

Q3  
2020

—  
RESULTS PRESENTATION

**GRUPO SURA**

## DISCLAIMER

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

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

# GRUPO SURA

MEDELLÍN- COLOMBIA

sura

### **RELEVANCE OF HUMAN TALENT**

- Care and well-being of people
- Job preservation and creation
  - 2,300 new jobs

### **BE MORE RELEVANT TO CUSTOMERS**

- Focus on delivering well-being and sustainability to people and companies.
- Loyalty with value creation through new products, solutions and access.

### **EVOLUTION OF OPERATING MODELS**

- Facilitates the execution of the strategy
- Allows looking for structural efficiencies in expenses

FINANCIAL STRENGTH  
AND LIQUIDITY

**Dynamic stress tests**

- Gives us the ability to anticipate
- Solvency and liquidity at adequate levels

**Ratings reaffirmed for Grupo SURA (Fitch and S&P), Suramericana (S&P) and SURA AM (Fitch and Moody's)**

**Liability management: COP 2.3 tn in debt operations**

- Debt payments: COP 590,000 MM
- Debt refinanced for COP 1.74 tn. Benefits obtained:
  - Lower cost: 86 bps in Grupo SURA and over 100 bps in SURA AM
  - Longer average debt maturity: +7.5 years for the refinanced debt
  - Currency exposure: 95% of debt in COP

RISKS

- **Duration and severity of the pandemic:** with our own management and knowledge, risks are being mitigated. SURA fatality 0.7% vs. 2.8% for Colombia.
- **Management of regulatory changes in pensions:** long-term vision for the sustainability of the systems

**Value creation for our clients**



Be the best service providers

**Operating efficiency**



Operating models and productivity amid the lower fees

**Capital and resource optimization**



Investment in clients and optimal use of resources

**Democratization of capital**



Systems as dynamizers of the economies

**Value of systems**



Raise awareness and regulatory management

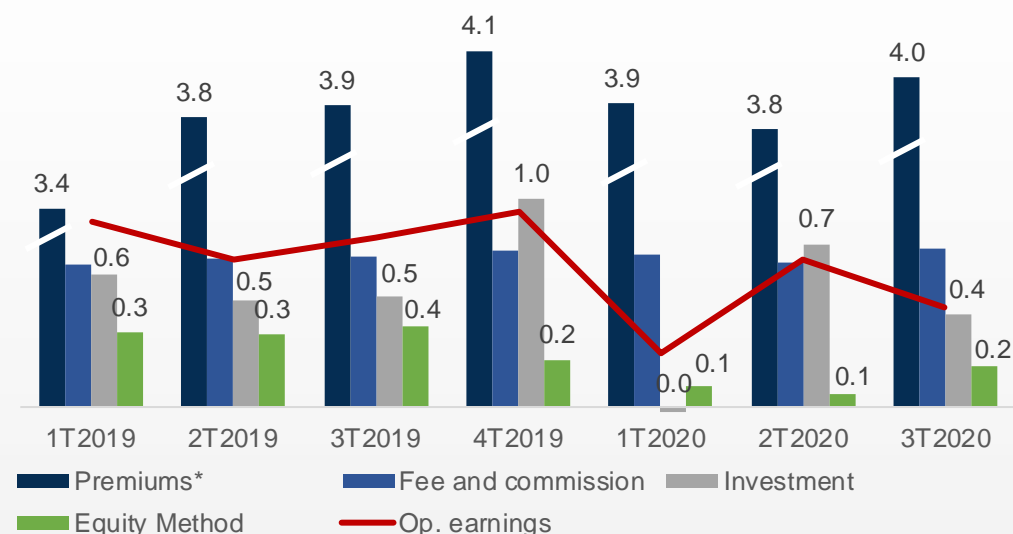
# REVENUE GROWTH CONTINUES

Positive net income driven by operating results

## CONSOLIDATED INCOME STATEMENT

	sep-20	sep-19	Var\$	Var%
Retained premiums (net)	8,158	8,171	(13)	-0.2%
Commission income	2,075	2,020	56	2.8%
Revenues from services rendered	3,515	2,944	571	19.4%
Investment income	1,145	1,598	(453)	-28.3%
Equity method – associates	338	1,040	(702)	-67.5%
Other revenues	208	195	13	6.6%
<b>OPERATING REVENUES</b>	<b>15,439</b>	<b>15,968</b>	<b>(529)</b>	<b>-3.3%</b>
Retained claims + Adj. Reserves	(4,373)	(4,941)	569	-11.5%
Costs of services rendered	(3,374)	(2,836)	(538)	19.0%
Admin. expenses	(6,317)	(5,896)	(421)	7.1%
<b>OPERATING EXPENSES</b>	<b>(14,064)</b>	<b>(13,673)</b>	<b>(391)</b>	<b>2.9%</b>
<b>OPERATING INCOME</b>	<b>1,375</b>	<b>2,295</b>	<b>(919)</b>	<b>-40.1%</b>
Financial Result	(631)	(547)	(84)	15.4%
<b>EARNINGS BEFORE TAXES</b>	<b>744</b>	<b>1,748</b>	<b>(1,004)</b>	<b>-57.4%</b>
Taxes	(334)	(325)	(9)	2.7%
Discontinued operations	(12)	70	(83)	
<b>NET INCOME</b>	<b>398</b>	<b>1,493</b>	<b>(1,095)</b>	<b>-73.4%</b>
<b>SHAREHOLDERS' NET INCOME</b>	<b>298</b>	<b>1,324</b>	<b>(1,026)</b>	<b>-77.5%</b>

## REVENUE AND OPERATING EARNINGS EVOLUTION



Other revenues = Other revenues + Dividends  
 Admin. expenses = Administrative expense + Employee benefits + Insurance costs and expenses + Depreciations + Amortizations + Brokerage commissions + Fees + Other expenses + Impairment

Figures in billion COP. Var\$ and Var% correspond to variation against 9M-2019

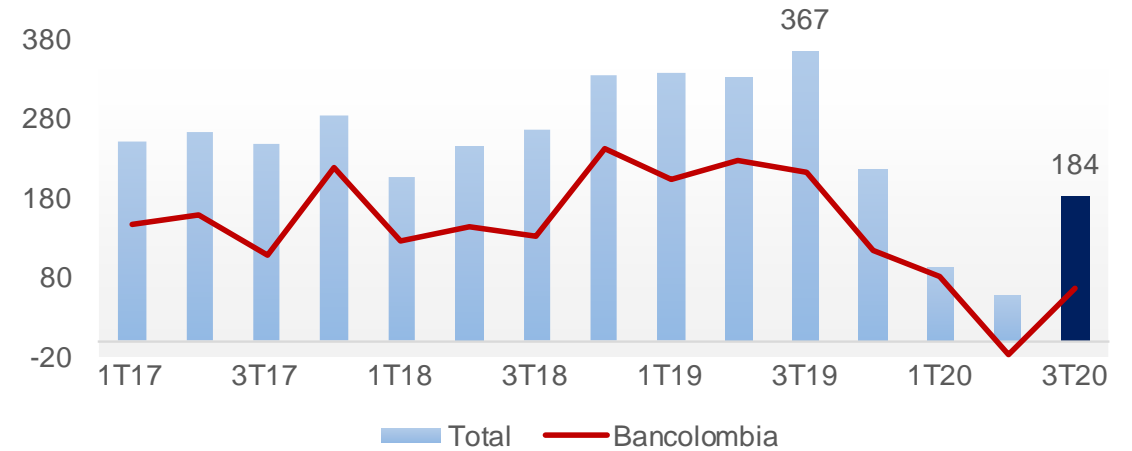
# INVESTMENT INCOME AND EQUITY METHOD

Explain the decrease in net income and volatility in 2020 results

## Equity method

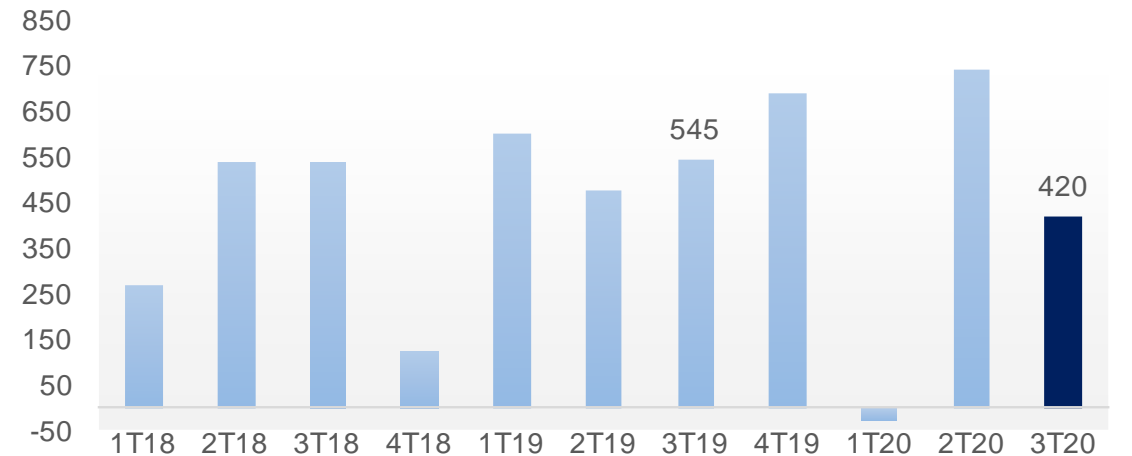
	sep-20	sep-19	Var\$	Var%
Bancolombia	133	647	(515)	-79.5%
Grupo Argos	(26)	68	(94)	
Grupo Nutresa	166	145	21	14.4%
Protección	59	155	(96)	-62.0%
Otros	5	24	(19)	-77.3%
<b>TOTAL</b>	<b>338</b>	<b>1,040</b>	<b>(702)</b>	<b>-67.5%</b>

## Quarterly Evolution



## Investment income

	sep-20	sep-19	Var\$	Var%	sep-18
Suramericana	982	860	122	14%	809
SURA AM	157	736	(579)	-79%	416
Grupo SURA (holding) y Otros	6	2	4	211%	12
<b>TOTAL</b>	<b>1,145</b>	<b>1,598</b>	<b>(453)</b>	<b>-28%</b>	<b>1,237</b>



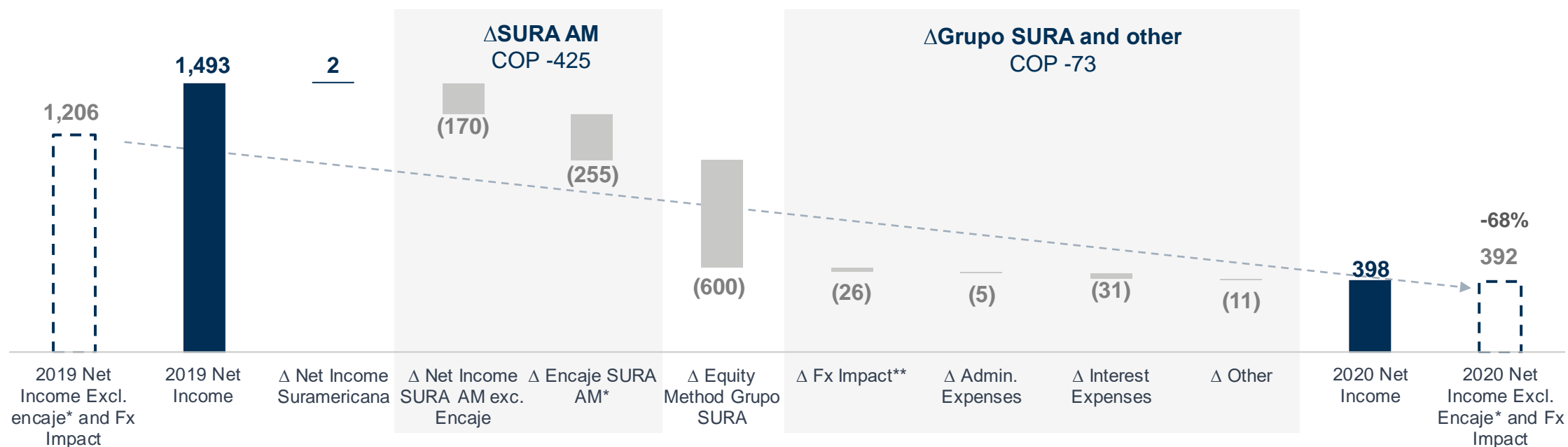
# NET INCOME CONTINUES PATH OF RECOVERY IN THE QUARTER

However, the results of associates and SURA AM decrease YTD

## CONTRIBUTION TO CONSOLIDATED NET INCOME

	sep-20	sep-19	Var%	Q3-2020	Q3-2019	Var%
Suramericana	302	300	1%	9	126	-92%
SURA AM	257	682	-62%	137	251	-45%
Grupo SURA (holding) & other	(162)	511		6	164	-97%
<b>Net income</b>	<b>398</b>	<b>1,493</b>	<b>-73%</b>	<b>152</b>	<b>542</b>	<b>-72%</b>

## CHANGE IN NET INCOME YTD (Q3-2020)



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

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

Figures in COP billion



# SURAMERICANA

RESULTS | 9M 2020

BUENOS AIRES – ARGENTINA

# STABLE GROWTH OF REVENUES AND NET INCOME

Even with more COVID-19 related impacts in Q3-2020

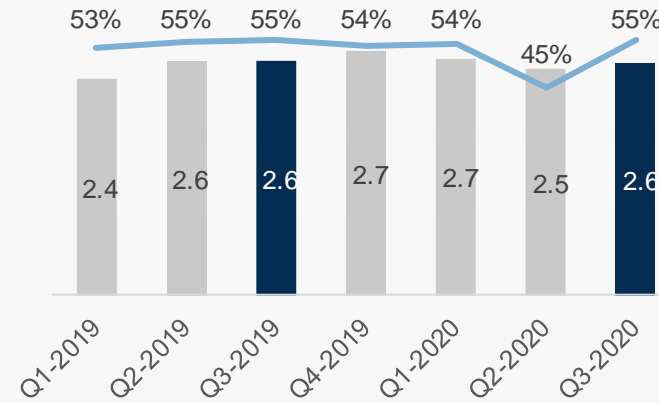
COP

TOTAL WRITTEN PREMIUMS\*

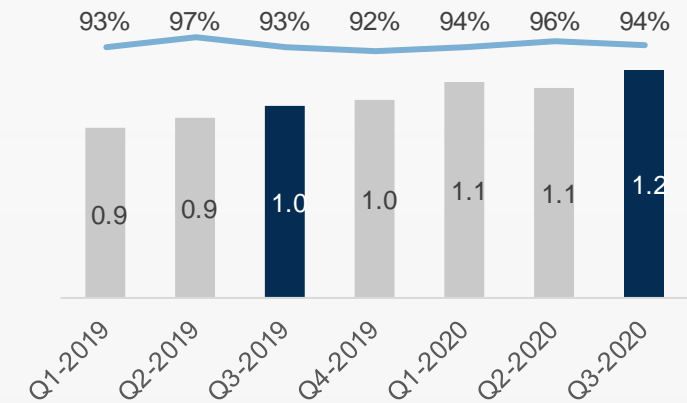
**13.6 tn** ▲ 10.0%

	sep-20	sep-19	Var%
<b>Retained premiums*</b>	<b>11,144</b>	<b>10,525</b>	<b>5.9%</b>
Adjustments to reserves	92	12	692.2%
<b>RETAINED EARNED PREMIUMS</b>	<b>11,236</b>	<b>10,537</b>	<b>6.6%</b>
<b>Retained claims*</b>	<b>(7,267)</b>	<b>(6,885)</b>	<b>5.6%</b>
Commissions (net)	(1,637)	(1,511)	8.3%
Other operating income/expense	(474)	(461)	3.0%
Impairment	(53)	(11)	383.1%
<b>TECHNICAL RESULT</b>	<b>1,804</b>	<b>1,669</b>	<b>8.1%</b>
Operating expenses	(2,272)	(2,127)	6.8%
<b>UNDERWRITING RESULT</b>	<b>(468)</b>	<b>(458)</b>	<b>2.2%</b>
Investment income	917	783	17.1%
Interest expense	(89)	(91)	-1.9%
Other non-operating	73	80	-8.8%
<b>EARNINGS BEFORE TAXES</b>	<b>434</b>	<b>316</b>	<b>37.5%</b>
Taxes	(132)	(16)	749.2%
<b>NET INCOME</b>	<b>302</b>	<b>300</b>	<b>0.7%</b>

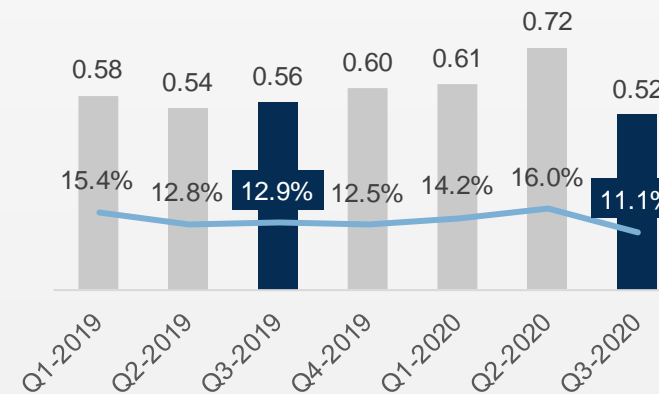
**RETAINED EARNED PREMIUMS**  
CLAIMS RATIO (%REP)



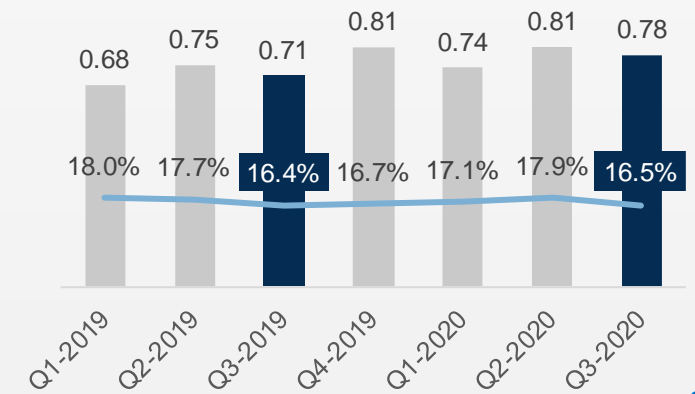
**REVENUES SERVICES RENDERED**  
% COST OF SERVICES



**TECHNICAL RESULT**  
% TOTAL WRITTEN PREMIUMS\*



**OPERATING EXPENSES**  
% TOTAL WRITTEN PREMIUMS\*



\*Retained premiums and claims include revenues and costs from services rendered, respectively  
Cifras en COP miles de millones

Figures in COP trillion

# DIVERSIFICATION COMPENSATES FOR IMPACT OF THE PANDEMIC IN COLOMBIA

Main impacts in the Life insurance segment

## CONTRIBUTION TO NET INCOME BY SEGMENT

	sep-20	sep-19	Var\$	Var%	Q3-2020	Q3-2019	Var\$	Var%
Life	197	399	(202)	-51%	(34)	167	(201)	-120%
P&C	223	(5)	228	-4289%	57	(48)	105	-218%
Health Care	16	2	14	722%	15	18	(3)	-15%
Operating Expenses*	(67)	(72)	4	-6%	(23)	(30)	7	-23%
Interest Expense	(54)	(58)	4	-7%	(14)	(20)	6	-30%
Taxes	(39)	(25)	(13)	53%	2	(11)	13	-120%
Other	26	59	(33)	-56%	6	50	(45)	-89%
<b>Net Income</b>	<b>302</b>	<b>300</b>	<b>2</b>	<b>1%</b>	<b>9</b>	<b>126</b>	<b>(117)</b>	<b>-93%</b>

## CHANGE IN NET INCOME YTD (Q3-2020)



**+12.6%**  
Net income excluding  
gains on divestment of  
Palic in 2019

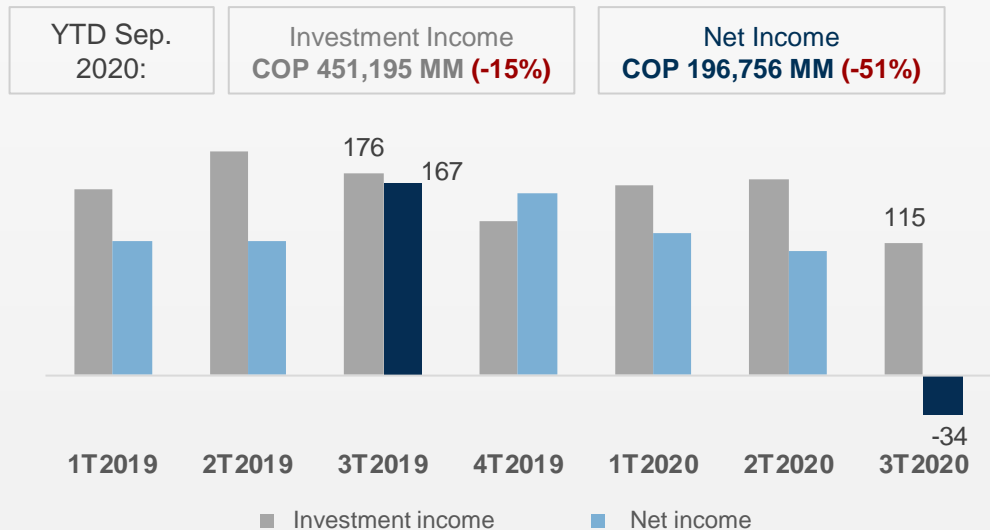
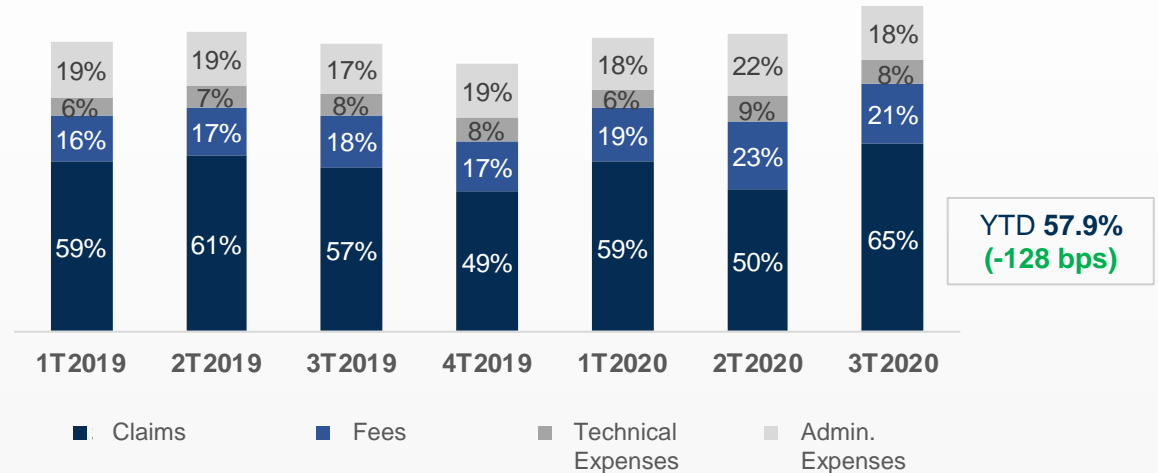
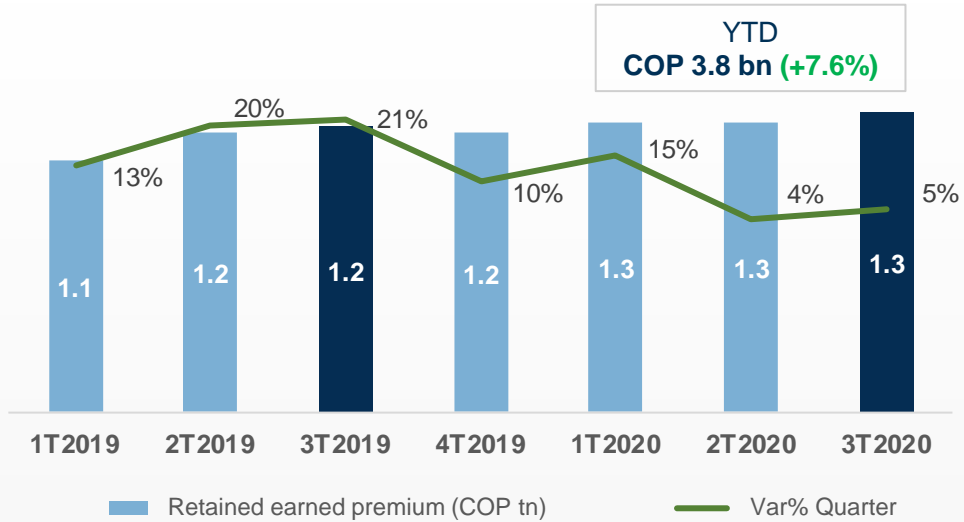
\*Operating expenses include Fees, Administrative Expenses, Impairment, depreciations and amortizations of the holding segment

\*\*Change in "Other" is mainly explained by the non recurrent income in 2019 related to the divestment of the stake in Palic Salud in 2019.

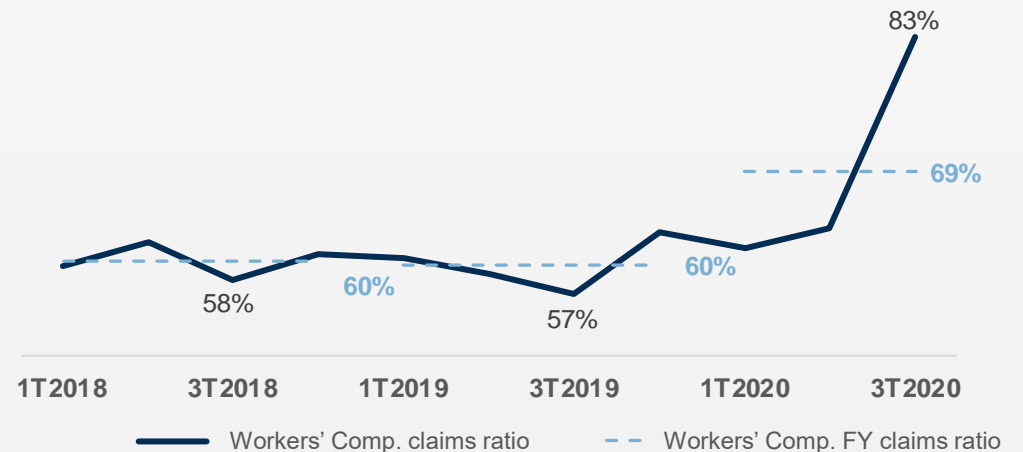
Figures in COP billion

# LIFE SEGMENT WITH GROWTH IN PREMIUMS

But with higher claims ratio, especially in workers' compensation

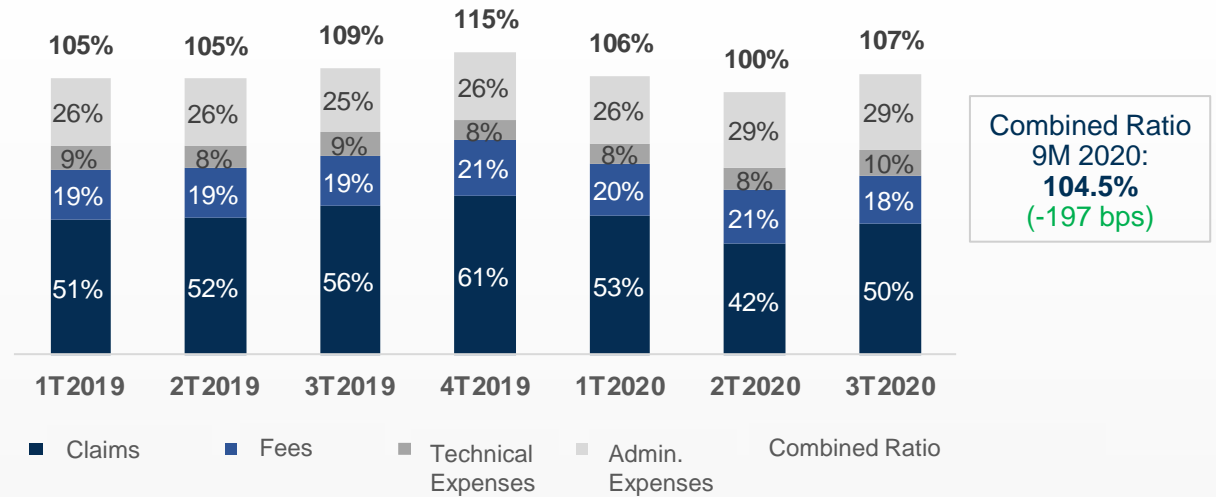
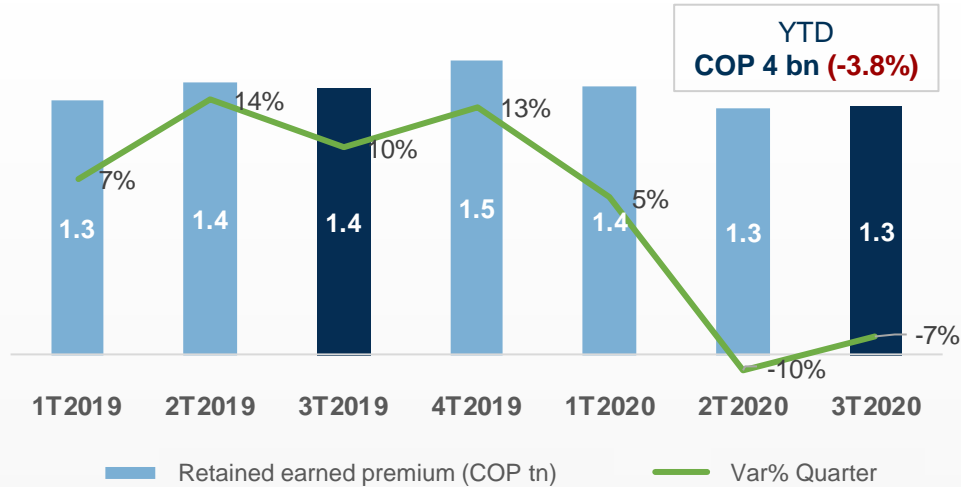


## Workers' Compensation: higher claims ratio due to COVID-19

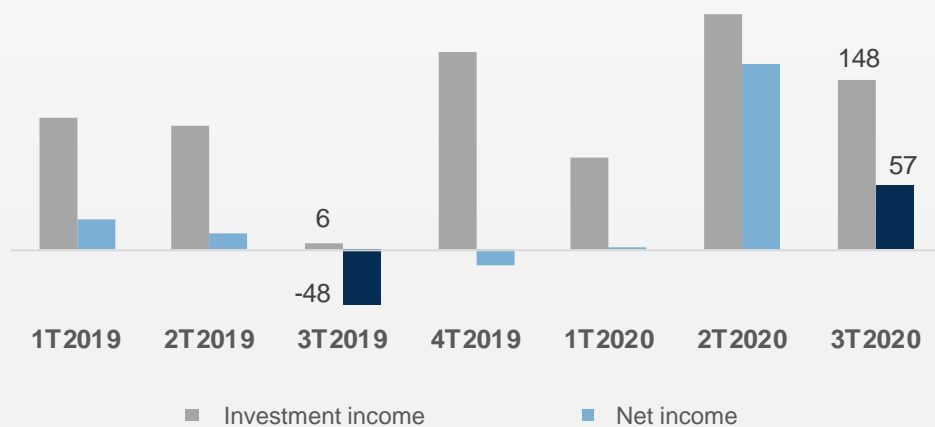


# P&C SEGMENT POSTED POSITIVE RESULTS

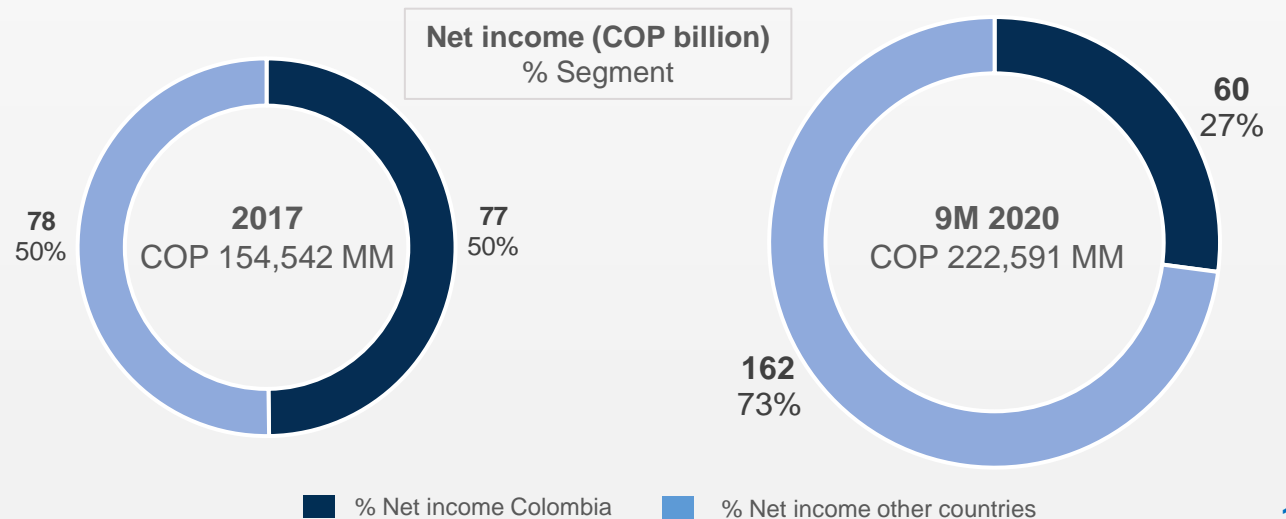
Driven by operating dynamic and higher contribution from international operations



YTD Sep. 2020: Investment Income COP 433,892 MM (+88%)  
 Net Income COP 222,591 MM

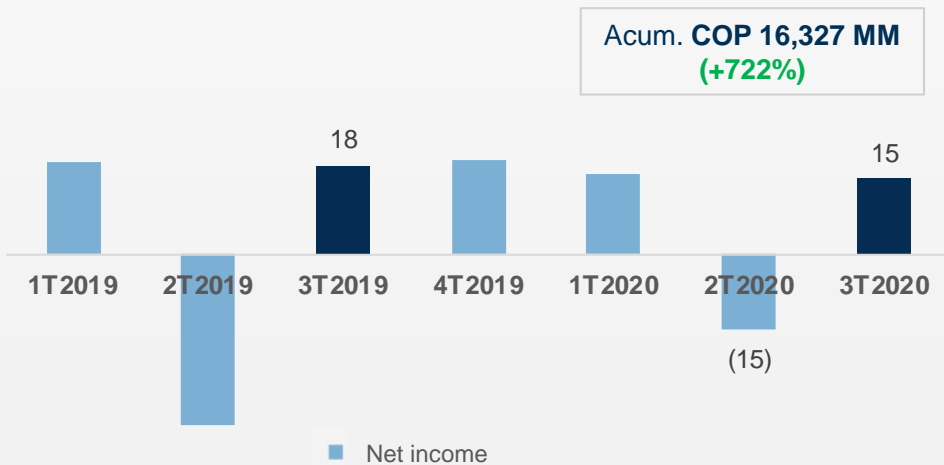
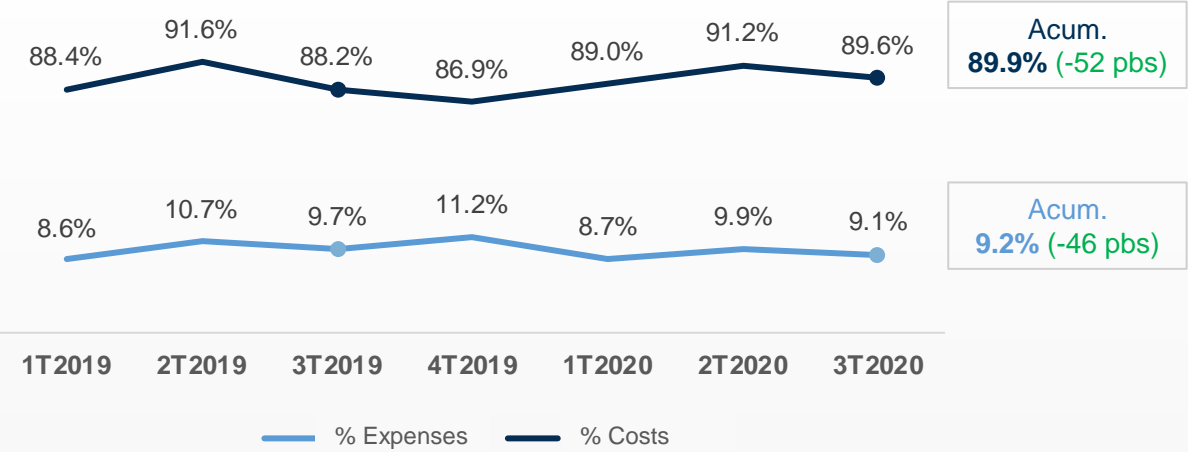
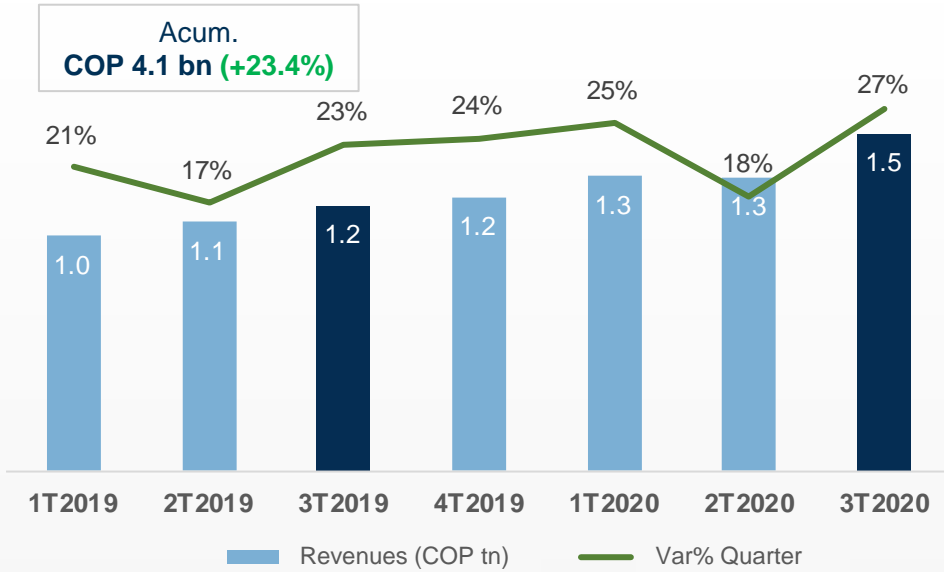


## NET INCOME: higher contribution from international operations



# HEALTH CARE SEGMENT WITH POSITIVE RESULTS

Even with investments and expenses related to the pandemic



- Revenues driven by growth in EPS affiliates that reached 4 million (+189K in the quarter).
- COVID-19 impacts during the quarter:
  - Diagnostic labs revenues: COP 89,600 million
  - Claims EPS: COP 200,700 million

# SURA ASSET MANAGEMENT

RESULTS | 9M 2020

MONTEVIDEO - URUGUAY



# COMMISSION INCOME

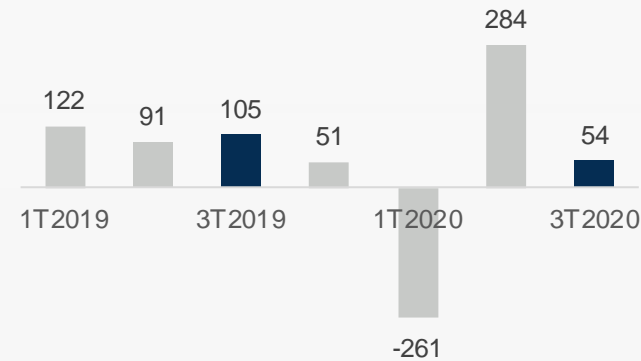
STABLE, EVEN WITH LOWER FEES

Return on legal reserve continues to impact results

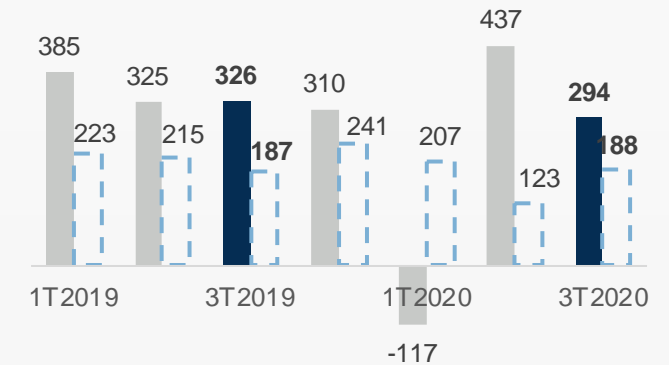


	Q3-2020	Q3-2019	Var\$	Var%
Commission income	1,701	1,695	6	0.4%
Income from legal reserves	77	319	(241)	-75.7%
Equity method	74	174	(100)	-57.3%
Other	14	54	(40)	-73.4%
<b>Operating revenue</b>	<b>1,867</b>	<b>2,242</b>	<b>(374)</b>	<b>-16.7%</b>
<b>Total insurance margin</b>	<b>65</b>	<b>76</b>	<b>(10)</b>	<b>-13.6%</b>
Operating expense	(1,319)	(1,281)	(37)	2.9%
<b>OPERATING EARNINGS</b>	<b>614</b>	<b>1,036</b>	<b>(422)</b>	<b>-40.7%</b>
Financial result	(115)	(109)	(7)	6.2%
<b>EARNINGS BEFORE TAX</b>	<b>499</b>	<b>927</b>	<b>(429)</b>	<b>-46.2%</b>
Income tax	(229)	(316)	87	-27.5%
Net income from discontinued oper.	(12)	(26)	13	-52.0%
<b>NET INCOME</b>	<b>257</b>	<b>586</b>	<b>(328)</b>	<b>-56.1%</b>

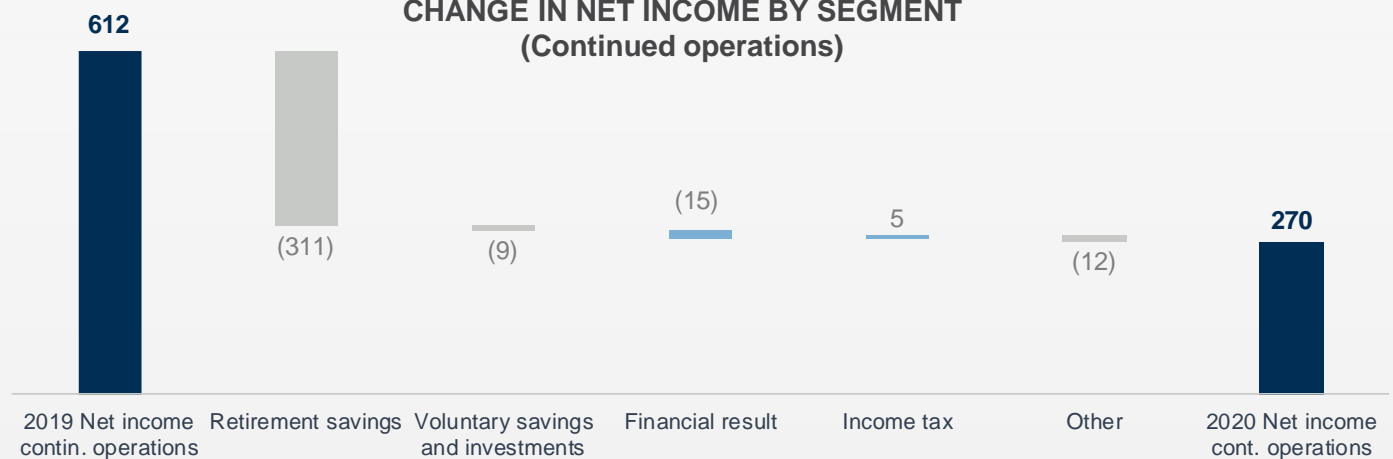
## RETURN ON LEGAL RESERVE



## OPERATING EARNINGS OPERATING EARNINGS EXC. ENCAJE\*



## CHANGE IN NET INCOME BY SEGMENT (Continued operations)



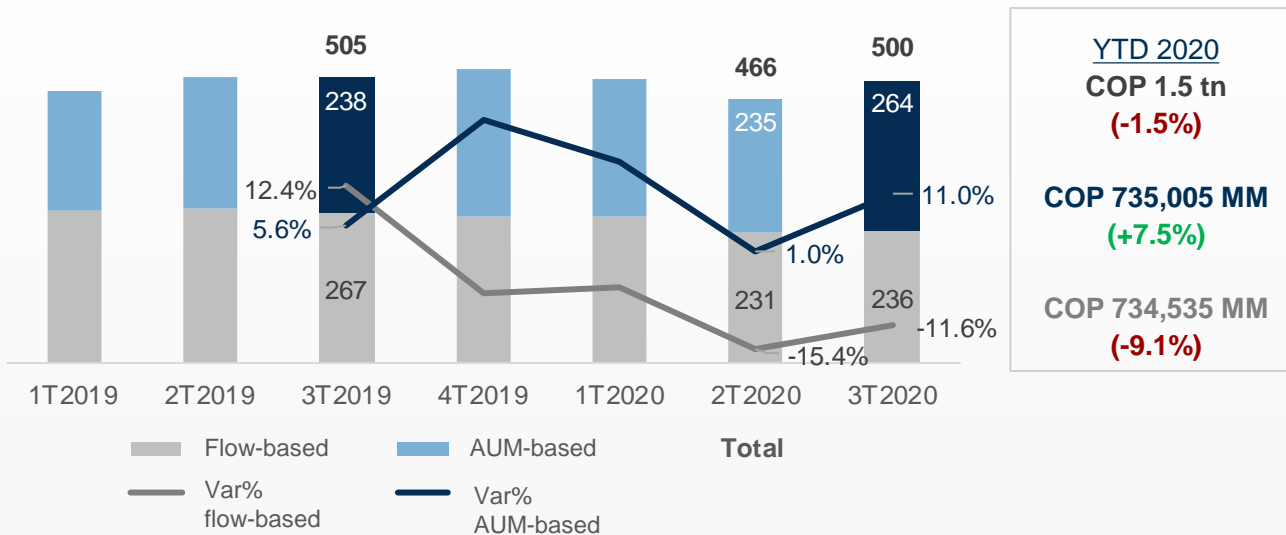
\*Also excludes income from legal reserve of Proteccion, adjusted for SURA AM's stake.  
Figures in COP billion



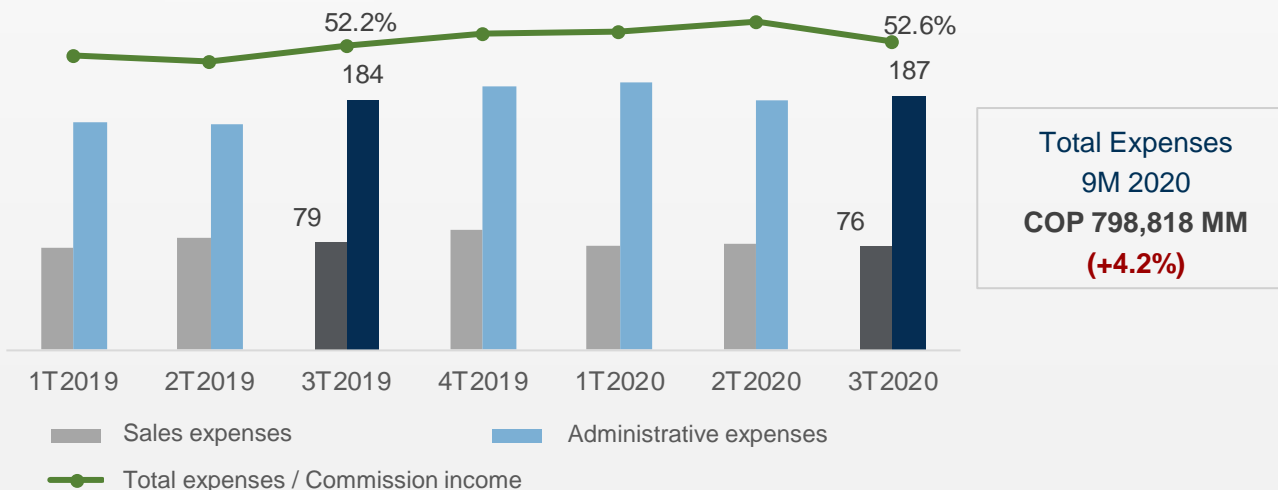
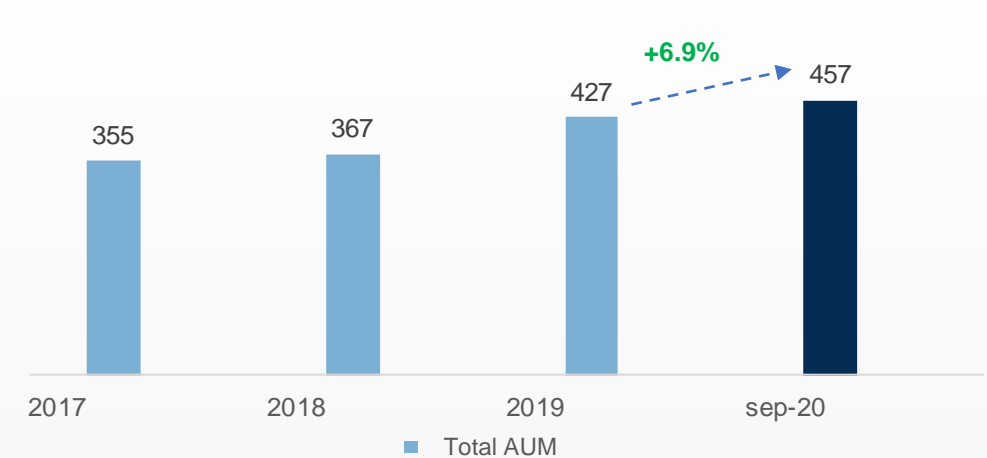
# RETIREMENT SAVINGS MANTAINS REVENUE LEVELS

Compensating for higher unemployment rates and lower fees in some countries

## COMMISSION INCOME



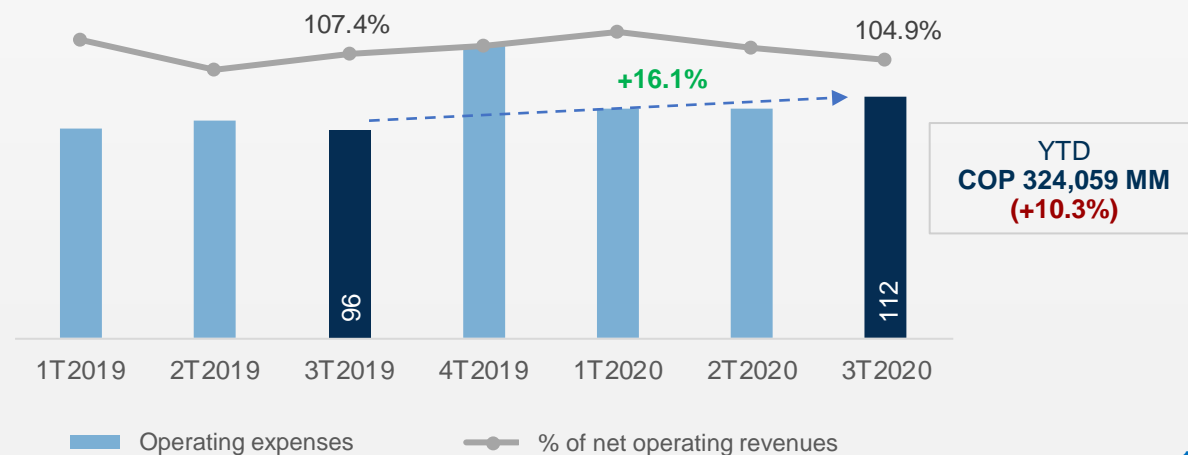
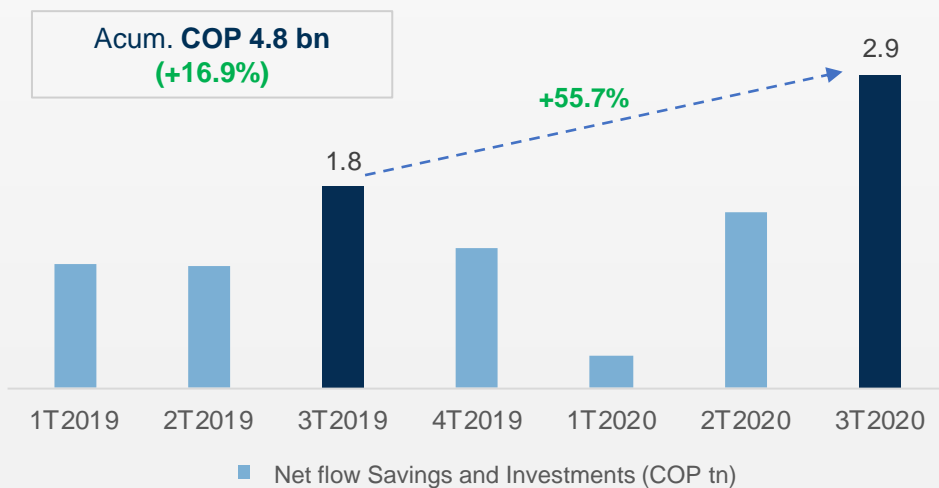
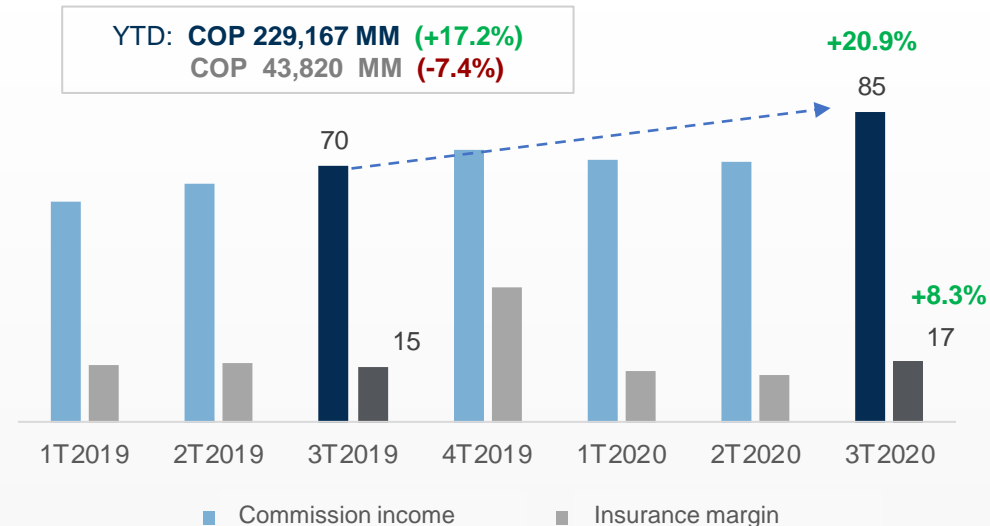
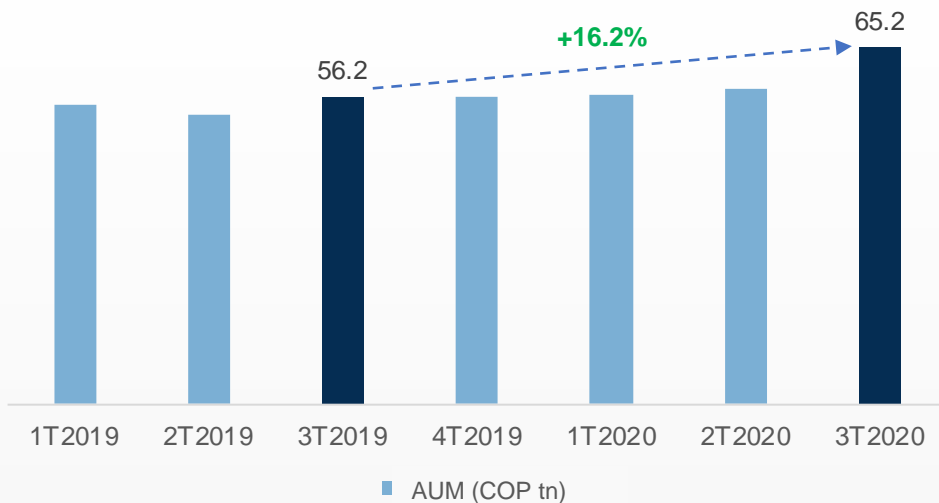
## TOTAL AUM (COP tn)



- Commission income: -1.5% due to no-charge in Peru (April), reduction of fees (Uruguay) and higher unemployment.
  - **Commission income in Mexico +8.2%** driven by a 12.8% growth in AUM.
  - **Salary base -1.5%**
- Equity method recovers in Q3 due to better performance of the return on legal reserve in Proteccion
- Operating expenses + 4.2%, include expenses associated with the pandemic.

# SAVINGS AND INVESTMENTS + INVESTMENT MANAGEMENT

Continues with double digit growth in revenues, AUM and net flow



---

**CEO: GONZALO PÉREZ**

**CFO: RICARDO JARAMILLO**

Head of Investor relations:

**JUAN CARLOS GÓMEZ**

[jcgomez@gruposura.com.co](mailto:jcgomez@gruposura.com.co)

Investor Relations specialist:

**ANDRÉS ZULUAGA**

[azuluagaa@gruposura.com.co](mailto:azuluagaa@gruposura.com.co)

(574) 3197039

---

[CLICK HERE TO ACCESS REPORTS](#)