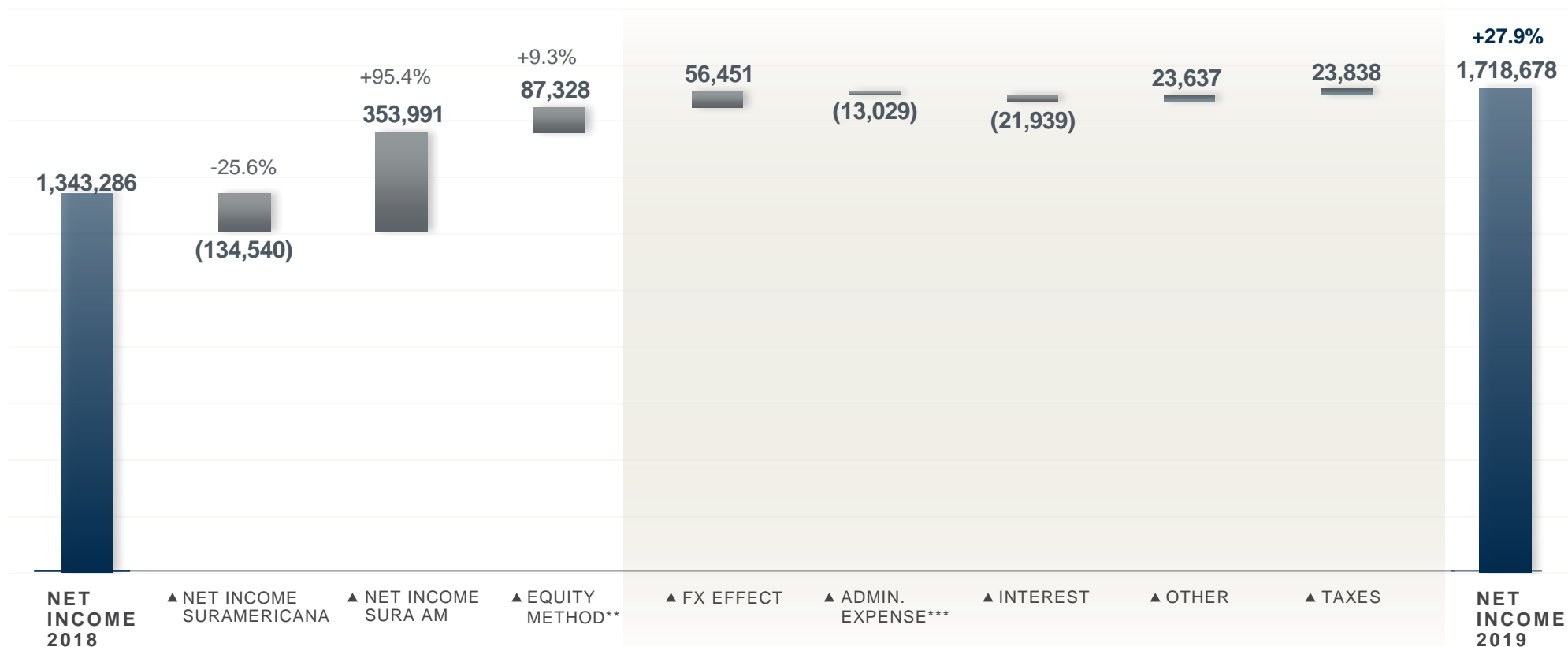
## ♦ COMMENTS FROM CEO

- David Bojanini is retiring after 40 years in the Group and 13 as CEO.
- Gonzalo Pérez named as new CEO with 38 of experience in the Group's insurance subsidiary.

# CONSOLIDATED NET INCOME GREW 27.9%

Explained by results from SURA AM and equity method from associates

| GRUPO SURA & OTHER \* | **COP +68,958 MM**



PARENT COMPANY'S  
NET INCOME

**COP**  
**1.5 tn**

▲ 29.0%

\* Grupo SURA and Other (GS) includes Grupo SURA, Grupo SURA Finance, Grupo SURA Panama, Habitat and Arus, among other.

\*\*GS Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees at Grupo SURA and Other level.

\*\*\* Exchange difference + valuation of hedging derivatives, net of associated deferred tax

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

Figures in COP million



# Suramericana

**sura**  
SEGUROS, TENDENCIAS  
Y RIESGOS

## #4 LATAM INSURANCE GROUP

with an established  
growth platform in 9  
countries

## #1 INSURANCE COMPANY

in Colombia with top 5  
positions in 4 Latam  
countries

## MULTICHANNEL APPROACH

developing new  
channels throughout  
the region

**24,000**  
**agents**

## DIVERSIFIED BUSINESS MODEL

Geography

**34%**  
of GWP outside  
Colombia

Business lines

**47%** P&C

**30%** Life

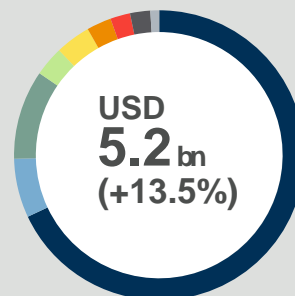
**23%** Mandatory health

**21,000**  
**employees**

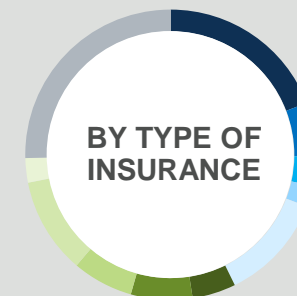
**17.9 million**  
**clients**

## WRITTEN PREMIUMS 2019 »

(Includes Revenues from Mandatory Health)



- 66% Colombia
- 5% Argentina
- 11% Chile
- 4% Brazil
- 6% Mexico
- 3% Panama
- 3% El Salvador
- 2% Uruguay
- 2% Dominican Rep.



- 16% Auto
- 11% Fire
- 3% Mandatory car
- 3% Transport
- 15% Other non-life
- 4% Individual life
- 6% Group life
- 8% Health
- 9% ARL (worker's comp)
- 3% Other life
- 23% Mandatory health



**Provide well-being,**  
competitiveness and  
sustainability to people  
and businesses



**Human talent**  
and Trends & Risks  
Management



**Increase current clients'**  
**loyalty,** to drive attraction and  
growth of new clients



**Sustainable ROE**  
above cost of equity

> ENVIRONMENT > EMERGING RISKS > CONSUMER AND BUSINESS TRENDS

## WE COMPETE IN



HUMAN  
TALENT



VALUE  
PROPOSITION



OPERATIONAL  
MODEL



## WE MANAGE



ALLIANCES



REGULATION



TECHNOLOGY



CAPITAL

> SUSTAINABILITY   > OPERATING EFFICIENCY   > LONG-TERM RELATIONS   > VALUE CREATION

Design

Today's markets

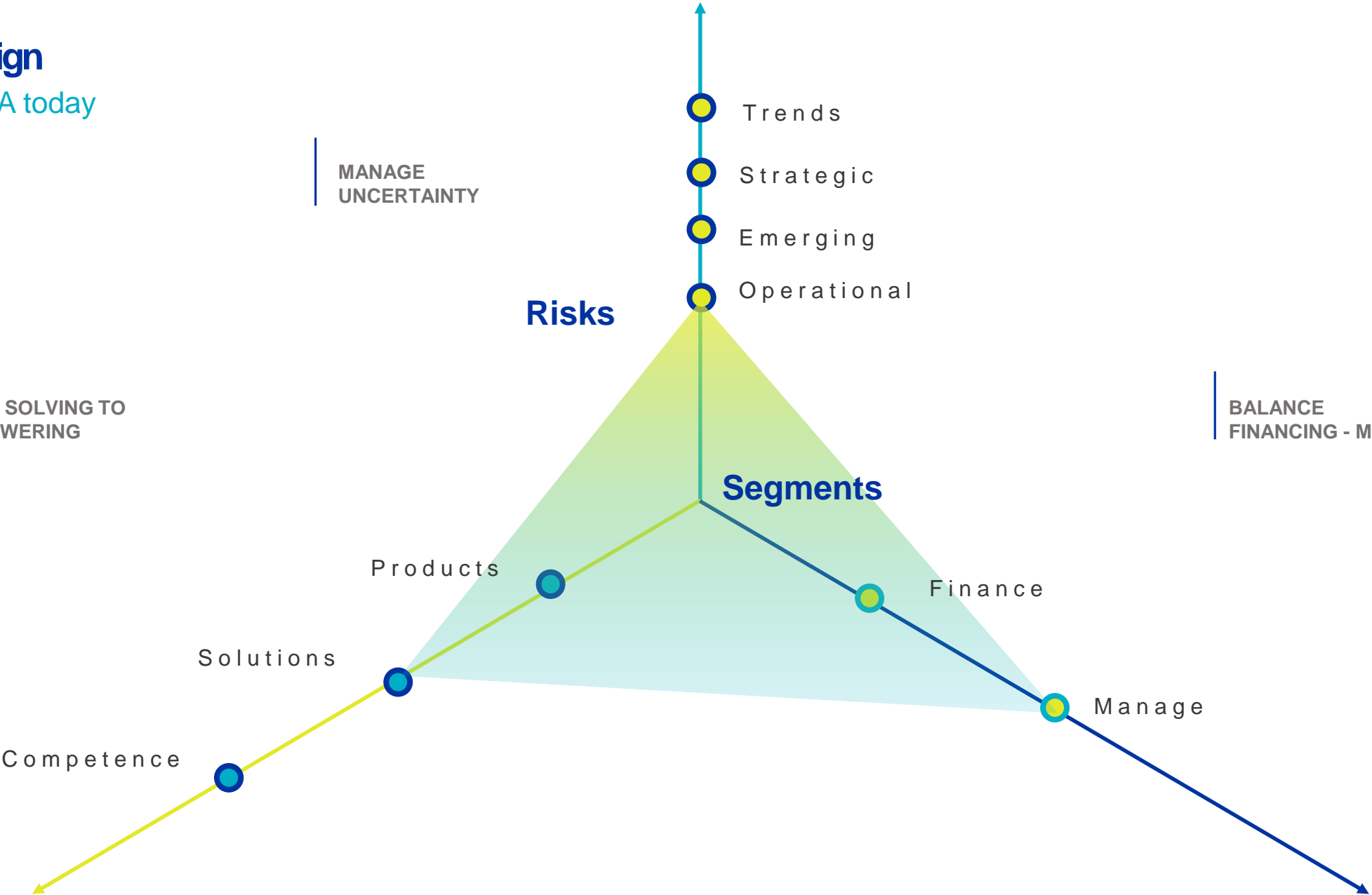


Design  
SURA today

FROM SOLVING TO  
EMPOWERING

MANAGE  
UNCERTAINTY

BALANCE  
FINANCING - MANAGING



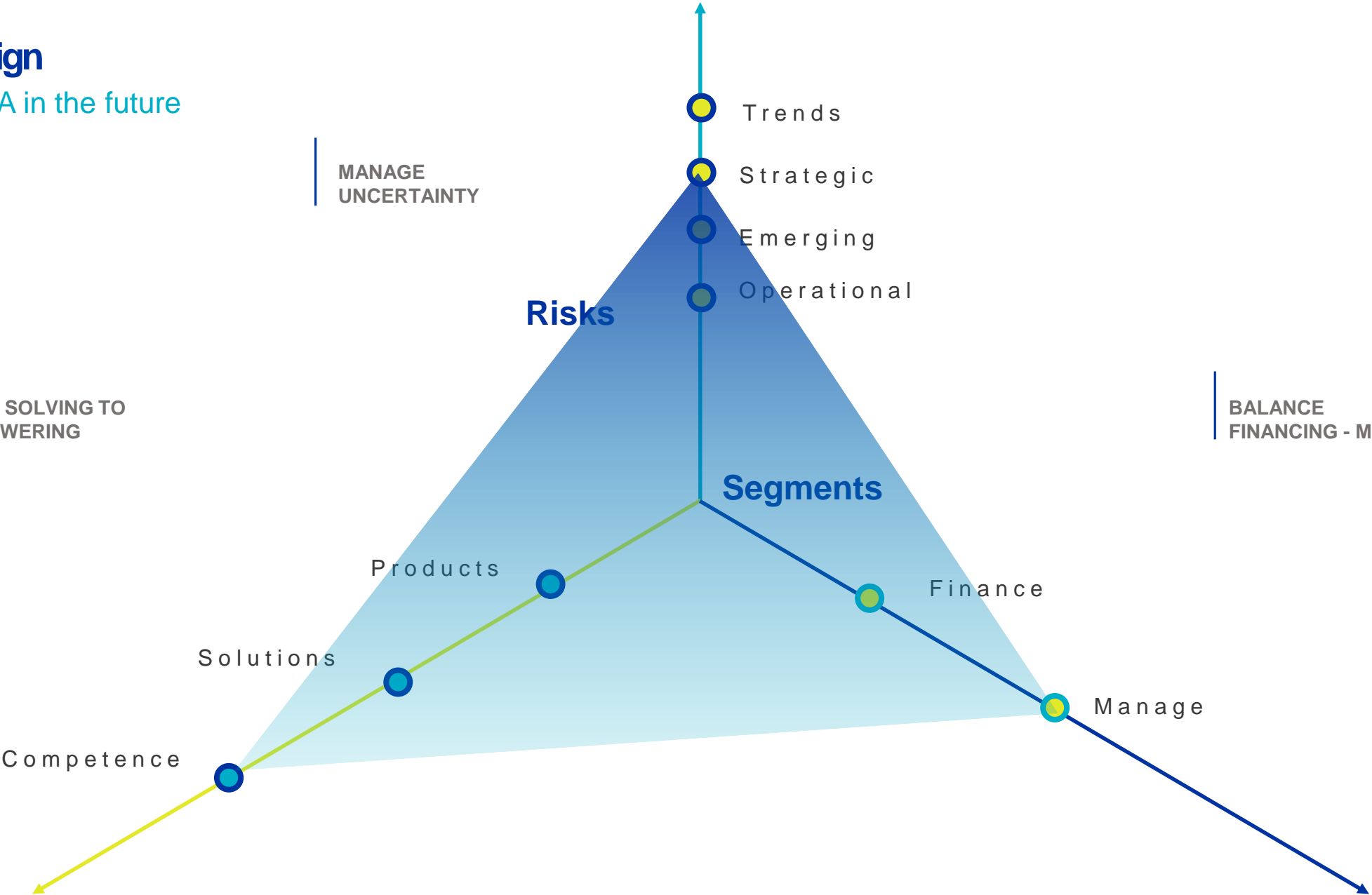
Design

SURA in the future

FROM SOLVING TO  
EMPOWERING

MANAGE  
UNCERTAINTY

BALANCE  
FINANCING - MANAGING



## Common focus in all countries

### CONSUMER



- Ability to **read the environment** and trends
- Understand how social trends are changing **consumer behavior**
- Dynamic **multidimensional segmentation** (DMS)
- **Communication** aligned with DMS

### SOLUTIONS



- Whole **life** solutions
  - UY, MX 2018
  - ARG, CH 2019
  - BR 2020
- Focus on **SME** segment
  - Empresa SURA
  - Specific segments
- **Cyber Risk**
- Commercial multiple peril and third party liability

### DISTRIBUTION



- Omnipresence
- **Set up and evolution** of our tied agents distribution channel
- **Best practices** and KPIs

### OPERATING

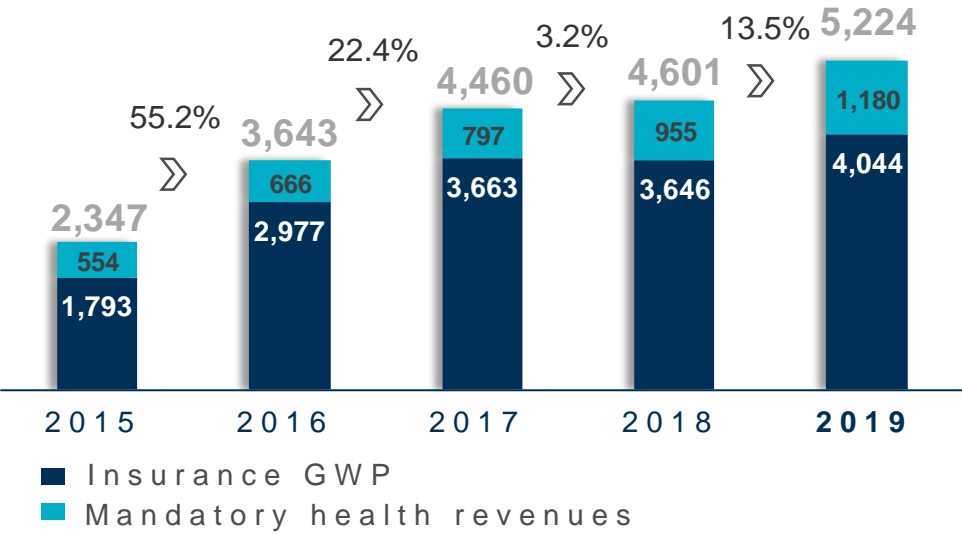
### MODEL



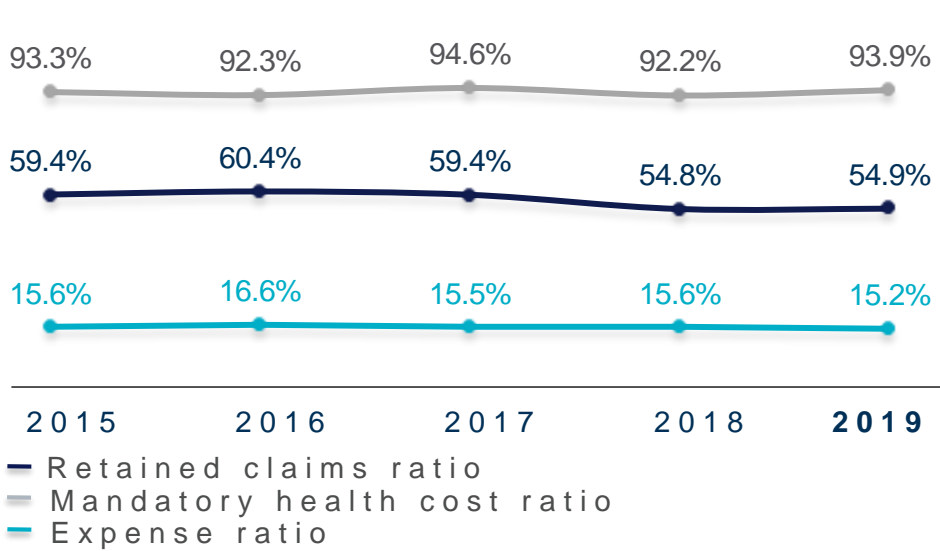
- **Improving and eliminating** processes
- **Adapting operating models** to specific markets and segments.

# Suramericana's Financials Evolution

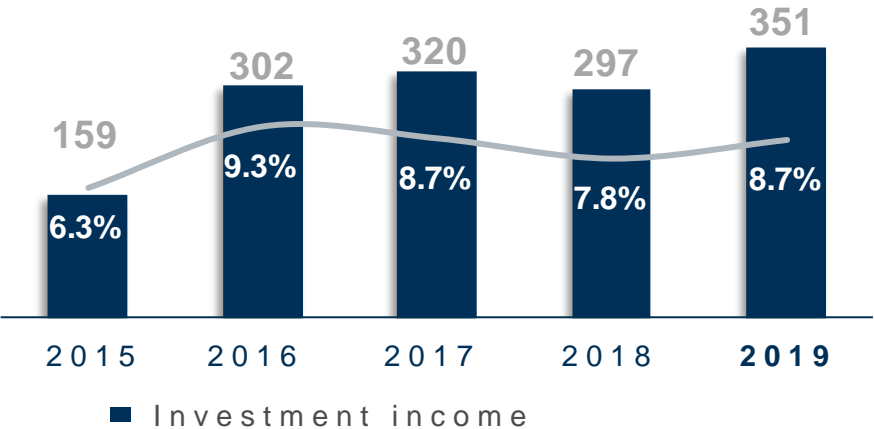
OPERATING REVENUES



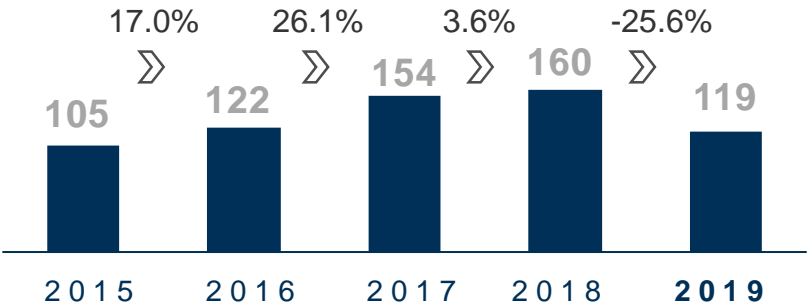
CLAIMS AND EXPENSE RATIO



INVESTMENT INCOME



NET INCOME



# SURAMERICANA CONTINUES WITH POSITIVE REVENUE GROWTH

But specific impacts in Argentina, Chile and Health sector in Colombia affected net income



♦ Written premiums

COP  
**13.3 tn**

▲ 10.9%  
▲ 13.1% exc. Argentina

♦ Revenues from services rendered

COP  
**3.8 tn**


▲ 23.6%

♦ Net Income

COP  
**390,327 MM**

▼ 25.6%  
▼ 10.3% exc. Argentina

♦ Advances in strategy

- Empresas SURA  
**8 countries      8 attention centers      1.2 MM SMEs**
- Individual life insurance  
**8 countries; missing:** 
- Capital optimization process  
**Voluntary health premiums      Merger Workers' Comp Split of portfolio**
- Divestments  
**Sodexo and Palic**

♦ Good operating dynamics with impacts in business segments:

**Life**

VAT on commissions: **COP 52,100 MM**

**P&C**

- Argentina **COP -88,000 MM**
- Higher claims ratio due to social protests in Chile

**Healthcare**

Improvement in claims ratio during 2H-2019

♦ SURA Ventures strategic returns: Pager, Zendrive

**ADJUSTED ROE\***

**9.0%**

**ADJUSTED ROTE\***

**11.4%**

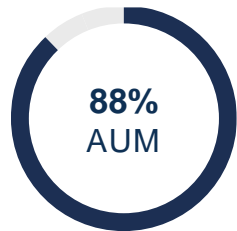
\*\*\* ROE and ROTE adjusted for amortization of intangibles associated to M&A, net of deferred taxes; divided by average equity and average tangible equity, respectively



# SURA Asset Management

## MANDATORY PENSION

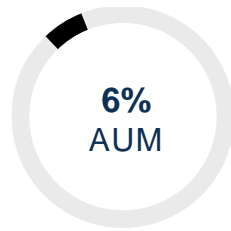
Stable cash flow generation business



**AUM**  
**USD 130 bn**  
**Clients 19 MM**

## SAVINGS AND INVESTMENTS

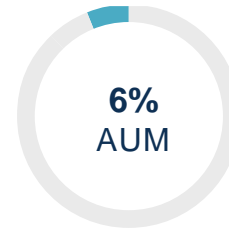
Underpenetrated business with high growth potential



**AUM**  
**USD 10.7 bn**  
**Clients 1.3 MM**

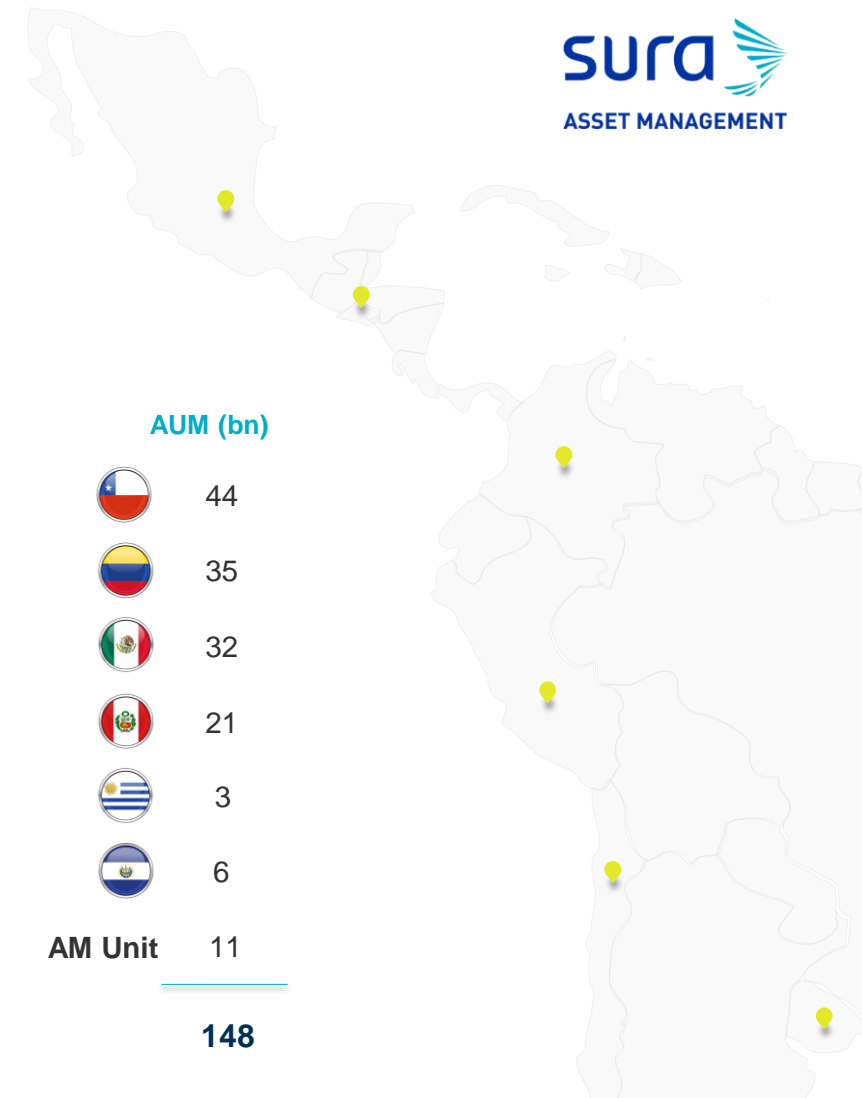
## ASSET MANAGEMENT

Regional platform connecting Latam to the world



**AUM**  
**USD 10.5 bn\***

\*USD 4.0 bn from WM Unit



## FIGURES TOTAL COMPANY »

**AUM**  
**USD 148 bn**

**CLIENTS**  
**20.5 MM**

**MARKET SHARE**  
**23%**  
Mandatory Pension

**FITCH BBB+**  
**MOODY'S Baa1**

As of December 31, 2019

## OUR PURPOSE

Helping our clients to achieve their dreams and goals

## STRATEGIC GUIDELINES

- » Our client in the **center of our strategy**
- » **Core guidelines for the development of our businesses**
- » Capacity development through transversal **enabling strategy guidelines**



## ALIGNING OUR BUSINESSES WITH METRICS AND GOALS

### • PURPOSE

Achieving clients' dreams  
NPS  
Investment returns  
DJSI

### • GROWTH

AUM  
Revenues

### • EFFICIENCY

Operational efficiency  
Commercial efficiency

### • VALUE CREATION

ROE  
EVA

# Sustainability of Mandatory Business



**Relationship with stakeholders**, seeking the improvement of pension systems and its understanding.



**Financial and pension education**



**Efficient and innovative Business Models.**



**New business and value offer** for retirees.

## KEY FIGURES 2019

**COMMISSION INCOME**

USD **614**MM

**OPERATING EARNINGS**

USD **473**MM

**INVESTMENT IN “ENCAJE”**

USD **820**MM

**MARKET SHARE AUM**

**23%**

**CLIENTS (MILLION)**

**19**

**AUM**

USD **130**Bn

**SALARY BASE**

USD **40.6**Bn

As of December 31, 2019

# Transformation of Wealth Management Business



**Brand positioning**  
“Inversiones SURA”.



**Differentiated advice.**



**Products, solutions  
and platforms**  
increasing value  
proposition.



**Attraction of new  
clients** and cross-sell  
to existing clients.

## KEY FIGURES 2019

### OPERATING REVENUES

USD **41** MM

### AUM

USD **10.7** bn

### AUM GROWTH

**+28.7%**  
In local currencies

### NET FLOW

USD **1.6** bn  
18% of AUM (BOP)

### AUM RETURNS

USD **787** MM  
9% of AUM (BOP)

### REGIONAL MKT. SHARE

**4.4%**  
+110 pbs in 6 yrs

As of December 31, 2019

# Development of the Asset Management Business



**Regional platform** and  
business model.



**High standards in  
portfolio management**  
backed by SURA's  
reputation.



**Relationship with  
institutional clients** and  
product development  
in Latam.

## KEY FIGURES 2019

**COMMISSION  
INCOME**

USD **43**MM

**AUM**

USD **10.5**bn

**AUM GROWTH**

**+17% exc. Annuities Chile**  
In local currencies

**AUM WITH ALPHA**

**~74%**

**# of FUNDS**

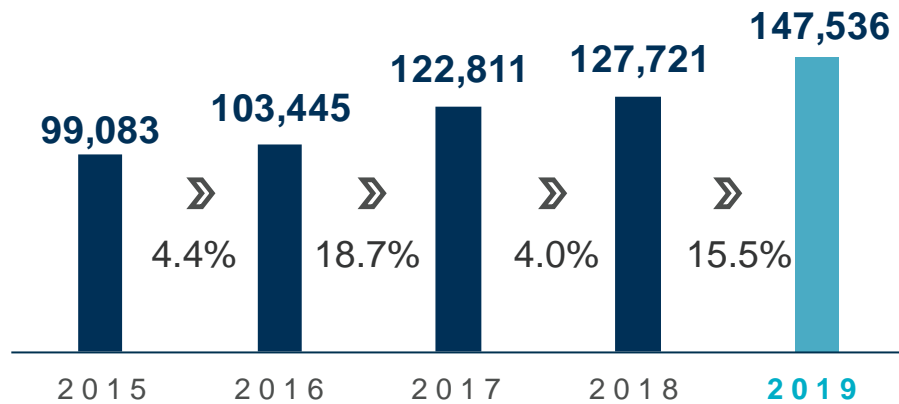
**107**

**# of MANDATES**

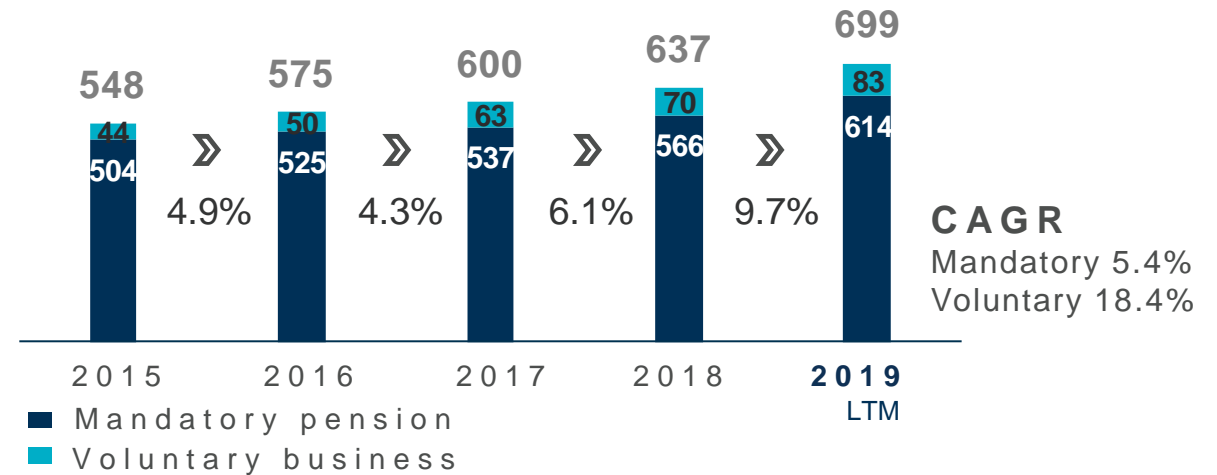
**+300**

# SURA AM's Financials Evolution

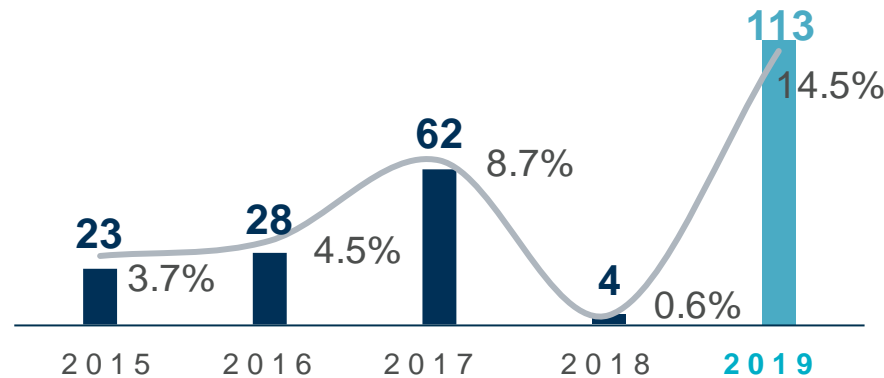
AUM



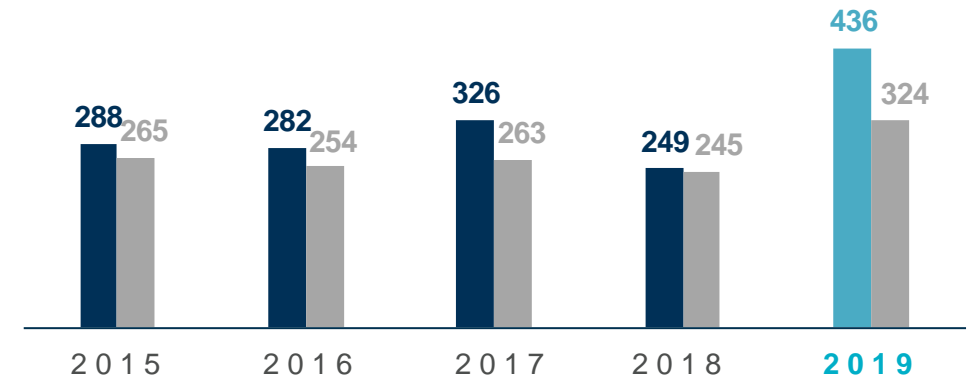
COMMISSION INCOME



RETURN ON LEGAL RESERVE



OPERATING EARNINGS



**USD 820 MM**  
invested  
in "encaje"

Return on legal reserve ("encaje")  
Implied yield

Operating earnings  
Operating earnings exc. "encaje"

# SURA AM: NET INCOME GROWS 66%

Driven by return on legal reserve and operating results



◆ **CLIENTS**

**20.5** million

▲ 3.7%

252,000 Peru bidding process

◆ **NET INCOME (CONTINUED OP.)**

**COP 716,817** million

▲ 65.8%

◆ **MANDATORY PENSION BUSINESS**

Resilient growth

▲ 8.3% Commission income

Investments

- “Encaje”: yield 15%.
- Alpha in Chile y México




Pension reforms

◆ **SAVINGS AND INVESTMENTS**

Excellent net flows in the year **COP 5.1 tn**

**AUM**

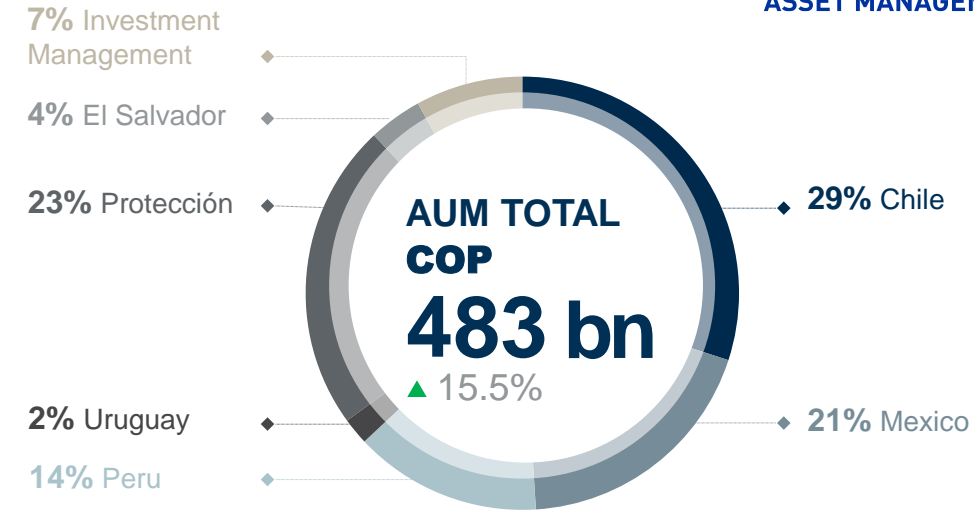
▲ 25.8%

◆ **INVESTMENT MANAGEMENT**

- 6 new alternative funds
- 136 new institutional clients

**AUM**

▲ 17% (exc. annuities Chile)



◆ **ADVANCES IN STRATEGY**

**Portfolio Management**






**Innovation & Digital Transf.**

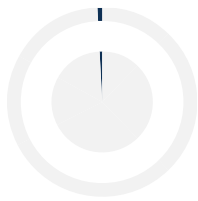
- Analytics
- Artificial Intelligence
- Automatization

**Channel Management**

- Digital channel
- Kiosks and self-service
- Apps

**Human Talent**





## FINTECH



**MoneyLion**

Personal finance platform



**LendingHome**

Mortgage digital market place

## HEALTHTECH

**Clover**

Health tech operator

**pager**

Optimizing Access to health systems

## INSURETECH

*Slice*

Digital insurance



**Zendrive**

Mobile sensor data for  
road safety

**trōv**

On-demand  
insurance

**Welltok**®

Health ecosystem –  
preventive approach

## B2B



**acsendo**

HR SAAS Targeting SMEs

## VC FUND

**BOLD**

CAPITAL  
PARTNERS

Singularity VC fund

COMPANIES ANALYZED

33 **>1,100**

PORTFOLIO OF

**9 COMPANIES**

AND 1 FUND

AMOUNT INVESTED

**USD +34 MM**



# Bancolombia

Grupo  
Bancolombia

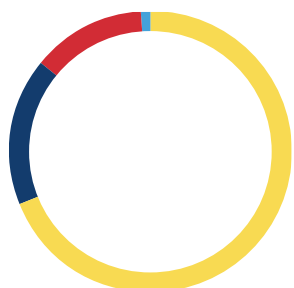
## COLOMBIA'S LEADING FINANCIAL INSTITUTION

with a strong presence in Central America

## OVER 14 MM CLIENTS

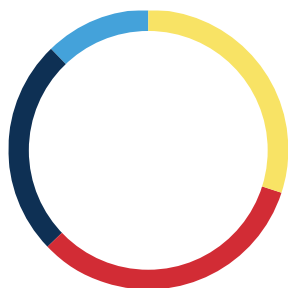
with access to a strong distribution network  
6,019 ATMs, 1,005 branches and  
13,731 banking kiosks

### LOANS



- 64% Commercial
- 22% Consumer
- 13% Mortgage
- 1% Micro credit

### FUNDING



- 35% Savings
- 33% Time deposits
- 19% Other
- 13% Checking

### MARKET SHARE

COLOMBIA  
Loans

**26.0%**

Deposits  
**24.7%**

SALVADOR  
Loans

**26.4%**

Deposits  
**26.1%**

PANAMA  
Loans

**10.8%**

Deposits  
**9.6%**

## HIGHLIGHTS 2019 »

ASSETS

**USD 72 bn**

TIER I

**9.6%**

NET INCOME  
(9M2019)

**USD 950 MM**

NET INTEREST  
MARGIN (LTM)

**5.7%**

ROE  
(LTM)

**12.1%**

MARKET CAP

**USD 13.2 bn**

NYSE listed



## LARGEST PROCESSED FOODS GROUP IN COLOMBIA

as measured by market share in all of the market segments it serves

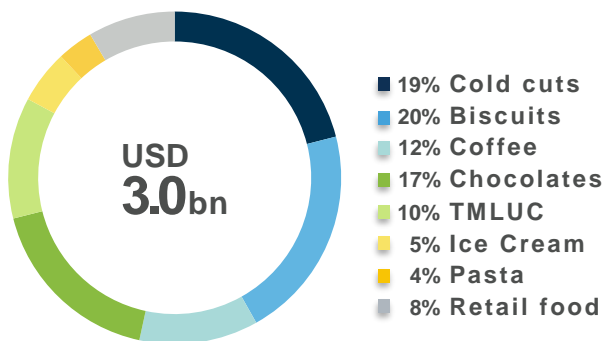
## PRESENCE IN 72 COUNTRIES,

owns 30 production plants in Colombia, 16 outside of Colombia and its own distribution network in 14 countries

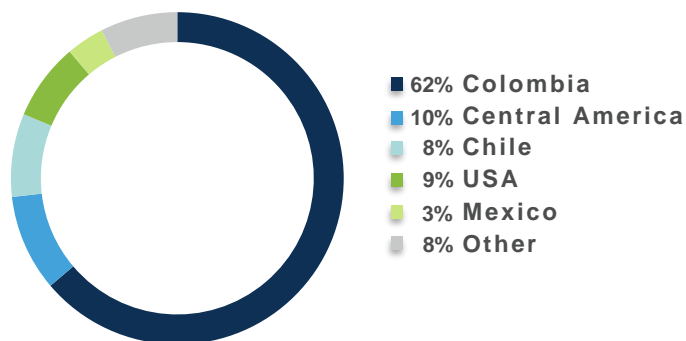
## STRONG BRANDING WITH VALUE ADDED PRODUCTS



2019 - REVENUE BY PRODUCT



1H2019 REVENUE BY REGION



## HIGHLIGHTS 2019 »

MARKET CAP

USD 3.6 bn

REVENUES

USD 3.0 bn

INTL. SALES

38%

EBITDA

USD 410 MM

EBITDA MARGIN

13.5%

NET INCOME

USD 156 MM



## STRATEGIC FOCUS

in Cement, Energy, Road and Airport Concessions



## SOLID TRACK RECORD

building regional platforms

### Cement and RMC\*

# 1 in Colombia

# 2 in RMC and # 4 in cement in USA

### Relevant player in the energy sector

in Colombia, Panama and Costa Rica

### Leader in road and airport concession industry in Colombia

\*RMC: Ready Mix Concrete

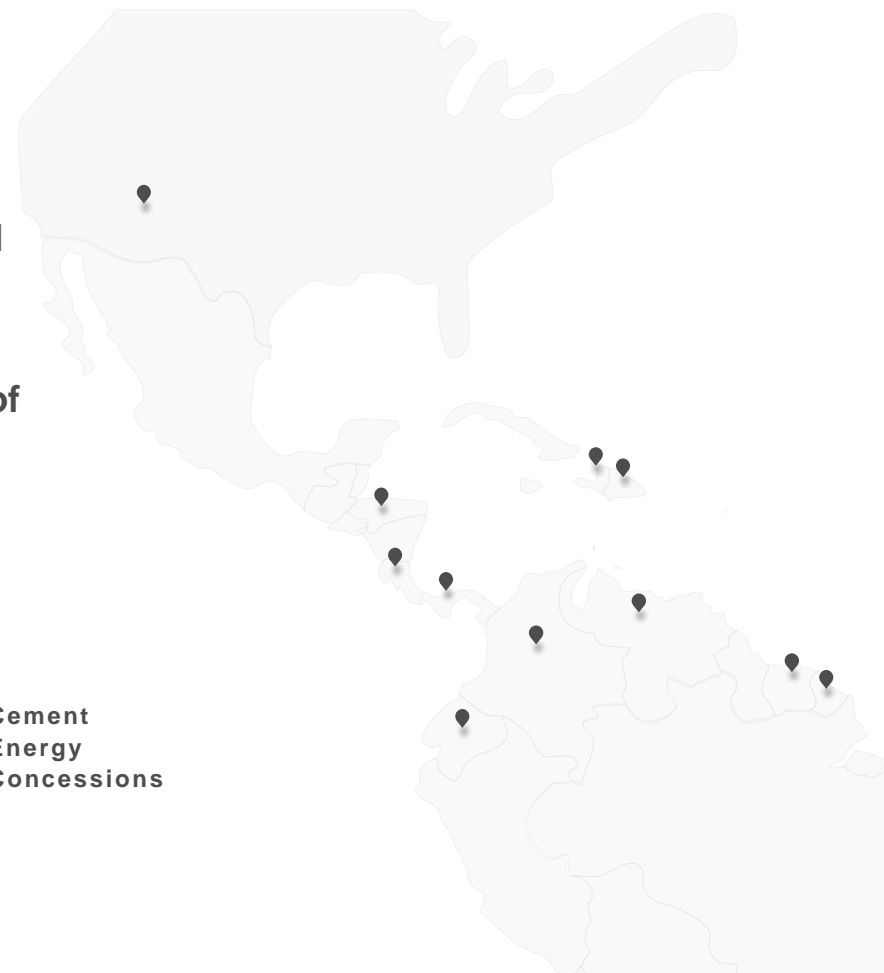
## HOLDING COMPANY

with a solid and articulated portfolio with USD 14.5 billion in AUM

With a balance in terms of regions, currency, and sectors



■ 62% Cement  
■ 25% Energy  
■ 13% Concessions



## HIGHLIGHTS 2019 »

MARKET CAP

USD 4.4 bn

REVENUES

USD 5.1 bn

EBITDA

USD 1.5 bn

EBITDA MARGIN

28%

SHAREHOLDER'S NET INCOME

USD 210MM

## **APPENDIX**

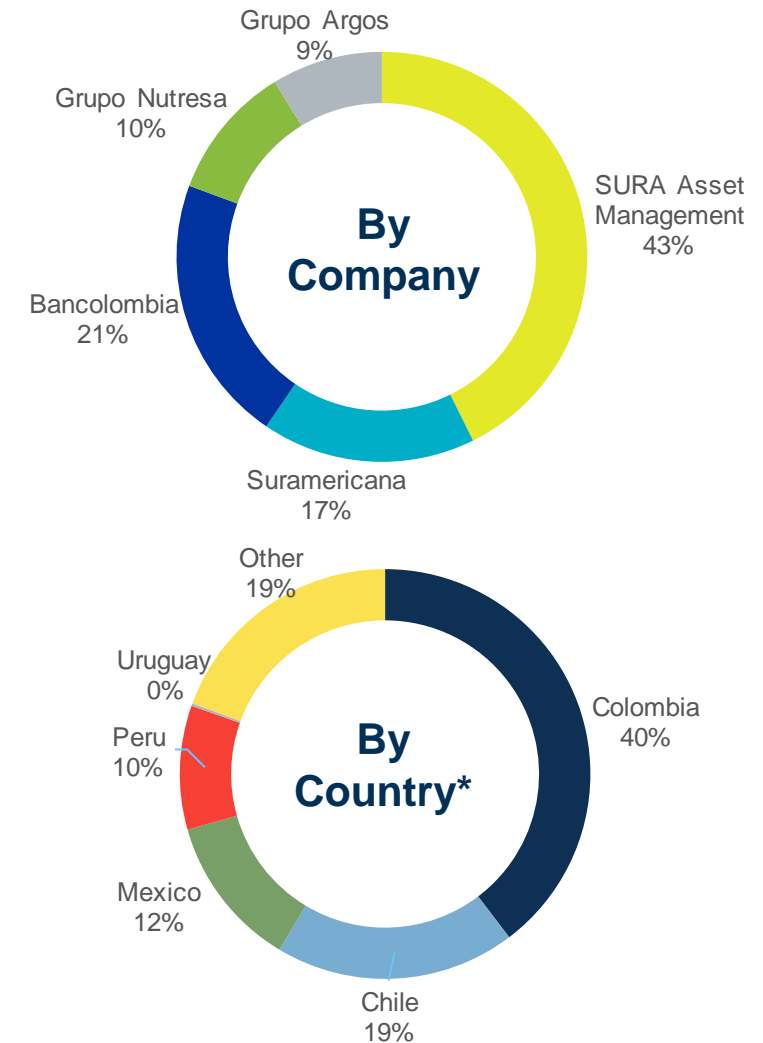
# Diversification

## CONSOLIDATED FIGURES

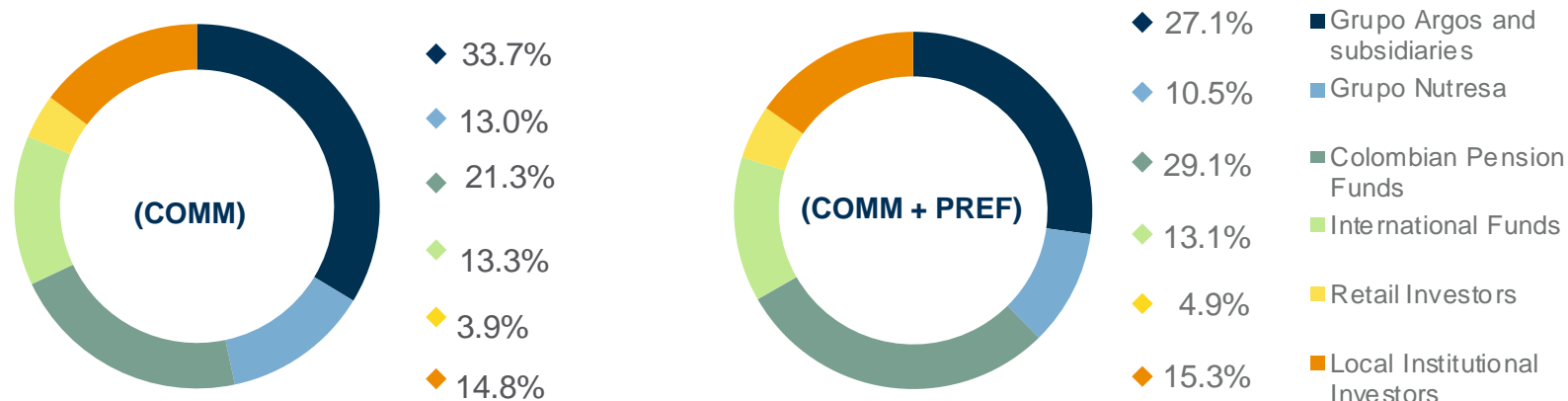
Country	Clients	Revenues	Net Income	Assets
COLOMBIA	28	58.8%	48.9%	54.4%
CHILE	4	15.2%	18.6%	21.8%
MEXICO	8	10.3%	22.1%	10.9%
PERÚ	2	2.3%	9.3%	4.6%
ARGENTINA	1	4.2%	-5.2%	1.8%
PANAMA	1	2.2%	2.6%	1.6%
OTHER	7	7.2%	3.7%	4.9%
<b>TOTAL</b>	<b>51</b>	<b>6,679</b>	<b>524</b>	<b>21,066</b>

Figures in million USD as of December 31, 2019. Clients in million.

## DIVERSIFIED DIVIDEND STREAM



# Shareholding Structure



Total Outstanding Shares  
**581,977,548**

Outstanding Common Shares  
**80.6%**

Outstanding Pref. Shares  
**19.4%**

Market Cap  
**USD 5.9 BILLION**

International Funds  
**508**

Number of Shareholders  
**12,222**

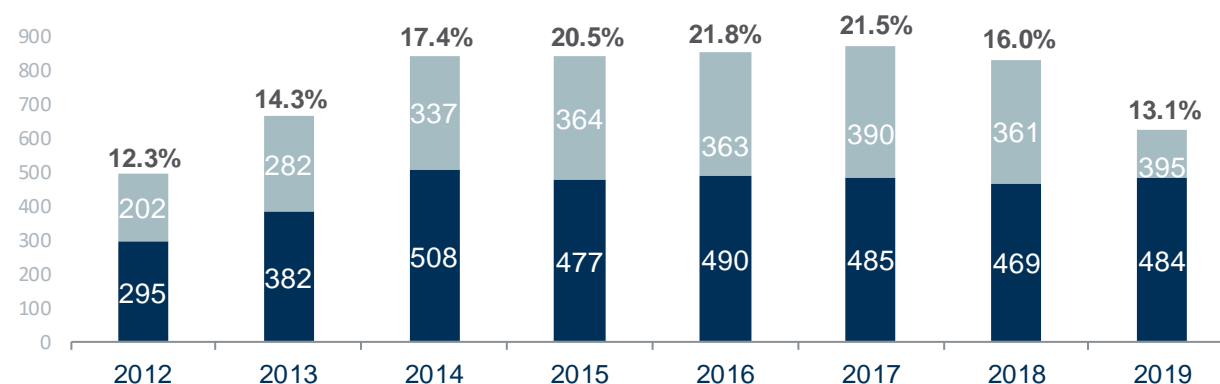
Average volume Traded 12 months Common

**USD 3.0 million**

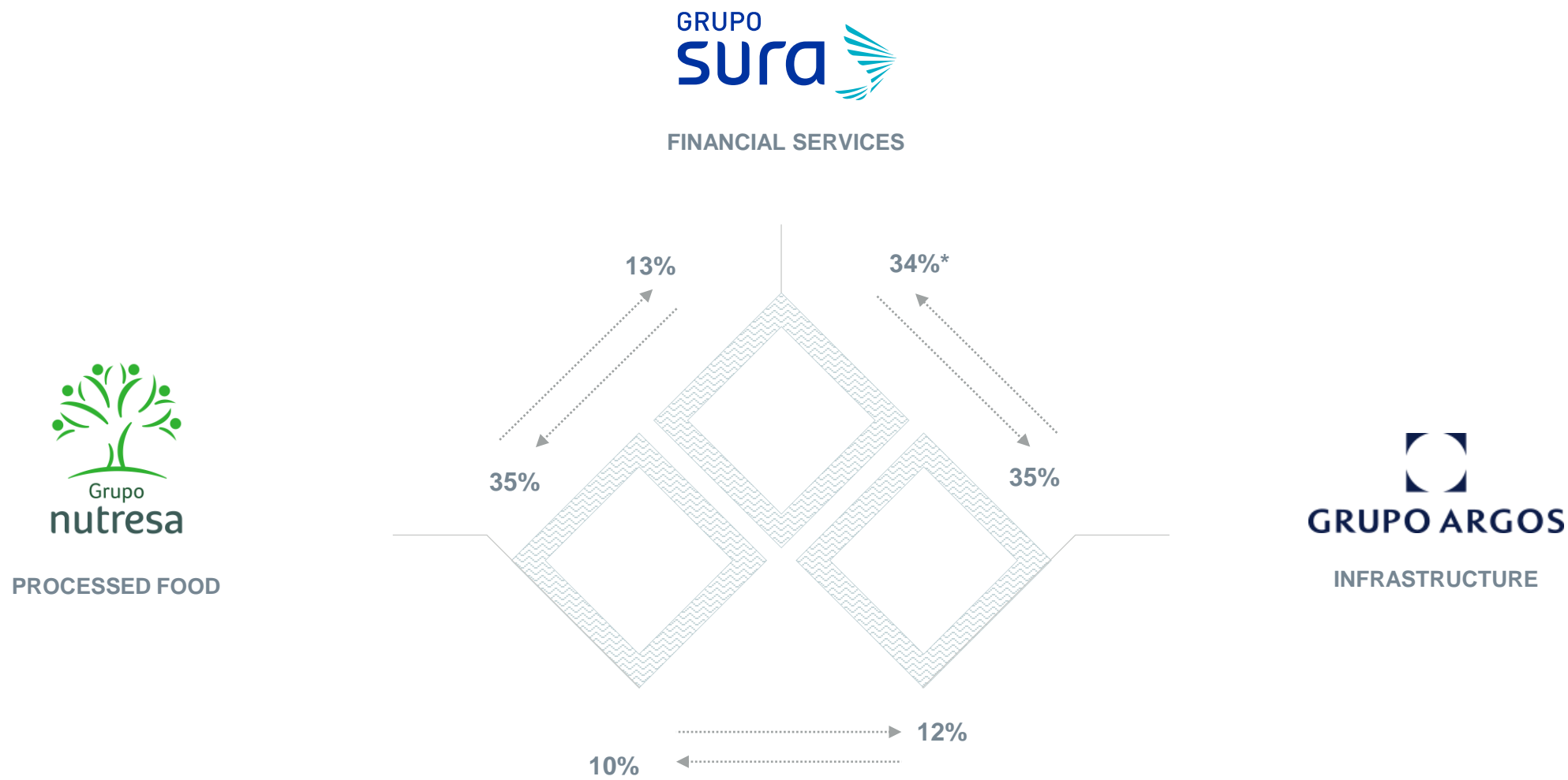
Average volume Traded 12 months Pref

**USD 1.5 million**

## International ownership evolution »



# Cross Holding Structure



# To create well-being and sustainable development for people, organizations, and society

Sustainability is our capacity to rethink, anticipate, make the right questions and manage risks to face the challenges of a competitive environment, based in our Corporate principles.



We manage trends, risks and opportunities



We adopt responsible business practices



We contribute to enhance public institutions



We engage our Stakeholders to make decisions



We contribute to social development, beyond business

## Responsible Investment

- Responsible investment policy
- ESG Management

## Climate Change

- Portfolio decarbonization
- Geociencias

## Financial Inclusion

- “Mis Aliados”
- Direct sales
- “Más Protección”

## Innovation

- SURA Ventures

## Corporate Governance

- Ethics and Corporate Governance System

## Human Talent

- Leadership formation
- Employee benefits portfolio



- Materiality Analysis
- Reputation Study
- Relationship Objectives

Education

Culture

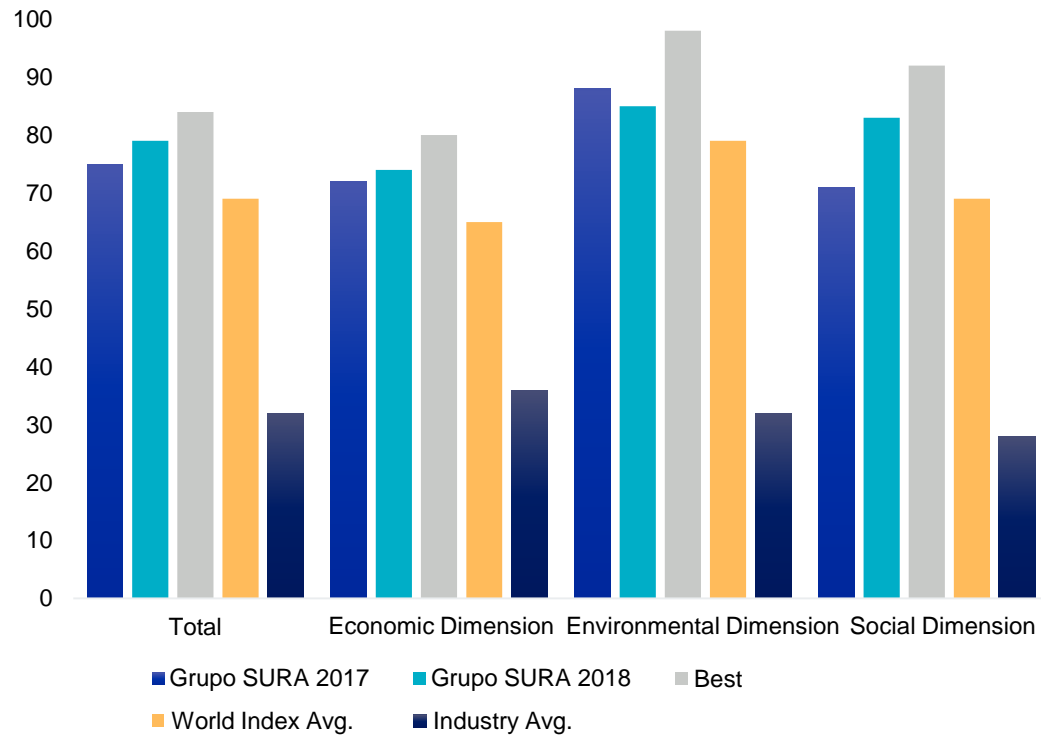
Social Investment

Social Investment Framework Policy

- Félix y Susana
- Volunteering Program

# Standards and Reports

## DJSI Results



## Other Initiatives / Standards



## Prioritized SDG's



# Mandatory Pension Fund Segment



**Contributions to pension funds are mandatory and correlated to size of the formal workforce**

- » Flows into pension funds are a fixed percentage of affiliates' salary
- » As countries formalize their economies, contributions to pension funds will also increase
- » Individuals are allowed to make additional voluntary contributions

**Key Drivers:**

- » Mandated contribution by law
- » Economic growth
- » Formalization of employment
- » Disposable income, tax incentives, etc.



**Steadily increasing revenues driven by contributions to funds / assets**

- » Fees are retained on a regular basis, driven by contributions to the fund / assets, providing a stable revenue stream
- » Average fees have been slightly decreasing but significant increase in salary base has handsomely compensated this trend

**Key Drivers:**

- » Base salaries
- » Fund fees
- » Competition
- » Regulatory environment










**AUM tend to be stable, as pensions are “sticky”**

- » Pension fund managers invest the assets with very specific guidelines, limiting the variability of the offer
- » Hence, fund performance is similar among fund managers, leading to lower churn





**Key Drivers:**

- » Pension fund manager's financial strength
- » Brand recognition & value proposition
- » Commercial effectiveness
- » Regulatory limits

# Main Characteristics per Country

	CHILE	MÉXICO	COLOMBIA	PERÚ	URUGUAY	EL SALVADOR
MANDATORY SALARY CONTRIBUTION (INCLUDING FEE)	<div>Employee 10%</div> <div>Employer 0%</div> <div>Government 0%</div>	<div>Employee 1,13%</div> <div>Employer 5,15%</div> <div>Government 0,22%</div>	<div>Employee 4%</div> <div>Employer 12%</div> <div>Government 0%</div>	<div>Employee 10%</div> <div>Employer 0%</div> <div>Government 0%</div>	<div>Employee 15%</div> <div>Employer 0%</div> <div>Government 0%</div>	<div>Employee 6,25%</div> <div>Employer 6,75%</div> <div>Government 0%</div>
	<b>Total 10.0%</b>	<b>Total 6,5%</b>	<b>Total 16%</b>	<b>Total 10%</b>	<b>Total 15%</b>	<b>Total 13%</b>
RETIREMENT AGE	Men <b>65</b>   Woman <b>60</b>	Partial <b>60</b>   Total <b>65</b>	Men <b>62</b>   Woman <b>57</b>	All <b>65</b>	All <b>60</b>	Men <b>60</b>   Woman <b>55</b>
FEE	Paid on flow 	Paid on AuM 	Paid on flow 	Mix of flow and AuM (10y migration towards AuM)  	Paid of flow 	Paid on flow 
NEW AFFILIATES	Tender every 2 years	Free to choose	Free to choose	Tender every 2 years	Free, except high income affiliates	Free to choose
CHANGE OF PROVIDER	Free to change every 2 months, except new affiliates which need to wait 2 years	Free to change after 12 months or anytime to a provider with better returns	Free to change between multifunds every 6 months free to change	Free to change at any time, except new affiliates which need to wait 2 years	Free to change every 6 months	Free to change every 12 (monthly) contributions or if provider has poor returns

# Main Characteristics per Country (contd.)

	 <b>CHILE</b>	 <b>MÉXICO</b>	 <b>COLOMBIA</b>	 <b>PERÚ</b>	 <b>URUGUAY</b>	 <b>EL SALVADOR</b>
DISABILITY AND SURVIVORSHIP	● Paid by Employer	● Paid by Government	● Paid by AFP out of the 3,0% fee	● Paid by Individual	● Paid by Individual	● Paid by Employer
VOLUNTARY	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Monthly/annual limits.</li> <li>» Tax incentive.</li> <li>» Additional account available.</li> </ul>	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Tax incentive.</li> <li>» Additional account available.</li> </ul>	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Monthly/annual limits.</li> <li>» Tax incentive.</li> <li>» Additional accounts available.</li> </ul>	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> </ul>		<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Tax incentive.</li> </ul>
N° OF MANDATORY FUNDS (MULTIFUNDS)	5 By amount invested in equity	4 By age and type of investment	3 in accumulation stage and 1 in deaccumulation stage	3 By amount invested in equity	1 in accumulation stage and 1 in deaccumulation stage	1
DISBURSEMENTS TO RETIREES	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFP).</li> <li>» Annuity (through life insurance company).</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFORE).</li> <li>» Annuity (through life insurance company).</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFP).</li> <li>» Annuity (through life insurance company).</li> <li>» Combinations.</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFP).</li> <li>» Annuity (through life insurance company).</li> </ul>	<ul style="list-style-type: none"> <li>» Annuity (through life insurance company) not available yet.</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals (through AFP).</li> <li>» Annuity (through life insurance company) not available yet.</li> </ul>

# Our Vision

## Proposals for enhancing a multi-pillared pension system

More savings and  
over a longer  
period of time

More efficient  
investment  
portfolios

Multi-funds  
protect against  
risk

Enhancing  
competition

Incorporating  
alternative  
investment options

Increasing  
contribution rates

Adequate  
integration with  
other pillars

Extending  
voluntary pension  
savings

Enhancing the  
different types of  
pension

Creating  
appropriate  
institutions

Adjusting  
retirement ages  
based on life  
expectancy








Universal  
pensions

Expanding the  
coverage of  
social assistance  
pensions

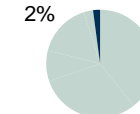
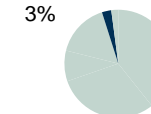
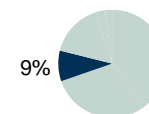
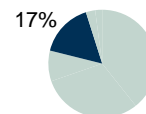
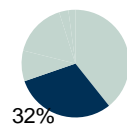
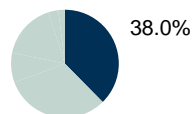
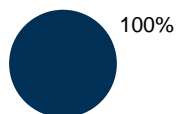
Greater degree of  
pension security  
and stability

Educating and  
advising pension  
fund members on  
how to construct  
their pensions

# Undisputed leadership in Mandatory Pension Business

	 CHILE	 MÉXICO	 COLOMBIA	 PERÚ	 URUGUAY	 EL SALVADOR	
	22.8%	19.2%	14.7%	36.7%	38.6%	17.8%	47.5%
	Ranking 1 <sup>st</sup>	Ranking 4 <sup>th</sup>	Ranking 3 <sup>rd</sup>	Ranking 2 <sup>nd</sup>	Ranking 1 <sup>st</sup>	Ranking 2 <sup>nd</sup>	Ranking 2 <sup>nd</sup>
Metlife	9.3%	24.9%	0.0%				
Prudential	10.9%	28.0%			4.4%		
Principal	9.3%	19.0%	6.8%				
Banorte	7.4%		22.4%				
Grupo AVAL	6.8%			42.9%			
Citibank	5.9%		17.9%				
Scotiabank	4.3%			12.8%	25.5%		
Grupo BAL	4.8%		14.7%				
Total AUM (USDBN)	516	193	170	82	46	16	11
Number of Players		6	11	4	4	4	2

**\$516 Bn Industry's  
AUM Breakdown  
by Country**



Figures as of December 2018.

<sup>47</sup> This information is sourced from the superintendency of each country and includes AFP's AUM (Mandatory Pension, Voluntary Pension and Severance) only.

## Ranking: Insurance Companies in Latin America

Rkg	Group	Country	2008	2017	2018	Mkt. Share	2018 Var%	10 yr CAGR
1	Bradesco	Brazil	7,542	12,948	<b>10,032</b>	6.3%	-22.5%	2.9%
2	Brasilprev1	Brazil	1,237	11,992	<b>8,715</b>	5.5%	-27.3%	21.6%
3	Mapfre	Spain	5,121	9,155	<b>8,421</b>	5.3%	-8.0%	5.1%
4	Zurich	Switzerland	1,584	6,841	<b>7,608</b>	4.8%	11.2%	17.0%
5	Cnp Assurances	France	1,902	5,548	<b>5,977</b>	3.8%	7.7%	12.1%
6	Itaú	Brazil	7,299	7,579	<b>5,877</b>	3.7%	-22.5%	-2.1%
7	Metlife	USA	3,706	4,992	<b>5,183</b>	3.3%	3.8%	3.4%
<b>8</b>	<b>Suramericana</b>	<b>Colombia</b>	<b>1,202</b>	<b>4,917</b>	<b>4,430</b>	<b>2.8%</b>	<b>-9.9%</b>	<b>13.9%</b>
9	Porto Seguro	Brazil	2,269	3,969	<b>3,770</b>	2.4%	-5.0%	5.2%
10	Grupo Nacional Provincial	Mexico	2,280	3,243	<b>3,465</b>	2.2%	6.8%	4.3%
Top 10			34,142	71,184	<b>63,478</b>	42.3%	-10.8%	6.4%
Top 25			55,019	101,610	<b>95,868</b>	63.9%	-5.7%	5.7%
Total Market			<b>100,624</b>	<b>158,517</b>	<b>150,143</b>	<b>100.0%</b>	<b>-5.3%</b>	<b>4.1%</b>

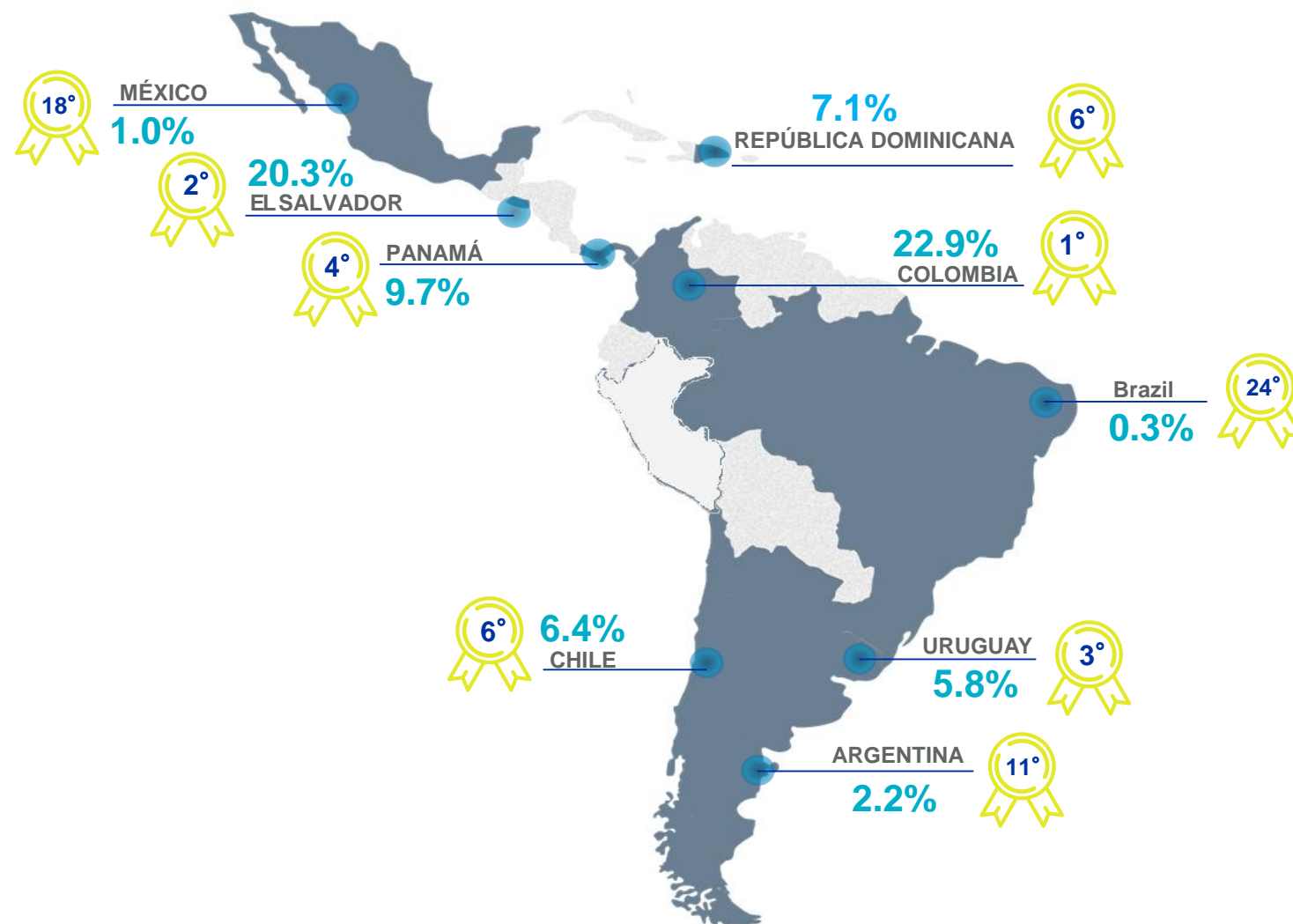
## Ranking: P&C Insurance Companies in Latin America

Rkg	Group	Country	2008	2017	2018	Mkt. Share	2018 Var%	10 yr CAGR
1	Mapfre	Spain	4,117	6,730	<b>6,023</b>	7.2%	-10.5%	3.9%
2	Zurich	Switzerland	1,172	3,116	<b>3,570</b>	4.3%	14.6%	11.8%
3	Porto Seguro	Brazil	2,120	3,687	<b>3,497</b>	4.2%	-5.2%	5.1%
<b>4</b>	<b>Suramericana</b>	<b>Colombia</b>	<b>784</b>	<b>3,261</b>	<b>3,350</b>	<b>4.0%</b>	<b>2.7%</b>	<b>15.6%</b>
5	Triple-S	Puerto Rico	1,947	2,809	<b>2,914</b>	3.5%	3.7%	4.1%
6	Innovacare	USA	1,514	2,348	<b>2,610</b>	3.1%	11.2%	5.6%
7	Chubb	Switzerland	461	2,195	<b>2,370</b>	2.9%	8.0%	17.8%
8	Axa	France	1,682	1,952	<b>2,347</b>	2.8%	20.2%	3.4%
9	Mcs	USA	1,308	1,991	<b>2,195</b>	2.6%	10.2%	5.3%
10	Talanx	Germany	612	1,932	<b>2,099</b>	2.5%	8.6%	13.1%
Top 10			15,717	30,021	<b>30,975</b>	37.3%	3.2%	7.0%
Top 25			30,334	51,620	<b>50,885</b>	61.2%	-1.4%	5.3%
Total Market			<b>63,935</b>	<b>86,222</b>	<b>83,095</b>	<b>100.0%</b>	<b>-3.6%</b>	<b>2.7%</b>

## Ranking: Life Insurance Companies in Latin America

Rkg	Group	Country	2008	2017	2018	Mkt. Share	2018 Var%	10 yr CAGR
1	Brasilprev1	Brazil	1,237	11,992	<b>8,715</b>	13.0%	-27.3%	21.6%
2	Bradesco	Brazil	5,576	10,851	<b>8,225</b>	12.2%	-24.2%	4.0%
3	Itaú	Brazil	4,075	7,008	<b>5,343</b>	8.0%	-23.8%	2.7%
4	Cnp Assurances	France	1,375	4,442	<b>5,067</b>	7.5%	14.1%	13.9%
5	Zurich	Switzerland	3,196	3,993	<b>4,038</b>	6.0%	1.1%	2.4%
6	Metlife	USA	411	3,725	<b>4,038</b>	6.0%	8.4%	25.7%
7	Mapfre	Spain	1,004	2,425	<b>2,398</b>	3.6%	-1.1%	9.1%
8	BBVA	Spain	1,882	1,274	<b>2,168</b>	3.2%	70.2%	1.4%
9	Grupo Nacional Provincial	Mexico	764	1,482	<b>1,602</b>	2.4%	8.1%	7.7%
10	Penta	Chile	203	957	<b>1,370</b>	2.0%	43.2%	21.0%
<b>14</b>	<b>Suramericana</b>	<b>Colombia</b>	<b>525</b>	<b>1,338</b>	<b>1,192</b>	<b>1.8%</b>	<b>-10.9%</b>	<b>8.5%</b>
		Top 10	19,723	48,149	<b>42,964</b>	64%	-10.8%	8.1%
		Top 25	24,531	60,275	<b>55,010</b>	82%	-8.7%	8.4%
		Total Market	36,689	72,294	<b>67,149</b>	100%	-7.1%	6.2%

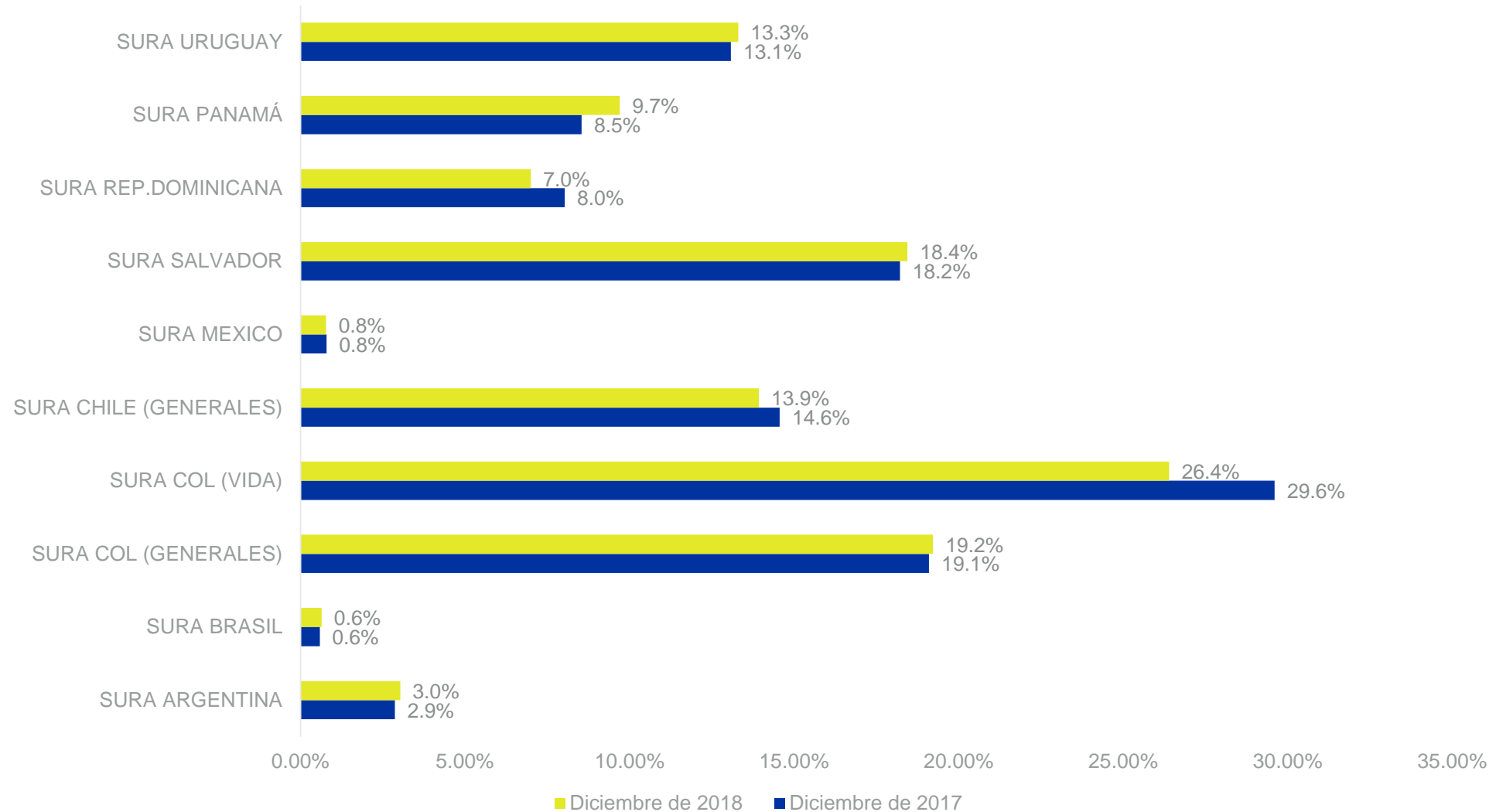
# Market Share 2019



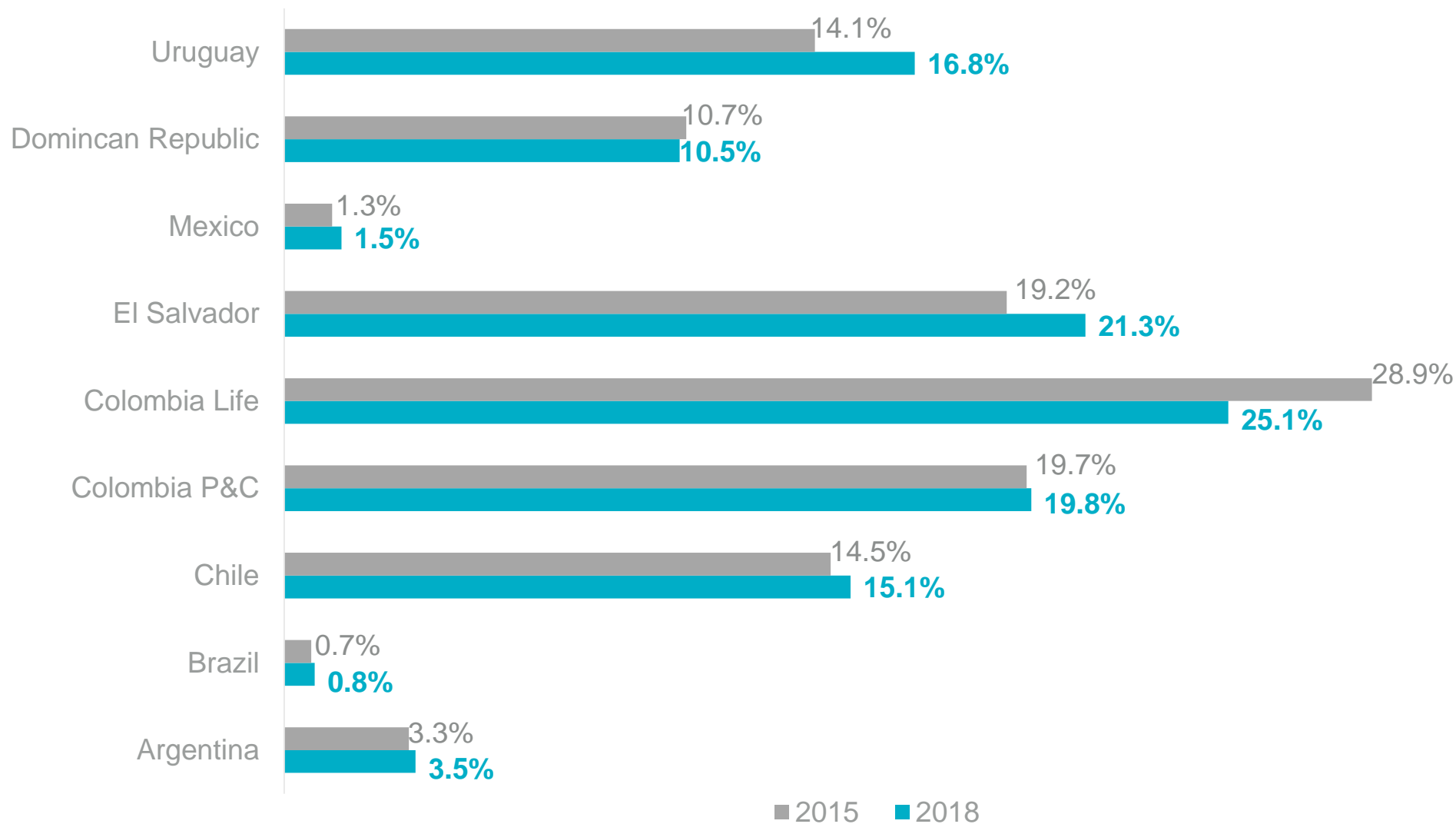
Market share

Ranking

# Insurance Market Share Evolution



# SURA Market Share by country - Insurance



# Insurance Penetration (% of GDP)

País	2008	2010	2015	2016	2017	2018
<b>Argentina</b>	2.1%	2.0%	2.6%	2.6%	2.6%	2.4%
<b>Brazil</b>	2.8%	2.9%	3.8%	4.0%	4.1%	3.9%
<b>Chile</b>	3.9%	3.8%	4.6%	4.9%	4.7%	4.6%
<b>Colombia</b>	2.2%	2.3%	2.7%	2.8%	2.8%	2.8%
<b>México</b>	1.8%	1.9%	2.2%	2.2%	2.2%	2.2%
<b>Panamá</b>	3.1%	3.1%	2.5%	2.3%	2.3%	2.5%
<b>Uruguay</b>	1.7%	1.8%	2.4%	2.4%	2.7%	2.5%
<b>El Salvador</b>	2.4%	2.1%	2.9%	2.9%	2.8%	2.8%
<b>Rep. Dominicana</b>	1.3%	1.3%	1.1%	1.2%	1.4%	1.5%



















## P&C Insurance Penetration (% of GDP)

País	2008	2010	2015	2016	2017	2018
<b>Argentina</b>	1.5%	1.7%	2.2%	2.2%	2.2%	2.0%
<b>Brazil</b>	1.5%	1.4%	1.8%	1.8%	1.8%	1.8%
<b>Chile</b>	1.6%	1.5%	1.8%	1.8%	1.8%	1.8%
<b>Colombia</b>	1.4%	1.6%	1.9%	1.9%	1.9%	1.9%
<b>México</b>	1.0%	1.1%	1.2%	1.2%	1.2%	1.2%
<b>Panamá</b>	2.2%	2.3%	1.9%	1.8%	1.7%	1.9%
<b>Uruguay</b>	1.3%	1.4%	1.6%	1.5%	1.5%	1.5%
<b>El Salvador</b>	1.6%	1.4%	1.8%	1.9%	1.8%	1.8%
<b>Rep. Dominicana</b>	1.2%	1.1%	0.9%	1.0%	1.1%	1.3%

## Life Insurance Penetration (% of GDP)

País	2008	2010	2015	2016	2017	2018
<b>Argentina</b>	0.5%	0.3%	0.4%	0.4%	0.4%	0.3%
<b>Brazil</b>	1.3%	1.5%	2.1%	2.3%	2.3%	2.1%
<b>Chile</b>	2.3%	2.3%	2.8%	3.1%	2.8%	2.8%
<b>Colombia</b>	0.8%	0.7%	0.8%	0.9%	0.9%	0.9%
<b>México</b>	0.8%	0.8%	1.0%	1.0%	1.0%	1.0%
<b>Panamá</b>	0.9%	0.8%	0.6%	0.6%	0.6%	0.6%
<b>Uruguay</b>	0.3%	0.4%	0.8%	0.9%	1.1%	1.0%
<b>El Salvador</b>	0.8%	0.7%	1.0%	1.0%	0.9%	0.9%
<b>Rep. Dominicana</b>	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%

# Insurance Market Penetration - Life

Evolución Métricas	Penetración P&C		Penetración Life		Posición SURA P&C		CAGR 3yr Primas	
	2008	2018	2008	2018	Mkt. Share	Ranking	SURA	Mercado
Argentina	1.5% 	2.0%	0.5% 	0.3%	3.3%	11	36.0%	33.6%
Brazil	1.5% 	1.8%	1.3% 	2.1%	0.9%	20	7.6%	3.5%
Chile	1.6% 	1.8%	2.3% 	2.8%	14.9%	1	6.7%	5.4%
Colombia	1.4% 	1.9%	0.8% 	0.9%	19.8%	1	6.6%	6.4%
El Salvador	1.6% 	1.8%	0.8% 	0.9%	21.2%	1	8.6%	4.9%
Mexico	1.0% 	1.2%	0.8% 	1.0%	1.4%	17	15.6%	9.0%
Panamá	2.2% 	1.9%	0.9% 	0.6%				
Dominican Republic	1.2% 	1.3%	0.1% 	0.2%	10.9%	5	10.5%	11.1%
Uruguay	1.3% 	1.5%	0.3% 	1.0%	14.9%	2	12.0%	5.8%

## **Q4-2019 Results**

# EXCELLENT RESULTS WITH RECORD HIGH NET INCOME

Driven by operating dynamics and investment income

## ♦ OPERATING REVENUES

**COP**  
**21.9 tn**

▲ 13.3%

## ♦ OPERATING INCOME

**COP 3.0 tn**

▲ 19.5%

## ♦ NET INCOME

**COP 1.7 tn**

▲ 27.9%

## ♦ ADVANCES IN STRATEGY

- Improvement in profitability

**+ 55 bps**  
Adjusted ROE

- Optimization of invested capital

**COP 2.5 tn**  
Before taxes

- Divestments by Grupo SURA and subsidiaries

**USD 500 MM**  
2017-2019

- Grupo SURA (holding) debt reduction

**COP 380,000 MM**  
2019

**COP 850,000 MM**  
2017-2019

- Transformation of our businesses and creation of greater value to clients

## ♦ PROPOSALS FOR AGM

- Dividend payment

**+15.3%**

- Share repurchase

**COP 300,000 MM**  
3 years

## ♦ COMMENTS FROM CEO

- David Bojanini is retiring after 40 years in the Group and 13 as CEO.
- Gonzalo Pérez named as new CEO with 38 of experience in the Group's insurance subsidiary.

# SHARE REPURCHASE PROPOSAL

Additional tool for financial management

♦ **AMOUNT:** Up to **COP 300,000 MM**

♦ **TERM:** Up to **3 years**

♦ **PROPOSAL FOR AGM:**

- Set up a reserve
- Request to delegate to the Board of Directors the definition of the conditions in which the operations will be carried out
- Adoption of mechanisms that allow equal treatment for all shareholders

♦ **PROPOSED AMOUNT:**

- **Significant:** Relative to market conditions
- **Reasonable:** Benchmarked from international standards of this type of operations
- **Viable:** Cash flow allocation in line with a comprehensive vision of financial resources management

♦ **RATIONALE**

**Optionality:**

Management tool that can be used when conditions are appropriate

**Undervalued share price:**

Market price doesn't reflect estimated portfolio value

**Capital allocation decision:**

Current price discount makes Grupo SURA's shares an excellent investment alternative

**Return to shareholders:**

Frequently used in international markets as an additional source of return to investor

# DEBT REDUCTION, HIGHER VALUE OF INVESTMENTS

And net income contribution explain the increase in net income

## | STATEMENT OF FINANCIAL POSITION |

	DEC - 19	DEC - 18	Var\$	Var%
Cash, investments and investment properties	26,498	24,731	1,766	7.1%
Investments in associates	19,966	19,170	796	4.2%
Intangibles and Goodwill	8,910	9,197	(286)	-3.1%
Available-for-sale non-current assets	5	5,539	(5,534)	-99.9%
Right-of-use assets	645	0	645	
Other	13,013	12,436	577	4.6%
<b>TOTAL ASSETS</b>	<b>69,038</b>	<b>71,073</b>	<b>(2,036)</b>	<b>-2.9%</b>
Technical reserves	23,215	22,199	1,016	4.6%
Financial liabilities and issued securities	10,093	10,447	(354)	-3.4%
Available-for-sale non-current liabilities	0	4,872	(4,872)	-100.0%
Lease liabilities	667	0	667	
Other	6,972	6,655	317	4.8%
<b>TOTAL LIABILITIES</b>	<b>40,947</b>	<b>44,172</b>	<b>(3,226)</b>	<b>-7.3%</b>
<b>EQUITY</b>	<b>28,091</b>	<b>26,901</b>	<b>1,190</b>	<b>4.4%</b>

▼ Annuities Divestment

▲ Investments

▲ EQUITY

▼ Annuities Divestment

▼ Debt

Other assets = Accounts receivable + technical reserves reinsurers + tax assets + other assets + PP&E

Other liabilities = Accounts payable + tax liabilities + provisions + other liabilities

Figures in billion COP. Var\$ and Var% correspond to variations against Q4-2018

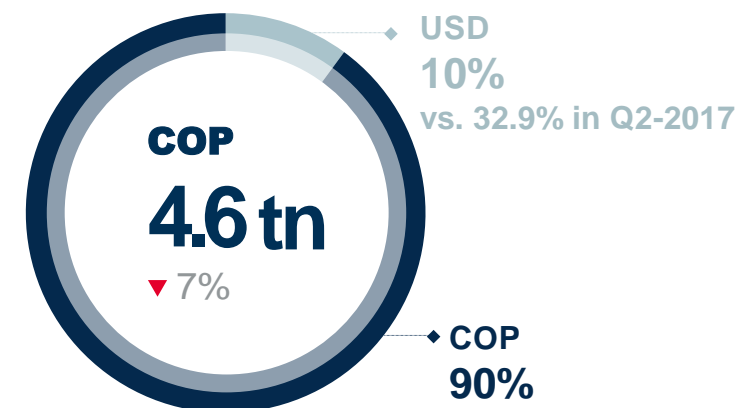
# DEBT REDUCTION ON A CONSOLIDATED AND INDIVIDUAL LEVEL

In line with deleveraging and capital optimization plan

## CONSOLIDATED FINANCIAL DEBT



## INDIVIDUAL FINANCIAL DEBT



## CAPITAL OPTIMIZATION INITIATIVES

**COP 2.5 bn**  
Consolidated

**COP 1.5 bn**  
Divestments

## DEBT REDUCTION

**COP 380,000 MM**  
2019

**COP 850,000 MM**  
2017-2019

## NET DEBT / DIVIDENDS (FTM)

**4.1x** vs **5.6x**  
Max. 5x Q2-2017

## LEVERAGE (LTV)

**13.1%** vs **18.3%**  
Max. 25-30% Q2-2017

# NET INCOME GROWTH

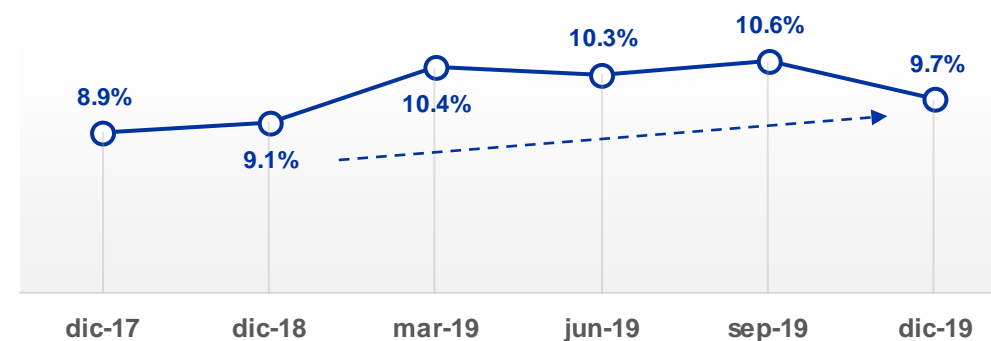
Drives increase in consolidated profitability

## | ESTADO DE RESULTADOS CONSOLIDADO |

	DIC - 19	SEP - 18	Var\$	Var%
Retained premiums	11,219	10,735	484	4.5%
Commission income	2,734	2,504	230	9.2%
Revenues from services rendered	4,027	3,293	733	22.3%
Investment income	2,373	1,483	890	60.0%
Equity method – associates	1,255	1,058	197	18.6%
Other revenues	307	277	30	10.9%
<b>OPERATING REVENUES</b>	<b>21,915</b>	<b>19,350</b>	<b>2,565</b>	<b>13.3%</b>
Retained claims + Adj. Reserves	6,888	6,546	342	5.2%
Costs of services rendered	3,846	3,099	747	24.1%
Admin. expenses	8,160	7,178	983	13.7%
<b>OPERATING EXPENSES</b>	<b>18,895</b>	<b>16,823</b>	<b>2,072</b>	<b>12.3%</b>
<b>OPERATING INCOME</b>	<b>3,020</b>	<b>2,527</b>	<b>493</b>	<b>19.5%</b>
Financial Result	626	848	-222	-26.2%
<b>EARNINGS BEFORE TAXES</b>	<b>2,394</b>	<b>1,680</b>	<b>715</b>	<b>42.5%</b>
Taxes	684	273	410	150.2%
Discontinued operations	8	-63	71	-113.0%
<b>NET INCOME</b>	<b>1,719</b>	<b>1,343</b>	<b>375</b>	<b>27.9%</b>
<b>SHAREHOLDERS' NET INCOME</b>	<b>1,526</b>	<b>1,183</b>	<b>343</b>	<b>29.0%</b>

## | ADVANCES IN PROFITABILITY PLAN |

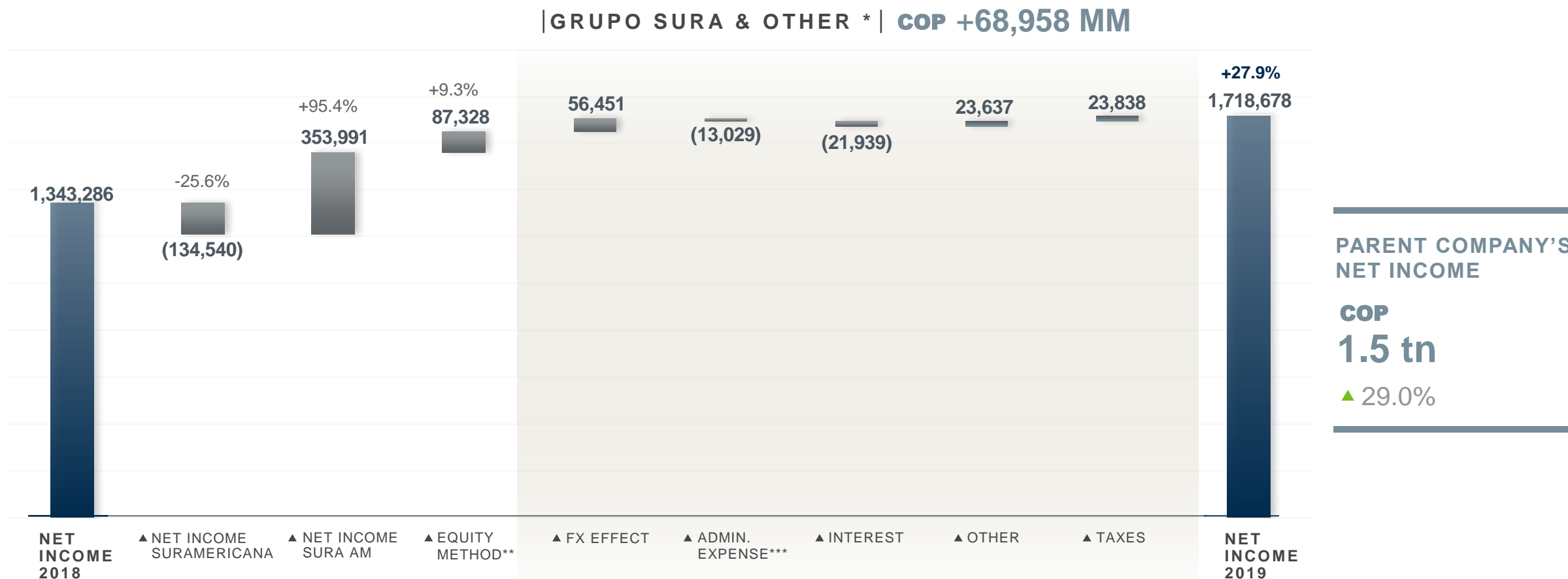
### Adjusted ROE



Otros revenues = Otros revenues + Dividends  
 Admin. expenses = Administrative expense + Employee benefits + Depreciations +  
 Amortizations + Brokerage commissions + Fees + Other expenses + Impairment  
 Figures in billion COP. Var\$ and Var% correspond to variation against FY-2018

# CONSOLIDATED NET INCOME GREW 27.9%

Explained by results from SURA AM and equity method from associates



\* Grupo SURA and Other (GS) includes Grupo SURA, Grupo SURA Finance, Grupo SURA Panama, Habitat and Arus, among other.

\*\*GS Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees at Grupo SURA and Other level.

\*\*\* Exchange difference + valuation of hedging derivatives, net of associated deferred tax

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

# SURAMERICANA CONTINUES WITH POSITIVE REVENUE GROWTH

But specific impacts in Argentina, Chile and Health sector in Colombia affected net income



♦ Written premiums

COP  
**13.3 tn**

▲ 10.9%  
▲ 13.1% exc. Argentina

♦ Revenues from services rendered

COP  
**3.8 tn**


▲ 23.6%

♦ Net Income

COP  
**390,327 MM**

▼ 25.6%  
▼ 10.3% exc. Argentina

♦ Advances in strategy

- Empresas SURA  
**8 countries      8 attention centers      1.2 MM SMEs**
- Individual life insurance  
**8 countries; missing:** 
- Capital optimization process  
**Voluntary health premiums      Merger Workers' Comp Split of portfolio**
- Divestments  
**Sodexo and Palic**

♦ Good operating dynamics with impacts in business segments:

**Life**

VAT on commissions: **COP 52,100 MM**

**P&C**

- Argentina **COP -88,000 MM**
- Higher claims ratio due to social protests in Chile

**Healthcare**

Improvement in claims ratio during 2H-2019

♦ SURA Ventures strategic returns: Pager, Zendrive

**ADJUSTED ROE\***

**9.0%**

**ADJUSTED ROTE\***

**11.4%**

\*\*\* ROE and ROTE adjusted for amortization of intangibles associated to M&A, net of deferred taxes; divided by average equity and average tangible equity, respectively

# HIGHER HEALTH CARE COSTS AND NON-COMPARABLE IMPACTS

Affected financial results

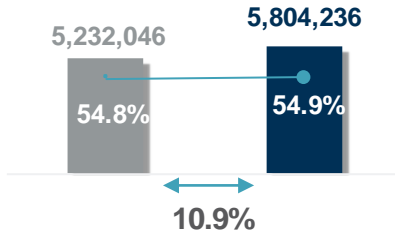
## WRITTEN PREMIUMS + REVENUES FROM SERVICES

COP  
**17.1** trillion

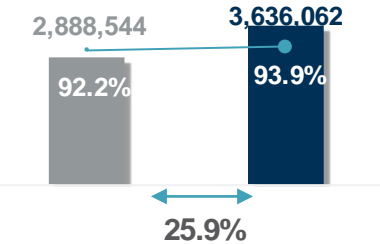
▲ COP **2.0** tn

▲ 13.5%

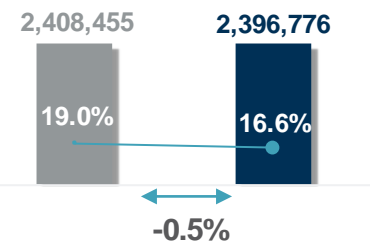
### CLAIMS + ADJ. RESERVES: % RET. PREMIUMS



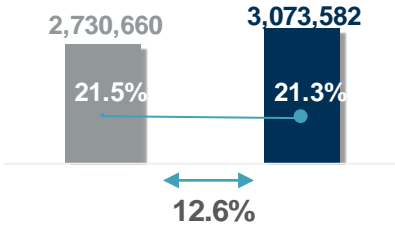
### SERVICES RENDERED: COSTS / REVENUES



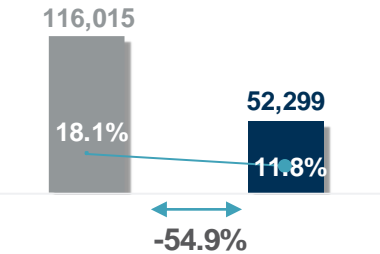
### TECHNICAL RESULT: % OPERATING REVENUES



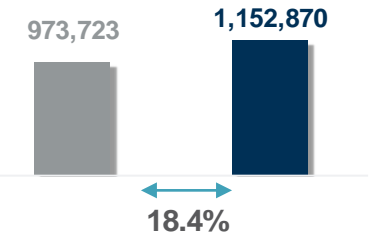
### OPER. EXPENSES\*\*: % OPERATING REVENUES



### TAXES % EBT



### INVESTMENT INCOME



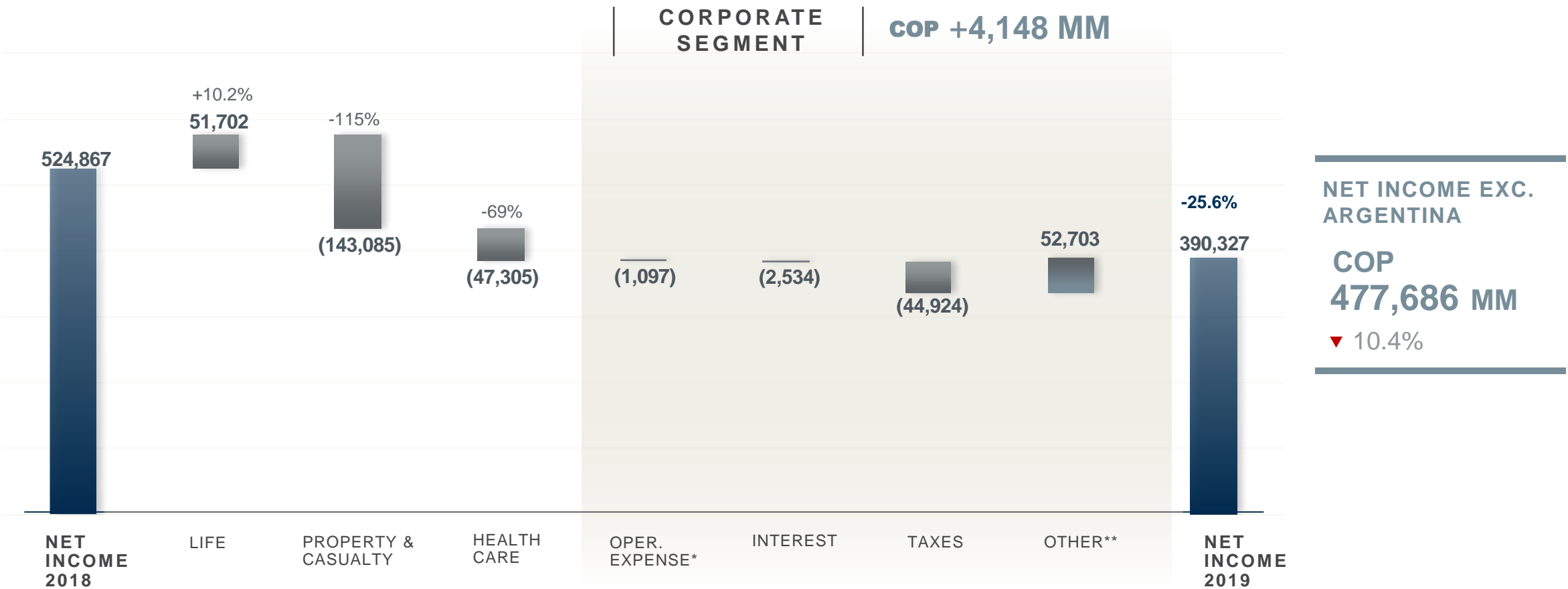
■ 2018 ■ 2019

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

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

# LOWER NET INCOME DUE TO SPECIFIC NEGATIVE IMPACTS

Despite the positive operating dynamics and organic growth



\* Oper. Expenses includes Administrative Expenses, Employee Benefits and Fees of the corporate segment.  
\*\*\*"Other" variation mainly corresponds to the profit of the sale of Palic Salud and Sodexo.

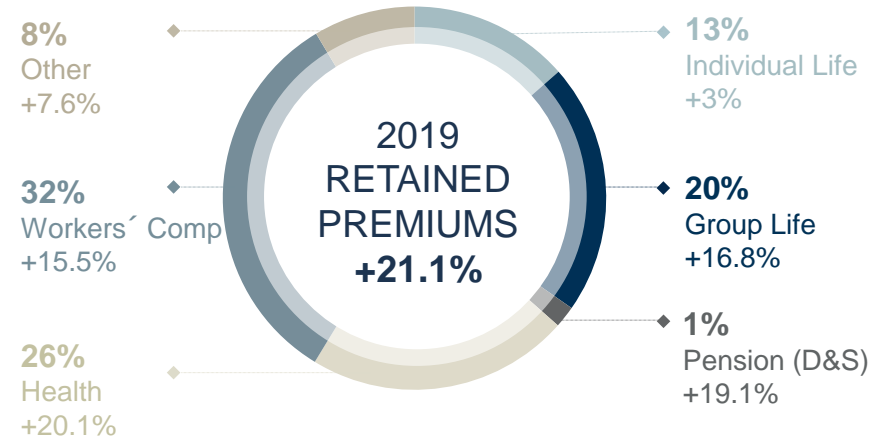
# LIFE SEGMENT: CONTINUES AS HIGHEST NET INCOME CONTRIBUTOR

with positive operating and investment results

## NET INCOME 2019FY

**COP 557,886 MM**

▲ 10.2%

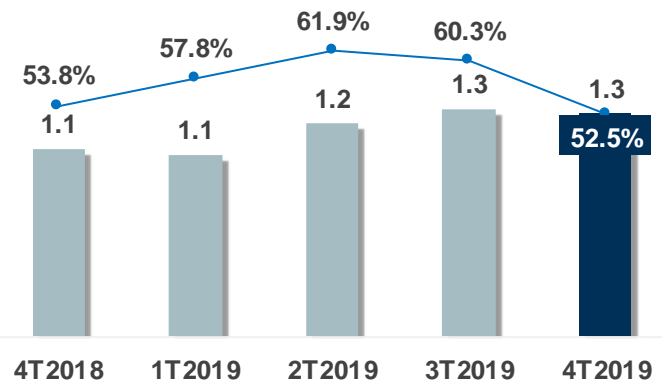


- ◆ Capital optimization effect on premiums "premium = collection"
- ◆ VAT on commissions: **COP -52,100 MM.**
- ◆ Increase in **investment income** driven by fixed income performance

## RETAINED PREMIUMS (COP tn)

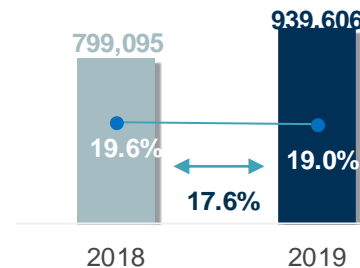
% Retained claims ratio\*

**2019: 58.1% (-30 bps)**

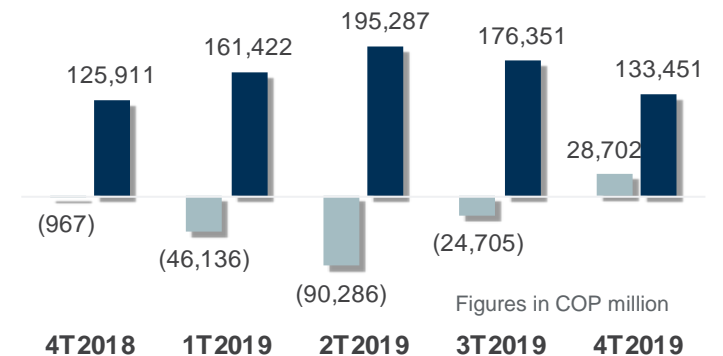


## OPERATING EXPENSES\*\* (COP MM)

% Retained premiums



## INVESTMENT INCOME UNDERWRITING RESULT



\*Retained claims ratio = (retained claims + adjustment from reserves) / retained premiums. \*\* Oper. Expenses = fees + administrative expenses + amortizations and depreciations + impairment

# P&C SEGMENT: ARGENTINA AND CHILE

Negatively impacted the segment's results

## NET INCOME 2019 FY

Adjusted\*

**COP 36,082 MM**


▼ 80.3%

## RETAINED PREMIUMS BY COUNTRY

	dic-19	%Var COP	% Var ML
Colombia	1,793	8.5%	8.5%
Chile	924	-20.4%	-21.5%
Argentina	721	-14.3%	33.9%
México	760	51.6%	36.7%
Brasil	483	14.0%	10.9%
Panamá	415	18.2%	6.5%
Uruguay	252	-12.0%	-9.0%
Rep. Dominicana	155	22.7%	14.6%
El Salvador	129	1.3%	-8.7%
<b>Total</b>	<b>5,632</b>	<b>2.9%</b>	<b>12.2%</b>

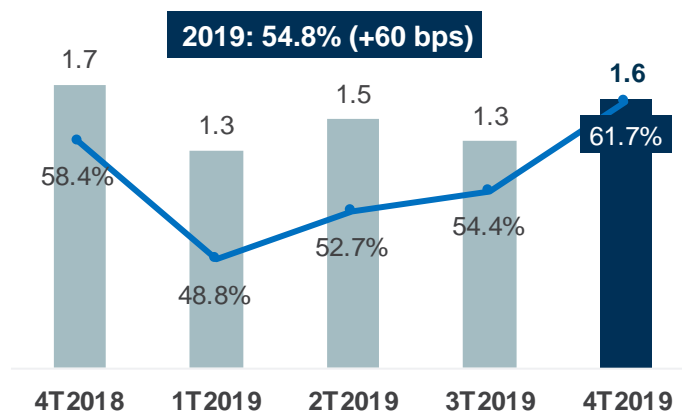
Figures in COP billion

 **Protests:** COP -40,000 MM due to an increase in claims and reinsurance costs

 COP 88,000 MM loss

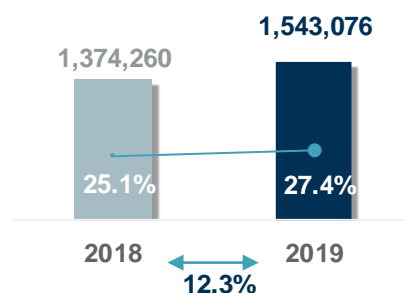
## RETAINED PREMIUMS (COP tn)

% Retained claims ratio\*\*

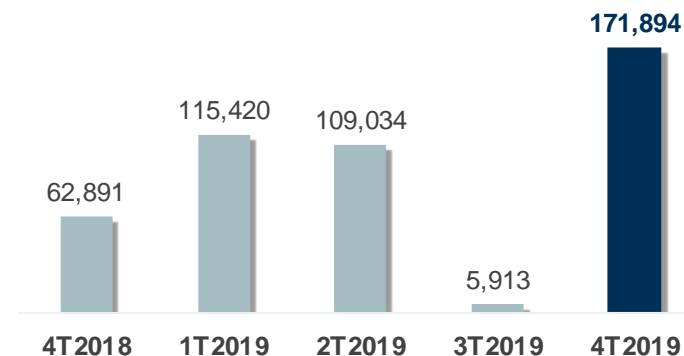


## OPERATING EXPENSES (COP MM)

% Retained premiums



## INVESTMENT INCOME (COP MM)



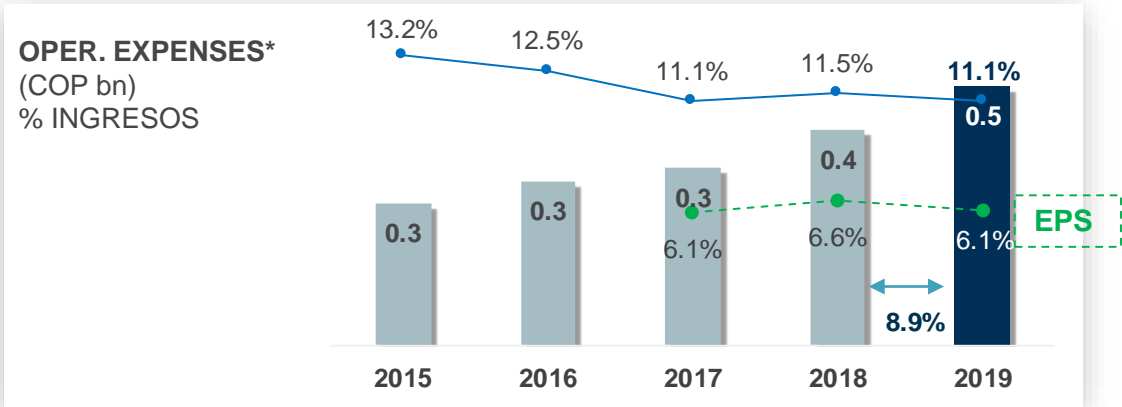
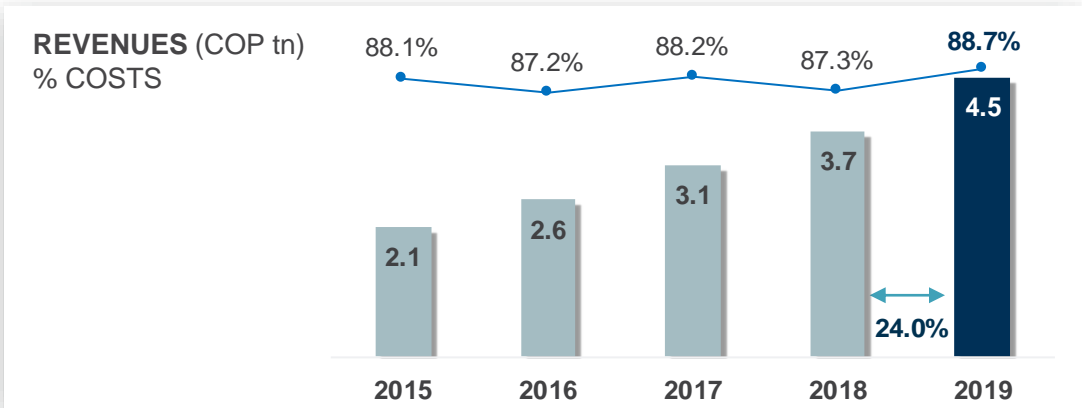
\*Net income adjusted for amortization of intangibles and adjustment for inflation in Argentina

\*\*Retained claims ratio = (retained claims + adjustment from reserves) / retained premiums. \*\*\* Oper. Expenses = fees + administrative expenses + amortizations and depreciations + impairment

# HEALTH CARE SEGMENT: Q4 RESULTS

reflect a stabilization in claims ratio and positive effects from cost control initiatives

NET INCOME	FY 2019	Q4-2019
	COP 21,141 MM	COP 19,155 MM
	▼ 69%	▲ 138%



	REVENUES ON SERVICES		COSTS / REVENUES	
	DEC -19	% VAR	DEC -19	DEC -18
EPS	3,571,561	25.1%	94.3%	92.3%
IPS	621,530	15.2%	70.0%	69.2%
Dinámica	350,737	30.1%	64.8%	71.3%
TOTAL	4,543,828	24.0%	88.7%	87.3%

Figures in COP million

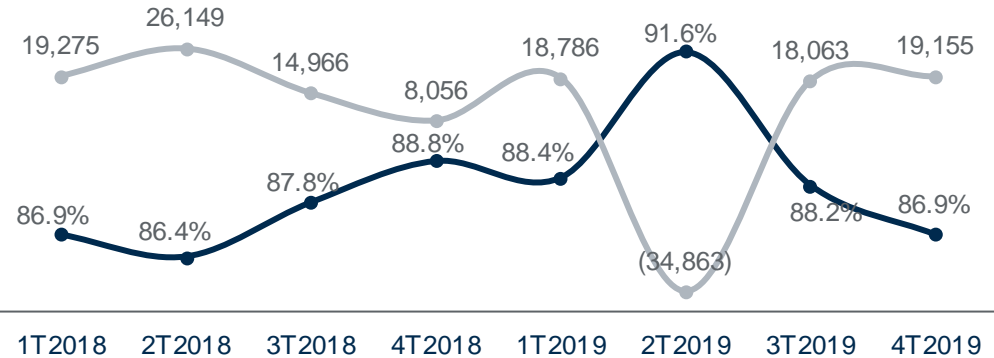
◆ TOTAL CLIENTS

3.67 millones  
▲ 17.9%

◆ GROWTH IN PAC\*\* REVENUES

▲ +50%

◆ QUARTERLY EVOLUTION OF COST RATIO AND NET INCOME



Figures in COP million  
\*Oper. Expenses = fees + administrative expenses + amortizations and depreciations + impairment  
\*\* PAC: Supplementary Care Plan in spanish

# SURA AM: NET INCOME GROWS 66%

Driven by return on legal reserve and operating results



◆ **CLIENTS**

**20.5** million

▲ 3.7%

252,000 Peru bidding process

◆ **NET INCOME (CONTINUED OP.)**

**COP 716,817** million

▲ 65.8%

◆ **MANDATORY PENSION BUSINESS**

Resilient growth

▲ 8.3% Commission income

Investments

- “Encaje”: yield 15%.
- Alpha in Chile y México




Pension reforms

◆ **SAVINGS AND INVESTMENTS**

Excellent net flows in the year **COP 5.1 tn**

**AUM**

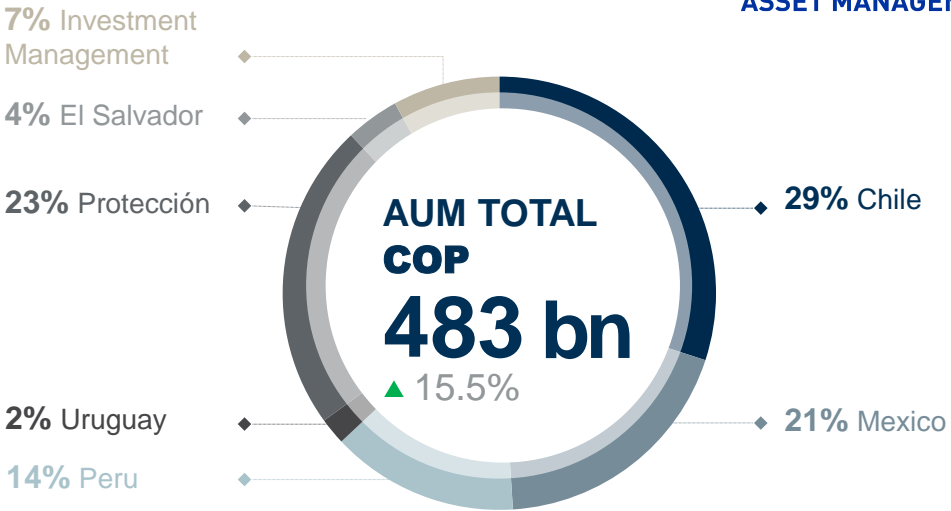
▲ 25.8%

◆ **INVESTMENT MANAGEMENT**

- 6 new alternative funds
- 136 new institutional clients

**AUM**

▲ 17% (exc. annuities Chile)



◆ **ADVANCES IN STRATEGY**

**Portfolio Management**






**Innovation & Digital Transf.**

- Analytics
- Artificial Intelligence
- Automatization

**Channel Management**

- Digital channel
- Kiosks and self-service
- Apps

**Human Talent**



# GROW IN ALL REVENUE LINES

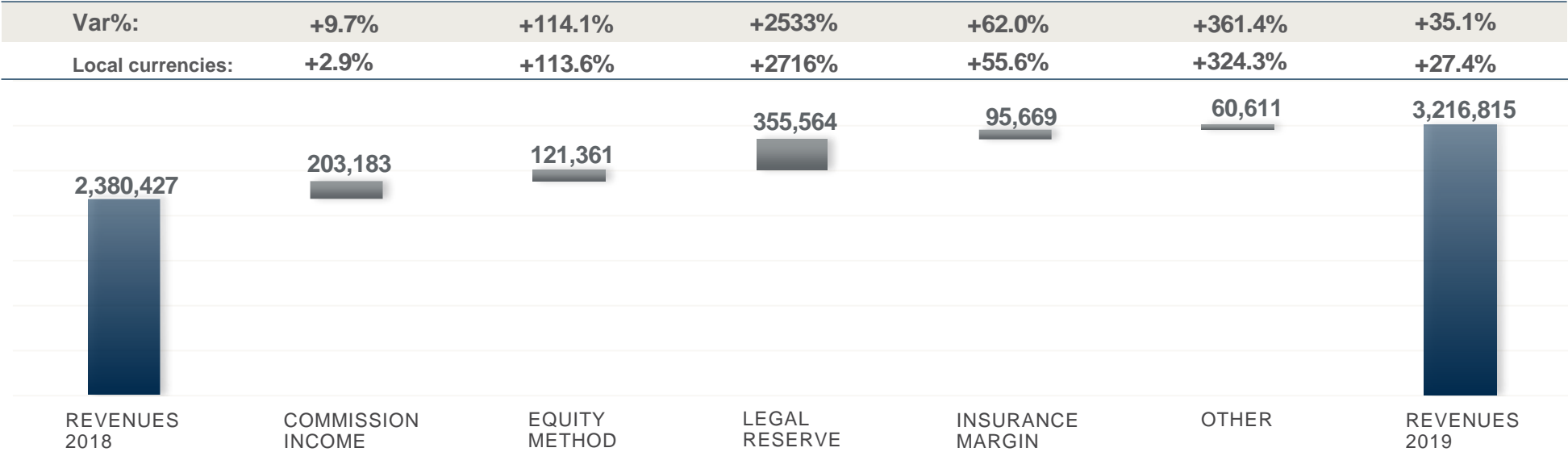
And better investment returns drive a 75% growth in operating earnings

## OPERATING REVENUES + INSURANCE MARGIN

COP 3.2  
trillion

+836,388 MM

▲ 35.1%

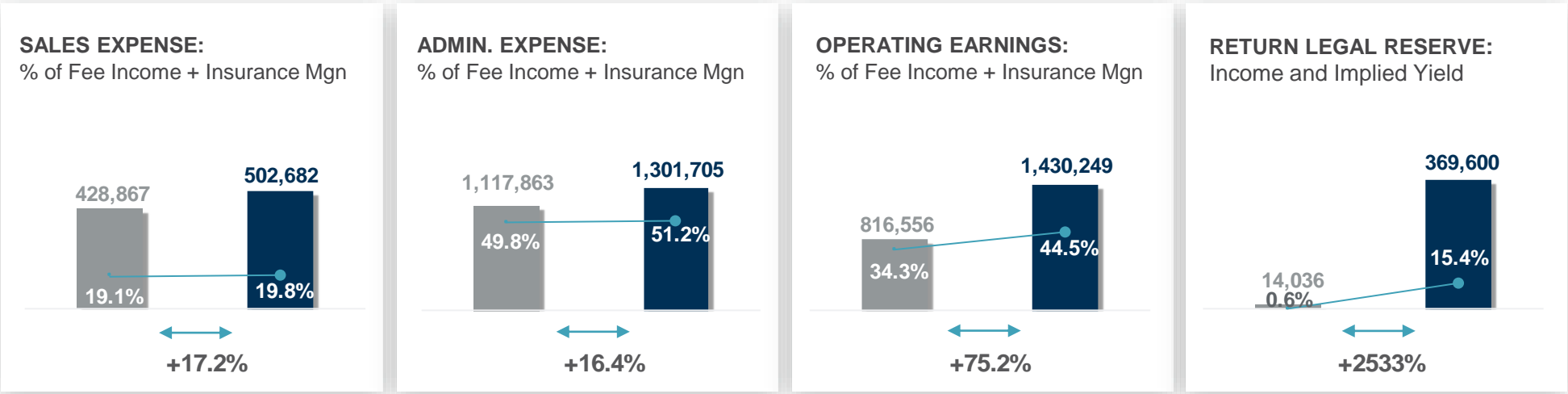


## OPERATING EXPENSES

COP 1.3  
trillion

+222,695 MM

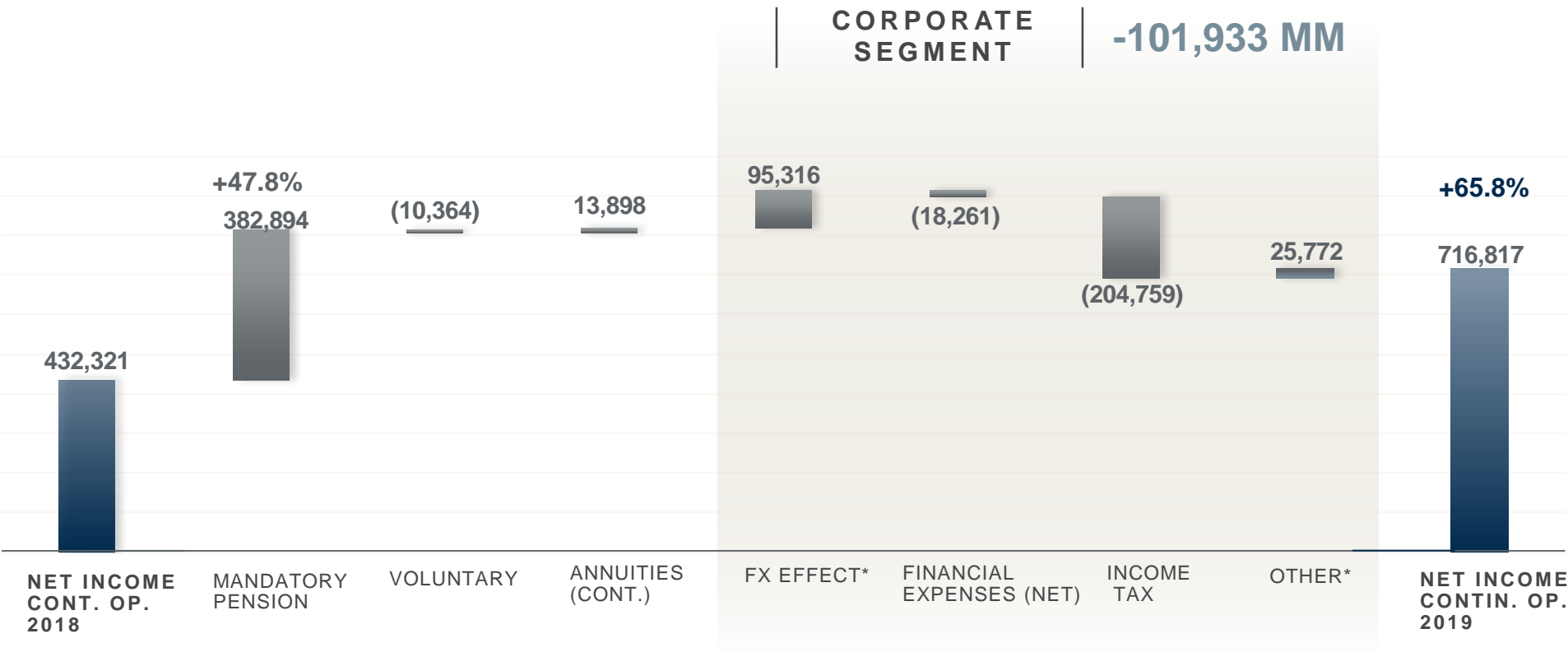
▲ 14.2%



Figures in COP million. % change in nominal COP figures.

# NET INCOME GROWTH DRIVEN BY MANDATORY PENSION BUSINESS

Offsetting higher tax expenses



ADJUSTED ROE\*\*\*

8.7%

ADJUSTED ROTE\*\*\*

31%

\*FX Effect= Exchange difference + Gains (losses) at fair value from hedging derivatives.  
\*\*Other includes operating expenses from the corporate segment, income tax, financial expenses, gains (losses) from discontinued operations and other revenues/expenses from the corporate segment  
\*\*\* ROE and ROTE adjusted for amortization of intangibles associated to M&A and losses from discontinued operations, divided by average equity and tangible equity, respectively

# MANDATORY PENSION: RETURN ON LEGAL RESERVE AND COMMERCIAL

activity overcome pressure on lower fees

## OPERATING REVENUES

**COP 2.6 bn**

▲ 31.5%

## AUM

**COP 427 bn**

▲ 16.5%

◆ MEXICO  
▲ 25.3%

◆ PERU  
▲ 13.6%

## SALARY BASE

◆ CHILE  
▲ 6.5%

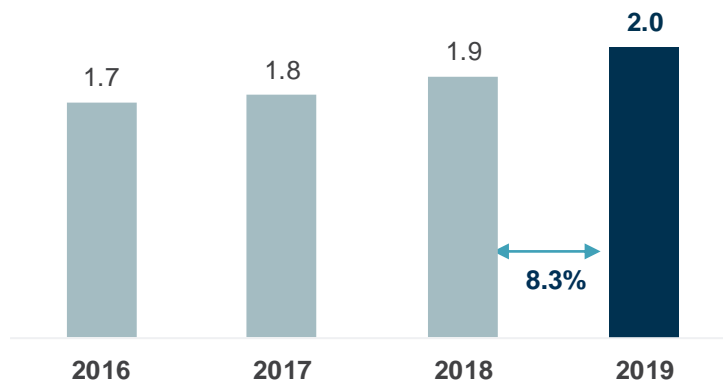
◆ COLOMBIA  
▲ 8.1%

◆ URUGUAY  
▲ 3.8%

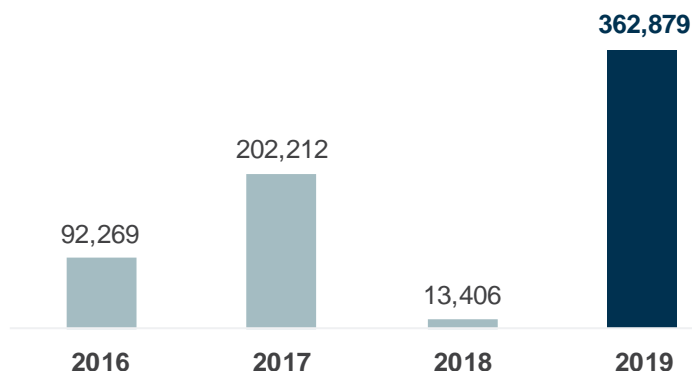
 **252,000** new affiliates

- ◆ Fee reduction 
- ◆ High investment yield benefits clients and return on legal reserves
- ◆ Evolution of alternative commercial channels

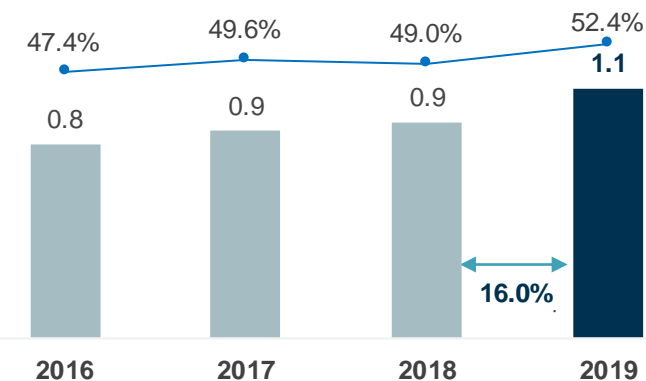
## COMMISSION INCOME



## RETURN ON LEGAL RESERVE "ENCAJE"



## ADMIN. & SALES EXPENSES (% COMMISSION INCOME)



# COMMERCIAL PRODUCTIVITY DRIVES NET FLOW AND REVENUES

## NET OPERATING REVENUES

**COP 399,184 MM**

▲ 24.1%

## AUM SAVINGS & INVESTMENTS

**COP 35.0 bn**

▲ 25.8%

◆ FLUJO NETO  
COP 5.1 bn

◆ RENDIMIENTO  
COP 2.6 bn

## AUM INVESTMENT MANAGEMENT

**COP 34.4 bn**

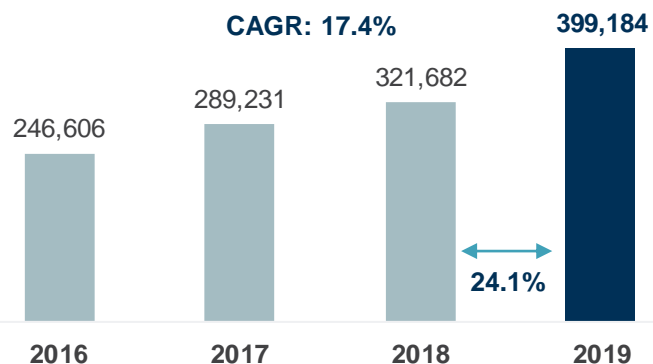
▼ 0.9%

▲ 17%

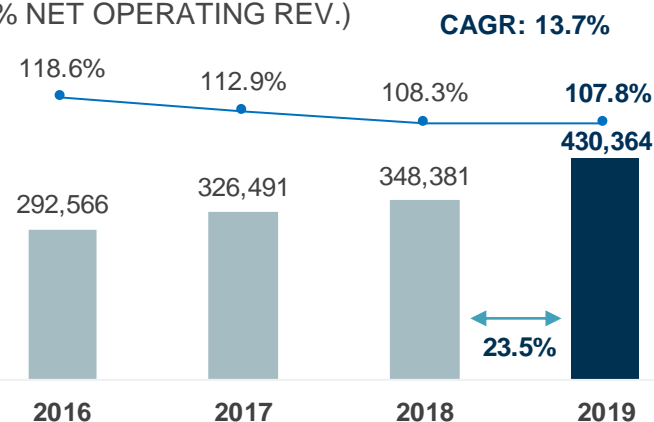
exc. RRVV Chile

- **S&I:** better commercial productivity
  - 16 new investment products
- **IM:** launch of new funds
  - 6 alternative funds
  - 11 traditional funds

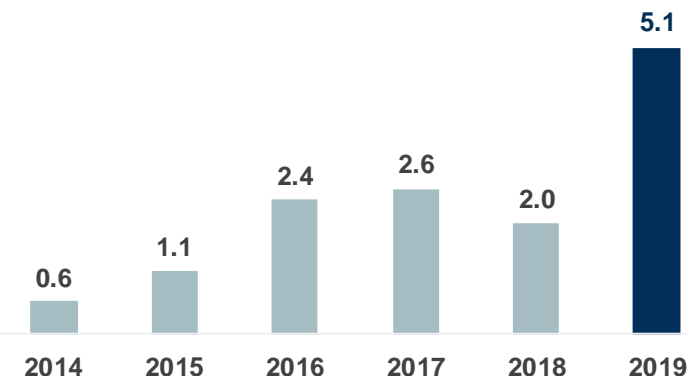
## NET OPERATING REVENUES (OPER. REVENUES + INSURANCE MARGIN)



## ADMIN. & SALES EXPENSES (% NET OPERATING REV.)



## SAVINGS AND INVESTMENTS NET FLOW (COP tn)



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## INVESTOR RELATIONS CONTACT INFORMATION

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