

QUARTERLY EARNINGS
REPORT

Q3
2020

GRUPO SURA improves its results amid a challenging environment, and demonstrates the benefit of diversification, the efficiencies obtained, the control of expenses and the adaptation of operating models to create more value for customers.

November 13, 2020

Grupo de Inversiones Suramericana - Grupo SURA - has released its earnings report corresponding to Q3 2020, the highlights of which are as follows:

Net income on a YTD basis reached COP 397,578 million, with COP 152,283 million of this figure corresponding to Q3 2020 alone. The insurance business continues to show resilience, even at a time when the pandemic continued to spread more widely in Colombia, while the asset management business continues to see improved returns on its legal reserves with other operating items on a path to recovery.

For the first 9 months of this year, operating revenues reached COP 15.4 trillion, which was 3.3% lower than for the same period last year. It is well worth noting the growth in operating revenues thanks to higher insurance written premiums, revenues from health care services as well as higher asset management fees and commissions. On the other hand, investment income and revenues from associates via the equity method declined by 28.3% and 67.5% respectively on a YTD basis however we did see a partial recovery with these accounts during the third quarter.

Operating expense rose by 2.9% on a YTD basis and 4.5% for Q3 2020 alone, thanks to our insurance business getting back to normal, recording a slight increase in its claims rate, higher reserves being set up and more costs and investments incurred with providing support to our clients.

Consequently, operating earnings on a YTD basis stood at COP 1.4 trillion, which was 40.1% lower than those recorded for the same period last year, while net income fell by 73.4%. However, it is to be noted that net income for the third quarter reached COP 152,283 million and continues on an upward trend that began in the previous quarter.

CONSOLIDATED NET
INCOME (YTD)

COP

397,578

MILLION

Suramericana posted a net income of COP 301,977 million for the first 9 months of the year along with COP 9,456 million for this past quarter, in what was one of the most critical times in the entire pandemic and with economies gradually opening up again.

The fact that the net income figure continued stable, shows the benefits of our geographic and business diversification, with written premiums rising by 10% and our technical result by another 8.1%. This was

possible thanks to the good results in Property and Casualty Insurance as well as the Health Care segments, which offset the impact on claims and expenses associated with the pandemic in the Life Insurance segment. Our foreign-based operations also made a larger contribution to our net income figure, thereby offsetting the lower results posted by our Colombian operations

SURA Asset Management continued to recover, helping on Grupo SURA's consolidated earnings with a net income of COP 137,058 million for this past quarter along with COP 257,190 million on a YTD basis.

Fee and commission income totaled COP 1.7 trillion, for a 0.4% growth compared to the same period last year, along with a 1.4% growth for this past third quarter. We also saw an upturn with returns from the Company's legal reserves, as well as the revenues obtained from Proteccion via the equity method which scored a recovery compared to the second quarter of this year.

Finally, in the case of Grupo SURA (holding company), revenues from the equity method have fallen 69% so far this year, but nevertheless more positive streams of revenue were seen in this past quarter, thanks to Nutresa and a partial recovery with Bancolombia's net income figure.

Grupo de Inversiones Suramericana S.A
STATEMENT OF COMPREHENSIVE INCOME
(stated in million colombian pesos)

From January 1st to September 30th From June 30th to September 30th

	sep-20	sep-19	%Var	Q3-2020	Q3-2019	%Var
Written premiums	10,571,397	9,994,472	5.8%	3,697,133	3,515,827	5.2%
Ceded premiums	(2,413,472)	(1,823,182)	32.4%	(913,191)	(673,188)	35.7%
Retained premiums (net)	8,157,925	8,171,290	-0.2%	2,783,942	2,842,639	-2.1%
Fee and commission income	2,075,276	2,019,608	2.8%	724,420	686,716	5.5%
Revenues on services rendered	3,514,766	2,943,707	19.4%	1,225,383	1,038,704	18.0%
Dividends	14,307	4,792	198.6%	2,362	1,467	61.0%
Investment income	1,145,318	1,598,096	-28.3%	422,540	508,269	-16.9%
Equity method - Associates	337,621	1,040,025	-67.5%	184,373	367,323	-49.8%
Other revenues	193,655	190,211	1.8%	67,085	73,853	-9.2%
Operating income	15,438,868	15,967,729	-3.3%	5,410,104	5,518,969	-2.0%
Total claims	(5,521,678)	(5,959,961)	-7.4%	(1,940,465)	(1,950,623)	-0.5%
Reimbursed claims	1,079,435	1,258,414	-14.2%	361,112	341,785	5.7%
Retained claims	(4,442,243)	(4,701,547)	-5.5%	(1,579,353)	(1,608,838)	-1.8%
Adjustments to reserves	69,483	(239,919)		(78,492)	(145,441)	-46.0%
Cost of services rendered	(3,374,257)	(2,835,862)	19.0%	(1,172,315)	(988,899)	18.5%
Administrative expense	(3,000,092)	(2,834,666)	5.8%	(997,819)	(957,394)	4.2%
Insurance costs and expense	(576,313)	(551,151)	4.6%	(220,119)	(199,516)	10.3%
Depreciation	(173,678)	(157,226)	10.5%	(64,081)	(53,062)	20.8%
Amortizations	(218,676)	(219,657)	-0.4%	(70,295)	(76,228)	-7.8%
Brokerage commissions	(2,005,538)	(1,836,650)	9.2%	(650,208)	(613,848)	5.9%
Fees	(255,715)	(241,915)	5.7%	(93,158)	(91,846)	1.4%
Other expense	(32,190)	(45,597)	-29.4%	(13,027)	(10,228)	27.4%
Impairment	(54,623)	(9,019)	505.6%	(18,459)	(788)	
Operating expense	(14,063,842)	(13,673,209)	2.9%	(4,957,324)	(4,746,088)	4.5%
Operating earnings	1,375,026	2,294,520	-40.1%	452,780	772,881	-41.4%
Exchange difference + Derivatives at fair value	(71,889)	(21,895)	228.3%	(22,906)	(49,865)	-54.1%
Interest	(558,867)	(524,614)	6.5%	(179,428)	(174,103)	3.1%
Financial Result	(630,756)	(546,509)	15.4%	(202,334)	(223,967)	-9.7%
Earnings before tax	744,270	1,748,011	-57.4%	250,446	548,914	-54.4%
Income tax	(334,241)	(325,345)	2.7%	(98,198)	(70,818)	38.7%
Net income from continuing operations	410,029	1,422,666	-71.2%	152,248	478,096	-68.2%
Net income from discontinued operations	(12,451)	70,155		35	64,011	-99.9%
Net Income	397,578	1,492,821	-73.4%	152,283	542,107	-71.9%
Earnings - parent company	297,785	1,323,984	-77.5%	128,336	477,268	-73.1%
Earnings - non-controlling interest	99,793	168,837	-40.9%	23,947	64,839	-63.1%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Sep-20	Dec-19	%Var
Total assets	72,718,058	69,037,836	5.3%
Total liabilities	43,129,464	40,946,829	5.3%
Equity attributable to the owners of the parent company	26,960,302	25,636,766	5.2%
Non-controlling interest	2,628,292	2,454,235	5.3%
Total equity	29,588,594	28,091,002	0.8%

Contribution to consolidated net income

	sep-20	sep-19	Var\$	Var%	Q3-2020	Q3-2019	Var\$	Var%
Suramericana	302	300	2	1%	9	126	(117)	-92%
SURA AM	257	682	(425)	-62%	137	251	(114)	-45%
Net Income excl. Legal Reserves	172	342	(170)	-50%	42	130	(87)	-67%
Net Legal Reserves*	85	340	(255)	-75%	95	122	(27)	-22%
Grupo SURA (Holding Company) and Others:	(162)	511	(673)		6	164	(159)	-97%
Equity method	264	864	(600)	-69%	112	314	(202)	-64%
Exchange. Rate Effect**	(79)	(53)	(26)	50%	(14)	(53)	39	-73%
Admin Expense - GIS	(58)	(54)	(5)	9%	(16)	(14)	(2)	17%
Interest - GIS	(286)	(255)	(31)	12%	(91)	(85)	(6)	7%
Others	(2)	9	(11)		16	2	14	687%
Net Income	398	1,493	(1,095)	-73%	152	542	(390)	-72%

Figures in COP billion

*Net legal reserves are net of the corresponding deferred tax and includes revenues from legal reserves held by Protección

**Exchange rate effect includes exchange rate differences and appraisals of hedging derivatives, net of deferred tax..

The table shows a breakdown of the amounts contributed by each subsidiary to the Group's consolidated net income figure, as well as the different income and expense posted by Grupo SURA as a holding company. The main factors here included:

SURAMERICANA
NET INCOME (YTD)

COP
301,977
MILLION

Suramericana contributing COP 301,977 million to Grupo SURA's net income figure, showing an increase of 1% or COP 1,967 million compared to the same period last year. The growth in the net income provided by our foreign-based subsidiaries is also worth noting, since this accounted for 73% of the net income for the Property and Casualty segment.

A breakdown by segment, shows Life Insurance posting a significant impact on its claims rate, especially during the third quarter, when it reached 65.1% compared to 57.3% for the same period last year. We are now beginning to see a better performance with written premiums for this past quarter, showing a growth of 3.1%. As for the Non-Life segment, overall results were driven by good levels of investment income as well as a claims rate that, although rose with economies now beginning to open up, still remains at levels lower than those posted last year, that is to say, 50.1% for this past quarter compared to 56.5% for the same period last year. It is well worth noting a growth of 188,932 subscribers for our Health Care segment, which continued to post positive levels of results in spite of the higher costs incurred with the COVID-19 pandemic plus an expense factor that showed a decline of 38 bp on a YTD basis, together with a base effect due to problems faced throughout the sector in 2019.

**SURA AM
NET INCOME (YTD)**

**COP
257,190
MILLONES**

SURA AM net income added another COP 257,190 million to the Group's consolidated bottom line. This recovery was made possible by the good levels of performance with the pension funds' own investment portfolios (legal reserves), as well as a rebound with other operating dynamics. In terms of fee and commission income, there was a decline with the Mandatory Pension segment of 3.0% in local currency together with an increase of 16.2% for the Voluntary Savings segment also in local currency. Revenues corresponding to assets under management has helped to mitigate the effects that rising unemployment has had on the income-based contributions of our fund members who depend on how much they receive in wages.

Finally, **Grupo SURA (holding)** contributed COP -161,619 million to the Group's consolidated net income, for a decline of COP -672,655 million, mainly due to a 69% drop in revenues from associates via the equity method (excluding Protección, whose results are recorded by SURA AM), as well as a reduction in Bancolombia's net income.

Revenue from associates via equity method

	sep-20	sep-19	Var\$	Var%	Q3-2020	Q3-2019	Var\$	Var%
Bancolombia	133	647	(515)	-79.5%	68	215	(146)	-68.1%
Grupo Argos	(26)	68	(94)		(7)	52	(59)	
Grupo Nutresa	166	145	21	14.4%	50	46	4	8.1%
Protección	59	155	(96)	-62.0%	69	50	19	37.7%
Other	5	24	(19)	-77.3%	4	4	0	4.6%
TOTAL	338	1,040	(702)	-67.5%	184	367	(183)	-49.8%

Figures in COP billion

Financial Liabilities

Grupo SURA (holding company) recorded COP 6.8 trillion in financial liabilities for an increase of 29.3%, which included an issue of local bonds placed in August 2020 in the amount of COP 1.0 trillion as well as the effect of the depreciating Colombian peso when recording the Company's international bonds. However, in measuring the Company's indebtedness it is important to take into account the following: i) international bonds are hedged to the Colombian peso through derivatives, which have obtained gains (recorded as part of "Other Assets") that offset the effect of the depreciation of the COP and ii) the proceeds from an issue of local bonds are invested in funds and fixed income instruments. **Consequently, Grupo SURA's net debt stood at**

COP 4.7 trillion at the end of the third quarter of this year, for a YTD decline of 0.2%.

Grupo SURA (holding)	sep-20	dec-19	Var\$	Var%
Grupo Sura - Bonds	5,409	3,958	1,450	36.6%
Banks and leasing	687	681	6	0.9%
Debt	6,095	4,639	1,456	31.4%
Derivatives	256	168	88	52.1%
Preferred Dividends	461	461	0	0.0%
Total Financial Liabilities	6,812	5,268	1,544	29.3%
Fair value - hedging derivatives	829	306	523	171%
Cash and Equivalents.	1,030		1,030	
Debt	4,492	4,501	(10)	-0.2%

SURA Asset Management	sep-20	dec-19	Var\$	Var%
Bonds	3,330	2,787	543	19.5%
Banks and leasing	408	606	(198)	-32.6%
Debt	3,738	3,393	345	10.2%
Derivatives	12	17	(5)	-28.1%
Total Financial Liabilities	3,751	3,411	340	10.0%
Fair value - hedging derivatives	557	246	311	126%
Debt	3,194	3,164	29	0.9%

Suramericana	sep-20	dec-19	Var\$	Var%
Bonds	846	997	(150)	-15.1%
Banks and leasing	424	372	52	13.9%
Suramericana	1,271	1,369	(98)	-7.2%
Derivatives	41	20	21	102.9%
Total Financial Liabilities	1,312	1,390	(77)	-5.6%

Figures in COP billion



SEGUROS, TENDENCIAS
Y RIESGOS

Suramericana S.A.
Consolidated Income Statement

(figures in COP million)

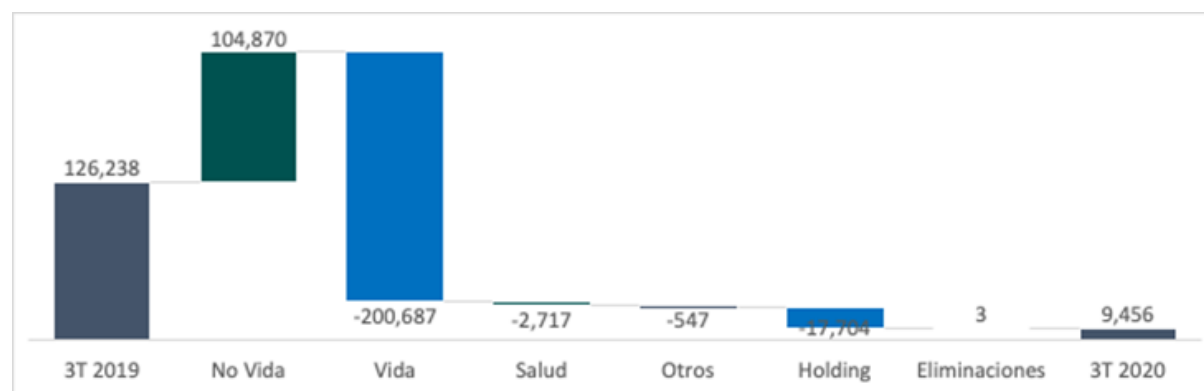
From January 1st to September 30th

From July 1st to September 30th

	sep-20	sep-19	%Var	Q3 2020	Q3 2019	%Var
Written Premiums and Revenues from Services Rendered	13,551,238	12,320,856	10,0%	4,726,971	4,332,889	9.1%
Written premiums	10,128,515	9,486,211	6,8%	3,532,481	3,326,217	6.2%
Revenues from services rendered	3,422,723	2,834,645	20,7%	1,194,490	1,006,673	18.7%
Ceded premiums	(2,407,223)	(1,795,780)	34,0%	(911,887)	(665,954)	36.9%
Retained premiums (net)	11,144,015	10,525,075	5,9%	3,815,084	3,666,935	4.0%
Net level reserves	91,650	11,570	692,2%	(15,694)	(28,513)	-45.0%
Retained earned premiums	11,235,665	10,536,645	6,6%	3,799,390	3,638,422	4.4%
Total claims	(5,108,746)	(5,460,622)	-6,4%	(1,806,681)	(1,798,543)	0.5%
Cost of services rendered	(3,237,989)	(2,682,350)	20,7%	(1,128,476)	(939,977)	20.1%
Reimbursed claims	1,079,435	1,258,414	-14,2%	361,113	341,785	5.7%
Retained claims	(7,267,300)	(6,884,558)	5,6%	(2,574,044)	(2,396,734)	7.4%
Net commissions	(1,636,914)	(1,511,270)	8,3%	(516,222)	(514,724)	0.3%
Miscellaneous Insurance Expense	(474,272)	(460,513)	3,0%	(186,431)	(167,586)	11.2%
Impairment	(53,181)	(11,008)	383,1%	(13,008)	(1,928)	574.7%
Technical result	1,803,999	1,669,296	8,1%	509,684	557,451	-8.6%
Administrative expense	(2,095,485)	(1,955,536)	7,2%	(706,225)	(652,296)	8.3%
Amortization and depreciation	(176,156)	(171,269)	2,9%	(61,447)	(56,927)	7.9%
Underwriting profit	(467,642)	(457,510)	-2,2%	(257,988)	(151,772)	-70.0%
Dividends	248	892	-72,2%	130	379	-65.6%
Investment income	917,376	783,484	17,1%	276,465	190,770	44.9%
Interest	(88,929)	(90,634)	-1,9%	(27,054)	(30,908)	-12.5%
Other non-operating income / expense	72,900	79,318	-8,1%	35,725	83,038	-57.0%
Earnings (losses) before tax	433,953	315,552	37,5%	27,278	91,507	-70.2%
Income tax	(131,977)	(15,542)	749,2%	(17,822)	34,731	
Earnings (losses), net	301,977	300,009	0,7%	9,456	126,238	-92.5%
Earnings (losses) - parent company	301,626	300,368	0,4%	9,885	126,743	-92.2%
Earnings (losses) - non-controlling interest	382	(359)		(398)	(504)	-21.1%

Consolidated Income Statement – Suramericana S.A.

Suramericana's net income for Q3 2020, compared with the same period last year is broken down as follows:



CONSOLIDATED RESULTS	sep-20	sep-19	%Var	\$Var	Q3 2020	Q3 2019	%Var	\$Var
Property & Casualty Segment	222,591	-5,314	4289%	227,905	56,809	-48,060	218.2%	104,870
Colombia	60,052	43,535	38%	16,517	26,764	8,403	219%	18,361
Dominican Republic	21,439	11,321	89%	10,118	1,826	3,485	-48%	-1,660
Panama	43,107	29,085	48%	14,022	11,175	10,817	3%	358
El Salvador	6,140	-12,408	149%	18,547	3,625	-8,108	145%	11,733
Sura RE	976	631	55%	345	542	229	137%	314
Brazil	-7,121	-1,075	-562%	-6,046	-7,856	5,694	-238%	-13,551
Argentina	61,652	-98,350	163%	160,001	8,232	-78,602	110%	86,833
Chile	6,018	3,246	85%	2,773	6,804	4,987	36%	1,817
Mexico	12,622	60	20812%	12,561	-3,283	-1,498	-119%	-1,785
Uruguay	17,706	18,639	-5%	-933	8,981	6,532	37%	2,449
Life Segment	196,756	399,134	-51%	-202,378	-33,762	166,925	-120.2%	-200,687
Colombia	196,370	404,931	-52%	-208,561	-20,278	162,008	-113%	-182,286
El Salvador	-5,912	18,256	-132%	-24,167	-19,230	6,204	-410%	-25,434
Chile	6,298	-813	875%	7,111	5,747	-941	711%	6,687
Mexico	0	-23,240	100%	23,240	0	-346	100%	346
Health Care Segment	16,327	1,986	722%	14,341	15,347	18,063	-15.0%	-2,717
EPS - Health Care Services	10,889	-14,130	177%	25,020	-2,550	11,865	-121%	-14,416
IPS – Health Care Provider	1,214	499	143%	715	485	-324	250%	810
Diagnostic Labs	4,224	15,618	-73%	-11,394	17,412	6,523	167%	10,889
Other	6,568	3,301	99%	3,267	860	1,407	-39%	-547
Holding	-140,436	-99,086	-42%	-41,350	-29,799	-12,095	-146%	-17,704
Eliminations	170	-12	1532%	182	1	-2	128%	3
CONSOLIDATED NET INCOME	301,977	300,009	1%	1,967	9,456	126,238	-93%	-116,782

**NET INCOME
Q3 2020**

**COP
9,456
MILLION**

HIGHER CLAIMS RATIO
IN LIFE SEGMENT
NEGATIVELY IMPACTED
RESULTS

At the end of this past quarter, the Company obtained COP 9,456 million in net income, corresponding to a 92.5% decline compared to Q3 2019. These results were mainly affected by the impact that a higher claims rate brought on by the COVID-19 pandemic had on the results of the Life Insurance Segment, which recorded losses for the period.

On the other hand, the Property & Casualty Insurance segment had a positive effect on Suramericana's overall results with an increase of COP 104,870 million in net income compared to the same quarter last year. The 31.7% growth in the Company's technical result is well worth noting, thanks to an improvement in our business performance as well as strategies focusing on building client loyalty through a meaningful portfolio of solutions, along with a decline with the overall claims rate that stood at 50.1% at the end of the quarter, compared to 56.5% for the same period last year, this mainly due to a lower frequency of claims for the Car and Mandatory Car branches of insurance throughout the region.

The results of this segment were driven by the amount of investment income obtained, this being one of the driving factors of the 218.2% growth in net income that this segment contributed to Suramericana's consolidated bottom line. This was due to a significant recovery shown by the financial markets thanks to the expansionist monetary policies taken by central banks and governments across the world, this in order to the remedy the economic effects of the COVID 19 pandemic.

Another relevant effect with Suramericana's performance during this past quarter, in terms of investment income compared to the same period last year, is that 2019 was a year in which the Argentinean market recorded its worst level of performance over the last couple years when Alberto Fernandez won the primary elections. Just one year later, Argentina obtained one of the most outstanding performances out of our entire portfolio thanks to the country's ability to renegotiate its government debt, with the EMBI declining from 2,143 in Q3 2019 to just 1,300 for Q3 2020. Argentina is a country facing a great amount of prevailing volatility as well as challenges from the fiscal, political and economic standpoints; in this sense the agreement made with the International Monetary Fund was an important landmark.

The earnings recorded by the Life and Health Insurance segments were affected by climbing infection curves in Colombia, El Salvador and Chile, where our life and health care insurance subsidiaries are present, and where the first wave of infections peaked during this period, thereby increasing infection and mortality rates. It is important to underscore the fact that our subsidiaries have been preparing for attending to our clients during these difficult times by means of several new initiatives that include our on-line client care model, oxygen therapy treatment, home medicine deliveries and extending our installed capacity for providing our services, all this for the purpose of furthering our risk management and prevention capabilities on a company-wide level.

These strategies of providing superior care to our subscribers, helped us achieve an earlier and more pertinent detection of infections, along with lower critical disease and mortality rates among Suramericana's user population compared to the country-wide figures; particularly in the case of our subsidiaries in Colombia, which deal with a greater exposure to Health Care and Life Insurance coverage, the death rate among users of our Voluntary and Obligatory Health Care Plans as well as Occupational Risk insurance is around 50% lower than those recorded in the entire country, this based on an analysis of the same age and gender groups together with the presence of comorbidities. In the case of EPS Sura, the death rate came to 1.07% compared to 1.92% on a country-wide level, Sura's Occupational Risk subsidiary obtained a death rate of just 0.53% compared to a country-wide 0.91% and in the case of the Sura health care branch of insurance, the death rate came to 0.94% compared to a country-wide 2.26%.

Increases with the claims rate for our Life Insurance segment, as relates to the COVID 19 pandemic, came to 65.1% for the entire segment whereas for Q3 2019 this came to 57.3%. This, together with the effects of a lower inflation rate in Colombia that resulted in a drop in financial income, were the determining factors of a loss of COP 33,762 million for this segment.

Capital y Solvency

SOLVENCY WITHOUT
RELEVANT COVID-19
RELATED IMPACTS

EXCESS CAPITAL
INCREASED BY

COP
0.2
TRILLION
IN THE QUARTER

Finally, at the end of Q3 2020, the regulatory solvency and investment-to-reserve ratios recorded by Suramericana's subsidiaries have not sustained any important impact from COVID 19 and these continue in keeping with our initial expectations for this time of the year. The excess amount of investments underpinning technical reserves (Investment-to-Reserve Ratio) increased by 14.9% going from a surplus of COP 1.6 trillion at the end of Q2 2020 to COP 1.9 trillion at the end of Q3 2020. This was mainly due to a recovery with subsidiary collections of accounts receivable, as well as a robust control over expense which produced higher inflows of cash into our investment portfolios and thereby increased our reserve coverage levels with respect to the previous quarter.

From the solvency standpoint, this being understood as the ratio between surplus equity and the level of risk assumed by our insurance subsidiaries, this rose by 12.8% from a surplus of COP 1.4 trillion at the end of Q2 to COP 1.6 trillion at the end of Q3 2020.

This has revealed Suramericana's strong position in terms of financial solvency and investment-to-reserve levels and consequently its ability to deal with the present pandemic as well as its obligations with policyholders.

It is important to note that all Suramericana subsidiaries continue to perform constant simulations of the different COVID 19 impacts, these based on the different infection curve performances on an individual country basis, this in order to maintain adequate levels of solvency and investment-to-reserve ratios in order to tackle the economic effects of the pandemic during 2020.

Restatement of financial accounts

During this past quarter, changes were made to the presentation of Suramericana's Consolidated Statement of Income, with reclassifications being made between different accounts, so as to provide the reader with a greater understanding and analysis of our insurance business. The first change was amalgamating Written Premiums with Revenues from Services Rendered, which provided a subtotal for Suramericana's operating income and thereby providing a more optimum overview of our business having combined the Health Care and Life Insurance segments, especially since the leading company in the former segment is the EPS (Mandatory Health Care Subsidiary) in Colombia whose job it is to provide sustainable well-being and competitiveness to its subscribers in terms of health risks as well as the companies for which they work. In line with this adjustment to income, Costs of Services Rendered are also included in the Retained Claims Incurred account.

Furthermore, Technical Expense was reclassified to Miscellaneous Insurance Expense, such as contributions to the Solidarity and Guarantee Fund (FOSYGA), the Road Accident Prevention and the Fire Department Fund in Colombia, as well as the expense incurred with the risk awareness and prevention initiatives carried out by our Occupational Risk Subsidiary (ARL). These items were previously shown in the Administrative Expense Account in previous reports, but these corresponded to subsidiary programs designed to help our policyholders manage their own risk exposure, which explains why this expense has been classified under Miscellaneous Insurance Expense. Furthermore, net fee and commission expense for the Affinity channel, as well as sales promoter expense directly relating to insurance brokerage and distribution activities, were also reclassified.

Statement of financial position – Suramericana S.A.

Suramericana S.A. Consolidated statement of financial position	As of September 30 th , 2020 and December 31 st , 2019 (figures in COP million)		
	sep-20	dec-19	%Var
Cash and cash equivalents	1,834,599	1,500,908	22.2%
Investments	14,320,634	13,311,052	7.6%
Accounts receivable	5,992,525	5,824,678	2.9%
Insurance reserves - reinsurers	4,521,366	4,082,304	10.8%
Current tax	145,220	174,503	-16.8%
Deferred tax	119,642	123,400	-3.0%
Other assets	219,142	124,403	76.2%
Deferred acquisition costs	841,871	763,204	10.3%
Right of use assets	391,517	389,692	0.5%
Investment properties	14,408	18,880	-23.7%
Property, plant and equipment	1,115,349	1,103,877	1.0%
Goodwill	602,136	559,818	7.6%
Identified intangible assets	455,380	440,295	3.4%
Investments in associates	4,284	1,550	176.3%
Total assets	30,578,073	28,418,564	7.6%
Financial liabilities	465,729	392,799	18.6%
Financial leasing liabilities	384,512	402,178	-4.4%
Technical reserves	18,597,187	16,921,836	9.9%
Provisions for employee benefits	452,441	372,022	21.6%
Other provisions	172,573	184,424	-6.4%
Accounts payable	3,099,144	2,994,750	3.5%
Current tax	431,079	333,244	29.4%
Issued securities	846,410	996,805	-15.1%
Other non-financial liabilities	592,929	528,495	12.2%
Deferred tax	217,011	268,582	-19.2%
Total liabilities	25,259,015	23,395,135	8.0%
Total equity	5,319,058	5,023,429	5.9%
Total equity and liabilities	30,578,073	28,418,564	7.6%

Suramericana S.A.'s consolidated assets at the end of Q3 2020 came to COP 30.6 trillion, for an increase of 7.6% compared to year-end 2019. Investments came to COP 14.3 trillion for a growth of 7.6%, this partly due to gains in Argentina on the back of this year's recovery on the fixed-income market thanks to the country having restructured its sovereign debt and, as previously mentioned, the widespread measures taken by the different governments for both tackling the COVID 19 pandemic which in turn gave rise to gains on the financial markets. Mexico, the Dominican Republic and Uruguay showed an increase in investments given their foreign currency positions driven in turn by their depreciating local currencies.

DEBT REDUCTION

LOCAL BONDS PAID IN
JUNE
COP

148,000
MILLION

Cash and Cash Equivalents rose by 22.2% mainly in the case of the Property & Casualty and Life Insurance subsidiaries in Colombia, this corresponding to higher amounts held in bank accounts, trust funds and short-term investments for the purpose of dealing with the current contingency. The aforementioned subsidiaries have strengthened their liquidity positions so as to maintain the required funding for meeting their cash obligations.

The Company's liabilities amounted to COP 25.3 trillion, for a growth of 8.0%. This included its technical reserves which rose by 9.9%, this in keeping with the recovery seen with its level of business performance that entailed setting up higher net level reserves as well as higher reported and unreported claims incurred reserves, mainly on the part of all those life and health care insurance subsidiaries. Finally, Shareholders Equity showed a 5.9% growth for a total of COP 5.3 trillion.

LIFE INSURANCE SEGMENT

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

Life Segment (Valores en millones de pesos colombianos)	From January 1st to September 30th			From July 1st to September 30th		
	sep-20	sep-19	%Var	Q3 2020	Q3 2019	%Var
Written premiums	4,068,011	3,852,432	5,6%	1,447,402	1,403,998	3.1%
Ceded premiums	(216,269)	(210,286)	2,8%	(72,159)	(72,374)	-0.3%
Retained premiums (net)	3,851,742	3,642,146	5,8%	1,375,243	1,331,624	3.3%
Net level reserves	(24,528)	(85,319)	-71,3%	(70,093)	(91,613)	-23.5%
Retained earned premiums	3,827,215	3,556,827	7,6%	1,305,150	1,240,011	5.3%
Total claims	(2,471,309)	(2,324,960)	6,3%	(935,637)	(772,938)	21.0%
Reimbursed claims	255,612	220,389	16,0%	86,105	61,809	39.3%
Retained claims	(2,215,697)	(2,104,571)	5,3%	(849,531)	(711,130)	19.5%
Net commissions	(844,647)	(705,694)	19,7%	(276,585)	(248,139)	11.5%
Miscellaneous Insurance Expense	(302,715)	(248,892)	21,6%	(109,372)	(94,656)	15.5%
Impairment	(13,465)	(2,978)	352,1%	(3,561)	(452)	688.4%
Technical result	450,690	494,693	-8,9%	66,100	185,634	-64.4%
Administrative expense	(716,003)	(641,537)	11,6%	(233,235)	(205,223)	13.6%
Amortization and depreciation	(12,236)	(13,929)	-12,2%	(3,135)	(4,966)	-36.9%
Underwriting profit	(277,549)	(160,774)	-72,6%	(170,271)	(24,555)	-593.4%
Dividends	121	666	-81,8%	117	233	-49.8%
Investment income	451,195	533,060	-15,4%	115,309	176,351	-34.6%
Interest	(2,335)	(2,361)	-1,1%	(745)	(784)	-4.9%
Other non-operating income / expense	27,837	25,376	9,7%	18,471	14,934	23.7%
Earnings (losses) before tax	199,269	395,968	-49,7%	(37,119)	166,179	
Income tax	(2,514)	3,166		3,358	747	349.7%
Earnings (losses), net	196,756	399,134	-50,7%	(33,762)	166,925	

Indicators	sep-20	sep-19	Q3 2020	Q3 2019
% Ceded	5.3%	5.5%	5.0%	5.2%
% Retained incurred claims / REP*	57.9%	59.2%	65.1%	57.3%
% Net commissions / REP*	22.1%	19.8%	21.2%	20.0%
% Administrative expense / REP*	17.1%	16.2%	16.3%	14.5%

* Indicadores medidos sobre Primas retenidas devengadas

	sep-20
Total assets	12,033,551
Total liabilities	9,913,344
Total equity	2,120,207

WRITTEN PREMIUMS**+3.1%**GROWTH IN HEALTH
INSURANCE OFFSETS
DECREASE IN WORKERS'
COMPENSATION

The Life Insurance segment presented a 3.1% growth in written premiums for this past quarter, mainly driven by the Health Care solution with subsidiaries in both Colombia and El Salvador scoring a 13.1% increase. This growth is due to strategies designed to attract new clients and build upon existing client loyalty by offering benefits and new products completely on-line this with a view to ensure comprehensive risk management. The growth of this segment has also been driven by a new line of group insurance launched in Chile, which so far has provided a total of COP 38,850 million in premiums.

The Workers' Compensation Insurance solution recorded a drop of 5.9% for this past quarter, mainly affected by higher unemployment in Colombia, as well as the effects of new absenteeism. However, the pace of growth in terms of the premiums obtained with this solution improved compared to the previous quarter, where a drop of 15.4% was recorded. This is partly due to a recovery with the economy and the consequent increase in employment. At the end of Q3 2020, the number of people exposed to the COVID 19 virus increased by 295 thousand subscribers of the Occupational Risk program, this compared to the figure recorded at the end of the previous quarter, now that the Infrastructure, Retail, Service, Temporary Manpower and Education sectors are resuming their activities.

On the other hand, the growth in our Group Life and Individual Life insurance solutions were affected this past quarter by a merger between our Mexican subsidiaries which took place in Q4 2019 and which meant reclassifying Sura Vida Mexico's results to the Property and Casualty Segment. If we were to exclude this effect the growth with the Group Life and Individual Life insurance solutions would have come to -1.1% and 9.2% respectively. Individual life recorded a 1.4% drop in written premiums on the part of the Colombian subsidiary, given a lower sales performance in the Client Care channel, which fell by 3.5%. Finally the growth corresponding to the Life Insurance segment was also affected by not having renewed the social security business in El Salvador, which provided premiums worth COP 23,020 million for the same period last year.

Net level reserves were set up during this past quarter in the amount of COP 70,093 million, which although dropped by 23.5% compared to that recorded for same period last year, does show a certain amount of recovery with the pace of premium growth for this segment.

This segment's claims rate came to 65.1% for this past quarter, compared to 57.3% for Q3 2019, this adversely affected by the rising infection curves in Colombia, El Salvador and Chile. These effects are reflected in an increase in the number of claims for the Occupational Risk, Individual Life and Group Life insurance solutions. As for the Health Care solution, while case management for COVID 19 effectively rose for this past quarter, it continued to offset the frequency of non-COVID cases due to having postponed scheduled medical procedures

**HIGHER CLAIMS RATIO
IN WORKERS'
COMPENSATION DUE TO
HIGHER COVID-19 CASES**

as well as a lower frequency of other services, this in order to maintain an optimal capacity on the part of the health care system so as to be able to tackle the pandemic.

The Workers' Compensation solution produced a claims rate of 83.4% for this past quarter, which was 26.9 points higher than for the same period last year, thereby evidencing increases in health care expense, financial benefits for a total of 21,470 infected workers, with the virus classifying as occupational disease, for this past quarter, along with an increase in fatality reserves associated with COVID 19 that at the end of Q3 2020 came to 45 cases.

Broker fees and commissions rose by 11.5%, mainly due to the effect in El Salvador of the change in methodology for recording DAC, which meant that deferred commissions are now recorded either as reserves set up or as broker fees and commissions. On the other hand, net fees and commissions posted by our Colombian subsidiary were 11.3% higher than its written premiums, this due to a change in product mix, having obtained a higher volume of solutions which although entailed higher policy acquisition costs, did provide a good technical result in terms of other variables including its claims rate.

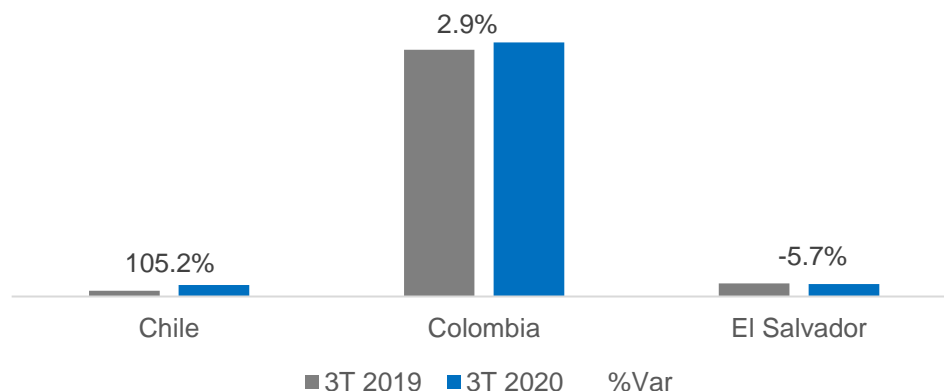
The 15.5% growth in Technical Insurance Expenses includes COP 43,360 million invested in the corporate clients of our Occupational Risk subsidiary, this corresponding to PPE kits, prevention programs and COVID 19 testing. On the other hand, Administrative Expense rose by 13.6% for this past quarter, given the amount of technology investments made based on a different seasonal frequency compared to last year, this together with an increase in adjusted billing expense on the part of health service providers given the amount of effort these companies have had to make to attend the influx of patients infected with the COVID 19 virus.

Finally, investment income fell by 34.6% compared to the same period last year, mainly due to downward inflationary pressures prevailing throughout the region. Our Colombian subsidiary was most affected since the 12-month rolling inflation rate fell by 183 basis points below the inflation rate recorded for Q3 2019. On the other hand, investments in long-term corporate securities carrying a BBB rating or lower, showed a loss in value.

LOWER INFLATION RATE IN COLOMBIA

REFLECTS IN LOWER
INVESTMENT INCOME

Crecimiento en Primas Retenidas por filial



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 million COP)	From January 1st to September 30th			From July 1st to September 30th		
	sep-20	sep-19	%Var	Q3 2020	Q3 2019	%Var
Written premiums	6,145,157	5,650,446	8.8%	2,145,538	1,930,041	11.2%
Ceded premiums	(2,266,477)	(1,593,713)	42.2%	(900,622)	(600,463)	50.0%
Retained premiums (net)	3,878,679	4,056,733	-4.4%	1,244,916	1,329,577	-6.4%
Net level reserves	116,178	96,889	19.9%	54,399	63,100	-13.8%
Retained earned premiums	3,994,857	4,153,622	-3.8%	1,299,315	1,392,678	-6.7%
Total claims	(2,761,387)	(3,247,658)	-15.0%	(926,923)	(1,066,607)	-13.1%
Reimbursed claims	824,997	1,038,942	-20.6%	275,478	280,166	-1.7%
Retained claims	(1,936,390)	(2,208,716)	-12.3%	(651,445)	(786,441)	-17.2%
Net commissions	(777,182)	(793,396)	-2.0%	(233,878)	(261,805)	-10.7%
Miscellaneous Insurance Expense	(337,910)	(369,637)	-8.6%	(124,898)	(128,914)	-3.1%
Impairment	(38,004)	(11,951)	218.0%	(11,720)	(4,839)	142.2%
Technical result	905,371	769,921	17.6%	277,374	210,679	31.7%
Administrative expense	(960,804)	(915,633)	4.9%	(323,618)	(297,909)	8.6%
Amortization and depreciation	(124,323)	(122,834)	1.2%	(44,501)	(40,451)	10.0%
Underwriting profit	(179,756)	(268,546)	33.1%	(90,745)	(127,681)	28.9%
Dividends	126	226	-44.0%	13	147	-90.8%
Investment income	433,892	230,367	88.3%	147,903	5,913	
Interest	(8,120)	(8,891)	-8.7%	(3,246)	(2,477)	31.1%
Other non-operating income / expense	55,240	15,951	246.3%	22,529	26,114	-13.7%
Earnings (losses) before tax	301,383	(30,893)		76,453	(97,985)	
Income tax	(78,792)	25,579		(19,644)	49,925	
Earnings (losses), net	222,591	(5,314)		56,809	(48,060)	
Amortization of intangibles (M&A)	(51,519)	(57,382)		(15,245)	(38,313)	
Amortizations of deferred tax	14,688	16,349		4,407	10,858	
Adjusted net income	259,422	35,718	626.3%	67,647	(20,605)	
Indicators*	sep-20	sep-19		Q3 2020	Q3 2019	
% Ceded	36.88%	28.21%		41.98%	31.11%	
% Retained incurred claims / REP*	48.47%	53.18%		50.14%	56.47%	
% Net commissions/ REP*	19.45%	19.10%		18.00%	18.80%	
% Administrative expense / REP*	22.25%	20.36%		22.96%	19.67%	
Combined ratio	104.50%	106.47%		106.98%	109.17%	

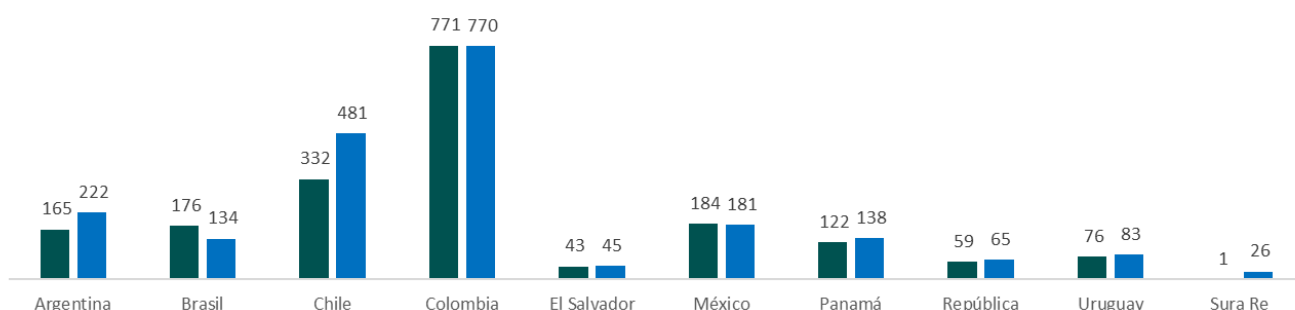
* Measured as a percentage of retained earned premiums (REP)

	Sep-2020
Total assets	16,057,022
Total liabilities	12,712,187
Total equity	3,344,835

Primas Emitidas por filial

Cifras en miles de millones de COP

■ 3T 2019 ■ 3T 2020



%Var	33.9%	-23.7%	45.2%	-0.2%	4.2%	-1.6%	12.6%	10.1%	9.9%	-
%Var ML	11.5%	-7.6%	42.4%	-0.2%	-6.9%	0.2%	0.8%	14.2%	17.6%	-

Written premiums for the Property and Casualty segment showed a growth of 10.1% in local currency for this past quarter, this due to the following main effects:

- Argentina recorded a growth of 11.5% in local currency taking into account adjustments for inflation. Premium performance has been mainly affected by the car insurance solution that grew by just 0.1% for the quarter mainly due to the lack of Uber business given mobility restrictions during the pandemic, as well as increases in cancellations and the overall impact caused by not having increased tariffs based on the CPI since March. Q3 2020 saw a certain amount of recovery with the Affinity channel that produced a growth of 101% for its P&C assistance solution.
- Our Brazilian subsidiary recorded a drop of 7.6% in local currency and has continued to see a decline in its income from the Affinity channel given the lockdown measures imposed, as well as the impact of not having renewed certain accounts which mainly affected Theft insurance where the drop in premiums for this past quarter came to just COP 14,621 million, as well as lower new sales with the Transport solution that produced a drop of 12% in local currency, this due to a poorly performing transport sector. This was partially compensated by the Car Insurance solution, which during this past quarter recorded a growth of 12.4% due to the amount of new policies being issued.
- Chile obtained a 42.4% growth in local currency, given the amount of new corporate accounts for the fire and engineering solutions, both lines of insurance having a scant impact on retained premiums. Growth for the rest of our solutions continued to be adversely affected by lower sales throughout the country, especially car and transport insurance.

WRITTEN PREMIUMS

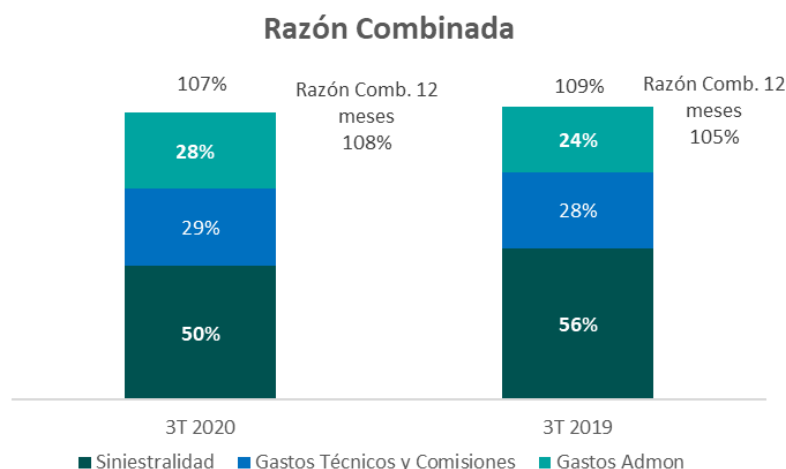
+8.8%

ARGENTINA, CHILE AND URUGUAY WITH DOUBLE DIGIT GROWTH IN LOCAL CURRENCIES.

- Colombia posting a decline of -0.2%, for the quarter, continued with a lower level of sales activity corresponding to its client care channel mainly in the Car and Fire solutions with drops of 4.5% and 5.5% respectively; it is important to note that there was an improvement with new mobility and property premiums that rose during the third quarter by 8% compared to a drop of 30% for the previous second quarter. Furthermore, the Contractual Performance solution rose by 18.9% for the quarter, having obtained good levels of sales via the client care and direct sales channels. Fraud insurance, on the other hand, secured a 50.9% growth via the Affinity channel.
- México registered a 0.2% growth in local currency, with certain solutions compensating for others. Car insurance was adversely affected by lower sales volumes via the client care channel as well as the Uber business not being renewed. The lines of solutions that performed the best were Health Care thanks to effective sales strategies as well as our Construction and Engineering solution with the amount of new business.
- Panamá showed a 0.8% growth in revenues, this mainly affected by the Car and Individual Life solutions where sales volumes were low, but still managed to show signs of recovery as the country's economy began to return to normal. A certain amount of corporate policies were issued for our Fire solution for terms of 18 months and this had a low impact on retention.
- Uruguay posted a growth of 17.6% in local currency, thanks mainly to policies being issued for the Engineering solution carrying terms greater than one year as well as improved sales of Car and Fire insurance, thanks to the country's economy getting back on track.

**FREE-UP OF
RESERVES**
IN THE QUARTER DUE
TO A LOWER
PREMIUM GROWTH

Net level reserves were freed up in the amount of COP 54,399 given the current levels of performance with retained premiums. The amounts thus freed up shall allow our subsidiaries to smooth out their income in order to respond to clients for the current risks covered by premiums written in previous periods. It should be noted that in September our Colombian subsidiary set up an additional reserve for COP 19,000 million so as to cover personal accidents on the part of holders of the Mobility solution, this reserve shall be released during the upcoming quarter once this coverage expires.



Combined Ratio = (Retained Claims + Net Commissions + Other Operating Income/ Expenses + Fees + Administrative Expense + Depreciation and Amortization + Impairment) / Earned Premiums

This segment's claims rate came to 50.1%, compared to 56.5% for the same period the previous year. This past quarter recorded a reduction in the claims frequency for car and mandatory car insurance given the mobility restrictions imposed during the lockdown. This lower claims rate has benefited the results of this segment, although to a lesser extent than the two previous quarters due to more flexible lockdown measures being taken in most countries. For the Company, it is essential to assist our mobility insurance policy-holders during this period, which is why we have strategies aimed at refunding premiums, expanding coverage and eliminating deductibles during these difficult times.

Technical Expense, that mainly include broker fees and commissions, reinsurance commissions, non-proportional reinsurance costs, miscellaneous insurance and impairment expense, came to 28.5%, which was 11 basis points higher than for the same period last year given an increase of 142.2 % for the Impairment account, which was adversely affected this past quarter by a higher past-due accounts in Panama and written-off co-insurance accounts receivable in Brazil and the Dominican Republic. However, in spite of the delay in payments affecting the latter country, there is a higher possibility that these amounts shall be eventually recovered. So far this year, and as an additional strategy for assisting our clients during these difficult times, we have deployed various initiatives to facilitate policy payments, including using interest-free credit cards, deferring payments and special arrangements for corporate clients.

INVESTMENT INCOME

COP
147,903 MM

POSITIVELY IMPACTED
RESULTS, DRIVEN BY THE
RECOVERY OF RETURNS
IN ARGENTINA

On the other hand, the Administrative Expense indicator, which includes Administrative Expense, Amortization and Depreciation came to 28.3% for the quarter compared to 24.3% for the same period last year. This impairment was mainly due to a 79% growth with the amount of administrative expense posted by our Argentine subsidiary for this past quarter given the amount invested in advertising, technological projects and provisions for employee benefits at different times and frequencies compared to the periods being compared. It should be noted that all our subsidiaries in this segment are deploying smart expense control strategies so as secure greater efficiencies through savings and spending controls that allow for investments focusing on attracting new clients and retaining existing ones as well as a more efficient operating model.

Investment income reached COP \$147,903 million for this past quarter, given a recovery on the financial markets thanks to the expansionist measures taken by central banks and governments so as to be able to address the economic effects of COVID 19. Fixed-income assets, which is our main portfolio asset representing 85% of the total, have recorded gains ranging from 100 to 300 basis points along the short end, which is where the greatest effect on interest rates has occurred. Generally-speaking, yield curves have steepened along their short ends. While the greatest effect on our portfolios has to do with this type of asset, the stock market and the currency depreciation prevailing throughout the region have also helped the recovery seen during the third quarter.

As mentioned above, another relevant factor driving up growth has been the amount of investment income obtained compared to last year when the Argentine market recorded its worst performance over recent years after holding presidential elections.

Finally, income tax for the Property and Casualty segment showed an effective tax rate of 25.7% which was slightly lower than the nominal rate, given higher tax-exempt income obtained from investments mainly in the case of our subsidiaries in Argentina and Uruguay. The growth thus recorded compared to the same period last year is due to a loss sustained in the same period last year by our Argentinian subsidiary, in addition to having included inflation adjustments when calculating the amount of tax due.

HEALTH CARE SEGMENT

The Health Care Segment includes the health care providers, EPS SURA, IPS SURA and our Diagnostic Aids Provider, Dinamica.

Health Care Segment	From January 1st to September 30th			From July 1st to September 30th		
(figures in million colombian pesos)						
	sep-20	sep-19	%Var	Q3 2020	Q3 2019	%Var
Revenues from services rendered	4,104,927	3,327,721	23.4%	1,496,787	1,181,001	26.7%
Cost of services rendered	(3,689,811)	(2,973,767)	24.1%	(1,340,626)	(1,041,489)	28.7%
Other operating income/expense	14,550	7,967	82.6%	3,700	4,065	-9.0%
Net commissions	(15,838)	(12,140)	30.5%	(5,455)	(4,548)	20.0%
Impairment	469	5,263	-91.1%	3,156	3,696	-14.6%
Technical result	414,296	355,044	16.7%	157,562	142,726	10.4%
Administrative expense	(378,472)	(322,112)	17.5%	(136,594)	(115,067)	18.7%
Amortization and depreciation	(34,086)	(28,890)	18.0%	(11,844)	(9,586)	23.6%
Underwriting profit	1,737	4,042	-57.0%	9,124	18,073	-49.5%
Investment income	23,543	13,293	77.1%	9,380	4,464	110.1%
Interest	(12,347)	(12,282)	0.5%	(3,434)	(4,363)	-21.3%
Other non-operating income / expense	6,799	7,306	-6.9%	2,854	3,207	-11.0%
Earnings (losses) before tax	19,732	12,360	59.6%	17,924	21,380	-16.2%
Income tax	(3,405)	(10,374)	-67.2%	(2,577)	(3,316)	-22.3%
Earnings (losses), net	16,327	1,986	721.9%	15,347	18,063	-15.0%

Indicators	sep-20	sep-19	Q3 2020	Q3 2019
% Cost of services rendered	89.9%	89.4%	89.6%	88.2%
Expense ratio	8.82%	9.20%	8.75%	9.31%

	sep-20
Total assets	1,860,062
Total liabilities	1,481,906
Total equity	378,156

4

MILLION
SUBSCRIBERS IN EPS
SURA

Q3-2020

The technical result for the Health Care segment showed a growth of 10.4%. Revenues from Services Rendered posted a growth of 26.7% for this past quarter, mainly driven by the EPS (Mandatory Health Care) segment, with subscribers now numbering 3,981,239, for a growth of 188,932 users for this past quarter. As mentioned in the earnings report for the previous quarter, this subsidiary recorded an important shift

INGRESOS 3T2020

+26.7%

APALANCADOS EN
AUMENTO DE AFILIADOS
Y MAYORES PRUEBAS
COVID-19.

between the different health care plans that is to say from the contributive to the subsidized regime.

It is also important to note the 69.4% growth obtained by the Diagnostic Aids subsidiary, which during the quarter benefited from the amount of COVID 19 tests performed which represented another COP 89.600 million in revenues. The timely handling of the sampling and processing of these tests has allowed this subsidiary to provide a well-differentiated service for the subscribers of our Voluntary and Mandatory Health Care plans in Colombia thanks to the early and responsive detection of those infected.

Costs of Services Rendered increased by 89.6% while for the same period last year these stood at 88.2%, this due to the impact of COVID 19 claims on the Mandatory Health Care Plan, incurring additional expense corresponding to basic care, hospitalization, sick leave and diagnostic aids, which for this past quarter represented an expense of COP 170.100 million. This increase in expense was partially offset by declines with the claims frequency in July and August.

It is important to mention the efforts that the IPS Health Care Institutes and the Diagnostic Aid subsidiary have made in assisting subscribers of the EPS Mandatory Health Care and Complementary Health Care Plans, the Occupational Risk subsidiary (ARL) and the Life Insurance subsidiary in Colombia, in investing in ways to tackle to demand for medical care on the part of people infected with COVID 19, which includes remote care models, oxygen therapy treatment and home medication deliveries.

COST AND EXPENSE CONTROL

EVEN WITH INVESTMENTS
AND NEW HIRINGS FOR
THE HEALTH CARE
PROVIDERS

These investments, in addition to the extra number of health professionals that have been hired, have produced a growth of 18.7% in the segment's administrative expense. However, it is worth mentioning that the EPS subsidiary showed a decline of 5.6% in this account due to efforts made to ensure a more efficient use of resources given the current situation and its impact on the subsidiary's claims rate.

Finally, Investment Income showed a growth of 110.1%, driven by gains obtained with fixed income securities thanks to an increase in prices on the back of lower interest rates given the fiscal and monetary measures adopted by the Colombian Government and Central Bank, this as part of a portfolio of investments that are entirely classified as negotiable (that is to say at fair value through profit and loss).

HOLDING SEGMENT

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

Holding Segment	From January 1st to September 30th			From July 1st to September 30th		
(figures in million COP)						
	sep-20	sep-19	%Var	Q3 2020	Q3 2019	%Var
Miscellaneous Insurance Expense	3,094	3,064	1.0%	722	1,401	-48.4%
Impairment	(8)	(17)	-56.2%	(0)	(7)	-95.1%
Technical result	3,087	3,047	1.3%	722	1,393	-48.2%
Administrative expense	(65,580)	(69,401)	-5.5%	(22,091)	(28,744)	-23.1%
Amortization and depreciation	(1,681)	(2,302)	-27.0%	(566)	(782)	-27.7%
Underwriting profit	(64,174)	(68,656)	-6.5%	(21,935)	(28,133)	22.0%
Dividends	-	(1,501)	-100.0%	-	(1,502)	-100.0%
Investment income	8,545	6,564	30.2%	3,820	3,988	-4.2%
Interest	(53,643)	(57,880)	-7.3%	(14,157)	(20,230)	-30.0%
Other non-operating income / expense	7,467	47,613	-84.3%	282	44,906	-99.4%
Earnings (losses) before tax	(101,805)	(73,860)	37.8%	(31,989)	(971)	-3195.9%
Income tax	(38,631)	(25,226)	53.1%	2,190	(11,125)	
Earnings (losses), net	(140,436)	(99,086)	41.7%	(29,799)	(12,095)	-146.4%

The most representative accounts in the Holding segment are corporate headquarter expense, interest paid on the bonds issued by Suramericana S.A. as well as income tax. Administrative expenses fell by 23.1% for the quarter, thanks to the efforts made to curb expense that in turn has translated into reduced logistics expense, fees and technology. It is important to note that the Holding has invested throughout the year so as to be able to enhance its communications with our subscribers throughout the region.

Interest for the quarter declined by 30.0% this due to payments made in June of this year on the first series of bonds issued in 2016, these totaling COP 147,998. The decline in non-operating income is also due to the amount of shares in Palic Salud that were sold off in the Dominican Republic in Q3 2019.

Finally, the income tax account corresponding to the Holding Segment showed higher deferred tax on expected taxable dividends to be received over the coming years.

COP
32,000
MILLION

NET INCOME FROM
THE DIVESTMENT IN
2019 OF THE STAKE
IN PALIC SALUD .

CONSOLIDATED INCOME STATEMENT				SEP 20	SEP 19	%Var Ex - Fx	Q3-2020	Q3-2019	%Var Ex - Fx
Fee and commission income				1,701,192	1,695,014	-1.0%	585,225	577,294	1.0%
Income from legal reserves				77,414	318,711	-75.8%	54,321	105,199	-47.9%
Income (expense) via equity method				74,449	174,164	-57.2%	73,194	56,271	30.1%
Other operating income				14,305	53,877	-73.3%	(3,873)	11,301	-135.9%
Operating revenue				1,867,360	2,241,765	-17.6%	708,868	750,065	-5.6%
Total insurance margin				65,430	75,732	-11.6%	25,035	25,244	-1.3%
Operating expense				(1,318,719)	(1,281,470)	2.1%	(440,040)	(449,227)	-2.3%
Operating earnings				614,070	1,036,027	-41.4%	293,862	326,082	-9.9%
Financial income (expense)				(154,517)	(135,654)	13.6%	(54,114)	(32,401)	66.2%
Income (expense) - derivatives and exch. difference				39,134	27,027	53.9%	(23,158)	12,294	-323.2%
Earnings (losses) before tax				498,688	927,401	-46.8%	216,590	305,975	-29.3%
Income tax				(229,046)	(315,780)	-28.3%	(79,567)	(118,583)	-32.9%
Net income from continuing operations				269,642	611,621	-56.3%	137,023	187,392	-27.1%
Net income from discontinued operations				(12,451)	(25,949)	-46.5%	35	64,011	-100.0%
Net income (losses)				257,190	585,671	-56.7%	137,058	251,404	-46.0%
Adjusted net income									
Amortization of intangibles (M&A)				(72,503)	(81,040)	-10.5%	(24,082)	(27,283)	-11.7%
Utilidad (pérdida) neta del ejercicio				329,693	666,711	-50.5%	161,140	278,687	-42.2%

NET INCOME
YTD

COP
257,190
MILLION

SURA Asset Management's financial results continued to recover in Q3 2020. Consequently, net income came to COP 257,190 million, showing a notable improvement compared to the net loss registered in Q1 2020, the latter due to the adverse financial effects caused by the worldwide spread of COVID-19. The recovery seen with the Company's operating performance so far this year is due to improved rates of return from investments which, in turn has produced higher income from legal reserves as well as a 5.6% increase in AUM. Resilient streams of revenues corresponding to the wage base has also played an important role in the ongoing recovery of our results, which recorded a consolidated drop of 1.5% so far this year, which is far better than the decline with the unemployment rates in all those countries where we are present. In what was after all a challenging year with the pandemic, SURA Asset Management posted practically the same level of fee and commission income compared to last year, achieving a 1.0% growth in Q3 2020. It should be noted that the growth in AUM was made possible in spite of the extraordinary circumstances that involved outflows of almost USD 6,000 million, such as withdrawals of pension funds that members were allowed to do in Chile and Peru so as to be able to address the effects of the COVID-19 virus, as well as having divested our Life Annuity business in Mexico along with the effective transfer of the corresponding portfolio.

20.8 MILLION CLIENTS

LEADING LATAM
COMPANY IN SAVINGS
FOR RETIREMENT,
INVESTMENTS AND ASSET
MANAGEMENT

SURA Asset Management has consolidated a leading position in the Latin American pension, savings and investment industry, reaching 20.8 million clients throughout the region and showing a 3.2% growth at the end of Q3 2020, thanks to our client-centric strategy that has enabled us to offer a broad and relevant range of products leveraged by the latest analytical tools. These tools allow us to listen more carefully to our clients to better understand their financial objectives and risk profiles, improve their financial decision-making processes as well as their experiences with the Company. Automation and our on-line channel have played a fundamental role for being able to deploy our strategy in a cost-efficient manner thereby achieving constant improvements in productivity. Throughout the pandemic, SURA Asset Management has been able to stay close at hand to our clients, with the support of our on-line tools and by streaming timely information which has been highly appreciated in these uncertain times with the financial markets. This has continued to have a positive impact on our client satisfaction levels.

A special mention deserves the reliable and diligent way, even responding in times shorter than those required by the regulators, as the teams from Peru and Chile attended the processes of partial withdrawals of pension funds that were allowed to the affiliates to face the difficult economic situation left by the pandemic, and which posed a significant challenge due to the increase in interactions with customers in a context of remote work. In this way, it continues to positively impact customer satisfaction levels.

AUM (COP million)	SEP-20	SEP-19	%Var	%Var Ex - Fx
Chile	158,269,555	155,928,764	1.5%	-1.6%
Mexico	118,139,726	102,060,574	15.8%	15.6%
Peru	68,104,620	70,261,074	-3.1%	-7.3%
Uruguay	11,614,530	9,878,427	17.6%	21.4%
AFP Protección	121,406,201	112,185,652	8.2%	8.2%
El Salvador	22,405,603	19,100,282	17.3%	5.5%
SURA Investment Management	37,836,794	35,543,590	6.5%	4.1%
Duplicated AUM*	-15,676,008	-14,254,202	10.0%	6.8%
Total	522,101,021	490,704,161	6.4%	4.2%

*Duplicated AUM: Showing the AUM reported by both the Savings and Investment and the SURA IM segments, these corresponding to the AUM pertaining to funds structured by SURA IM and distributed by Savings and Investment.

Clients (in million)	SEP-20	SEP-19	%Var
Chile	1.8	1.8	0.1%
Mexico	7.6	7.7	-1.5%
Peru	2.5	2.1	18.5%
Uruguay	0.3	0.3	1.1%
AFP Protección	6.9	6.5	4.9%
El Salvador	1.8	1.7	2.6%
Total	20.8	20.2	3.2%

While the Company is building up its leadership position from the standpoint of sustainability, we, at SURA Investment Management (SURA IM) are making good progress with our own sustainable investment strategy. We have prioritized climate change as a source of impact, and we are strengthening our climate analysis capabilities as part of our investment management function. In this regard, we formed an alliance with the think tank, “2° Investing Initiative” so as to be able to carry out a joint investigation on the possibility of aligning our investment portfolios with the goals of the Paris Accord here in Latin America. This investigation is estimated to take one year, and when completed a report shall be published containing our main findings, this for the purpose of disseminating more knowledge regarding sustainability and its role on the region’s investment markets.

**RESILIENT REVENUES
FROM COMMISSIONS
ARE IMPACTED BY
LOWER INVESTMENT
INCOME**

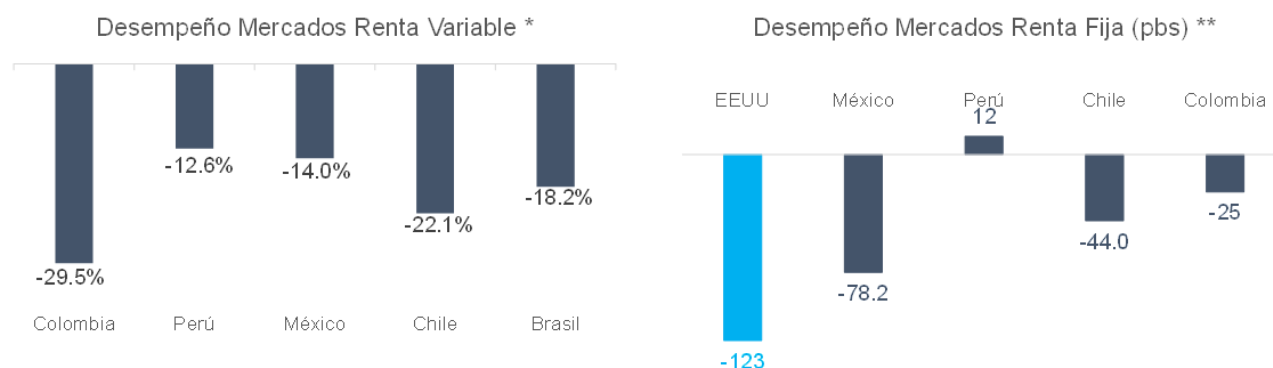
Operating revenues came to COP 1.87 trillion at the end of Q3 2020 for a 17.6% decline compared to the same period last year. This decline is mainly due to a higher basis for comparison in 2019 when investments provided higher returns. Fee and commission income remains very close to the level reported last year, albeit with a slight drop of 1.0% during the first 9 months of the year, only to go up in Q3 2020 to net a 1.0% increase. Revenues benefited from the resilience of the Retirement Savings business, which managed to offset adverse regulatory effects such as the inability to collect fees and commissions in Peru in April; higher unemployment levels due to the pandemic, as well as fee and commission income ramping up from the voluntary segment (Inversiones SURA + SURA IM) which rose by 20.9% for Q3 2020.

Revenues obtained from associates via the equity method, which mainly includes the 49.36% stake in the pension management firm, AFP Protección, came to COP 74,449 million for Q3 2020. Although this is lower than the figure recorded last year, mainly due to the base effect of the returns on investment obtained in 2019, it still shows a significant recovery in Q3 2020 when a growth of 30.1% was achieved. Income from legal reserves amounted to COP 54,321 million for Q3 2020, thereby continuing with the recovery that began in Q2 2020 with COP 283,723 million posted in this account, thereby recovering from the loss recorded in Q1 2020, when nervousness on the financial markets due to the effects of the pandemic produced generalized losses

Financial markets performed well in 3Q20, continuing the positive trend of 2Q20 although with less force. Yields continued to be boosted during the first part of the quarter, in a context of significant monetary stimulus that will continue over time, due to economic activity in China that accelerates to recover the pre-pandemic level after controlling the virus, and due to indicators of economic activity expanding in the US. This international dynamics supported the prices of raw materials with a positive impact on Latin American markets. After 5 consecutive months of generalized appreciations, despite the challenging health and economic outlook, the financial markets registered generalized

depreciations in September. The change in trend was explained by a respite in the markets as the economic reactivation began to show signs of deceleration, and an increase in aversion to the account risk of a pandemic that has not been controlled worldwide and continues to grow. progress, with Europe again imposing mobility restrictions amid the second wave of COVID-19 and Latin America failing to get out of the first wave. The nervousness in September was also triggered by the US presidential elections and the threat of current President Donald Trump not to carry out a peaceful transition in the event of losing the elections, and Brexit was once again on investors' radar as the probability of a trade agreement between the UK and the European Union is getting lower and lower. All of this occurred in a context in which the US was unable to achieve a fiscal stimulus that is deemed necessary to boost economic reactivation, as a complement to the monetary measures that the FED has undertaken, which even made its inflationary target more flexible.

Desempeño Mercados Renta Variable & Renta Fija 3T20



* Índices de referencia. Colombia Colcap – Perú SPBLPGPT – México Mexbol – Chile IPSA – Brasil IBOV.

** índices de referencia bonos soberanos 10 años [Variación en la tasa]

OPERATING
EARNINGS

COP
614,070
MILLION

SURA Asset Management obtained COP 614,070 million in operating earnings for Q3 2020, which was 41.4% less than for the same period last year, but nevertheless doing better than for the previous quarter. This drop is mainly due to the aforementioned effects of the investment base in 2019 as well as the pandemic. The Company has managed to protect its earnings through an effective containment of operating expense that fell by 2.3% for Q3 2020 with the YTD figure rising in keeping with inflation, this in spite of the extra expense incurred with the pandemic, such as higher costs of banking transactions in Peru due to pension funds being withdrawn, as permitted by the Peruvian Government as well as initiatives for supporting the sales force during the months in which the pandemic struck particularly hard. This good level of spending performance was obtained thanks to the continuous

**HIGHER RELEVANCE
OF THE DIGITAL
CHANNEL IN THE
COMMERCIAL ACTIVITY**

efforts in productivity that SURA Asset Management has built upon over recent years in terms of its digital transformation, process automation, robotization, aligning employee compensation plans with the amount of added value created for the business as well as rationalizing the Holding's corporate spending, which fell by 10.8% at the end of Q3 2020. Lower travel expenses and the slowdown in business activities due to the mobility restrictions imposed during lockdowns have also had an impact. The Company continues to deploy strategic projects to ensure its ongoing business sustainability while allowing it to capitalize on opportunities arising amid the current situation.

The benefits of the efforts made with our digital transformation have been clearly evidenced in our Retirement Savings business in Chile, where more than 3,300 transfers have taken place, at a cost which is substantially lower than that of the traditional channel, producing a decline in acquisition expense for an average drop of 0.8% over the last 3 years, while fee and commission income grew by 3.3% on average. The digital channel has taken on a special importance for maintaining optimum levels of business activity in the midst of prevailing mobility restrictions, and now accounts for up to 40% of the Company's cash inflows.

This outstanding level of performance obtained with revenues against the backdrop of this pandemic, together with the current cost containment, allowed for a 5.8% growth in EBITDA (excluding legal reserves) at the end of Q3 2020. On a YTD basis, EBITDA stood at COP 817,377 million, for a drop of 33.9% compared to the same period last year, mainly due to the base effect of investment returns, which produced a 14.7% lower decline in EBITDA, excluding legal reserves, that captures most of the investment effect. Another impact can be seen with the operating income account in which returns are recorded corresponding to the seed capital investments made to build up SURA Investment Management's business, which went from COP 53,877 million at the end of Q3 2019 to COP 14,305 million for Q3 2020. On an individual country level, Mexico performed well together with Colombia's AFP Protección, achieving growths of 23.8% and 39.7% respectively at the end of Q3 2020. Peru achieved a growth of 1.1%, managing to reverse a 71.7% decline recorded in H1 2020, this affected by (i) losses in the value of its investments;(ii) the fact that fund management fees and commissions could not be charged in April; as well as (iii) the particularly adverse impact that the COVID 19 pandemic had on the Peruvian economy. Chile posted a 52.0% decline that is mainly due to the base effect of its investments. In Q3 2020, revenues from its legal reserves amounted to USD 0.4 million compared to USD 18.4 million for the same period last year. Finally, Uruguay recorded a decline of 12.0% due to a lower returns from its legal reserves as well as the impact of the regulatory cuts to the amounts of fund management fee and commissions charged.

EBITDA (COP million)	SEP-20	SEP-19	%Var	%Var Ex - Fx	Q3-2020	Q3-2019	%Var	% Var Ex - Fx
Chile	274,699	485,873	-43.5%	-42.2%	78,212	159,496	-51.0%	-52.0%
México	422,327	408,003	3.5%	2.5%	169,295	139,028	21.8%	23.8%
Perú	117,764	227,520	-48.2%	-53.0%	64,539	60,708	6.3%	1.1%
Uruguay	14,810	26,493	-44.1%	-40.7%	4,887	5,910	-17.3%	-12.0%
AFP Protección	60,409	156,160	-61.3%	-61.3%	70,058	50,146	39.7%	39.7%
Corporativo y Otros	-72,632	-81,919	-11.3%	-11.5%	-24,590	-28,728	-14.4%	-14.7%
Total	817,377	1,222,131	-33.1%	-33.9%	362,401	386,559	-6.2%	-6.3%
Return on legal reserve	77,414	318,711	-75.7%	-75.8%	54,321	105,199	-48.4%	-47.9%
Ebitda excl. Return on legal reserve*	727,059	852,058		-14.7%	272,349	257,385		5.8%

*The EBITDA figure, excluding legal reserves, also includes the legal reserves held by AFP Protección duly adjusted for the 49.4% stake held in this firm. This is why the figures given for the different countries minus legal reserves are not equal in the final balance.

SOLID FINANCIAL POSITION
SHORT TERM DEBT
REFINANCED WITH
LOWER COST AND
LONGER DURATION

SURA Asset Management continues to maintain a sound financial position. The Company's debt stood a COP 3.35 trillion at the end of Q3 2020, with a slight change of 0.6% compared to year-end 2019. Despite the challenging circumstances posed by the pandemic in terms of fee and commission income and return on investments, the Company expects to structurally maintain its leverage within a targeted range of 2.5x - 3.0x of its Gross Debt / EBITDA ratio, which is consistent with our current credit rating of BBB + / Baa1. The lines of credit maintained with both international and domestic banks remain fully available, and in Q3 2020 our Cash Management Department managed to renew various short-term COP-denominated loans, reducing the interest rate from 4.90% to 3.27% for terms of 1 year, and from 4.61 % to 3.59% for 2-year terms. As for USD denominated loans, for a notional amount of USD 850 million, hedges were maintained for 93% of the total, thereby providing greater stability to this type of debt despite the level of exchange rate volatility. The Company currently has a comfortable maturity schedule with 11% of its total debt becoming due and payable between 1 and 2 years, 52% carrying a term of 4 years and the remaining 37% with a 7-year term.

Financial expense net of financial income amounted to COP 154,517 million at the end of Q3 2020, which represented a 13.6% increase compared to the same period last year, this mainly due to a 33.0% drop in financial income given a higher temporary cash base in 2019, this together with financial expense showing a moderate increase of 2.7%. Income from derivatives and exchange differences amounted to COP 39,134 million, 53.9% more than for the same period last year, this driven by the Company's favorable position in short-term hedging and the positive impact of its net long position in USD due to Latin American currency depreciation. This difference had a negative impact in Q3 2020 due to the Chilean peso gaining value during the quarter (3.6% appreciation of the CLP in Q3 2020 compared to a 7.0% depreciation for

Q3 2019), which can be seen in the Company's USD-denominated cash in Chile

Net Income reached COP 257,190 million on a YTD basis at the end of Q3 2020, thus showing an important recovery compared to the loss recorded early this year in Q1 2020 due to the impact of the COVID-19 pandemic. Compared to the same period last year, this latter account recorded a decline of -56.7% mainly due to the base effect on investments, as mentioned above. Based on the performance of each individual segment, Retirement Savings is our top performer having contributed COP 615,736 million to the Company's bottom line, while the Voluntary Savings segment recorded a loss of COP 29,367 million since this line of business is still at an early stage of development. The Insurance and Life Annuities lines of business, which have been gradually divested and/or run-off over recent years, recorded a loss of COP 13,099 million mainly due to having transferred the Life Annuities portfolio in Mexico. Income tax therefore came to COP 229,046 million at the end of Q3 2020, which represents a decline of 28.3%, this in keeping with lower returns from legal reserves compared to last year. The Others segment recorded a loss of COP 185,335 million at the end of Q3 2019 due to the impact of the divestiture of the Life Annuities business in Chile, which entailed an unfavorable non-cash effect for SURA Asset Management due to exchange issues, whereas this same effect does not apply to Grupo SURA.

Results by segment (COP million)

	SEP 20	SEP 19	%Var Ex - Fx	Q3-2020	Q3-2019	%Var Ex - Fx
Consolidated Net Income	257,190	585,671	-56.7%	137,058	251,404	-46.0%
Retirement savings	615,736	926,696	-34.1%	283,871	301,913	-6.0%
Voluntary Savings	(29,367)	(20,472)	47.0%	(7,710)	(4,981)	61.9%
Insurance & Annuities	(13,099)	169,311	-107.8%	974	56,850	-98.4%
Exchange Rate Effect	18,527	12,941	60.3%	(31,436)	6,933	-703.6%
Corporate Expense	(161,348)	(180,237)	-10.8%	(54,253)	(64,919)	-16.6%
Financial expense	(158,227)	(137,232)	15.0%	(53,895)	(36,684)	46.0%
Others	(15,031)	(185,335)	91.7%	(493)	(7,709)	93.3%

Adjusted ROE / ROTE

Adjusted ROE stood at 4.2% for Q3 2020, which represents a 430 bp drop compared to Q3 2019, this mainly affected by a depreciation of the Company's investments. Adjusted ROTE also fell from 30.5% in Q3 2019, to 15.1% in Q3 2020.

	3T20	2T20	1T20	4T19	3T19
ROE Ajustado	4.2%	5.6%	5.0%	8.7%	8.5%
ROTE Ajustado	15.1%	20.1%	18.2%	31.4%	30.5%

Adjusted ROE is calculated based on adjusted net income (including the expense of amortizing intangibles and discontinued operations) over the last 4 quarters, and average Shareholders Equity over the last 5 quarters. Adjusted ROTE is the ratio between adjusted net income and average tangible equity for the last 5 quarters.

Retirement Savings Segment

	SEP 20	SEP 19	%Var Ex - Fx	Q3-2020	Q3-2020	%Var Ex - Fx
Fee and commission income	1,469,540	1,492,307	-3.0%	499,998	504,779	-1.3%
Revenues from AUM	735,005	683,959	5.9%	264,132	245,243	9.0%
Income generated on wage base	734,535	808,348	-10.5%	235,866	259,535	-11.0%
Income from legal reserves	75,731	312,763	-75.9%	53,550	102,987	-47.6%
Income (expense) via equity method	58,132	156,225	-62.7%	66,994	49,940	34.2%
Other operating income	5,949	7,695	-22.2%	1,909	(2,195)	-187.5%
Operating revenue	1,609,352	1,968,989	-19.2%	622,451	655,510	-5.2%
Operating expense	(798,818)	(755,232)	4.2%	(262,886)	(263,358)	-0.6%
Operating earnings	810,534	1,213,758	-33.9%	359,565	392,152	-8.3%
Financial income (expense)	5,395	3,868	40.2%	618	5,016	-87.4%
Income (expense) - derivatives and exch. difference	15,548	12,380	27.6%	6,963	4,136	69.7%
Earnings (losses) before tax	831,477	1,230,005	-33.0%	367,146	401,305	-8.5%
Income tax	(215,741)	(303,309)	-29.8%	(83,275)	(99,392)	-16.2%
Net income (losses) for the period	615,736	926,696	-34.1%	283,871	301,913	-6.0%

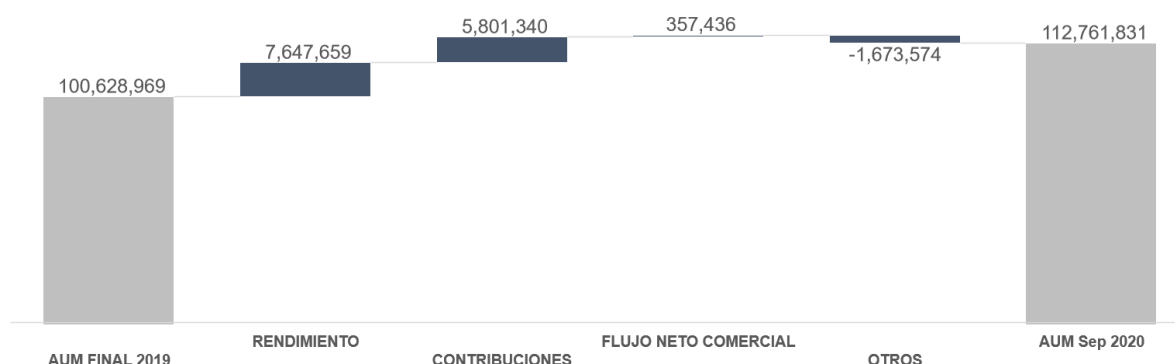
MEXICO AUM:

+12.8%

DRIVES GROWTH IN
COMMISSION INCOME

Fee and commission income for the Retirement Savings business came to COP 1,47 trillion at the end of Q3 2020, for a 3.0% decline given the inability to collect fees and commissions due in Peru for April. However, were we to exclude the effect of this regulatory cut to the amounts charged, fee and commission income would have posted a 0.2% growth. Revenues from AUM (Mexico and part of Peru) showed a favorable performance with a 5.9% growth on a YTD basis at the end of Q3 2020 thanks to a recovery with investment returns, new pension contributions and good levels of business performance. Mexico's AUM stood at COP 112.8 trillion at the end of Q3 2020, for a 12% growth so far this year, this mainly due to higher yields amounting to COP 7.6 trillion along with new pension fund contributions worth COP 5.8 trillion. Mexico's net fund flow was favorable for Q3 2020, reaching COP 357,436 million, thereby showing an improvement compared to an outflow of COP 378,000 million for the same period last year, this thanks to good levels of business management. Flow Out / AUM rate fell from 6.3% to 3.9% in Mexico.

Assets under management (AUM) Retirement Savings in México (COP million)



Q3-2020

SHOWED A PARTIAL RECOVERY IN INVESTMENT RESULTS AND OPERATING TRENDS

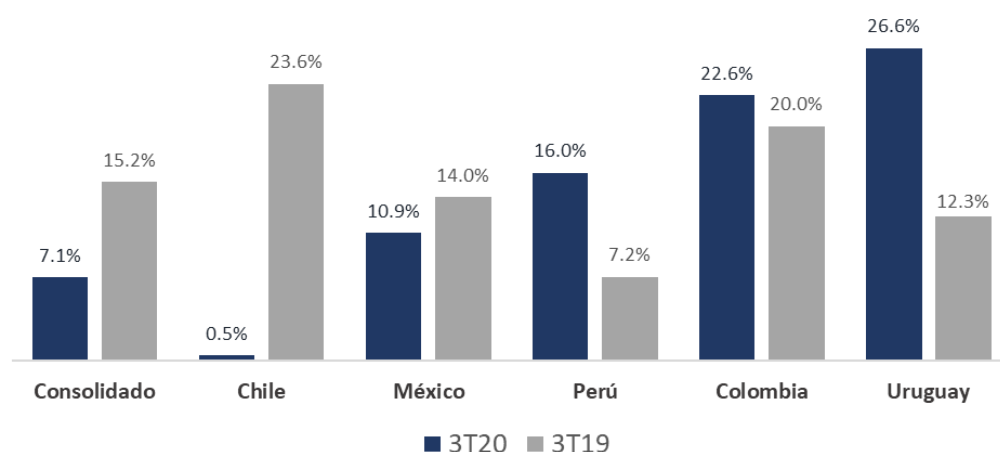
Income from the wage base shows a 10.5% drop at the end of Q3 2020, which was affected by not being able to charge fees and commissions in Peru, as well as the adverse effect of the pandemic on the local job markets together with the regulatory fee and commission cuts in Uruguay. Despite the challenges posed by the pandemic, our membership base rose by 2.4% for Q3 2020, thanks to having been awarded a tender in Peru. The contribution rate (Number of Active Contributors / Total Clients) has also withstood quite well the challenges posed by the COVID-19 pandemic, having fallen by just 184 bp from 37.3% to 35.5%, which is quite a limited drop compared to the increase in unemployment rates in all those countries where SURA Asset Management operates. The wage base recorded by SURA Asset Management posted a moderate decline of 1.5% for Q3 2020, with the business continuing to show resilience even in the midst of the economic crisis unleashed by COVID-19. Chile, Uruguay and AFP Protección in Colombia, managed to maintain growths in their Wage Base at the end of Q3 2020, even posting an increase in the average wage due to the effect on the contribution rate (Number of Active Contributors / Total Clients), a circumstance mainly produced by lower wages. The Peruvian Wage Base has shown a significant drop due to the fact that the Peruvian Government was forced to impose one of the strictest and earliest lockdowns because of the speed at which COVID-19 spread throughout the country, as well as the high occupancy rates throughout the health care system. The Wage Base in Peru has recovered over the last few months after the adverse impact sustained in Q2 2020, when this indicator fell by 14.4% compared to 11.4% at the last tally.

Salary Base YTD	SEP-20	SEP-19	%Var	%Var Ex - Fx
Chile	33,587,801	34,122,093	-1.6%	0.7%
Perú	21,662,002	22,207,869	-2.5%	-11.4%
Uruguay	3,233,007	3,330,968	-2.9%	3.0%
Protección	31,822,120	31,620,730	0.6%	0.6%
El Salvador	8,146,607	7,436,665	9.5%	-4.2%
Total	147,204,812	146,616,552	0.4%	-1.5%

POSITIVE RETURN
ON LEGAL RESERVE
BUT STILL LOWER
THAN **2019.**

Income from legal reserves amounted to COP 75,731 million at the end of Q3 2020, thanks to positive levels of performance for the last two quarters, thereby offsetting the loss incurred in the first quarter. Yield for the Mandatory Pension business came to 7.1% for Q3 2020, with all countries returning to positive territory after making up for the sharp declines caused by the COVID-19 pandemic in Q1 2020, with the sole exception of Peru which recorded a slight loss of USD 0.2 million. A breakdown by asset class, shows that 54% of SURA Asset Management's investment strategy for the Retirement Savings Business corresponds to fixed-income securities, trailed by equities representing another 35.0%, alternative securities 7% and cash and others 4%.

Yield Retirement Savings AUM



*Annualized Yield.

With regard to the latest regulatory issues, on July 22 the Mexican Government presented Congress with a bill for reforming the country's pension system. In addition to a gradual increase in mandatory pension contributions going from 6.5% to 15.0% in a stepped fashion, as well as a reduction in the number of mandatory contribution weeks required to access a pension from 1,275 to 750. This bill includes the means for capping the amounts of fees and commissions charged by the AFORES

(private pension fund management firms) to a level corresponding to the arithmetic average of the fees and commissions applicable in the United States, Colombia and Chile. SURA Asset Management greatly appreciates this new reform bill since it addresses the urgent need to improve pensions in Mexico, provides for more positive replacement rates and is progressive in nature, to the extent that the most important improvement in the replacement rate would occur in the case of workers who earn between 1 to 3 minimum wages, while at the same time it expands coverage. These changes come hand in hand with an accelerated reduction in the amounts of fees and commissions charged, which has become customary in Mexico, but these cuts are offset with the passage of time given the increase in contributions.

The Peruvian Congress authorized further withdrawals of AUM on the part of pension fund members who until October 31, 2020 had not contributed to their pension accounts for a 12-month period, as well as those failing to make pension contributions in October 2020 and fund members who, regardless of whether or not they have made pension contributions have been diagnosed with cancer. It is important to note that the Executive has an approximate term of 15 business days to comply with this regulation, and should this not be the case, Congress has the power to overrule the Executive and pass this regulation regardless.

In Chile, on October 25, the drafting of a new Constitution within a maximum term of one year was passed with more than 78% of the ballot cast as part of a plebiscite. This shall replace the current Magna Carta. The actual text shall be drawn up by a constituent convention made up of 155 members of the public who will be selected by popular vote on April 11. Once the drafting is finished, the president of Chile must call for a new plebiscite so that citizens may either approve or reject the new constitution. It is expected that one of the topics to be discussed shall be the pension system.

The Uruguayan Government appointed a commission of experts made up of 15 members from different social, labor and political sectors, who shall be in charge of evaluating the Uruguayan pension system over a period of 90 days with a view to presenting their proposal for redesigning such. Here the Executive hopes that the result shall be a fair, well-balanced system between the different generations that is both supportive and financially viable.

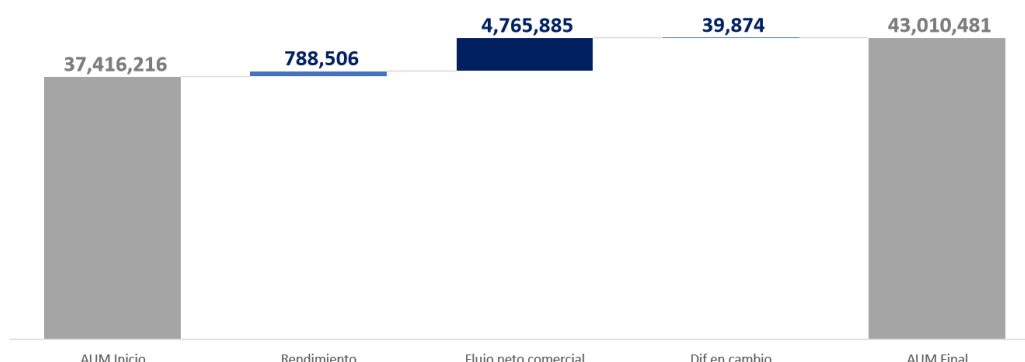
SURA Retail Investments/ Investment Management

	SEP 20	SEP 19	%Var Ex - Fx	Q3-2020	Q3-2020	%Var Ex - Fx
Fee and commission income	229,167	196,506	16.2%	85,160	70,440	20.9%
Income from legal reserves	1,683	5,948	-71.3%	771	2,213	-64.5%
Income (expense) via equity method	16,317	17,939	-9.0%	6,200	6,331	-2.1%
Other operating income	4,678	7,991	-42.1%	(2,273)	(4,814)	-52.8%
Operating revenue	251,845	228,385	9.9%	89,858	74,170	21.1%
Total insurance margin	43,820	47,323	-5.3%	16,616	15,345	6.9%
Operating expense	(324,059)	(293,890)	10.6%	(111,659)	(96,140)	16.1%
Operating earnings	(28,394)	(18,182)	61.1%	(5,186)	(6,625)	-19.9%
Financial income (expense)	(1,641)	(2,252)	-26.3%	(828)	(721)	11.5%
Income (expense) - derivatives and exch. difference	5,447	382	1318.6%	1,179	1,140	-4.6%
Earnings (losses) before tax	(24,587)	(20,051)	26.3%	(4,835)	(6,206)	-19.2%
Income tax	(4,780)	(420)	840.2%	(2,874)	1,225	-352.5%
Net income (losses) for the period	(29,367)	(20,472)	47.0%	(7,710)	(4,981)	61.9%

SURA Inversiones posted a favorable AUM figure for Q3 2020, corresponding to a total of USD 10,000 million along with a Net Cash Flow of more than USD 1,000 million, which in the event this positive trend continues into Q4 2020 would mean a second straight year this threshold has been exceeded. This great result in terms of our AUM has gone hand in hand with improved efficiencies and productivity levels, thus providing a positive operating leverage effect for our business. While fee and commission income has increased over the last 3 years at an annual average rate of more than 20%, selling expense has only increased by 7.0%, resulting in a substantial improvement in business efficiency (Acquisition Expense / Inflows) producing an improvement of more than 50% for the period in question.

**DOUBLE DIGIT REVENUE
GROWTH**
WITH HIGHER
EFFICIENCIES AND
PRODUCTIVITY

AUM SURA Investments 3T20



Figures in COP million

Inversiones SURA as part of its overarching purpose of drilling down on its knowledge of its investor clients has been making headway with its segmented value offering. In this sense AFP Protección has developed an investment management delegation service called Gestión Pro, which forms part of a process for identifying the risk profiles of its investors as well as their different investment objectives, this by providing an investment strategy managed through the expertise of our different investment strategy teams throughout the region. In just 3 weeks after launching this new service, we already have more than 1,800 clients and USD 85 million in AUM.

On the other hand, SURA Investment Management continues to make progress with enhancing its value offering for strategic segments by getting to know its clients that much better. Important milestones have been achieved in Mexico where an important retail company chose us to manage its cash portfolio worth USD 104 million, which indeed is a breakthrough for the local and regional development of our corporate business. In Chile, an important client belonging to the insurance segment selected us to manage its life and general insurance portfolios worth USD 167 million, thereby validating the well-differentiated experience that we provide on a regional level. So far in 2020, the alternative assets platform has been further consolidated, with the launch and capital increases corresponding to various new infrastructure, private debt and real estate funds.

**FOCUS ON CUSTOMER
AND ADVANCES IN
STRATEGY**
ADVISORY AND VALUE
PROPOSAL

Clients (en miles)	SEP-20	SEP-19	%Var
Chile	575	516	11.4%
México	438	389	12.7%
Perú	57	55	2.7%
Uruguay	14.8	15.3	-3.6%
AFP Protección	449	423	6.1%
Total	1,533	1,399	9.6%

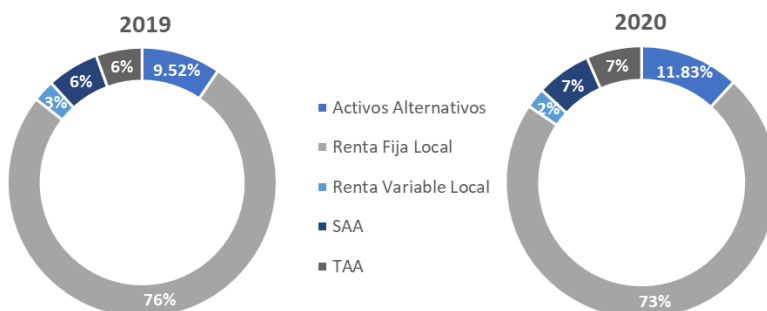
AUM GROWTH
DRIVEN BY POSITIVE
NET FLOW

The AUM corresponding to the voluntary segment came to COP 65.2 trillion at the end of Q3 2020, which represents an increase of 13.8% mainly due to a Net Fund Flow and to a lesser extent to higher returns on investment. The volume of AUMs corresponding to SURA IM came to COP 37.8 trillion, which represents a growth of 4.1% compared to last year. This level of performance was affected by having divested our Life Annuities business in Mexico and transferred the corresponding portfolio. If we were to exclude this effect, AUM would have recorded a growth of 12.8%, mainly driven by the new insurance mandates in Chile and Mexico as well as good levels of performance obtained with alternative assets in the Private Debt and Infrastructure funds which obtained growths of 174.9% and 4.3% respectively. SURA IM's team of investment specialists achieved a positive 56.5% Alpha, (higher returns than the rest of the industry) for the AUM held over the last 12 months.

AUM A&I / SURA Investment Management	SEP-20	SEP-19	%Var	%Var Ex - Fx
Chile	18,234,394	15,541,902	17.3%	13.7%
México	5,377,895	4,166,435	29.1%	28.9%
Perú	8,246,088	5,349,561	54.1%	47.4%
Uruguay	931,520	650,704	43.2%	47.8%
Protección	10,214,596	9,153,188	11.6%	11.6%
Duplicados*	-15,670,021	-14,254,202	9.9%	6.8%
SURA Investment Management	37,836,794	35,543,590	6.5%	4.1%
Total	65,171,267	56,151,177	16.1%	13.8%

* La tabla incorpora AUM que se duplica entre los negocios de A&I y SURA IM, correspondiente al AUM de fondos estructurados por SURA IM y distribuidos por A&I.

SURA INVESTMENT MANAGEMENT AUM



SAA: Strategic Asset Allocation | TAA: Tactical Asset Allocation

Operating income reached COP 251,845 million at the end of Q3 2020, which was 9.9% higher than for the same period last year, this driven by a 16.2% growth in fee and commission income as a result of a good level of AUM performance that has allowed us to continue expanding our market share. This level of performance has been made possible by an excellent business management, and a relevant product offering which in turn has been achieved by the immense ability of our staff to adapt so as not to affect our service levels even with the challenges posed by the pandemic, all this helped on with our current digital tools and more in-depth knowledge of our clients. New efforts on the sales front has made it possible to offset the impacts of lower average fees and commissions in certain voluntary savings lines of business due to having relocated the investments of some of our clients wishing to maintain more conservative profiles given the amount of market uncertainty seen so far this year.

Revenues from associates via the equity method amounted to COP 16,317 million in Q3 2020, although this represents a 9.0% drop compared to the same period last year, a change due to the tax account. Operating earnings performed well with a 12.0% increase thanks to growths of 10.1% in fee and commission income and another 11.9% in AUM. The Net Fund Flow explains 89% of the growth in AUM whereas returns accounted for the remaining 11%. The AUM corresponding to voluntary pensions in AFP Protección already exceeds COP 10 trillion and over 450,000 clients, thereby consolidating its market leadership with a share of 43.8%.

SURA AM consolidated balance sheet

	SEP 20	DIC 19	Var%
Total Activo	20,561,904	20,929,251	-1.8%
<i>Goodwill</i>	<i>4,490,984</i>	<i>4,135,161</i>	<i>8.6%</i>
<i>Encaje</i>	<i>2,870,015</i>	<i>2,706,262</i>	<i>6.1%</i>
Total Pasivo	10,796,536	11,862,742	-9.0%
<i>Obligaciones Financieras</i>	<i>3,346,407</i>	<i>3,326,684</i>	<i>0.6%</i>
Total Patrimonio	9,765,368	9,066,509	7.7%

Cifras en millones de pesos colombianos

The assets accounts include USD 224.2 million in cash and cash equivalents and USD 160.7 million in financial assets from hedging operations, mainly as a result of SURA Asset Management's favorable position with Cross Currency Swaps.

Appendix – Grupo SURA Individual Financial Statements

Grupo de Inversiones Suramericana S.A	January 1 st to September 30 th			June 30 th to September 30 th		
	sep-20	sep-19	Var%	Q3-2020	Q3-2019	Var%
Dividends	575,861	435,403	32.3%	63	0	
Income from investments	4,916	467	952.7%	2,767	37	
Loss at fair value, net	1,558	(21)		962	117	722.2%
Revenues via equity method, net	449,788	809,468	-44.4%	117,348	309,895	-62.1%
Other income	744	373	99.5%	388	24	
Operating Revenues	1,032,867	1,245,690	-17.1%	121,528	310,073	-60.8%
Administrative expenses	(25,570)	(23,328)	9.61%	(6,884)	(4,280)	60.8%
Employee benefits	(25,254)	(17,543)	43.95%	(6,556)	(6,119)	7.1%
Fees	(5,726)	(7,177)	-20.22%	(2,100)	(1,741)	20.6%
Depreciations	(1,598)	(1,688)	-5.33%	(541)	(564)	-4.1%
Operating expense	(58,148)	(49,736)	16.91%	(16,081)	(12,704)	26.6%
Operating profit	974,719	1,195,954	-18.50%	105,447	297,369	-64.5%
Profit/Loss at fair value - hedging derivatives	218,370	79,042	176.27%	61,842	88,325	-30.0%
Exchange differences, net	(327,674)	(127,965)	156.07%	(61,185)	(150,484)	-59.3%
Interest expense	(286,308)	(254,458)	12.52%	(91,168)	(84,643)	7.7%
Financial Result	(395,612)	(303,381)	30.40%	(90,511)	(146,802)	-38.3%
Profit before tax	579,107	892,573	-35.12%	14,936	150,567	-90.1%
Income tax	27,262	6,514	318.51%	(572)	13,178	
Net profit	606,369	899,087	-32.56%	14,364	163,745	-91.2%
	sep-20	sep-19	Var%			
Assets	31,773,365	29,150,070	9.0%			
Liabilities	7,148,939	5,605,931	27.5%			
Equity	24,624,426	23,544,139	4.6%			