

GRUPO SURA (BVC: GRUPOSURA and PFGRUPSURA) has released its financial results for Q4 2020, highlights of which include a growth in its operating revenues along with a net income figure remaining in positive territory in spite of the impacts of the COVID-19 pandemic.

Highlights (Consolidated results):

- Consolidated net income**
 Reached COP 336,237 million for the year with a net loss of COP 61,341 million during the fourth quarter of the year (Q4 2020). The main negative effects, both on a YoY and QoQ basis, were due to the costs and expenses incurred with attending to the Covid-19 pandemic, as well as lower revenues received from associates via the equity method.
- Total revenues**
 Amounted to COP 20.8 trillion at year-end, which is 2.3% lower than for the same period the previous year. It is worthwhile noting that thanks to positive levels of business performance, written premiums posted a growth of 8.8% trailed by fee and commission income with another growth of 4.2%. On the other hand, investment income and revenues received from associates via the equity method fell by 21.8% and 71.1% respectively at year-end, these impacted by lower returns from the investment portfolios held by our insurance and pension fund subsidiaries, together with lower revenue from associates (mainly Bancolombia and Proteccion). Revenues at the end of Q4 2020, dropped by 4.8% due to lower revenues received via the equity method, while income from premiums as well as fees and commissions rose by 8.1% and 8.2%, respectively.
- Total costs and expenses**
 Rose by 4.3% for the year and 1.7% for Q4 2020, in spite of the extra investments, costs and expenses required by our subsidiaries to serve our clients in the midst of the COVID-19 pandemic, these exceeding COP 1.4 trillion. Much of this expense was taken on proactively by our Companies to better serve our clients and were partially offset by lower claims for certain insurance solutions.
- Operating earnings**
 Reached COP 1.6 trillion for FY 2020, for a 44.2% decrease from the previous year, due to the aforementioned effects.
- Debt**
 Grupo SURA's net debt (as a holding) totaled COP 4.4 trillion at the end of 2020, for a decline of COP 138,933 million or 3.1%. In addition to continuing with our current deleveraging plan in what was after all a challenging year, the Company placed an issue of bonds on the local market in August 2020 with which we were able to obtain necessary resources for the debt repayments due in 2021, thereby reducing our foreign exchange exposure and borrowing costs, while improving our debt profile.

Summary of Consolidated Financial Results:

Consolidated income statement	dec-20	dec-19	%Var	Q4-2020	Q4-2020	%Var
Written premiums	19,329,997	17,760,598	8.8%	5,380,387	4,978,017	8.1%
Retained earned premiums	15,533,731	14,726,828	5.5%	3,928,109	4,007,348	-2.0%
Fee and commission income	2,845,836	2,732,088	4.2%	770,560	712,480	8.2%
Investment income	1,637,579	2,093,641	-21.8%	487,435	501,969	-2.9%
Equity method - Revenues from Associates	362,495	1,255,222	-71.1%	24,874	215,198	-88.4%
Others	458,271	520,386	-11.9%	118,584	163,359	-27.4%
Total revenues	20,837,912	21,328,165	-2.3%	5,329,561	5,600,355	-4.8%
Retained claims	(10,318,868)	(9,933,546)	3.9%	(2,748,874)	(2,673,453)	2.8%
Operating expense	(8,385,589)	(8,008,518)	4.7%	(2,214,613)	(2,212,205)	0.1%
Depreciation and amortization	(525,631)	(503,768)	4.3%	(133,277)	(126,885)	5.0%
Operating expense	(19,230,089)	(18,445,833)	4.3%	(5,096,764)	(5,012,544)	1.7%
Operating earnings	1,607,823	2,882,332	-44.2%	232,797	587,811	-60.4%
Financial Result	(811,380)	(625,591)	29.7%	(180,624)	(79,082)	128.4%
Income tax	(453,537)	(650,706)	-30.3%	(119,297)	(325,361)	-63.3%
Net income from continuing operations	342,906	1,606,035	-78.6%	(67,123)	183,368	-136.6%
Net income	336,237	1,718,680	-80.4%	(61,341)	225,858	-127.2%
Earnings - parent company	225,125	1,525,537	-85.2%	(72,661)	201,565	-136.0%

Figures in million COP. Written premiums include revenues from healthcare premiums and services that were classified as revenues from services rendered.

Summary of results by line of business

Contribution to consolidated net income	dec-20	dec-19	%Var	Q4-2020	Q4-2020	%Var
Suramericana	211,430	390,328	-45.8%	(90,577)	90,318	-200.3%
SURA AM	431,381	724,989	-40.5%	174,190	43,212	303.1%
Net income excluding return from encaje	161,576	345,507	-53.2%	(10,457)	3,591	-391.2%
Return from encaje	269,805	379,481	-28.9%	184,648	39,621	366.0%
Revenues via equity method: Grupo SURA (holding)	217,114	1,028,588	-78.9%	(46,679)	164,650	-128.4%
Bancolombia	67,595	761,972	-91.1%	(65,049)	114,700	-156.7%
Grupo Argos	(46,019)	89,742	-151.3%	(20,477)	21,541	-195.1%
Grupo Nutresa	203,859	178,077	14.5%	37,900	33,062	14.6%
Other	(8,321)	(1,203)	591.6%	947	(4,653)	-120.4%
Other results Grupo SURA (holding)	(523,687)	(425,223)	23.2%	(98,275)	(72,322)	35.9%
Fx exchange effect	(52,792)	(26,199)	101.5%	25,520	13,274	92.2%
Administrative expenses	(93,833)	(82,457)	13.8%	(35,373)	(28,812)	22.8%
Interests	(369,236)	(354,665)	4.1%	(88,825)	(100,718)	-11.8%
Other	(7,826)	38,097	-120.5%	404	43,934	-99.1%
Net income	336,237	1,718,680	-80.4%	(61,341)	225,858	-127.2%

Suramericana

This subsidiary obtained positive results including a 9.6% growth in written premiums, thanks to its efforts to build customer loyalty, as well as its well-diversified portfolio. The generally good levels of performance throughout the region with regard to its Property and Casualty insurance segment largely offset higher claims for the Life Insurance segment as well as higher health care expense incurred with the pandemic. Consequently, year-end net income came to COP 211.431 million (USD 57.2 million) for a year-on-year decline of 45.8%. At the end of Q4 2020, the Company recorded a net loss of COP 90,577 million, this mainly due to a higher claims rate for the Life Insurance segment as well as a lower net income figure on the part of Suramericana's Argentinean subsidiary, which was impacted by lower returns on its investment portfolio.

SURA Asset Management

SURA AM contributed to Grupo SURA's consolidated results with a net income of COP 431,381 million, which although was 40.5% lower than for the previous year, still managed to score a significant recovery at the end of Q4 2020, with a 283% growth versus this same period the previous year. It is worth noting the sustained growth in fee and commission income along with the firm controls over spending, this in stark contrast with lower returns from its legal reserves due to an unfavorable base effect in investment returns as well as a non-operating exchange difference that otherwise had a positive effect on this subsidiary's results for 2019.

Equity method

This account, which consists of the revenues obtained from Grupo SURA's associates (excluding Protección which is accounted for under SURA AM's results) posted declines of 78.9% YoY 128% QoQ, mainly given drops in the net income figures recorded by Bancolombia, given the need for higher loan provisions, as well as Grupo Argos. On the other hand, Grupo Nutresa performed well having posted growths in both its operating earnings and net income, thereby making a positive contribution to Grupo SURA's overall results. The latter demonstrates the importance of having a well-diversified, balanced portfolio of investees.

Other results

This section includes expenses relating to Grupo SURA's operations a holding company. The most representative of these include the impact of the exchange rate and the consequent exchange difference as well as valuations of hedges covering the Company's USD-denominated debt that produced a greater negative effect given the effect of the depreciation of the Colombian peso on the unhedged portion of the USD debt (~5% of the total), however, a significant recovery in this regard took place during the last quarter of the year, given the peso' increase in value. Interest expense increased during the year due to the increase in gross debt resulting from an issue of local bonds worth COP 1 trillion in August 2020, which provided the funds for repaying an issue of international bonds maturing in 2021. Finally, the "Other GIS" account includes other income and expense incurred by Grupo SURA where the YoY change proved to be negative given the gains obtained on divestitures carried out in 2019 (mainly the sale of Sodexo) as well as lower income from deferred taxes given our optimization efforts in 2019.

Statement of Financial Position - Key Figures

Consolidated statement of financial position	dic-20	dic-19	%Var
Total assets	70,941,764	69,037,834	2.8%
Total liabilities	42,400,039	40,946,830	3.5%
Equity attributable to owners of the parent company	26,004,832	25,636,767	1.4%
Non-controlling interest	2,536,894	2,454,237	3.4%
Total equity	28,541,726	28,091,003	1.6%

Financial liabilities

Grupo SURA (Holding)	dec-20	dec-19	Var\$
Grupo Sura - Bonds	4,995,267	3,959,884	1,035,383
Banks	572,954	680,631	(107,677)
Debt	5,568,221	4,640,515	927,706
Derivatives	172,880	166,640	6,240
Preferred dividends	460,847	460,712	135
Total financial liabilities	6,201,948	5,267,866	934,082
Fair value - hedging derivatives	343,733	305,659	38,074
Cash and cash equivalents	1,037,952	3,146	1,034,806
Debt	4,359,416	4,498,349	(138,933)

SURA AM	dec-20	dec-19	Var\$
Bonds	2,923,635	2,787,245	136,390
Banks	515,395	606,167	(90,772)
Debt	3,439,030	3,393,412	45,618
Derivatives	0	17,119	(17,119)
Total financial liabilities	3,439,030	3,410,531	28,499
Fair value - hedging derivatives	257,256	246,318	10,938
Financial liabilities, net of hedges	3,181,774	3,164,213	17,561

Suramericana	dec-20	dec-19	Var\$
Bonds	846,517	996,805	(150,288)
Banks	395,185	372,368	22,817
Suramericana	1,241,702	1,369,173	(127,471)
Derivatives	3,638	20,431	(16,793)
Total financial liabilities	1,245,340	1,389,604	(144,264)

It is worth noting the effort made in retaining our client base, this by creating value-added portfolios for both individuals and companies, as well in transforming our operating models, designing and implementing new customer service models all of which have enabled us to assist our policy-holders during the COVID health crisis.

Highlights (consolidated results):

- **Premiums**

Written premiums rose by 8.5% for the fourth quarter as well as 9.6% on a FY basis, this thanks to the performance of our different business solutions, producing a 21.4% growth in the amount of new business secured by our corporate segment as well as via the affinity channel. New sales of our Health Care solution also rose by 26.5% at year-end 2020. In this regard, our EPS Health Care subsidiary in Colombia managed to sign up more than 500 thousand new policy-holders throughout the year. It is important to note the efforts made in retaining our client base and driving the recovery with new sales during the second half of the year, all this driven by our customer care personnel and the affinity channels, thanks to having built up a portfolio of relevant solutions for both individuals and companies.

The growth in retained premiums, mainly during the second half of the year, produced the need to set up higher reserves.

- **Claims**

The claims rate at year-end 2020 was impacted by the COVID-19 crisis, producing a consequent effect on retained claims amounting to COP 1.27 trillion, corresponding to a 7.1% increase measured against earned premiums. This effect, in contrast to the Company's greater exposure with its Life, Health and Occupational Risks solutions, was mitigated by the strategies implemented with our comprehensive risk management function as well as our customer care models which allowed us to reduce the overall mortality and severity of the COVID-19 virus among our policy-holders. In addition to the above, last year saw a lower claims rate with our car and property solutions given the inherent lower exposure recorded, as well as a reduction with the medical procedures carried out with our health care solution given the high ICU occupancy levels.

- **Technical result**

Our technical margin declined from 13.3% in 2019 to 12.6% last year, mainly due to the increase in the claims ratio due to the COVID-19 pandemic. Considering the magnitude of this effect, which implied claims and miscellaneous insurance expense totaling COP 1.274 billion (which is equivalent to a technical margin, duly adjusted for the COVID impact, of 14.8%), the results of our insurance business continue to record positive margins thanks to our client retention efforts and claims controls.

- **Administrative expense**

In 2020, our expense management strategies were intensified, focusing on modifying our operating models, achieving savings and efficiencies in real estate and operating expense, such as marketing, fees, public relations, travel, among others. This partially offset the expense and investments incurred by our Companies to adapt their channels and processes so as to address the pandemic and better serve our clients. This produced an expense ratio of 15.5% at year-end compared to 15.9% for the previous year.








- **Investment income**

Investment income rose by 3% at year-end, in spite of the amount of volatility prevailing on the capital markets. The major positive effect came from falling interest rates given the measures adopted by both Governments and Central Banks to stimulate the economy in the face of the pandemic, which in turn offset lower inflation, mainly in Colombia.

- **Net Income | Adjusted ROTE**

At year-end, the Company achieved a net income figure of COP 211,431 million, which is reflected in a ROTE of 6.3%. Net income declined by 45.8%, impacted since the second quarter of the year the effects of the pandemic, which resulted in higher claims and substantial volatility prevailing on the financial markets. Other factors affecting this decline in net income included (i) the profit obtained in 2019 from the sale of Palic Salud in the Dominican Republic (COP 29,969 million net of taxes) and (ii) the increase in income taxes, due to higher income obtained by the Property and Casualty segment, which carries a higher tax rate than the Life Insurance segment.

Summary of consolidated results | selected indicators

Results summary	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Assets	30,542,373	28,418,564	7.5%	30,542,373	28,418,564	7.5%
Liabilities	25,469,526	23,395,135	8.9%	25,469,526	23,395,135	8.9%
Shareholders' equity	5,065,398	5,016,169	1.0%	5,065,398	5,016,169	1.0%
Tangible equity	4,055,844	4,016,056	1.0%	4,055,844	4,016,056	1.0%
Written premiums	18,699,982	17,060,712	9.6%	5,206,778	4,799,238	8.5%
Ceded premiums	-3,340,704	-2,702,438	23.6%	-933,481	-906,657	3.0%
Retained premiums (net)	15,359,278	14,358,274	7.0%	4,273,297	3,892,580	9.8%
Adjustments to reserves	-333,876	-114,704	191.1%	-425,526	-126,273	237.0%
Retained earned premiums (REP)	15,025,402	14,243,571	5.5%	3,847,771	3,766,307	2.2%
Total claims	-11,250,976	-11,300,462	-0.4%	-3,022,876	-3,288,986	-8.1%
Reimbursed claims	1,521,849	2,152,971	-29.3%	442,414	894,557	-50.5%
Retained claims	-9,729,127	-9,147,491	6.4%	-2,580,462	-2,394,429	7.8%
Net commissions	-2,128,396	-2,095,193	1.6%	-491,482	-583,923	-15.8%
Revenues from services rendered	78,275	81,046	-3.4%	20,241	21,665	-6.6%
Costs from services rendered	-161,252	-178,103	-9.5%	-42,617	-46,607	-8.6%
Other operating expenses	-659,748	-622,343	6.0%	-185,476	-161,830	14.6%
Impairment	-70,232	-12,243	473.6%	-17,051	-1,235	1280.6%
Technical result	2,354,923	2,269,243 	3.8%	550,925	599,947 	-8.2%
Administrative expenses	-2,894,123	-2,704,473	7.0%	-798,639	-748,936	6.6%
Amortizations and depreciations	-233,669	-227,013	2.9%	-57,514	-55,744	3.2%
Underwriting profit	-772,869	-662,243 	-16.7%	-305,228	-204,733 	-49.1%
Dividends	299	992	-69.9%	51	100	-48.6%
Investment income	1,139,138	1,106,416	3.0%	221,761	322,931	-31.3%
Interest expenses	-111,022	-122,283	-9.2%	-22,093	-31,650	-30.2%
Other non-operating income (expense)	84,985	119,745	-29.0%	12,032	40,427	-70.2%
Earnings (losses) before tax	340,531	442,627 	-23.1%	-93,476	127,075 	-173.6%
Income tax	-129,100	-52,299	146.8%	2,877	-36,757	-107.8%
Earnings (losses), net	211,431	390,328	-45.8%	-90,599	90,318	-200.3%
Earnings (losses) - parent company	211,301	390,571	-45.9%	-90,325	90,202	-200.1%
Amortization of M&A intangibles	-67,909	-85,440	-20.5%	-14,777	-26,419	-44.1%
Amortization deferred tax	18,560	25,414	-27.0%	3,872	9,065	-57.3%
Adjusted net earnings	260,650	450,597 	-42.2%	-79,420	107,557	-173.8%

Main indicators	dec-20	dec-19	Var Y/Y	Q4-2020	Q4-2019	Var Q/Q
% Ceded premiums	17.9%	15.8%	2.0%	17.9%	18.9%	-1.0%
% Retained claims / Retained earned premiums	64.8%	64.2%	0.5%	67.1%	63.6%	3.5%
% Claims ratio P&C and life segments	54.8%	55.8%	-1.1%	59.8%	55.6%	4.2%
% Claims ratio Health Care segments	88.7%	88.7%	0.0%	85.6%	86.9%	-1.4%
% Net commissions / Retained earned premiums	14.2%	14.7%	-0.5%	12.8%	15.5%	-2.7%
% Other operating expense / Written premiums	3.5%	3.6%	-0.1%	3.6%	3.4%	0.2%
% Administrative expense / Written premiums	15.5%	15.9%	-0.4%	15.3%	15.6%	-0.3%
ROE adj. (12m)	5.1%	9.3%	-4.2%	5.1%	9.3%	-4.2%
ROTE adj. (12m)	6.3%	11.7%	-5.4%	6.3%	11.7%	-5.4%

Summary of results by segment

Results by segment	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Life	165,200	557,886	-70.4%	(31,556)	158,752	-119.9%
Property and Casualty (P&C)	183,400	(18,339)	1100.1%	(39,244)	(13,025)	-201.3%
Health care	52,078	21,141	146.3%	35,751	19,155	86.6%
Supplementary services	5,091	20,424	-75.1%	(1,476)	17,123	-108.6%
Revenues & expenses Suramericana (subholding)	(194,339)	(190,785)	-1.9%	(54,074)	(91,687)	41.0%
Corporate expenses	(102,374)	(103,257)	-0.9%	(35,369)	(31,722)	11.5%
Interest expense	(64,691)	(75,997)	-14.9%	(12,933)	(20,020)	-35.4%
Taxes	(40,299)	(67,765)	-40.5%	(1,365)	(42,232)	-96.8%
Other	13,025	56,234	-76.8%	(4,407)	2,286	-292.8%
Consolidated net income	211,431	390,327	-45.8%	(90,599)	90,318	-200.3%
M&A Intangible amortization	(49,349)	(60,026)	17.8%	(10,905)	(17,355)	37.2%
Utilidad neta ajustada	260,780	450,354	-42.1%	(79,694)	107,673	-174.0%

Life Insurance

This segment was impacted by the amount of claims relating to COVID-19 in Colombia, El Salvador and Chile. The effects of the pandemic manifested themselves in the form of social security and economic benefits, as well as mortality and disability indemnities and annuities. Throughout the year, the different lines of businesses in this segment were transformed to meet the challenges posed, deploying client assistance models that made it possible to reduce the death rate of our policy-holders. The effects of COVID on the Life Insurance segment amounted to COP 717,263 million at year-end, both in terms of claims received as well as investments aimed at protecting and attending our clients.

Property and Casualty Insurance

The results obtained at year-end by this segment were driven by a lower claims frequency rate for the car and property insurance solutions, given lower mobility and exposure during the lockdowns. It is important to note how this segment's income recovered during the second half of the year, which translated into a 4.2% growth in retained premiums at year-end, compared to a YTD drop of -3.4% at the end of June, this thanks to being able to provide relevant solutions for both individuals and companies throughout the region. During the fourth quarter, the overall decrease in the results posted by this segment was due to lower levels of income on the part of our Argentinean subsidiary, this compared to the extraordinary results obtained in 2019 due to the valuations of the Argentine assets having renegotiated its debt with investors, this after discounting the default incurred with its debt payments.

Health Care Insurance

The growth in the segment's results was mainly leveraged by the EPS subsidiary in Colombia, having achieved a claims rate of 94.5% in 2020, compared to the 94.3% recorded the previous year, bearing in mind that the claims rate corresponding to the COVID-19 pandemic was offset by declines with non-COVID related claims given the high occupancy of the health care system during peak periods along the contagion curve. This segment's results were also benefited from the fact that the costs of the COVID-19 diagnostic tests carried out between March and August were reimbursed to the EPS subsidiary along with the amount of income received through the End-Point Agreement, all of which produced a lower claims rate amounting to COP 68,820 million for the fourth quarter. These results also highlight the efforts made with managing expense, which resulted in a 0.7% reduction in the expense ratio (measured against premiums).

Income and Expense - Suramericana

The results obtained by the Holding reflect the efforts made in handling corporate office expense, thanks mainly to the efficiencies secured with fees and technology expense. Furthermore, financial expense declined during second half of the year, given the payment made during the first half on the first series of bonds this amounting to COP 147,998 million.

It is worthwhile noting that the results obtained by the holding in 2019 included the COP 29,969 million obtained from the sale of Palic Salud in the Dominican Republic, and if were to exclude this item, net expense would have dropped by 12.0%.

Premiums

Retained earned premiums (REP)	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Written premiums Life	5,584,110	5,206,835	7.2%	1,516,099	1,354,403	11.9%
REP Life	5,217,514	4,771,571	9.3%	1,390,299	1,214,744	14.5%
Written premiums Property & Casualty (P&C)	8,640,836	8,086,507	6.9%	2,495,679	2,436,061	2.4%
REP P&C	5,252,988	5,692,521	-7.7%	1,258,131	1,538,898	-18.2%
Written premiums Health care	5,644,592	4,543,828	24.2%	1,539,665	1,216,107	26.6%
Written premiums - Eliminations	(1,169,555)	(776,458)	50.6%	(344,665)	(207,333)	66.2%
REP - Eliminations	(1,089,691)	(764,349)	42.6%	(340,324)	(203,442)	67.3%
Consolidated written premiums	18,699,982	17,060,712	9.6%	5,206,778	4,799,238	8.5%
Consolidated REP	15,025,402	14,243,571	5.5%	3,847,771	3,766,307	2.2%

By country	Arg	Br	Ch	Col	SV	Mx	Pan	DR	Uru	Sura Re
Var A/A (Local Ccy)	25.0%	3.0%	34.3%	11.9%	-9.9%	-5.1%	-5.6%	10.3%	11.0%	-
WP dic-20 (bn)	760	586	2,484	13,341	522	913	524	359	324	56
Var T/T (ML)	45.1%	27.8%	26.7%	11.8%	-10.5%	6.7%	-10.6%	8.8%	11.8%	-
WP Q4 2020 (bn)	136	179	784	3,631	147	300	133	138	97	5

The growth of the Life and Property and Casualty segments was impacted by the merger of the Mexican subsidiaries in the last quarter of 2019, which gave rise to results being classified from Sura Vida Mexico to the Property and Casualty segment. If we were to exclude this reclassification and the corresponding currency translation effects, the growth in written premiums for this past quarter would have come to 1.6% for the Life Insurance segment and 13.6% for the Property and Casualty segment.

It is worthwhile noting the growth obtained by the Property and Casualty segment, this driven by the growth secured by the Chilean subsidiaries given the amount of multi-year accounts issued for the household insurance solution as well as our Brazilian subsidiary with the reactivation of new transport insurance sales. The Life Insurance segment, for its part, was impacted by the non-renewal of the pension business in El Salvador, which came to COP 24,006 million while driven by higher levels of performance for the Health Care solution, given the efforts made with client retention initiatives including offering complementary telemedicine services as well as the new products launched in Chile, El Salvador and Colombia.

Premiums corresponding to the Health Care segment, mainly in the case of the EPS subsidiary in Colombia, rose by 21.1% for a total insured base of 4,190,599 policy-holders, with another 209,360 users signed up during the fourth quarter alone. The Diagnostic Aids subsidiary posted a growth of 79.7% given the amount of COVID-19 tests performed, with 992 thousand tests carried out throughout the year. This has allowed us to provide a well-differentiated handling of policy-holders in Colombia due to the early and responsive detection of those infected.

Finally, the lower growth in earned premiums compared to written premiums during the fourth quarter was due to higher net level reserves set up given the growth in premiums for this same period. Most of these policies shall expire in 2021, which means that reserves shall be set up to allow the Company to stabilize its income in order to meet future obligations with policy-holders.

The Company's growth in cumulative terms reflects the results of its client loyalty strategies, which enabled us to cope with the substantial economic volatility prevailing throughout the region. During this past quarter, the amount of new accounts for the fire insurance solution represented a growth of 35.4%; trailed by the 26.5% growth with the Health Care solution, all this driven by the amount of new business secured by our subsidiaries in Mexico, Chile, El Salvador and Colombia as well as higher sales of mandatory health insurance in Colombia, representing a growth in the mandatory health care (EPS) insured base.

Claims

Retained claims	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Life	3,153,248	2,699,659	16.8%	937,550	595,088	57.5%
% Retained claims / REP	60.4%	56.6%		67.4%	49.0%	
P&C	2,581,894	3,143,809	-17.9%	645,504	935,093	-31.0%
% Retained claims / REP	49.2%	55.2%		51.3%	60.8%	
Health care	5,007,151	4,031,012	24.2%	1,317,340	1,057,245	24.6%
% Retained claims / REP	88.7%	88.7%		85.6%	86.9%	
Eliminations	-1,013,166	-726,988	39.4%	-319,933	-192,997	65.8%
Consolidated retained claims	9,729,127	9,147,491	6.4%	2,580,462	2,394,429	7.8%
% Retained claims / REP	64.8%	64.2%		67.1%	63.6%	

As for the previous quarter, in Q4 2020 the Life and Health Care Insurance segments were impacted by the steepening of the contagion curve in Colombia, El Salvador and Chile, countries where the Company suffered the greatest exposure to COVID-19. During this past quarter, claims associated with the COVID-19 virus amounted to COP 245,859 million for Life Insurance and COP 127,565 million for the Health Care segment. The effect of claims relating to the pandemic in 2020 on Suramericana reached COP 1.27 trillion, which represents an increase in the consolidated claims rate of 7.1%.

Throughout 2020, our subsidiaries implemented a series of models for attending and assisting our clients, these including an on-line assistance 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 at company level. These strategies with regard to the customer care models for our policy-holders, together with the early and responsive detection of those infected, along with lower critical disease and mortality rates among Suramericana's user population compared to the country-wide figures have allowed us, in the specific case of Colombia, to record a death rate of 0.83% compared to 2.79% on a nationwide level.

The increase in COVID-19 related claims were partially offset by lower claims from the car and mandatory car solutions due to lower mobility during lockdowns, as well as a reduction in scheduled health care procedures as well as the mandatory Health Care (EPS) solution in Colombia during periods of high UCI occupancy afflicting the health care system. Also, during Q4 2020, the Health Care segment's claims rate also benefited from the fact that the cost of the COVID-19 diagnostic tests carried out between March and August was reimbursed to the EPS subsidiary along with the amount of revenues received through the End-Point Agreement, all of which produced a lower claims rate amounting to COP 68,820 million for this same period.

Commissions

Net commissions	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Life	1,118,213	968,517	15.5%	273,566	262,823	4.1%
% net commissions / REP	21.4%	20.3%		19.7%	21.6%	
P&C	990,806	1,110,094	-10.7%	213,624	316,698	-32.5%
% net commissions / REP	18.9%	19.5%		17.0%	20.6%	
Health care	21,768	16,752	29.9%	5,930	4,613	28.6%
Supplementary services	2,037	2,116	-3.7%	188	798	-76.5%
Eliminations	-4,428	-2,286	93.7%	-1,825	-1,008	81.0%
Consolidated commissions	2,128,396	2,095,193	1.6%	491,482	583,923	-15.8%
% net commissions / REP	14.2%	14.7%		12.8%	15.5%	

Net commissions showed a decline with the corresponding indicator, given a greater share of products and channels bearing lower intermediary charges. The Life Insurance segment showed a drop in commissions charged by our Chilean subsidiary due to new health care business commanding lower commissions from the affinity channel.

As for the Property and Casualty segment, the drop in commissions was recorded "across the board" by all those subsidiaries that make up this segment, this due to a greater amount of property insurance issued. This factor also drove up this indicator on a YTD basis.

Technical insurance expenses

Other operating expenses	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Life	403,832	351,576	14.9%	101,117	102,684	-1.5%
% Other op. expenses / Written premiums	7.2%	6.8%		6.7%	7.6%	
P&C	475,388	485,781	-2.1%	137,478	116,144	18.4%
% Other op. expenses / Written premiums	5.5%	6.0%		5.5%	4.8%	
Other segments	-219,472	-215,014	2.1%	-53,119	-56,998	-6.8%
Other operating expenses - total	659,748	622,343	6.0%	185,476	161,830	14.6%
% Other op. expenses / Written premiums	3.5%	3.6%		3.6%	3.4%	

The Life Insurance segment showed a reduction in its miscellaneous expense for this past quarter, associated with lower volumes of technical affiliations and the corresponding support provided. On the other hand, the increase recorded by the Property and Casualty segment was due to higher non-proportional reinsurance costs on the part of our Mexican subsidiary given the fact that the property insurance solution has been reinstated in this part of the world.

On a YTD basis, the 15.5% growth in miscellaneous insurance expense included COP 43,360 million invested in the corporate clients of our Occupational Health and Safety subsidiary, this corresponding to PPE kits, disease prevention programs and COVID 19 testing. The Property and Casualty segment showed a drop in its miscellaneous expense figure mainly due to less assistance provided for our car insurance car solutions given the mobility restrictions during the lockdown periods.

Technical result

Technical result (TR)	dic-20	dic-19	%Var	4T 2020	4T 2019	%Var
Life	528,876	743,161	-28.8%	78,186	248,468	-68.5%
<i>TR / Written premiums</i>	9.5%	14.3%		5.2%	18.3%	
P&C	1,152,732	944,756	22.0%	247,361	174,834	41.5%
<i>TR / Written premiums</i>	13.3%	11.7%		9.9%	7.2%	
Health care	629,041	513,358	22.5%	214,745	158,313	35.6%
<i>TR / Written premiums</i>	11.1%	11.3%		13.9%	13.0%	
Other segments	44,274	67,969	-35%	10,632	18,331	-42.0%
Consolidated technical result	2,354,923	2,269,243	3.8%	550,925	599,947	-8.2%
<i>TR / Written premiums</i>	12.6%	13.3%		10.6%	12.5%	

At the end of this past quarter, the Company's technical result was impacted mainly by the effect of a higher claims rate given the COVID-19 pandemic, which was reflected in a drop of 13.1% with the technical margin recorded by the life insurance segment (5.2% at the end of Q4 2020 vs. 18.3% for Q4 2019). The Property and Casualty segment during this same period recorded an increase with its technical result due to a lower claims rate given, in turn, to a lower claims frequency rate.

The Health Care segment was driven this past quarter by lower claims, which included the amounts reimbursed for the COVID-19 diagnostic tests carried out; this in addition to revenues associated with the End-Point Agreement.

Suramericana's technical result rose by 3.8% at year-end with its technical margin dropping by 0.7%, mainly impacted by the effects of COVID-19 on the life insurance segment's claims rate, as well as a lower economic performance throughout the region that had a consequent effect on the premium income of our individual lines of business. However, the Company was not only able to withstand the adverse exogenous effects arising, but also make progress with transforming its portfolio of solutions thereby allowing us to create added value for each of our clients.

Administrative expenses

Administrative expenses	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Life	978,786	859,519	13.9%	262,783	217,982	20.6%
<i>% Admin. Expenses / Written premiums</i>	17.5%	16.5%		17.3%	16.1%	
P&C	1,296,563	1,282,057	1.1%	335,759	366,424	-8.4%
<i>% Admin. Expenses / Written premiums</i>	15.0%	15.9%		13.5%	15.0%	
Health care	543,289	458,636	18.5%	164,817	136,524	20.7%
<i>% Admin. Expenses / Written premiums</i>	9.6%	10.1%		10.7%	11.2%	
Other segments	75,485	104,261	-27.6%	35,280	28,006	26.0%
Consolidated	2,894,123	2,704,473	7.0%	798,639	748,936	6.6%
<i>% Admin. Expenses / Written premiums</i>	15.5%	15.9%		15.3%	15.6%	

Administrative expense for this quarter fell by 30 bp, measured as Administrative Expense divided by Written Premiums, thanks to our efforts to achieve savings and greater efficiencies with our expenditure, using strategies focusing on modifying our operating models, obtaining efficiencies in real estate and operating expense, this including marketing, fees, public relations, travel, among other items; along with renegotiating existing contracts and reviewing contracts in foreign currencies.

It should be noted that the Life Insurance segment includes additional expenses for Q4 2020 amounting to COP 13,863 million as well as COP 55,733 million at year-end, this given the amounts invested in modernizing our health care services as well as increased expense for adjusting invoices with our health service providers. The Property and Casualty segment also includes expenses totaling COP 32,975 million on having returned partial premiums to our mandatory car insurance policy-holders in Colombia.

Investment income

Investment income	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Life	607,625	666,511	-8.8%	156,429	133,451	17.2%
P&C	495,592	402,261	23.2%	61,699	171,894	-64.1%
Health care	29,948	16,890	77.3%	6,406	3,597	78.1%
Other segments	5,972	20,753	-71.2%	-2,773	13,989	-119.8%
Consolidated investment income	1,139,138	1,106,416	3.0%	221,761	322,931	-31.3%
Consolidated investment portfolio	14,407,093	13,311,052	8.2%	14,407,093	13,311,052	8.2%

Portfolio - Country	Arg	Br	Ch	Col	SV	Mx	Pan	DR	Uru
Yield	64.0%	4.9%	4.3%	6.6%	5.4%	8.6%	4.6%	9.8%	15.1%
Portfolio value	12,386	350	154,574	11,876,145	116,338	3,699	142,304	1,817	2,143

*Figures in local currency

During 2020, the appreciation of fixed income assets, which represent 89% of the value of the Company's consolidated portfolio, explains the investment income figure observed. This was a consequence of the measures adopted by Governments and Central Banks to address the COVID-19 crisis: Highly expansionary monetary policies and aggressive fiscal stimulus plans led to the lowest interest rates recorded over recent years.

The most relevant factors with the drop in our quarterly investment income were as follows: 1) currency revaluation, particularly in Colombia, Mexico, Chile and Brazil of around 10% for this period (13% of the consolidated portfolio is in dollars), 2) prevailing low inflation and its effect on our Colombian subsidiary (Colombia represents 79% of Suramericana S.A.'s consolidated portfolio) where the inflation rate dropped from 3.19% in Q4 2019 to just 1.6% at the end of Q4 2020 in a portfolio that is 63% CPI indexed; and finally 3) a year-end rate of return, which was historically low in the case of assets classified at fair value (assets classified at fair value correspond to 32% of Suramericana S.A.'s consolidated portfolio).

Other | non-operating | debt

Other	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Amortizations and depreciations	(233,669)	(227,013)	2.9%	(57,514)	(55,744)	3.2%
Dividends	299	992	-70%	51	100	-49%
Interest expense	(111,022)	(122,283)	-9%	(22,093)	(31,650)	-30%
Total Debt	1,241,702	1,369,173	-9%	1,241,702	1,369,173	-9%
Cost of debt (annual basis)	IPC +4.1%	IPC +4.0%				
Other non-operating income (expense)	84,985	119,745	-29%	12,032	40,427	-70%
Income tax	(129,100)	(52,299)	147%	2,877	(36,757)	-108%

*Cost of debt (annual basis) relates to Suramericana's local bonds

Interest declined for the quarter by 30.0%, mainly in the Holding segment given the payment made in June of last year on the first series of bonds issued in 2016, this totaling COP 147,998 million.

Other non-operating income showed a drop for the quarter due to the adverse effect of exchange rate fluctuations on our monetary accounts as well as lower valuations of investment properties. On a YTD basis, the change in this account is impacted by the extraordinary income obtained from the sale of Palic Salud in the Dominican Republic in Q3 2019.

Finally, the year-end effective tax rate reached 37.9%, whereas this came to 11.8% for the previous year, this mainly due to higher tax due on the part of our Property and Casualty Insurance segment on its consolidated income, since this segment is subject to higher tax rates compared to the Life insurance segment.

Net income | ROTE

Net income	dec-20	dec-19	%Var	Q4-2020	Q4-2019	%Var
Consolidated net income	211,431	390,328	-45.8%	(90,599)	90,318	-200.3%
M&A intangible amortization	(49,349)	(60,026)	-17.8%	(10,905)	(17,355)	-37.2%
Adjusted net income	260,780	450,354	-42.1%	(79,694)	107,673	-174.0%
Shareholders' equity	5,065,398	5,016,169	1.0%	5,065,398	5,016,169	1.0%
Tangible equity	4,055,844	4,016,056	1.0%	4,055,844	4,016,056	1.0%
Adjusted ROE (12m)	5.1%	9.3%		5.1%	9.3%	
Adjusted ROTE (12m)	6.3%	11.7%		6.3%	11.7%	

SURA Asset Management demonstrated its capacity for resilience in 2020, maintaining a stable level of fee and commission income while achieving a 5.2% growth in AuM. The recovery seen this last year is reflected in a 47.3% increase in operating earnings for Q4-2020.

Highlights (consolidated results):

- Salary Base | AuM**

Consolidated AuM reached a record level of COP 523.8 trillion (USD 152.6 billion) for a growth of 5.2% in 2020. This performance was due to positive rates of return on investments as well as an excellent level of commercial performance that is reflected in a positive Net Fund Flow of COP 15.0 trillion. The Salary Base experienced a moderate decline of 2.1%, which was nevertheless less than the effect that COVID-19 had on Latin American job markets.

- Operating Income**

Operating income, at year-end 2020, increased by 17.5% on the back of a good level of investment returns, including a 221% growth in income from the Company's legal reserves, as well as a 4.1% increase in fee and commission income, showing much improvement compared to the previous quarters thanks to a greater degree of economic activity. On a FY 2020 basis, operating income fell by 9.0%, given an unfavorable base effect with the previous year when investments earned extraordinarily high rates of return.

- Operating Expense**

Operating expense rose at a level below inflation, as a result of: (i) successful cost containment measures aimed at protecting our bottom line from the effects of the COVID-19 pandemic; (ii) our continuous efforts in terms of the productivity initiatives carried out in recent years; as well as (iii) the impossibility of executing various budgeted items due to mobility restrictions throughout the year.

- Highlights**

SURA AM continues to consolidate itself as the leading retirement savings, investment and asset management firm in Latin America, with 20.3 million clients throughout the region and an AuM of COP 523.8 trillion at year-end 2020.

With regard to the Retirement Savings segment, it is important to note that a pension reform was recently passed by the Mexican Congress, addressing the urgent need to improve pensions, as well as for the purpose of increasing coverage and gradually increasing mandatory pension contributions from 6.5% to 15.0%; coupled with an accelerated decline in the fees and commissions charged by the Pension Fund Management firms (known locally as AFOREs). In Peru, the Company expanded its client base by 621,801 new members, thanks to having won a bid for new contributors to the Private Pension System. Again, we were awarded a bid to sign up new subscribers for the period 2021-2023, contributing to our sustainability and creating added value in the medium and long term.

As for the SURA Inversiones business, we continued to gain market share thanks to an excellent sales performance, while SURA Investment Management (SURA IM) consolidated its alternative assets platform, took control over the trust fund management firm, Fiduciaria SURA in Colombia and launched a new mutual fund, known in Spanish as a SICAV as well as its first fixed income sub-fund in Luxembourg in 2020.

- Net Income**

Net income for FY 2020 was lower than for 2019 but nevertheless experienced a significant recovery in Q4 2020, with a 283% growth compared to Q4 2019. The decline recorded in 2020 is mainly due to an unfavorable base effect in terms of investment returns, as well as a non-operating exchange difference.

Consolidated results

Estado de Resultados	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
Ingresos por comisiones y honorarios	2,337,972	2,292,177	0.4%	636,780	597,163	4.1%
Ingresos por encaje	248,459	369,600	-33.7%	171,045	50,889	221.4%
Ingreso (gasto) por método de participación	146,531	227,683	-35.6%	72,082	53,519	33.9%
Otros ingresos operacionales	4,086	75,994	-94.7%	-10,218	22,117	-145.6%
Ingresos Operacionales	2,737,048	2,965,453	-9.0%	869,689	723,688	17.5%
Margen total de seguros	86,770	99,652	-12.9%	21,340	23,920	-16.7%
Gastos operacionales	-1,832,664	-1,773,128	2.1%	-513,945	-491,658	2.2%
Utilidad operativa	991,154	1,291,977	-24.5%	377,084	255,950	43.5%
Ingreso (Gasto) financiero	-198,736	-181,971	9.2%	-44,219	-46,317	-4.1%
Ingreso (Gasto) por derivados fros y diferencia en cambio	-17,562	111,753	N/A	-56,696	84,726	N/A
Impuesto de renta	-336,807	-609,417	-45.3%	-107,761	-293,637	-64.0%
Utilidad neta del ejercicio operaciones continuadas	438,049	612,343	-30.0%	168,408	722	4560.7%
Utilidad neta del ejercicio operaciones discontinuas	-6,669	16,541	-138.3%	5,783	42,490	-85.5%
Utilidad (pérdida) neta del ejercicio	431,381	628,884	-32.9%	174,190	43,212	283.2%
Utilidad neta ajustada	528,233	735,466	-43.6%	246,236	115,237	283.2%

*Devolviendo amortizaciones de intangibles M&A

Breakdown of net income by segment

Resultados por segmento	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
Ahorro para el retiro	957,257	1,184,410	-20.2%	341,521	257,714	29.5%
Investment Management Inversiones Sura	-25,034	-43,657	-42.4%	4,333	-23,185	N/A
Seguros	-21,601	146,536	N/A	-8,501	-22,775	-62.1%
Ingresos y Gastos Sura AM	-479,242	-658,405	-27.3%	-163,162	-168,541	-4.3%
Efecto Cambiario	-13,521	97,302	N/A	-32,048	84,361	N/A
Gastos Corporativos y Proyectos*	-225,894	-245,689	-8.8%	-64,546	-65,452	-3.2%
Gastos (Ingresos) Financieros	-206,934	-182,450	13.4%	-48,707	-45,218	8.5%
Impuestos, Operaciones Discontinuas y Otros	-32,892	-327,569	-89.9%	-17,861	-142,233	-87.6%
Utilidad neta consolidada	431,381	628,884	-32.9%	174,190	43,212	283.2%
Amortización intangibles M&A	-96,852	-106,582	-9.1%	-24,558	-25,776	0.0%
Utilidad neta ajustada	528,233	735,466	-29.6%	198,748	68,989	283.2%

*Incluye amortización intangibles M&A

Retirement Savings

Net income from this line of business recovered significantly during Q4 2020, posting a growth of 29.5% compared to Q4 2019, this due to an excellent investment performance coupled with a rebound in economic activity towards the end of the year, as the COVID-19 mobility restrictions were gradually lifted. Operating earnings increased by 22.8%, driven mainly by income from our legal reserves, as well as a 1.7% increase in fee and commission income. Operating expense posted a moderate growth of 2.2%, in line with inflation and driven by our productivity and cost containment initiatives so as to protect our bottom line in the midst of the pandemic. These positive results were achieved in spite of an unfavorable exchange rate difference amounting to COP 23,503 million this as a result of an appreciation of the Chilean peso during the quarter, which in turn had an impact on the USD-denominated cash position temporarily held by the Chilean Retirement Savings business.

SURA Investment Management | Inversiones SURA

Both SURA Investment Management and Inversiones SURA posted a positive net income figure for Q4 2020, this in stark contrast with the net loss recorded for Q4 2019. This level of performance during this last quarter is mainly due to a significant recovery with investment returns as well as an improved sales performance that gave rise to a Net Fun Flow of COP 5.9 trillion in the case of Inversiones SURA, which was achieved along with a positive operating leverage and the dilution of acquisition expense. Also, important were the smart spending prioritization initiatives that were put into place in a timely manner after the spread of the pandemic. This segment ended FY 2020 with a loss recorded by Inversiones SURA, this in keeping with its incipient state of development; however, compared with 2019 distinct progress has been made.

Insurance | SURA AM's Income and Expense

The Insurance segment recorded a decline in 2020 mainly due to the run-off of certain services formerly belonging to this line of business. After divesting the Annuities portfolio in Mexico, SURA AM's Insurance business is only present in Chile, where its group life insurance policies were transferred to Suramericana .

With regard to SURA AM's income and expense, the exchange rate effect for Q4 2020 proved negative, this in contrast with the positive figure recorded the previous year, this mainly due to the appreciation of the Chilean peso and its impact on the USD-denominated cash position maintained by our Chilean Holding Company. Corporate expense declined both on a QoQ and YoY basis, thanks to our (i) ongoing productivity initiatives; (ii) cost containment measures to protect our bottom line; as well as (ii) a lower budget execution of certain items as a result of the pandemic. The 1.1% increase in financial expense, net of financial income, is mainly accounted for by a decrease in financial income. The Taxes, Discontinued Operations and Others accounts recorded significant drops due to lower taxes due for 2020, this as a result of lower returns obtained from the Company's legal reserves as well as, on a comparative basis, the corresponding figures for 2019 were also affected by the tax levied on an extraordinary dividend payment on the part of Chile.

Operating revenues

Ahorro para el retiro - APR	2020	2019	%Var Ex - Fx
Base Salarial "RIA"	208,230,856	199,133,445	2.6%
AUM México	116,578,761	99,958,924	17.1%
AUM Totales APR	456,959,540	427,365,792	3.8%
Afiliados APR	18.1	18.5	-2.0%
Tasa de Cotización	38.1%	37.6%	

*Incluye AFP Protección y AFP Integra al 100%. **No Incluye FEAUM AFP Integra

** FEAUM (Fee earning AUM)

IM Inversiones Sura	2020	2019	%Var Ex - Fx
FEAUM (IM Inversiones Sura)	66,916,924	55,805,387	16.0%
Cientes IM/Inversiones Sura	1,988	1,447	37.4%
Flujo neto Inversiones SURA	5,975,565	5,111,582	13.9%
Cientes Totales	20.3	20.5	-0.9%
AUM Total	523,876,464	483,170,641	5.2%

Revenue drivers

SURA Asset Management managed AuMs worth a record COP 523.8 trillion (USD 152.6 million) at year-end 2020, after a 5.2% growth thanks to a recovery in investment returns during the second half of the year along with a positive level of sales performance which helped produce a Net Fund Flow figure of COP 15.0 trillion along with well-controlled exit rates. It should be noted that this growth in AuM was made possible in spite of the extraordinary circumstances that involved outflows of almost USD 35 trillion, such as withdrawals of pension funds that members were allowed to carry out in Chile and Peru so as to be able to address the effects of the economic crisis unleashed by COVID-19, severance withdrawals in Colombia, unemployment withdrawals in Mexico as well as having divested our Annuity business in Mexico along with the corresponding portfolio being effectively transferred to Suramericana. Withdrawals from pension funds, although affecting the ability to build long-term pensions, were a tangible reminder of the value of pension savings, since said withdrawals were able to meet the short-term needs of our pension fund members, and in turn, from the financial point of view of our Pension Fund Management subsidiaries, allowed them to release excess legal reserves totaling COP 137,300 million.

Pension Fund Management

The average wage base recorded a slight decline of 2.1% in 2020, which was lower than the drop in employment rates in all those countries where SURA Asset Management is present. The main impact of this decline was felt in Peru, which has been particularly affected by COVID-19 given the high levels of economic informality prevailing in this country as well as the current state of its health care system. It is important to highlight how well the wage base performed in Chile producing a positive Net Fund Flow of COP 119,794 million, which set a record in 2020 with an increase of 7.7%, this driven by having further developed our digital channel.

AuMs performed well, driven by the Pension Fund Management business in Mexico (where collections are based on the volumes of AuM held) with the SURA Pension Fund subsidiary achieving an outstanding growth of 17.1%, thanks to improved investment performance and an alpha obtained with all Target Date Funds that are managed in this country. This Mexican subsidiary obtained the Morningstar Silver rating for the third year running, in recognition of the high-quality standards of its investment process.

The number of pension fund members fell in 2020, this affected by the non-certification of all assigned accounts in Mexico and the AuM withdrawals that members were allowed to make in Peru and Chile as a result of the measures taken to address the COVID-19 crisis, which caused some members to be left with zero balances in their accounts.

SURA Investment Management | Inversiones Sura

AuM, in the case of SURA IM and Inversiones SURA, performed well in 2020, this driven by an excellent level of CRM, this based on drilling down on our knowledge of our clients as well as enhancing our proximity with these, this combined with a successful range of products that have been made available through different channels (digital, remote and face-to-face). Inversiones SURA recorded a growth of 21.6% in its volume of AuM, this driven by a Net Fund Flow of COP 5.9 trillion in 2020, thereby surpassing the COP 5.1 trillion obtained in 2019. This business continues to gain market share in the pension fund industry in both Chile and Peru, while Protección's Voluntary Pension business of obtained COP 11 trillion in AuM, for an average growth of 30% in its Net Fund Flow over the last 5 years. This level of AuM performance was achieved in conjunction with an improved client experience as evidenced by consistent improvements with our NPS (net promoter score) indicators.

SURA IM achieved a 4.6% growth in AuM, a remarkable performance considering the impact of the amount of AuM transferred as a result of having divested our Annuity business in Mexico. If we were to exclude this effect, growth would have come to 12.4%. With regard to the traditional assets segment, SURA IM achieved an alpha in 52.1% of its managed funds, while the alternative assets platform was strengthened with the launching and capital increases of various infrastructure, private debt and real estate funds.

Ingresos

Ingresos Operacionales	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
Comisiones (Base Salarial - APR)	995,123	1,068,230	-8.7%	254,642	258,211	-5.4%
Comisiones (AUM - APR)	1,016,636	944,828	6.3%	287,578	262,540	9.2%
Comisiones (AUM - IM Inversiones Sura)	323,677	271,608	17.9%	94,510	75,101	22.8%
Total Ingresos por comisiones	2,337,972	2,292,177	0.4%	636,780	597,163	4.1%
Método de Participación	146,531	227,683	-35.6%	72,082	53,519	33.9%
Margen de Seguros	86,770	99,652	-12.9%	21,340	23,920	-16.7%
Otros	4,086	75,994	-94.7%	- 10,218	22,117	N/A
Total Ingresos operacionales	2,575,359	2,695,505	-5.7%	719,983	696,719	0.9%

Fee and Commission Income - Pension Fund Business

SURA Asset Management achieved a 0.4% growth in its fee and commission income in 2020, which was an outstanding level performance in the midst of the COVID-19 pandemic as well as the impact this had on economic activity and the job markets throughout Latin America. Furthermore, we were not able to charge our fees and commissions in Peru during the month of April given the measures taken by the Peruvian Congress in order to deal with the public health crisis. These effects are mainly reflected in the segment in which fees and commissions are based on the wage base, these effectively declining compared to the previous year. On the other hand, the segment in which fees and commissions are based on the volume of AuM held (Mexico) did well, this mainly due to improved returns on investments, a 5.1% growth in pension fund contributions and a 225 bp improvement in the Flow Out / AuM rate. For Q4 2020, the growth in fee and commission income picked up, thereby recording a growth of 4.1% for the total Pension Fund business on the back of an uptrend in economic activity.

Fee and Commission Income - SURA Investment Management | SURA Investments

SURA IM and Inversiones SURA's fee and commission income consistently maintained a double-digit growth, having obtained a remarkable performance in Q4 2020 with a growth of 22.8% producing a FY figure of +17.9%. This excellent level of performance was achieved despite a drop in average fees and commissions charged, as a result of more conservative portfolio positions taken up amid high levels of uncertainty and volatility prevailing on the financial markets throughout 2020.

Equity Method | Insurance Margin | Others

Revenues from the Equity Method, which mainly consists of the 49.36% stake that SURA Asset Management holds in AFP Protección, declined compared to the previous year; this mainly due to lower returns obtained on AFP Protección' legal reserves, which were extraordinarily high in 2019. The drop in the insurance margin is mainly explained to the run-off of the insurance business and the amount of group life policies transferred to Suramericana. SURA Asset Management's insurance business has been gradually divested, beginning with the Annuity businesses in Peru and Chile back in 2018 and 2019, which were later supplemented the transfer of the annuity portfolio in Mexico in 2020. As for the "Others" account, the funds in which the Company invests seed capital for developing and strengthening the SURA IM business, performed less well in 2020 compared to 2019. The decline with this item was also magnified by an unfavorable base effect in 2019, due to the impact of certain provision reversals.

Legal reserve (encaje)

Encaje	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
Saldo encaje (consolidado)	2,876,421	2,705,963	6.3%	2,876,421	2,705,963	6.3%
Ingresos por Encaje (Consolidados)	248,459	369,600	-33.7%	171,045	50,889	221.4%
Yield Consolidada Anualizada	8.6%	13.7%		23.8%	7.5%	
Chile	5.3%	13.3%		16.3%	3.8%	
México	11.5%	11.4%		20.9%	9.7%	
Perú	9.9%	11.3%		40.1%	11.0%	
Colombia	8.1%	13.9%		26.1%	8.4%	
Uruguay	17.7%	11.1%		18.8%	11.9%	

Legal reserve revenues performed exceptionally well during Q4 2020, having risen 3.3 times compared to the figure obtained for the same period the previous year. However, the FY figure shows a drop compared to the previous year given an unfavorable

base effect, since 2019 was an extraordinarily good year for investment returns. However, our legal reserves did perform well in 2020 having managed to meet our expectations in terms of returns, this largely due to an excellent level of performance in Q4 2020 having achieved an annualized yield of 23.8%, which was much higher than the 7.5% recorded for Q4 2019, which is more in line with the expected standardized returns on pension fund portfolios. Investment performance in Q4 2020 was driven by a greater willingness on the part of investors to assume risk, this as (i) the first doses of the COVID-19 vaccines began to be distributed, (ii) political uncertainty in the US prior to the elections gradually cleared up, and (iii) monetary and fiscal policies remained ultra-flexible so as to be able to leverage economic recovery, which ended up boosting the prices of all those commodities that form the export baskets of our Latin American countries.

Operating expenses

Gastos Operacionales	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
G. Adquisición (Consolidado)	- 490,208	- 502,682	-3.4%	- 150,148	- 152,158	-3.9%
G. Administrativo (Consolidado)	- 1,364,060	- 1,288,267	4.5%	- 381,549	- 356,941	4.7%
Total Gastos (Consolidado)	- 1,832,664	- 1,773,128	2.1%	- 513,945	- 491,658	2.2%
Gastos / Ingreso (Consolidado)	-71.2%	-65.8%		-71.4%	-70.6%	
G. Adquisición (APR)	- 340,259	- 342,242	-1.6%	- 102,595	- 106,191	-5.8%
G. Administrativo (APR)	- 790,873	- 713,097	8.8%	- 223,886	- 193,735	13.4%
Total Gastos / Ingreso (APR)	-46.4%	-40.1%		-39.6%	-45.6%	
G. Adquisición (IM Inversiones Sura)	- 138,508	- 149,415	-7.9%	- 44,499	- 43,205	0.0%
G. Administrativo (IM Inversiones Sura)	- 323,022	- 280,949	14.3%	- 94,877	- 92,966	0.1%
Total Gastos / Ingreso (IM Inversiones Sura)	-129.6%	-136.7%		-131.9%	-158.0%	

SURA Asset Management has managed to protect its bottom line through an effective containment of operating expense that rose at levels below inflation to stand at 2.1% at year-end 2020. This was achieved despite the pressure of extraordinary expense incurred as a result of the COVID-19 pandemic, these including higher banking costs as well as service and implementation expense given pension fund withdrawals in Chile and Peru, along with support plans for our sales forces during the months worst hit by the pandemic. This good level of spending performance was obtained thanks to SURA Asset Management's continuous productivity efforts over recent years, these with regard to its digital transformation, process automation, robotization as well as aligning employee compensation plans with the amount of added value created for the business. The impossibility of executing certain budgeted items as a result of the lockdown mobility restrictions that were decreed to deal with the COVID-19 health crisis, as well as the slump in retail activity due to the aforementioned mobility restrictions also helped to slow the increase in expense. The Company continues to deploy its strategic projects to ensure its ongoing business sustainability while allowing it to capitalize on opportunities arising in the midst of the current situation.

Acquisition expense recorded drops for both Q4 2020 and for FY 2020, this mainly due to reduced activities in this respect given the aforementioned mobility restrictions which went hand in hand with a digital strategy entailing lower costs. Administrative expense rose by 5.9% for the year, this due to having deployed certain strategic projects as well as the amount of business development expense incurred in the case of SURA IM and Inversiones SURA, all this in addition to the aforementioned impacts of the COVID-19 pandemic.

Consolidated EBITDA

EBITDA consolidado	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
EBITDA consolidado	1,265,920	1,551,964	-20%	448,543	329,833	32.7%
Mg. EBITDA consolidado	44.8%	50.6%		50.3%	44.1%	
EBITDA consolidado (sin encaje)	960,592	1,123,993	-15%	241,768	257,026	-5.9%
Mg. EBITDA consolidado (sin encaje)	37.3%	41.7%		33.6%	36.9%	

EBITDA recorded an excellent level of performance for Q4 2020, having obtained a 32.7% growth compared to the previous year, this driven by improved returns on the Company's legal reserves as well as the ongoing economic recovery. However, the FY EBITDA figure recorded a 19.7% drop given lower returns from legal reserves, which although were higher for Q4 2020 compared to the same quarter the previous year, did perform extraordinarily well throughout 2019. Were we to exclude the effect of lower returns from the Company's legal reserves, this decline comes to just 5.9% for quarter, largely explained by the "Others" account which was adversely affected by lower returns on seed capital investments as well as the amount of provision reversals carried

out in 2019. The FY EBITDA figure, upon excluding returns on legal reserves dropped by 15%, mainly given the inability to charge pension fund fees and commissions in Peru during the month of April, the impact of COVID-19 on the region's job markets and a regulatory lowering of the fees and commissions charged in Uruguay that have gradually been reduced since 2018.

Others | Non-Operating | Debt

No operativos Impuestos Discontinuas	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
Gasto (Ingreso) financiero	- 198,736	- 181,971	9.2%	- 44,219	- 46,317	-4.1%
Ingreso (Gasto) por derivados fros y dif. cambio	- 17,562	111,753	N/A	- 56,696	84,726	N/A
Saldo deuda	3,309,040	3,326,684	-0.5%	3,309,040	3,326,684	-0.5%
Costo deuda	5.90%	6.21%		5.90%	6.21%	
Utilidad (pérdida) antes de impuestos	774,856	1,221,760	-37.6%	276,169	294,359	-9%
Impuesto de renta	- 336,807	- 609,417	-45.3%	- 107,761	- 293,637	-64%
Utilidad neta del ejercicio operaciones discontinuas	431,381	628,884	-32.9%	174,190	43,212	283%

SURA Asset Management maintains a sound financial position, with its indebtedness ending the year at COP 3.31 trillion (net of hedging positions) which was lower than for the previous year, while the Company's cash position came to COP 1.0 trillion. In spite of the challenges posed by the COVID-19 pandemic, the Company managed to maintain its leverage ratio within the targeted range of 2.5x - 3.0x of its Gross Debt / EBITDA ratio, this consistent with the Company's current credit rating of BBB + / Baa1. Credit lines with both international and domestic banks remain fully available, and in 2020 we managed to successfully renew various short-term COP-denominated loans, thereby reducing the interest rate from 5.2% to 2.9%. As for USD-denominated loans, hedges were taken out, for a notional amount of USD 850 million, for 93% of the total, thereby providing greater stability to this type of debt in spite of the level of exchange rate volatility and its impact on our exchange difference. SURA Asset Management 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) increased by 9.2%, this mainly due to lower financial income for 2020 given a lower cash balance held throughout the year and lower money markets returns. Financial expense recorded a slight increase of 1.1% compared to 2019. In 2020, a loss was incurred due to the exchange rate difference, in contrast with the gains obtained in 2019, this mainly given the USD-denominated cash position held in Chile as well as the appreciation of the Chilean peso, that came to 6.7% in 2020, compared to a depreciation of 8.0% recorded in 2019. The Income Tax account recorded a 45.3% decline on the back of lower returns obtained from the Company's legal reserves compared to the previous year as well as a favorable base effect given the higher tax paid in 2019 by our Chilean subsidiary. Finally, in 2020 there was a loss in the Discontinued Operations account given the transfer of the annuity portfolio formerly held in Mexico, thereby ending the series of divestitures with this line of business, all this in addition to the levels of sales performance in both Chile and Peru.

Utilidad Neta | ROTE

Utilidad Neta	dic-20	dic-19	%Var Ex - Fx	4T 2020	4T 2019	%Var Ex - Fx
Utilidad neta consolidada	431,381	628,884	-32.9%	174,190	43,212	283.2%
Amortización intangibles M&A	-96,852	-106,582	-9.1%	-24,558	-25,776	-4.7%
Utilidad neta ajustada	528,233	735,466	-28.2%	198,748	68,989	188.1%
Patrimonio Controlante	9,494,655	9,057,772	4.8%			
Patrimonio Tangible	2,893,231	2,504,124	15.5%			
ROE Ajustado (12m)	5.7%	8.1%				
ROTE Ajustado (12m)	19.6%	29.4%				

*Ajustado por amortización de intangibles de M&A

Net income fell in 2020, this affected by the unfavorable base effect in 2019, when returns on investments were extraordinarily high. However, the net income figure specifically for Q4 2020, showed a significant recovery on the back of a rebound with investment returns and economic activity. ROTE for 2020 declined from 29.4% to 19.6%, but it is important to note the recovery seen in Q4 2020, when returns measured on tangible assets rose by 185 bp.

As SURA Asset Management is a company built on a series of acquisitions (with goodwill and intangible assets amounting to COP 6.6 trillion in assets), ROTE (Return on Tangible Assets) is a relevant measure of profitability).