

Quarterly results presentation

Grupo SURA

Q2 2020

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.

Grupo SURA

A person wearing a yellow jacket and a hat stands on a rocky ledge in the bottom left corner, looking out over a vast, rugged mountain range. The mountains are characterized by sharp, jagged peaks and steep, rocky slopes. The scene is illuminated by warm, golden light, suggesting either sunrise or sunset. The sky is a clear, pale blue with a few wispy clouds. A large, dark, curved line frames the top and right sides of the image, partially enclosing the title text.

COVID-19 Update

Financial Results



EMPLOYEES

Preserve their wellbeing



SOCIETY

Working together to be part of the solution



CLIENTS & BUSINESS

Moment to be relevant



RISKS AND OPPORTUNITIES

Update on risks and opportunities



FINANCIAL

Focus on liquidity and solvency



EMPLOYEES

Preserve their wellbeing

+1,500 new hires of health professionals in Colombia.

Gateway: 20% of administrative employees reassigned to serve customers.



SOCIETY

Working together to be part of the solution

Active participation in search of the general solution.

Learnings and proprietary knowledge shared with public entities and competitors.



CLIENTS AND BUSINESS

Moment to be relevant

Suramericana

Covid-19 tests: +200,000 tests processed (~ 13% of the country's total) and a 200% increase in daily processing capacity.

Oxygen therapy: +14,000 patients attended; 1.7% have been hospitalized and 0.39% to ICU.

Support in economic reactivation:

- Workers' Compensation (ARL): +109,000 companies advised on biosafety protocols; +14.3 million protection elements delivered.
- Empresas SURA: +44,500 companies contacted.

New solutions adapting to the needs of customers:

- Plan Elige, Salud Digital (health care), Vida Digital (individual life).
- Plan Complementario 60 más (complementary plan to mandatory health).
- Mobility: usage-based insurance.

Autos SURA in Uruguay: Acquisition of companies for mobility assistance.

SURA Asset Management

Launch of **real estate funds** (Col and Peru) and financing for SMEs (Col)

Incorporation of a **SICAV in Luxembourg**.

Fiduciaria SURA: closing of the acquisition of a fiduciary in Colombia.



RISKS AND OPPORTUNITIES

Update on risks and opportunities

Increase in sales effectiveness.

Suramericana

Higher demand of Life and Health insurance solutions.

SURA Asset Management

Regulatory changes in mandatory pension systems:

- Chile.
- Colombia.
- Mexico.
- Peru.

Savings relevance: voluntary savings and net Flow reached COP 1.9 tn in 1H 2020.



FINANCIAL

Focus on liquidity and solvency

We maintain capital above regulatory requirements and focus on preserving liquidity

Grupo SURA

- Payment of 2020 debt maturities with own cash generation: COP 131,000 MM.
- Fx hedging: debt in USD is now equivalent to 6% of the total.
- Issuance of local bonds ensuring resources for 2021 maturities.

Suramericana

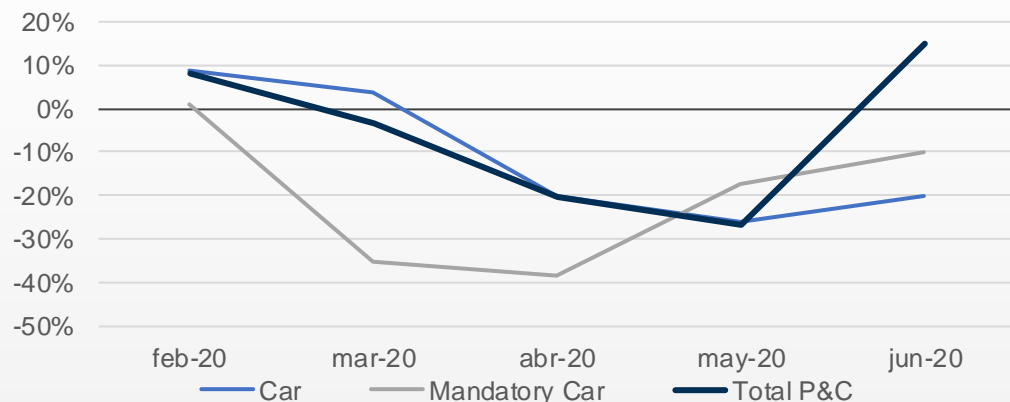
- Payment of local bonds in June for COP 150,000 MM.
- AAA rating ratified for Suramericana and Seguros SURA Colombia.

SURA Asset Management

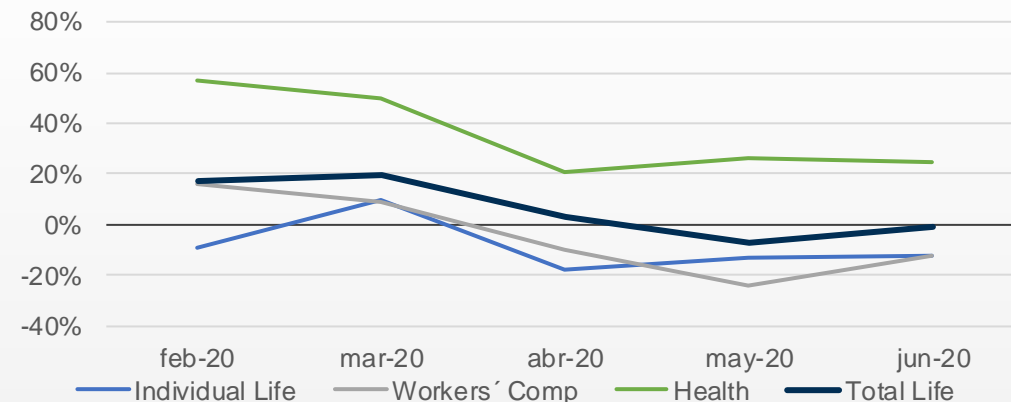
- Baa1 international rating by Moody's (Jun 2020).

EVOLUTION OF REVENUES SHOWS PARTIAL RECOVERY IN JUNE

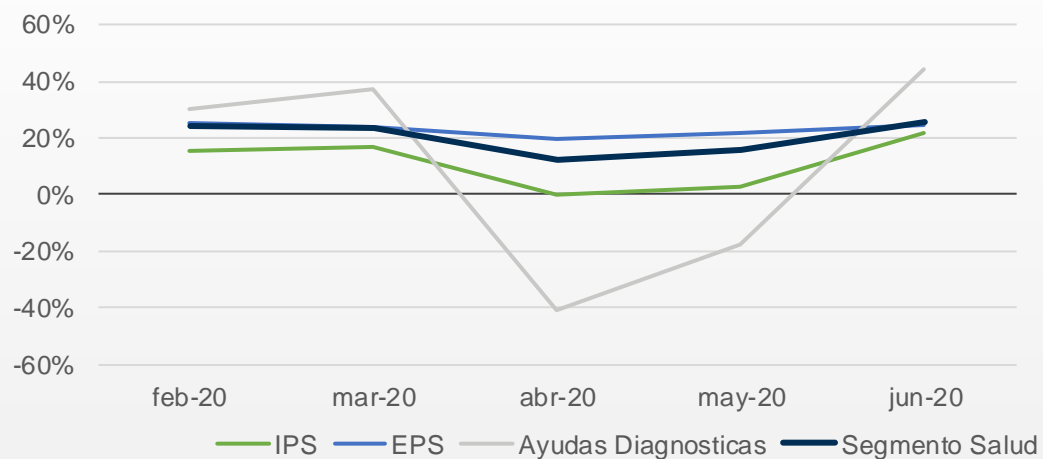
P&C SEGMENT (var% vs. same month of 2019)



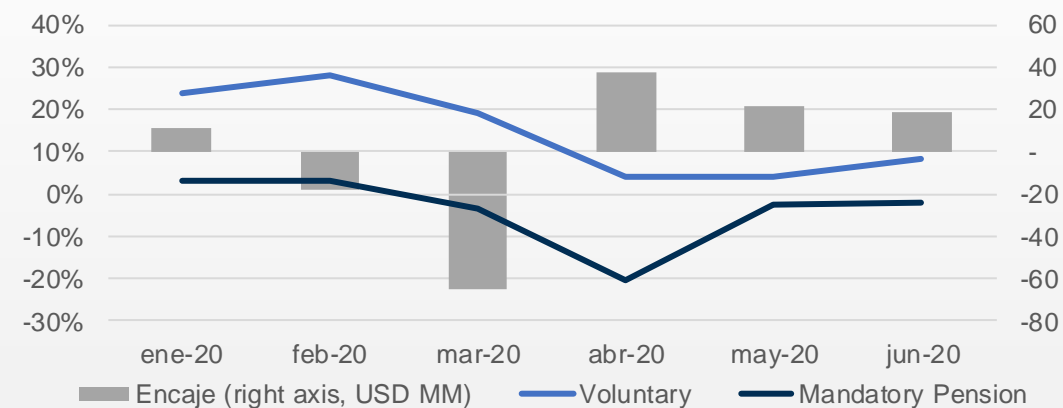
LIFE SEGMENT (var% vs. same month of 2019)



HEALTH CARE SEGMENT (var% vs. same month of 2019)



SURA AM: COMMISSION INCOME (var% vs. same month of 2019) **AND**
RETURN ON LEGAL RESERVE (monthly revenue)

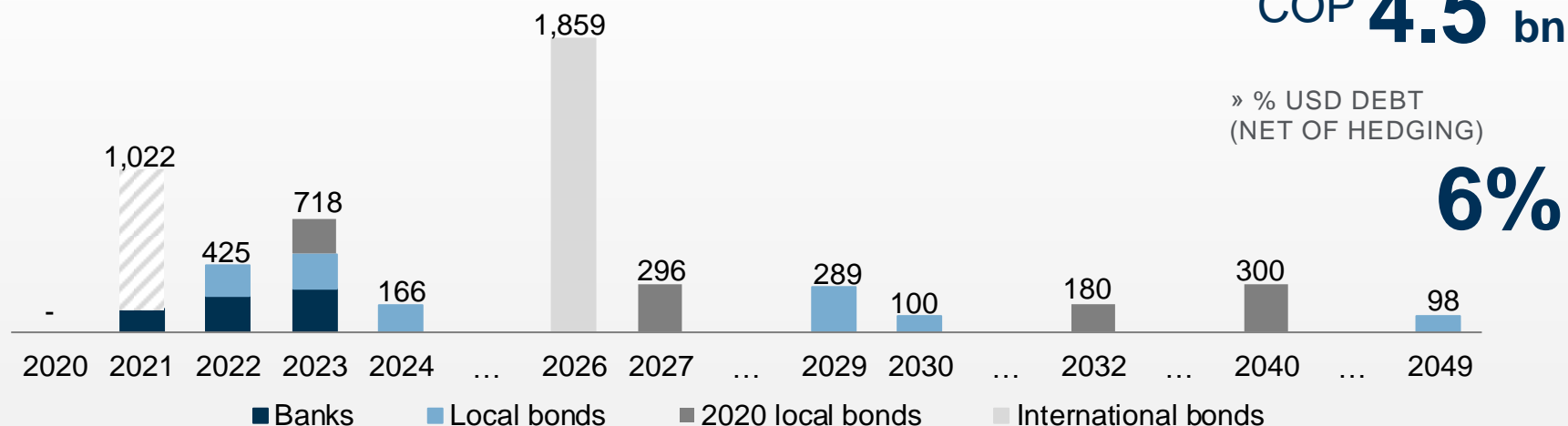


CASH FLOW MANAGEMENT – HOLDING COMPANY

Successful bond issue allows early management of 2021 maturities

DEBT PROFILE AFTER ISSUANCE »

Figures in COP billion



INDICATORS

NET DEBT/ DIVIDENDS
(12M)

3.9x
Max. 5x

CASH FLOW
COVERAGE

1.3x
Min. 1.2x

SUCCESSFUL LOCAL BOND ISSUANCE – AUGUST 2020

AMOUNT ISSUED

COP 1 tn

BID TO COVER

2.23x

AVERAGE DURATION

10.9 yrs

AVERAGE COST

4.89%
With current
reference rates

LEVERAGE
(LTV)

15.3%
Max. 25-30%

*USD denominated debt converted at hedge rates. Current administrative information

RESILIENT GROWTH IN MAIN BUSINESS LINES

Despite recovery in Q2, net income is still affected by market returns

CONSOLIDATED INCOME STATEMENT

	jun-20	jun-19	Var\$	Var%
Retained premiums	5,374	5,329	45	0.9%
Commission income	1,352	1,334	18	1.3%
Revenues from services rendered	2,289	1,905	384	20.2%
Investment income	723	1,090	(367)	-33.7%
Equity method – associates	153	673	(519)	-77.2%
Other revenues	142	123	19	15.4%
OPERATING REVENUES	10,033	10,453	(420)	-4.0%
Retained claims + Adj. Reserves	(2,715)	(3,187)	472	-14.8%
Costs of services rendered	(2,202)	(1,847)	(355)	19.2%
Admin. expenses	(4,194)	(3,897)	(297)	7.6%
OPERATING EXPENSES	(9,110)	(8,931)	(179)	2.0%
OPERATING INCOME	922	1,522	(599)	-39.4%
Financial Result	(428)	(323)	(106)	32.8%
EARNINGS BEFORE TAXES	494	1,199	(705)	-58.8%
Taxes	(236)	(255)	18	-7.3%
Discontinued operations	(12)	6	(19)	
NET INCOME	245	951	(705)	-74.2%
SHAREHOLDERS' NET INCOME	169	847	(677)	-80.0%

- Growth in revenues from premiums, commissions and services rendered, even with negative impacts in Q2 due to economic slowdown.
- Investment income decreased in the first half of the year because of a lower return on legal reserves from mandatory pension funds.
- Revenues from equity method affected by lower income from Bancolombia and Protección.
- Focus on efficiency and cost control; Investments are maintained despite costs associated with the pandemic.

Other revenues = Other revenues + Dividends

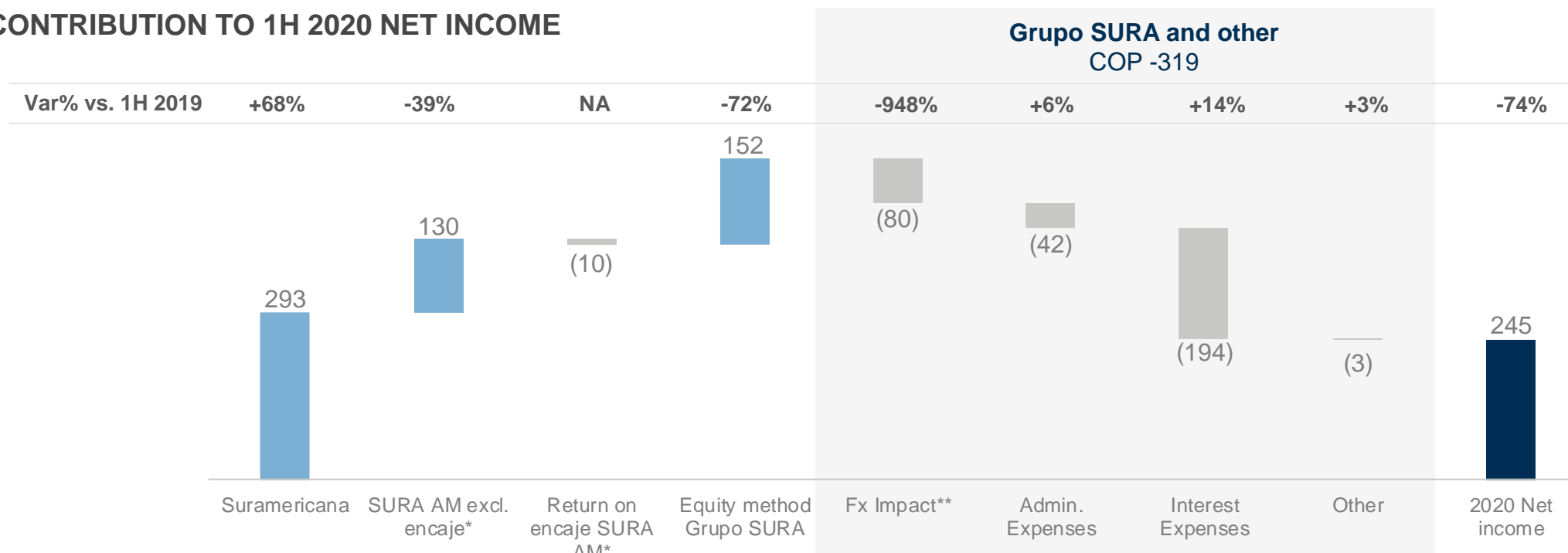
Admin. expenses = Administrative expense + Employee benefits + Depreciations + Amortizations + Brokerage commissions + Fees + Other expenses + Impairment

Figures in billion COP. Var\$ and Var% correspond to variation against 1H-2019

NET INCOME REFLECTS RECOVERY IN Q2

Return on *encaje* and equity method continue impacting results for 1H 2020

CONTRIBUTION TO 1H 2020 NET INCOME



Q2 RESULTS BY COMPANY

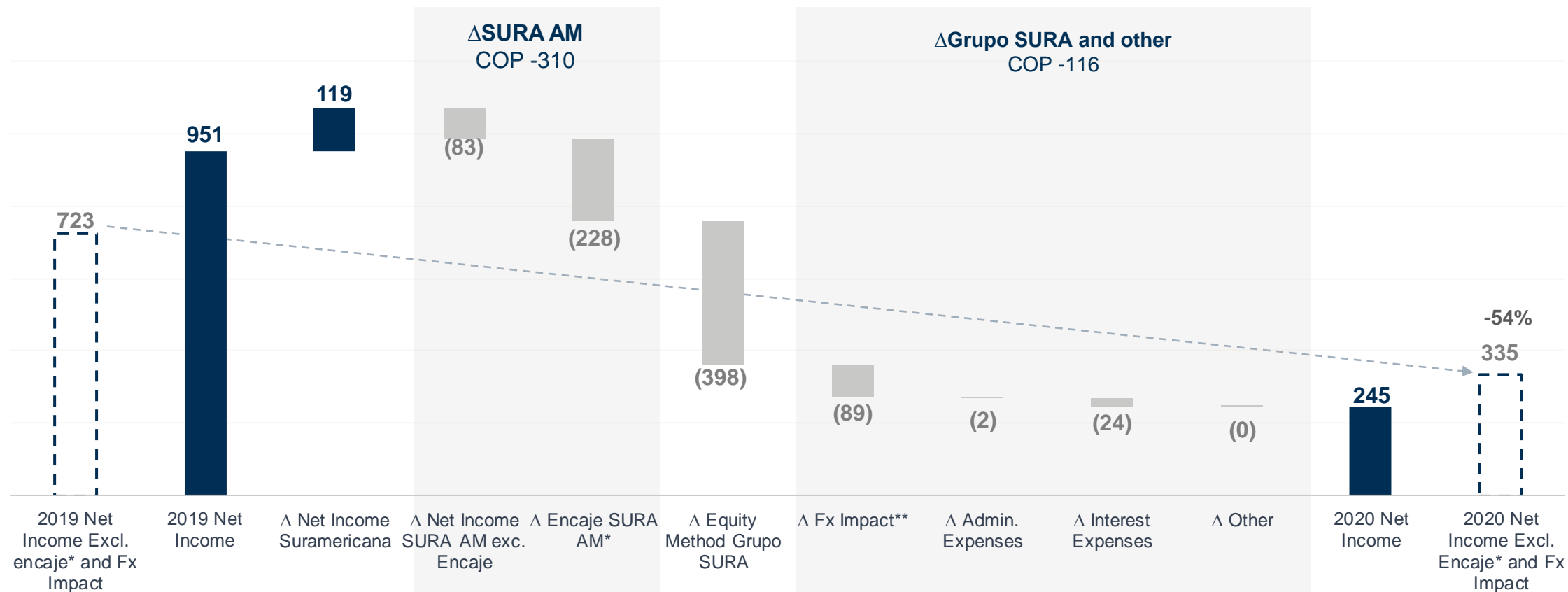
	Q2 2020	Q2 2019	Var\$	Var%
Suramericana	186	55	130	235%
SURA AM	250	202	48	23%
Grupo SURA (holding) y other	(115)	133	(247)	
NET INCOME	321	390	(69)	-18%

*SURA AM's return on "encaje" (legal reserves) is net of its related deferred tax and includes the return on legal reserves from Proteccion, adjusted for SURA AM's stake

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

NET INCOME ADJUSTED FOR MARKET EFFECTS

Decreases by 54% due to a lower contribution from the equity method



*SURA AM's return on "encaje" (legal reserves) is net of its related deferred tax and includes the return on legal reserves from Proteccion, adjusted for SURA AM's stake

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

Figures in COP billion

Suramericana

1H 2020 Results

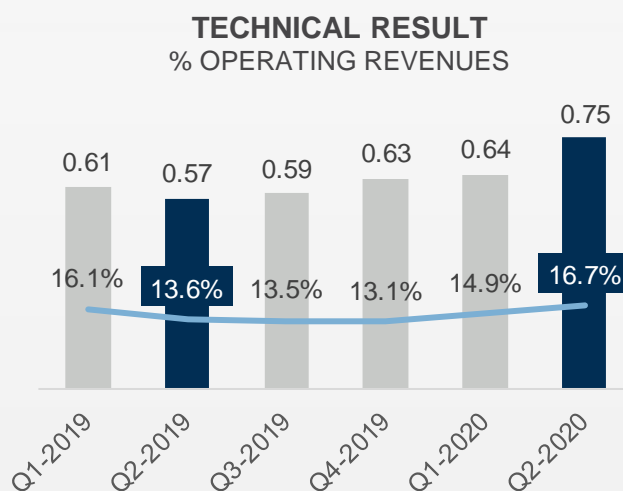
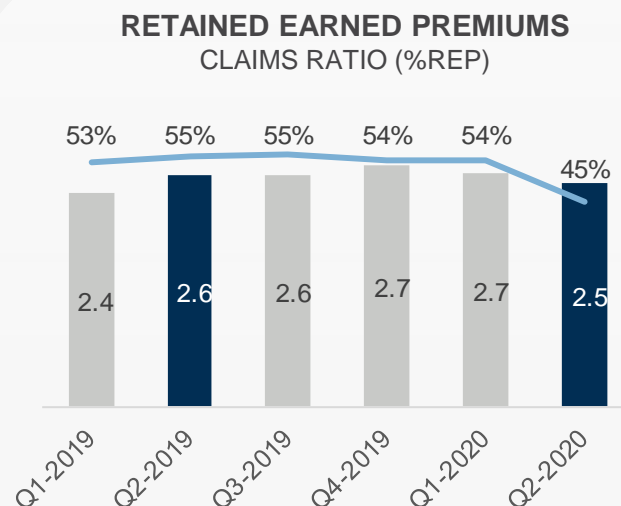


RESULTS DRIVEN BY LOWER CLAIMS RATIO

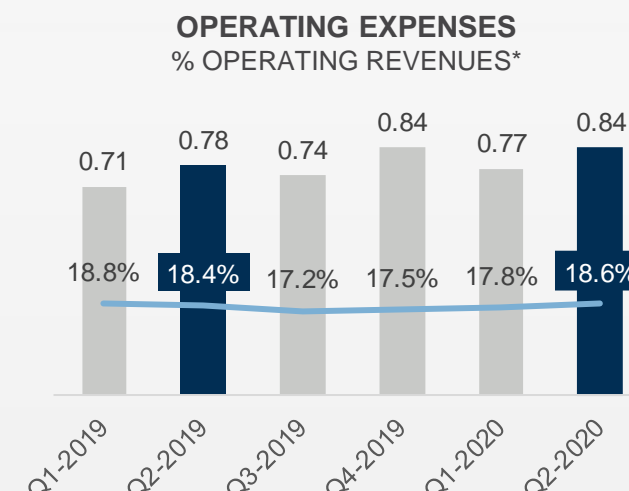
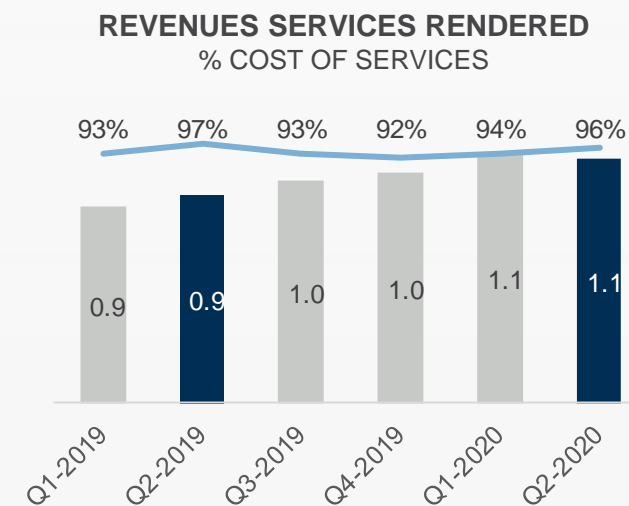
And expense control that compensate impacts associated to the pandemic

OPERATING REVENUES	COP		
1H 2020	8.8 tn	▲ 10.5%	
	jun-20	jun-19	Var%
Written premiums	6,596	6,160	7.1%
Retained premiums	5,101	5,030	1.4%
Adjustments to reserves	107	40	167.8%
RETAINED EARNED PREMIUMS	5,208	5,070	2.7%
Retained claims	(2,584)	(2,745)	-5.9%
Commissions (net)	(778)	(725)	7.3%
Revenues from services rendered	2,228	1,828	21.9%
Cost of services rendered	(2,110)	(1,742)	21.1%
Other operating income/expense	(571)	(506)	12.9%
TECHNICAL RESULT	1,394	1,179	18.2%
Operating expenses	(1,610)	(1,486)	8.3%
UNDERWRITING RESULT	(216)	(307)	-29.5%
Investment income	641	593	8.1%
Interest expense	(62)	(60)	3.6%
Other non-operating	44	(2)	
EARNINGS BEFORE TAXES	407	224	81.5%
TAXES	(114)	(50)	127.1%
NET INCOME	293	174	68.3%

Figures in COP billion



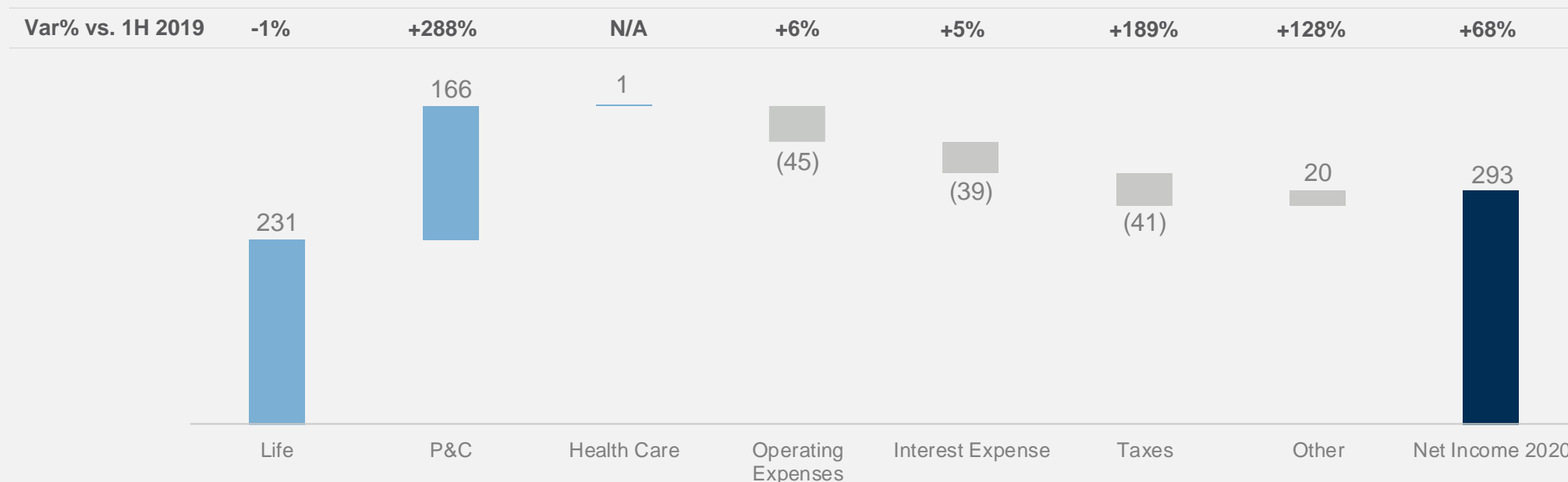
Figures in COP trillion



POSITIVE CONTRIBUTION FROM ALL OPERATING SEGMENTS

To Suramericana's consolidated net income

CONTRIBUTION TO 1H 2020 NET INCOME

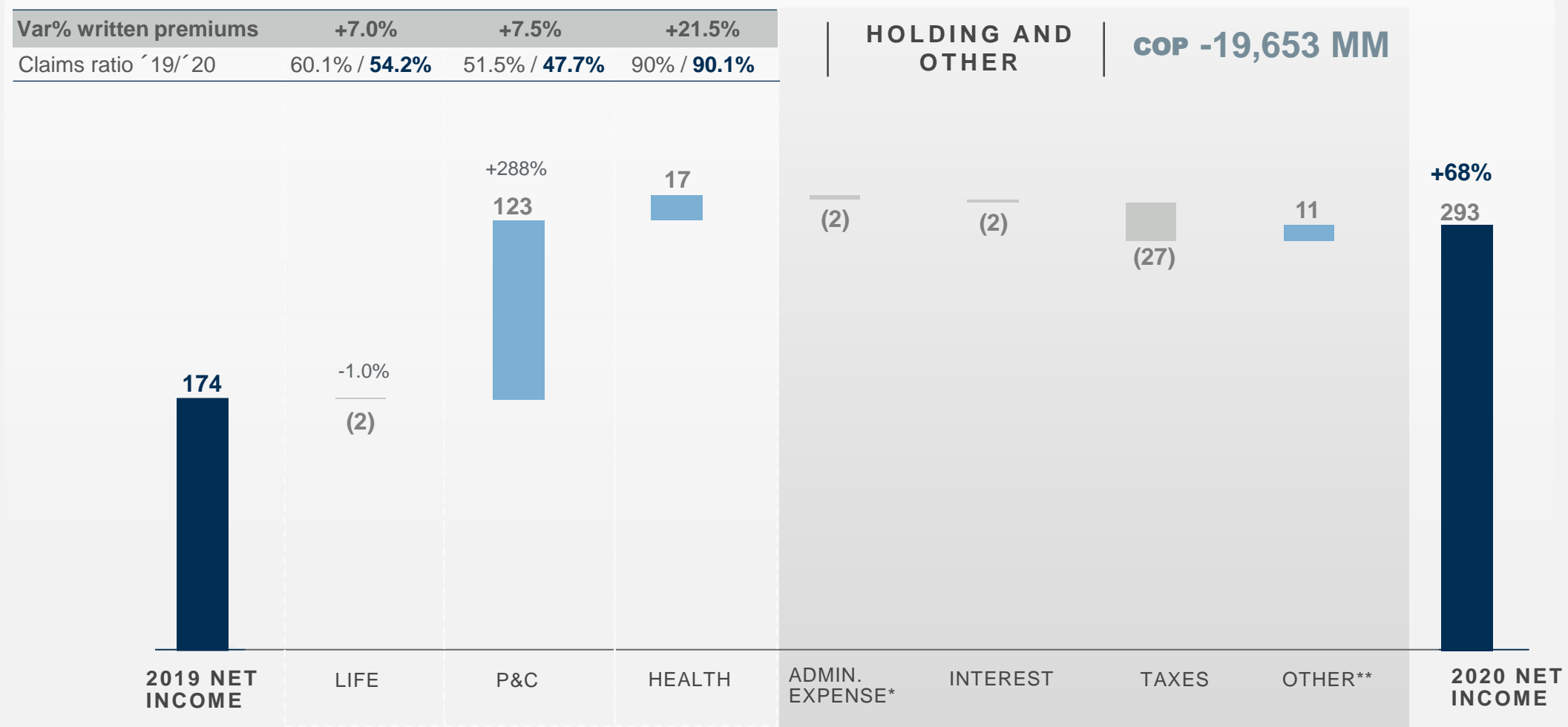


Q2 NET INCOME

	Q2-2020	Q2-2019	Var\$	Var%
Life	108	116	(9)	-7%
P&C	163	15	147	960%
Health Care	(15)	(35)	20	-56%
Operating Expenses*	(22)	(20)	(2)	10%
Interest Expense	(19)	(19)	(0)	1%
Taxes	(33)	(10)	(24)	249%
Other	6	8	(2)	-26%
Net Income	186	55	130	235%

INCREASE IN NET INCOME

Explained by better operating results



*Admin. 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.

Figures in COP billion

A silhouette of a person with a backpack stands on a mountain trail, looking out over a vast landscape of rolling hills and mountains under a sunset sky. The scene is framed by a dark blue border with a rounded corner on the right side.

SURA Asset Management

1H 2020 Results

RESILIENCY IN COMMISSION INCOME THANKS TO AUM GROWTH

Return on legal reserve recovers from Q1-2020 loss, but is still lower than 1H 2019

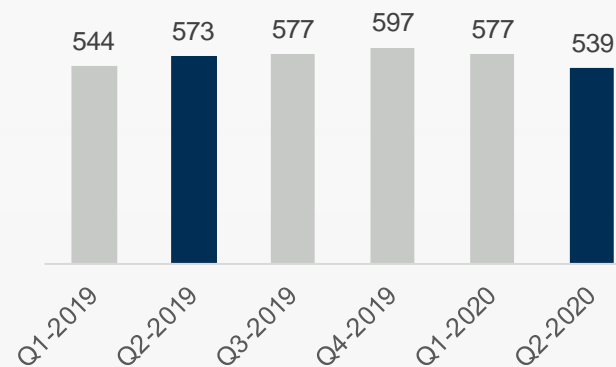
	Q2-2020	Q2-2019	Var%	Var%LC
Commission income	1,116	1,118	-0.2%	-2.0%
Income from legal reserves	23	214	-89.2%	-89.3%
Equity method	1	118	-98.9%	-98.9%
Other	18	43	-57.3%	-56.8%
Operating revenue	1,158	1,492	-22.3%	-23.5%
Total insurance margin	40	50	-20.0%	-16.7%
Operating expense	(879)	(832)	5.6%	4.5%
OPERATING EARNINGS	320	710	-54.9%	-55.6%
Financial result	(38)	(89)	-56.9%	-57.1%
EARNINGS BEFORE TAX	282	621	-54.6%	-55.4%
Income tax	(149)	(197)	-24.2%	-25.7%
Net income from discontinued oper.	(12)	(90)	-86.1%	-85.5%
NET INCOME	120	334	-64.1%	-65.2%

* Net operating revenues = Commission income + Total insurance margin

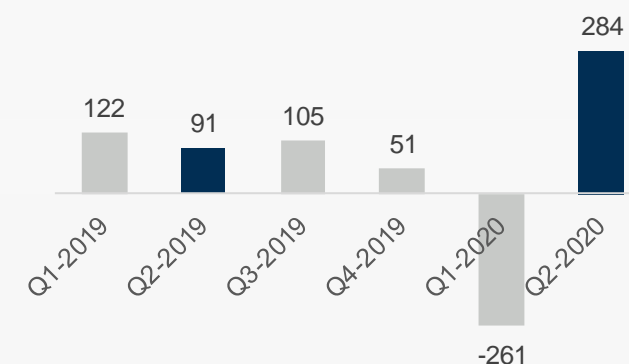
**Also excludes income from legal reserve of Proteccion, adjusted for SURA AM's stake.

Figures in COP billion

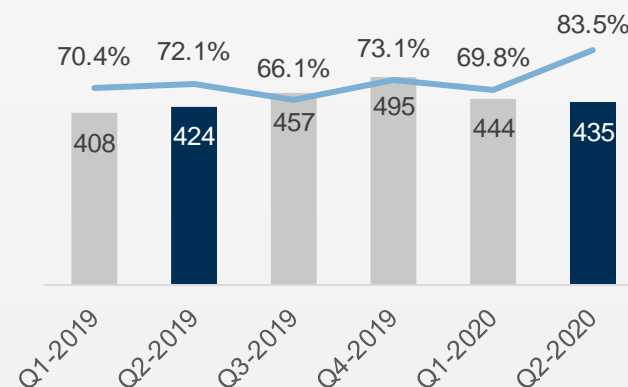
COMMISSION INCOME



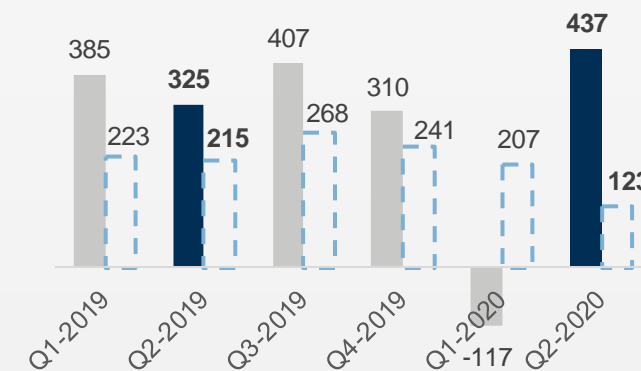
INCOME FROM LEGAL RESERVE (ENCAJE)



OPERATING EXPENSE % NET OPERATING REVENUES*



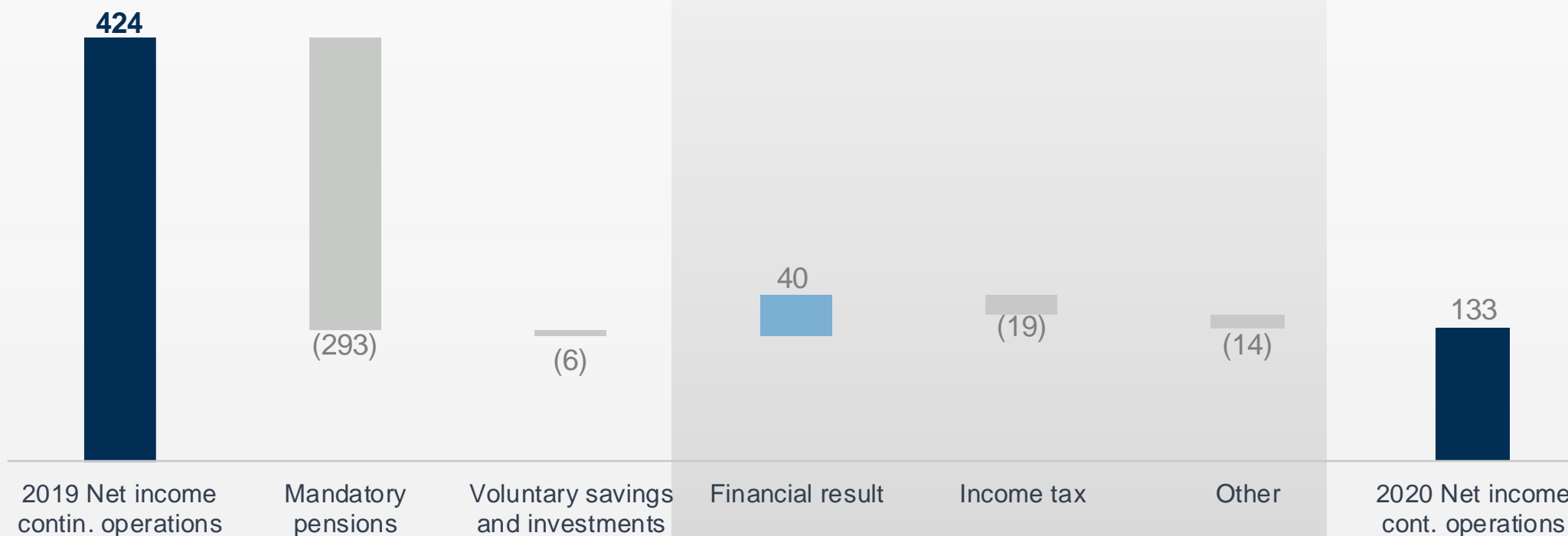
OPERATING EARNINGS OPERATING EARNINGS EXC. ENCAJE**



NET INCOME IMPACTED BY MANDATORY PENSION BUSINESS

Due to lower return on legal reserves

Var% Commission income	-1.8%	+14.2%
AUM (COP tn) / Var%	437 / +7.7%	57.5 / +9.3%



* Net income excluding “encaje” (legal reserves) return from consolidated pension funds managers, net of related deferred taxes, and from Protección which is accounted via equity method

**Financial result = Financial Income + Financial Expenses + Exchange Difference + Gains (losses) at fair value from hedging derivatives

***Other includes the variation in net income from Annuities segment + other operating revenues and expenses from the corporate segment.

Figures in COP billion

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