

GRUPO SURA (BVC: GRUPOSURA and PFGRUPSURA) continues to see an ongoing recovery with its different lines of business with operating revenues now standing at COP 18.2 trillion, that is to say 17.4% higher than the same YTD figure for last year, while posting a net income of COP 1.1 trillion on a YTD basis, COP 445,471 million of which corresponds to Q3 alone.

Highlights (Consolidated Results):

- **Consolidated net income**

COP 445,471 million in net income was obtained for this past third quarter, for a growth of 192.5%, thereby showing an improvement compared to the same period last year, which was mainly affected by the impacts of the pandemic. Net income on a YTD basis comes to COP 1.1 trillion, for a growth of 181.2%. This continues to be driven by the recovery of the Company's different lines of business, hence the improvement in operating income, as well higher net income figures from its associated companies.

- **Total revenues**

Total revenues came to COP 18.2 trillion on a YTD basis, for a growth of 17.4% compared to the same period last year. It is worthwhile noting that thanks to positive levels of business performance, written premiums posted a growth of 13.8%, trailed by fee and commission income which rose by 15.7%. It is also worth noting the increase in revenues obtained via the equity method given higher net income figures from our associated companies. In Q3, revenues rose by 23.3% for Q3 2021, given growths of 20.5% in written premiums and 15.4% in fee and commission income, with investment income rising by 41.6%.

- **Total costs and expense**

These rose by 15.5% compared to the same period last year and 20.6% for the third quarter alone. This growth is mainly due to the impacts of the pandemic that continued to affect Suramericana, bearing in mind that COVID-related costs and expense total COP 1.5 trillion on a YTD basis and COP 352,427 million for the quarter.

- **Operating earnings**

Operating earnings came to COP 1.9 trillion at the end of Q3 2021, that is to say 37.3% higher than those recorded for the same period last year, thereby evidencing a widespread recovery for the different lines of business.

- **Debt**

The Company and its subsidiaries continued to make progress with their debt reduction program, with SURA AM reducing its indebtedness by COP 639,282 million compared to year-end 2020, thanks to having amortized loans in the amount of COP 505,500 million, COP 185,500 million of which was paid back this past quarter. Grupo SURA's net debt as a holding came to COP 4.4 trillion.

- **Taxes**

At the end of Q3 2021 a tax reform was approved in Colombia, where it is worth noting an increase in the corporate income tax rate from 30% to 35% starting in 2022. The company recorded this effect in the Profit and Loss statement, which generated an additional deferred tax provision with an impact on net income that amounts to COP 46,851 million, of which COP 44,103 came from a lower equity method from associates and COP 2,747 million as a higher tax from Grupo SURA and subsidiaries.

- **Stock Buy-Back Program**

Grupo SURA continued in Q3, 2021 to repurchase its own shares, which up till the date of this report totaled COP 50,441 million, 86% of which corresponded to repurchased ordinary shares and the remaining 14% preferred shares. The buy-back program relies on the adoption of mechanisms that guarantee equal treatment for all shareholders and transparency with the market. This initiative shall continue, since it is an efficient capital allocation option that creates added value for both the Company and its shareholders.

Summary of our Consolidated Financial Results:

Consolidated income statement	sep-21	sep-20	%Var	Q3-2021	Q3-2020	%Var
Written premiums	15,880,997	13,954,248	13.8%	5,877,425	4,879,186	20.5%
Retained earned premiums	13,154,598	11,609,816	13.3%	4,689,607	3,888,105	20.6%
Fee and commission income	2,406,004	2,079,117	15.7%	836,446	725,027	15.4%
Investment income	1,258,876	1,096,537	14.8%	581,677	410,668	41.6%
Equity method - Revenues from Associates	984,654	337,880	191.4%	336,201	174,519	92.6%
Others	447,842	420,637	6.5%	151,617	149,186	1.6%
Total revenues	18,251,974	15,543,986	17.4%	6,595,548	5,347,506	23.3%
Retained claims	(9,578,061)	(7,593,068)	26.1%	(3,429,894)	(2,685,937)	27.7%
Operating expense	(6,390,760)	(6,186,672)	3.3%	(2,337,926)	(2,075,856)	12.6%
Depreciation and amortization	(398,579)	(391,302)	1.9%	(134,886)	(134,089)	0.6%
Operating expense	(16,367,400)	(14,171,042)	15.5%	(5,902,706)	(4,895,882)	20.6%
Operating earnings	1,884,574	1,372,944	37.3%	692,842	451,624	53.4%
Financial Result	(405,521)	(632,867)	-35.9%	(110,190)	(205,272)	-46.3%
Income tax	(367,337)	(335,428)	9.5%	(138,462)	(99,483)	39.2%
Net income from continuing operations	1,111,716	404,650	174.7%	444,190	146,869	202.4%
Net income	1,117,844	397,578	181.2%	445,471	152,283	192.5%
Earnings - parent company	1,030,575	297,785	246.1%	408,320	128,336	218.2%

Figures stated in COP millions. Written premiums include income corresponding to premiums and health care services that were previously recorded as revenues from services rendered.

Summary of results broken down per line of business

Contribution to consolidated net income	sep-21	sep-20	%Var	Q3-2021	Q3-2020	%Var
Suramericana	4,011	302,007	-98.7%	4,761	9,487	-49.8%
SURA AM	524,950	257,190	104.1%	219,837	137,058	60.4%
Net income excluding return from encaje	312,160	135,006	131.2%	179,885	42,254	325.7%
Return from encaje	115,826	85,157	36.0%	39,951	94,804	-57.9%
Fx exchange difference	96,964	37,027	161.9%	61,623	(26,098)	
Revenues via equity method: Grupo SURA (holding)	867,558	263,947	228.7%	286,257	111,681	156.3%
Bancolombia	647,078	132,645	387.8%	230,862	68,461	237.2%
Grupo Argos	52,267	(25,542)		16,272	(7,103)	
Grupo Nutresa	169,815	165,959	2.3%	39,568	49,953	-20.8%
Other	(1,602)	(9,115)	-82.4%	(445)	370	
Other results Grupo SURA (holding)	(278,675)	(425,567)	-34.5%	(65,384)	(105,943)	-38.3%
Fx exchange effect	41,507	(78,312)		16,735	1,496	
Administrative expenses	(60,784)	(58,460)	4.0%	(16,150)	(16,242)	-0.6%
Interests	(297,576)	(282,494)	5.3%	(92,877)	(90,295)	2.9%
Other	38,179	(6,301)		26,908	(902)	
Net income	1,117,844	397,578	181.2%	445,471	152,283	192.5%

Summary of results broken down per line of business

Suramericana

This subsidiary performed well with written premiums accounting for a growth of 14.4% on a YTD basis compared to the same period last year, with the Health Care and Life Insurance segments securing growths of 36.5% and 13.0%, respectively. On the other hand, retained claims rose by 27.9%, mainly due to the effects of the pandemic that, on a YTD basis at the end of September stood at COP 1.5 trillion compared to COP 648,434 million for the same period last year. However, a slight decrease in the spread of COVID compared to previous quarters accounted for an improvement in the Company's earnings, thereby producing a YTD net income of COP 4,011 million, which is very much in line with the results obtained for the quarter, COP 4,761 million. Net income was affected by a provision set up for the line of the Mandatory Health Care (EPS in Spanish) amounting to COP 114,185 million, this relating to the difference time-wise between the moment in which the basket of COVID Services introduced by the Colombian Ministry of Health in order to recognize and defray the shortfall in income caused by caring for COVID patients in 2021 was recognized by Suramericana and the moment when this is actually paid by the Government. The company is working, as it has done in the past, with the national government for the recognition and payment of these resources in order to reverse the provision.

SURA Asset Management

This subsidiary's operating revenues reached COP 2.2 trillion at the end of Q3, 2021, for a growth of 18.3% in pesos and 12.8% in local currency compared to the same period last year. It is worth noting the 15.8% growth in fee and commission income, as well as the improved revenues received via the equity method, mainly from Protección, which reached COP 119,849 million. The Investment Management and Inversiones SURA lines of business continued to score double-digit growths at the end of Q3 this year, both in AUM as well as fee and commission income compared to the same period last year, thereby posting COP 33,405 million in net income. Thanks to all of the this, the Company posted a net income figure of COP 524,950 million at the end of Q3 2021, for a growth of 104.1% compared to the same period last year.

Revenues obtained from associates via the equity method

These produced a growth of 228.7% compared to the YTD figure for the same period last year, adding another COP 867,558 million to Grupo SURA's bottom line, and continuing to show a slight recovery compared to their pre-pandemic performance. This improvement was mainly due to an increase with Bancolombia's net income, along with a sustained growth with Nutresa's bottom line and the recovery seen with that of Grupo Argos. In calculating this item's portion of the Company's consolidated net income figure, we included the results of Grupo Sura's associates, except for Protección, which is included in the SURA AM's net income figure.

Others

This section includes expense relating to Grupo SURA's operations, as a holding company. This item showed a YTD drop of 34.5% compared to the same period last year, which is mainly due to a positive exchange rate effect this year, compared to a loss recorded for the first three quarters last year, given a greater exposure to the Company's USD-denominated debt as well as a greater depreciation of the Colombian peso. On the other hand, interest on the amount of debt held increased by 5.3%, mainly due to rising interest rates. Furthermore, the "Others" account was affected by the increase in valuation in SURA Ventures' portfolio, this amounting to COP 51,920 million mainly due to Money Lion going public as well as the sale of Clover Health which was offset by a higher deferred tax expense of COP 20,300 million due to the exchange difference on financial obligations and hedging operations, as well as the adjustments made with regard to the new tax rate introduced by the 2021 tax reform.

Statement of Consolidated Financial Position - Summary of Key Figures

Consolidated statement of financial position	sep-21	dic-20	%Var
Total assets	72,589,419	70,860,134	2.4%
Total liabilities	42,625,368	42,318,409	0.7%
Equity attributable to owners of the parent company	27,376,137	26,004,832	5.3%
Non-controlling interest	2,587,914	2,536,893	2.0%
Total equity	29,964,051	28,541,725	5.0%

Financial Liabilities

Grupo SURA (Holding)	sep-21	dic-20	Var\$
Grupo Sura - Bonds	4,208,559	4,995,267	(786,708)
Banks	508,497	572,954	(64,457)
Debt	4,746,364	5,568,221	(821,857)
Derivatives	274,971	172,880	102,091
Preferred dividends	460,017	460,847	(830)
Total financial liabilities	5,481,352	6,201,948	(720,596)
Fair value - hedging derivatives	557,153	343,733	213,420
Cash and cash equivalents	50,901	1,037,952	(987,051)
Net debt	4,413,281	4,359,416	53,865

Note: Debt is affected by the hedging of bond derivatives

SURA AM	sep-21	dic-20	Var\$
Bonds	3,288,981	2,923,635	365,346
Banks	1,905	515,395	(513,490)
Debt	3,290,886	3,439,030	(148,144)
Derivatives	0	0	0
Total financial liabilities	3,290,886	3,439,030	(148,144)
Fair value - hedging derivatives	748,394	257,256	491,138
Financial liabilities, net of hedges	2,542,492	3,181,774	(639,282)

Note: Debt is affected by the hedging of bond derivatives

Suramericana	sep-21	dic-20	Var\$
Bonds	850,181	846,517	3,664
Banks	344,297	395,185	(50,888)
Suramericana	1,194,478	1,241,702	(47,224)
Derivatives	6,618	3,638	2,980
Total financial liabilities	1,201,096	1,245,340	(44,244)

The Company continues with good commercial dynamics in all segments. Premium growth of 21.0% in the quarter and efforts to control expenses have allowed the company to mitigate COVID effects.

Highlights (Consolidated Results):

- **Premiums**

Written premiums for Q3 2021 rose by 21.0%, bringing the YTD growth figure to 14.4%. It is worthwhile noting the good levels of performance obtained for this past quarter with the increase in premiums corresponding to the voluntary insurance business, both in the Life and Property and Casualty segments, thanks to greater economic momentum throughout region, that we have taken advantage of via our different sales channels and which in turn has translated into increased premiums for the health care, life, car, compliance and transportation solutions. On the other hand, our Worker's Compensation business (ARL) and Mandatory Health Care Subsidiaries (EPS) in Colombia have continued to post important growths in their subscriber bases, with 368 thousand new mandatory health care sign-ups so far in 2021 and 276 thousand for our Worker's Compensation subsidiary. During this past quarter, the revenues corresponding to the Government subsidized basket of COVID services as a means to compensate the PBS (Health Benefit Plan) tariff came to COP 276,458 million, reflecting the higher value paid by our Mandatory Health Care subsidiary for attending patients with COVID or related issues.

- **Claims**

Although COVID claims continue to have a negative impact on the Company's claims rate, during this past third quarter, there was a reduction in the contagion and mortality rates throughout the region, which reduced the consolidated COVID claims by 27.2% compared to the average obtained for the previous four quarters and 48.6% compared to the previous quarter. Non-COVID claims rose to 62.4% for the quarter compared to 56.5% for the same period last year, mainly in the mobility solutions, given a return to pre-pandemic claims frequencies, as well as increases in average claims costs due to issues relating to global supply chain failures.

- **Technical Result**

Our technical margin deteriorated for the quarter, and now stands at 6.9%, while for the same period last year it came to 8.2%, thereby reflecting the impact of the increase in non-COVID claims for the mobility solutions, as well as the increase in provisions set up by our Mandatory Health Care subsidiary, in the amount of COP 114,186, which represents the temporary difference between the moment when the amounts corresponding to baskets of COVID-related services are duly recognized and when the Colombian Government actually pays the corresponding account receivable.

- **Administrative Expense**

The expense to written premiums ratio for the quarter came to 11.3% compared to 13.4% for the same quarter last year, this as a result of our expense management strategies to mitigate the effects of the pandemic on our overall results. These strategies are focused on fine-tuning our operating models to achieve savings and efficiencies with our real estate and operating expense, which includes marketing, fees and commissions, travel and other items

- **Investment Income**

Investment income rose by 3.0% for the quarter and dropped by 16.6% on a YTD basis given increases in regional interest rates which in turn affected the market prices of our investment portfolios. The global economic recovery, inflationary pressures and a greater perception of risk in certain Latin American economies led to this increase in interest rates.

- **Net Income | Adjusted ROTE**

At the end of this past quarter, Suramericana reported a bottom line of COP 4,761 million and a ROTE (Return on Tangible Equity) on a rolling 12-month basis of -1.1%. Profitability for this past quarter reflected the impact of the COVID-19 pandemic, which produced increases in the claims rate, as well as lower financial income as a result of the amount of volatility prevailing on the capital markets.

Summary of Consolidated Results | Selected Indicators

Results summary	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Assets	31,626,451	30,578,072	3.4%	31,626,451	30,578,072	3.4%
Liabilities	26,612,770	25,259,013	5.4%	26,612,770	25,259,013	5.4%
Shareholders' equity	5,006,254	5,310,471	-5.7%	5,006,254	5,310,471	-5.7%
Tangible equity	3,931,437	4,252,955	-7.6%	3,931,437	4,252,955	-7.6%
Written premiums	15,435,153	13,497,842	14.4%	5,698,411	4,710,097	21.0%
Ceded premiums	(2,530,497)	(2,407,244)	5.1%	(924,786)	(911,908)	1.4%
Retained premiums (net)	12,904,656	11,090,597	16.4%	4,773,625	3,798,188	25.7%
Adjustments to reserves	89,775	91,227	-1.6%	(74,194)	(15,071)	392.3%
Retained earned premiums (REP)	12,994,431	11,181,825	16.2%	4,699,431	3,783,117	24.2%
Total claims	(10,292,176)	(8,252,914)	24.7%	(3,779,878)	(2,910,287)	29.9%
Reimbursed claims	1,118,731	1,081,176	3.5%	493,946	361,059	36.8%
Retained claims	(9,173,446)	(7,171,738)	27.9%	(3,285,932)	(2,549,227)	28.9%
Net commissions	(1,644,015)	(1,771,119)	-7.2%	(551,069)	(560,718)	-1.7%
Revenues from services rendered	55,085	58,034	-5.1%	18,343	18,716	-2.0%
Costs from services rendered	(132,337)	(118,635)	11.5%	(47,037)	(36,288)	29.6%
Other operating expenses	(780,638)	(743,053)	5.1%	(313,257)	(252,589)	24.0%
Technical Impairment	(116,080)	(71,501)	62.3%	(126,239)	(18,209)	593.3%
Technical result	1,203,001	1,363,812	-11.8%	394,239	384,801	2.5%
Administrative expenses	(1,884,862)	(1,799,741)	4.7%	(642,128)	(632,899)	1.5%
Amortizations and depreciations	(163,733)	(175,104)	-6.5%	(53,742)	(61,161)	-12.1%
Impairment	(2,372)	(1,653)	43.5%	(2,635)	(550)	379.3%
Underwriting profit	(847,965)	(612,685)	-38.4%	(304,266)	(309,808)	1.8%
Investment income	776,980	931,186	-16.6%	296,635	288,100	3.0%
Interest expenses	(74,468)	(88,933)	-16.3%	(27,901)	(27,055)	3.1%
Other non-operating income (expense)	225,971	204,313	10.6%	67,531	76,068	-11.2%
Earnings (losses) before tax	80,518	433,881	-81.4%	31,999	27,304	17.2%
Income tax	(76,507)	(131,874)	42.0%	(27,238)	(17,817)	-52.9%
Earnings (losses), net	4,011	302,007	-98.7%	4,761	9,487	-49.8%
Earnings (losses) - parent company	3,798	301,626	-98.7%	4,736	9,885	-52.1%
Amortization of M&A intangibles	(41,491)	(53,132)	-21.9%	(12,671)	(15,738)	-19.5%
Amortization deferred tax	10,278	14,688	-30.0%	3,181	4,407	-27.8%
Adjusted net earnings	35,011	340,070	-89.7%	14,226	21,215	-32.9%

Note: the value of assets, liabilities and equity for 2020 is as of December 31, 2020. The rest of the figures in the table are as of September.

Main indicators	sep-21	sep-20	Var A/A	Q3 2021	Q3 2020	Var T/T
% Ceded premiums	16.4%	17.8%	-1.4%	16.2%	19.4%	-3.1%
% Retained claims / Retained earned premiums	70.6%	64.1%	6.5%	69.9%	67.4%	2.5%
% Claims ratio P&C and life segments	60.9%	53.0%	7.9%	60.3%	57.6%	2.7%
% Claims ratio Health Care segments	90.3%	90.6%	-0.3%	88.3%	90.3%	-2.0%
% Net commissions / Retained earned premiums	12.7%	15.8%	-3.2%	11.7%	14.8%	-3.1%
% Other operating expense / Written premiums	5.1%	5.5%	-0.4%	5.5%	5.4%	0.1%
% Administrative expense / Written premiums	12.2%	13.3%	-1.1%	11.3%	13.4%	-2.2%
ROE adj. (12m)	-0.9%	8.8%	-9.7%	-0.9%	8.8%	-9.7%
ROTE adj. (12m)	-1.1%	11.0%	-12.1%	-1.1%	11.0%	-12.1%

Summary of our Results Per Segment

Results by segment	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Life	130,828	196,756	-33.5%	92,635	(33,762)	374.4%
Property and Casualty (P&C)	23,247	222,622	-89.6%	(6,869)	56,840	-112.1%
Health care	(2,532)	16,327	-115.5%	(27,496)	15,347	-279.2%
Supplementary services	9,472	6,568	44.2%	3,128	860	263.5%
Revenues & expenses Suramericana (subholding)	(157,004)	(140,265)	-11.9%	(56,637)	(29,798)	-90.1%
Corporate expenses	(71,497)	(55,156)	29.6%	(28,331)	(18,760)	51.0%
Interest expense	(43,800)	(51,763)	-15.4%	(17,612)	(13,502)	30.4%
Taxes	(42,936)	(38,934)	10.3%	(11,489)	2,073	-654.1%
Other	1,229	5,588	-78.0%	795	390	103.8%
Consolidated net income	4,011	302,007	-98.7%	4,761	9,487	-49.8%
Net income - parent company	3,798	301,626	-98.7%	4,736	9,885	-52.1%
M&A Intangible amortization	(31,213)	(38,444)	18.8%	(9,490)	(11,331)	16.2%
Adjusted net income	35,011	340,070	-89.7%	14,226	21,215	-32.9%

Life insurance

The Life Insurance segment showed a recovery this past quarter compared to the previous quarter, thanks to a downturn with the contagion curve, which meant lower COVID-related claims. Compared to the same quarter last year, we saw a decline of 4.1% in the net commission ratio (net commissions vs earned premiums), given lower commissions from the affinity channel that vary depending on the claims rate, which in turn has been impacted by COVID. This together with a stable claims rate compared to the same quarter last year, managed to drive up our technical margin which now stands at 3.3% compared to 0.6% for Q3 2020

Another driving factor for this segment's results continues to be our handling of our administrative expense, which for this past quarter represented just 9.7% of total written premiums compared to 12.4% for the same period last year.

Property and Casualty Insurance

The negative results posted by the Property and Casualty segment were mainly due to a higher claims rate, mainly from the car solution, which has been affected by both an increase in its claims frequency rate due to a lifting of the lockdown measures, as well as rising prices of vehicles and spare parts throughout the region, which in turn has translated into higher average costs. It should be noted that management measures are being carried out in the different companies in order to remedy these effects on claims rates.

Health care

During this past third quarter, the results of the Health Care segment show revenues on the part of our Mandatory Health Care subsidiary (EPS) worth COP 276,458 million from the basket of COVID-related services sponsored by the Colombian Ministry of Health, this for the purpose of recognizing and paying for the shortfalls recorded with caring for our COVID patients during 2021. On a YTD basis, these revenues have reached COP 364,800 million, which is allowing us to mitigate the overall effect on our

COVID claims rate. This mechanism involves a temporary difference between the moment in which these revenues are duly recognized as such and when they are finally paid by the Colombian Government that in turn implies a provision for an estimated amount which in this case comes to COP 114,185 million to date and is expected to be recovered in subsequent periods.

Income and Expense - Suramericana

The Holding's results show a decline as a result of increased financial expense due to rising inflation levels in Colombia, as well as higher income taxes, due to an increase in deferred tax expense associated with higher expectations of future dividends receivable.

There was also a drop in the Holding's "Others" Account (see table above), given lower consolidated revenues from the consolidation in Colombian pesos of the assets belonging to the reinsurance company in Argentina, as well as lower gains from exchange rate fluctuations. On the other hand, the Holding's administrative expense show an increase due to the investments made in strengthening digital access for our clients throughout the region.

Premiums

Retained earned premiums (REP)	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Written premiums (WP) Life	4,596,565	4,068,011	13.0%	1,669,439	1,447,402	15.3%
REP Life	4,314,390	3,827,215	12.7%	1,499,720	1,305,150	14.9%
Written premiums Property & Casualty (P&C)	6,352,505	6,145,157	3.4%	2,318,016	2,145,538	8.0%
REP P&C	4,170,969	3,994,413	4.4%	1,472,627	1,299,916	13.3%
Written premiums Health care	5,608,734	4,109,492	36.5%	2,084,613	1,498,617	39.1%
Written premiums - Eliminations	(1,122,651)	(824,817)	36.1%	(373,656)	(381,460)	-2.0%
REP - Eliminations	(1,099,662)	(749,294)	46.8%	(357,529)	(320,566)	11.5%
Consolidated written premiums	15,435,153	13,497,842	14.4%	5,698,411	4,710,097	21.0%
Consolidated REP	12,994,431	11,181,825	16.2%	4,699,431	3,783,117	24.2%

REP: Retained earned premiums

By country	Col	Ch	Mx	Arg	Br	SV	Pan	RD	Uru	Sura Re
Var A/A (Local Ccy)	20.5%	-6.8%	7.6%	49.0%	16.5%	2.7%	-2.4%	8.4%	11.1%	-
WP Jun-21 (bn)	11,710	1,720	713	709	450	384	380	233	242	18
Var T/T (ML)	23.0%	-8.2%	25.1%	48.2%	20.0%	8.7%	-1.1%	11.2%	9.6%	-
WP Q2 2021 (bn)	4,392	525	260	266	171	137	140	77	92	11

During this past third quarter, the Life Insurance segment recorded a 15.3% growth in written premiums compared to the same period last year, with the health care solution accounting for a growth of 17.6% for the quarter due to a positive level of performance on the part of the traditional channel. The growth in the Life Insurance segment this past quarter was driven by the life solutions in the affinity channel, where premiums for this solution rose by 11.8% for the quarter. The Occupational Risk solution posted a growth of 20.5% for this period, with an insured worker base now standing at 4.5 million, including 276 thousand new sign-ups so far this year, thanks to the dynamics shown by the infrastructure, civil engineering, general services, health and social security sectors.

The Property and Casualty segment continues to do well in the different sales channels as the current economic recovery strengthens throughout the region. Here the car, compliance and transport solutions scored a 15.2% growth for the quarter which translates into higher sales of new policies. It should be noted that during Q3 2020, the Chilean subsidiary issued property insurance with terms of more than one year and therefore they were not subject to renewal this past quarter. However, if we were to exclude this effect, growth for Q3 2021 would have come to 12.1%.

Premiums corresponding to the Health Care segment, mainly in the case of the EPS subsidiary in Colombia (Mandatory Health Care), rose by 48.0% for a total insured base of 4.6 million subscribers, with another 368 thousand sign ups so far this year.

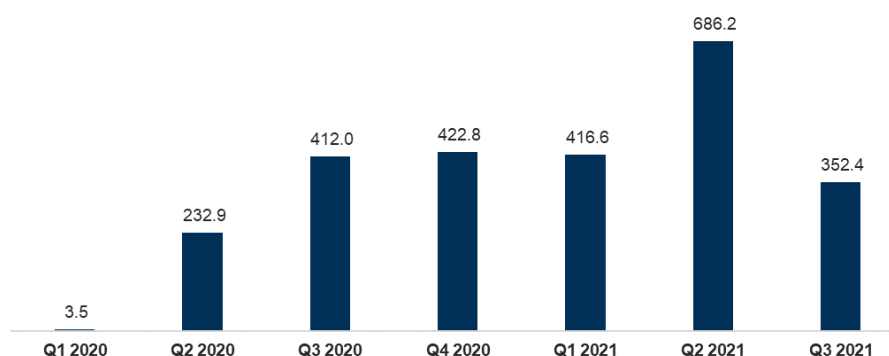
Finally, earned premiums showed a higher growth rate than written premiums, mainly due to the freeing up of policies issued in 2020 in the Property and Casualty segment whose risk was in force during 2021. Another driving factor for this account was the growth of the Health Care segment for which no production reserves are set up.

Claims

Retained claims	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Life	2,952,442	2,212,587	33.4%	981,295	848,335	15.7%
% Retained claims / REP	68.4%	57.8%		65.4%	65.0%	
P&C	2,213,059	1,932,875	14.5%	810,720	651,018	24.5%
% Retained claims / REP	53.1%	48.4%		55.1%	50.1%	
Health care	5,064,277	3,721,859	36.1%	1,841,646	1,353,727	36.0%
% Retained claims / REP	90.3%	90.6%		88.3%	90.3%	
Eliminations	(1,056,333)	(695,582)	51.9%	(347,728)	(303,853)	14.4%
Consolidated retained claims	9,173,446	7,171,738	27.9%	3,285,932	2,549,227	28.9%
% Retained claims / REP	70.6%	64.1%		69.9%	67.4%	

During this past quarter, the Company continued to record the effect of COVID-related claims in its overall claims rate, however, we did see a decline with this indicator given the waning contagion curve throughout the region with lower contagion and mortality rates compared to previous quarters. During this past quarter, claims relating to the COVID-19 virus amounted to COP 91,810 million for the Life Insurance segment, COP 234,607 million for the Health Care segment and COP 26,010 million for the Property and Casualty segment.¹ Our subsidiaries in Colombia, Mexico, El Salvador and Panama suffered the greatest impact from the pandemic, given their higher exposure with the amount of Life, Health Care and Workers' Compensation solutions offered. Important advances have been made with the vaccinations carried out by these subsidiaries having vaccinated more than 30% of the population in Mexico and Colombia and more than 50% in El Salvador and Panama at the end of Q3.

Quarterly evolution of COVID claims



Amounts in billions of COP

This year our Companies continued to provide the same client care and support models that were first drawn up last year. These included 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 on a company-wide level. Furthermore, we have participated in Colombia's nation-wide vaccination plan through IPS Sura (the Health Care Institute segment) with 721 thousand doses now applied, helping to achieve 3.8 million doses for members of our Mandatory Health Care line of insurance (EPS in Spanish).

The non-COVID claims rate rose for the quarter compared to the same period last year, mainly in our mobility solutions with a claims rate of 67.4%, compared to 52.8% for the same period last year. This is due to greater mobility given the gradual lifting of restrictions throughout the region, restrictions that entailed significant declines with the frequency of automobile accidents during

¹A portion of the Life Insurance operations is recorded in the Property & Casualty segment, mainly in Mexico and Panama.

most of last year. On the other hand, so far this year we have seen an increase in prices of vehicles and spare parts, thereby increasing the average costs of claims.

Business solutions, which, like car insurance, are consolidated in the Property and Casualty segment, reported a lower claims rate for the quarter which now stands at 29.7% whereas this came to 36.1% for the same period last year, given not only lower claims frequencies but a lower severity of such together with lower events caused by nature.

The economic reactivation and the lifting of COVID-related restrictions have also produced higher claims frequencies in the health care solutions, both voluntary, such as for the Mandatory Health Care (EPS) subsidiary (both the services covered by the Government sponsored Health Care Benefit Plan and those that are not), as well as the accident and mortality rates reported by our Workers' Compensation subsidiary. It is important to mention that both phenomena evidence a return to economic normality which is also driving business growth.

Net commissions

Net commissions	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Life	850,372	930,390	-8.6%	287,144	303,931	-5.5%
% net commissions / REP	19.7%	24.3%		19.1%	23.3%	
P&C	775,932	824,075	-5.8%	257,220	250,138	2.8%
% net commissions / REP	18.6%	20.6%		17.5%	19.2%	
Health care	19,262	15,846	21.6%	7,038	5,476	28.5%
Supplementary services	524	1,849	-71.7%	187	1,093	-82.9%
Eliminations	(2,074)	(1,041)	99.2%	(520)	81	-744.5%
Consolidated commissions	1,644,015	1,771,119	-7.2%	551,069	560,718	-1.7%
% net commissions / REP	12.7%	15.8%		11.7%	14.8%	

Both the Life and Property and Casualty segments have posted declines with their fee and commission income. In the particular case of the Life Insurance segment, this drop was mainly due to the affinity channel, as in previous quarters, since part of the payment for this channel is associated with both sales and claims, thereby allowing us to partially mitigate higher COVID-related claims mainly in the Group Life solution. On the other hand, the drop-in fee and commission income for the Property and Casualty segment is produced by a higher growth in products and channels that carry lower brokerage costs.

In addition to the above factors, the consolidated fee and commission income figure was also driven by a higher growth recorded by the Health Care segment, which carried lower brokerage factors in contrast to the Life and Property and Casualty segments.

Technical Insurance Expense

Technical insurance expenses	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Life	449,748	441,647	1.8%	176,931	141,587	25.0%
% Other op. expenses / Written premiums	9.8%	10.9%		10.6%	9.8%	
P&C	526,427	490,851	7.2%	201,939	172,125	17.3%
% Other op. expenses / Written premiums	8.3%	8.0%		8.7%	8.0%	
Other segments	(195,537)	(189,445)	3.2%	(65,613)	(61,122)	7.3%
Other operating expenses - total	780,638	743,053	5.1%	313,257	252,589	24.0%
% Other op. expenses / Written premiums	5.1%	5.5%		5.5%	5.4%	

The 10 bp increase in this account for the quarter was due to higher road assistance expense in the Property and Casualty segment given greater mobility and an increase in the amount of exposed vehicles; this combined with higher non-proportional reinsurance costs due to the growth in business and mortgage insurance. The Life Insurance segment also showed an increase in the amount of assistance expense for its health care solution. It should also be noted that our Workers' Compensation subsidiary continues to invest in prevention and protection COVID kits, with an investment of COP 24,700 million for the quarter and COP 90,500 so far this year.

Technical Result

Technical result (TR)	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Life	66,364	230,400	-71.2%	55,317	8,626	541.3%
<i>TR / Written premiums</i>	1.4%	5.7%		3.3%	0.6%	
P&C	645,177	710,398	-9.2%	197,924	215,872	-8.3%
<i>TR / Written premiums</i>	10.2%	11.6%		8.5%	10.1%	
Health care	416,283	350,704	18.7%	114,221	135,428	-15.7%
<i>TR / Written premiums</i>	7.4%	8.5%		5.5%	9.0%	
Other segments	75,176	72,310	4%	26,776	24,876	7.6%
Consolidated technical result	1,203,001	1,363,812	-11.8%	394,239	384,801	2.5%
<i>TR / Written premiums</i>	7.8%	10.1%		6.9%	8.2%	

The Company's technical result was impacted by a higher claims rate. Although during this past quarter the COVID claims rate was lower than for the same period last year, that is to say 7.5% versus the 10.9% recorded for Q3 2020, the non-COVID claims rate was impacted by the gradual lifting of the previous lockdown measures as well as increases in the prices of vehicle and spare parts throughout the region which in turn are exerting pressure on the technical margins corresponding to the car insurance solution for which mitigation measures are now being taken by our subsidiaries.

Administrative expense

Administrative expenses	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Life	490,160	511,248	-4.1%	161,620	179,818	-10.1%
<i>% Admin. Expenses / Written premiums</i>	10.7%	12.6%		9.7%	12.4%	
P&C	886,216	826,402	7.2%	305,699	285,182	7.2%
<i>% Admin. Expenses / Written premiums</i>	14.0%	13.4%		13.2%	13.3%	
Health care	417,508	378,402	10.3%	141,253	136,573	3.4%
<i>% Admin. Expenses / Written premiums</i>	7.4%	9.2%		6.8%	9.1%	
Other segments	90,978	83,689	8.7%	33,556	31,327	7.1%
Consolidated	1,884,862	1,799,741	4.7%	642,128	632,899	1.5%
<i>% Admin. Expenses / Written premiums</i>	12.2%	13.3%		11.3%	13.4%	

The drop in this ratio so far this year, shows the results of having re-engineered our operating model making it the central axis of our productivity initiatives and that have translating into greater spending efficiencies in terms of logistics, marketing, commission, travel and other expense items. It is worth noting that our companies are maintaining the same levels of investment in the projects drawn up last year, these being mostly in new technology for the purpose of facilitating the interaction between all accesses in a relevant way.

Investment Income

Investment income	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Life	534,071	457,838	16.7%	194,703	122,817	58.5%
P&C	233,797	438,339	-46.7%	100,234	151,770	-34.0%
Health care	7,420	22,623	-67.2%	4,950	9,379	-47.2%
Other segments	1,692	12,386	-86.3%	(3,253)	4,134	-178.7%
Consolidated investment income	776,980	931,186	-16.6%	296,635	288,100	3.0%
Consolidated investment portfolio	15,148,500	14,320,634	5.8%	15,148,500	14,320,634	5.8%

Portfolio - Country	Arg	Br	Ch	Col	SV	Mx	Pan	RD	Uru
Yield*	50.8%	6.1%	-0.8%	7.5%	5.3%	3.8%	3.9%	6.3%	2.0%
Portfolio value**	15,533	364	164,184	12,110,458	101	3,106	136	1,909	2,313

*Annualized quarterly yields

**Figures in local currency in millions

Q3 2021 saw a continuation of the trends observed throughout Latin America during the early part of the year. Central banks throughout the region accelerated the process of adjusting their interest rates upwards to control the inflationary outbreaks that are being experienced in countries such as Brazil, Chile, Mexico and Colombia. Interest rates on fixed income securities continued to rise, this mainly affecting the returns obtained on the portfolios held in Chile and Mexico, thereby affecting investment income for the Property and Casualty segment; the classification strategy has also helped to stabilize the financial income account on the Company's P&L. Our Life Insurance subsidiaries performed well for the quarter, driven by the portfolios held by our Colombian companies thanks to our current investment classification strategy, the increase in inflation in Colombia from 2.0% to 4.5% between Q3 2020 and Q3 2021 as well as the gains recorded by the investments made in private funds abroad.

It should be noted that increased interest rates for fixed income assets are creating positive benefits in the mid-term to the extent that these can be reinvested with better returns. Our investment strategy has become progressively positioned to order to benefit from this dynamic as it continues to materialize.

Other relevant factors contributing to the drop in investment income are as follows: 1) the political situation in Chile given the upcoming elections both for President and the constituent assembly and the possibility of a fourth round of pension fund withdrawals, factors that have increased the perception of risk throughout the country; 2) Argentina's political environment in a state of anticipation (after the result of the PASO elections) with Colombia also in the run-up to presidential elections in 2022; and 3) Pressures on interest rates on a regional level given adjustments to expectations regarding US monetary policy, this having a particular impact on Mexico.

Others | Non-Operating | Debt

Other	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Amortizations and depreciations	(163,733)	(175,104)	-6.5%	(53,742)	(61,161)	-12.1%
Dividends	(2,372)	(1,653)	44%	(2,635)	(550)	379%
Interest expense	(74,468)	(88,933)	-16%	(27,901)	(27,055)	3%
Total Debt	1,194,478	1,270,675	-6%	1,194,478	1,270,675	-6%
Cost of debt (annual basis)	IPC +4.1%	IPC +4.0%				
Other non-operating income (expense)	225,971	204,313	11%	67,531	76,068	-11%
Income tax	(76,507)	(131,874)	-42%	(27,238)	(17,817)	53%

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

Amortization and depreciation decreased for the quarter due to the effect of lower amortization of rights of use associated with a drop in the number of leased properties, this having a greater effect on our Argentinean subsidiary. Other non-operating income / expenses also show a decline given lower benefits from commercial discounts on claims corresponding to the Mandatory Health Care subsidiary (EPS).

Finally, the increase in income taxes for Q3 2021 corresponded mainly to the Holding segment, given an increase of COP 13,626 million in taxes on the part of Suramericana S.A. as a result of higher amounts of deferred tax relating to the dividends that this Company expected to receive. This effect is partially offset by a higher contribution of the Life Insurance segment to pre-tax income, since this segment has lower tax rates in contrast to the Property and Casualty segment.

Net Income | ROTE

Net income	sep-21	sep-20	%Var	Q3 2021	Q3 2020	%Var
Consolidated net income	3,798	301,626	-98.7%	4,736	9,885	-52.1%
M&A intangible amortization	-31,213	-38,444	-18.8%	-9,490	-11,331	-16.2%
Adjusted net income	35,011	340,070	-89.7%	14,226	21,215	-32.9%
Shareholders' equity	5,006,254	5,065,398	-1.2%	5,006,254	5,310,471	-5.7%
Tangible equity	3,931,437	4,252,955	-7.6%	3,931,437	4,252,955	-7.6%
Adjusted ROE (12m)	-0.9%	8.8%		-0.9%	8.8%	
Adjusted ROTE (12m)	-1.1%	11.0%		-1.1%	11.0%	

SURA Asset Management's net income rose by 82.8% at the end of Q3 2021, driven by an accelerated recovery with the Pension Fund business along with a positive net income figure for the Voluntary Savings business.

Highlights (Consolidated Results):

- **Wage base | AUM**

The various income-generating drivers showed positive levels of performance at the end of Q3 2021. Our overall growth figure was driven by the Wage Base, which rose by 9.7%, thanks to a general improvement with the regional job markets, while AUM increased by 4.3% compared to the same period last year, in spite of the amounts withdrawn from pension funds in Chile and Peru; the Retirement Savings business in Mexico also scored an increase of 13.6% with the AUM corresponding to Inversiones SURA and SURA Investment Management (SURA IM) rising by 11.3%.

- **Operating income**

Operating income has increased by 12.8% so far this year, driven by a 10.3% growth in fee and commission income, the recovery of AFP Protección's revenues as received via the equity method, and the good performance of seed capital investments recorded in the Other Operating Income line. Fee and commission income from the Pension Fund business rose by 8.1% with that corresponding to Inversiones SURA and SURA IM recording a 25.6% increase compared to the same period last year.

- **Operating expense**

Operating expense increased by 4.8% as of September 2021 in line with current levels of inflation. The growth in this account for Q3 2021 accelerated to 13.1% due to having carried certain expense due to the relaxing of the restrictive measures introduced during the pandemic, along with the corresponding calendar effects, and the impact of regulatory changes due to amendments made to the outsourcing law in Mexico.

- **Highlights**

The profitability of the voluntary savings segment (Inversiones SURA and SURA IM) continues on a positive path. Q3 2021 was the fourth consecutive quarter that this segment reported a profit, which went hand in hand with the corresponding increase in terms of AUM (COP 74.4 trillion) and a more mature advisory and structuring platform for the investment portfolios belonging to retail and institutional clients. SURA Asset Management continued to strengthen its regional value offering with the launch of a new real estate fund in Mexico, a global trend fund (fund of funds) in Chile, another private debt fund in Colombia as well as three multi-asset and one money market fund also in Colombia. These latter four funds were introduced to strengthen the product grid of our trust company, Fiduciaria Sura.

As for the Pension Fund business, an acceleration in the growth of fee and commission income evidenced a greater degree of recovery compared to the same period last year with the Company achieving alpha in 63% of the pension funds managed throughout the region.

Its on-line capabilities developed over recent years is providing SURA Asset Management with greater operating efficiencies and improved CRM and client experience. Analytics have been developed as an organizational ability to gain greater customer insight and generate revenue, enabling more than USD 900 million in AUM since 2019.

- **Net income**

Sura Asset Management's net income increased by 82.8% to COP 524,950 million at the end of Q3, 2021, as a result of a 29.3% growth in operating income, lower financial expense and a positive exchange rate effect. Profitability has improved compared to the previous year, as evidenced in a ROTE that went from 15.1% to 25.3%.

Summary of our Consolidated Financial Results

Estado de Resultados	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Fee and commission income	1,969,157	1,701,192	10.3%	683,761	585,225	10.2%
Income from legal reserves (encaje)	51,045	77,414	-38.6%	10,930	54,321	-80.4%
Income (expense) via equity method	119,849	74,449	58.4%	51,845	73,194	-29.3%
Other operating income	63,580	10,343	501.2%	55,719	(6,114)	N/A
Operating revenues	2,203,631	1,863,398	12.8%	802,255	706,626	8.3%
Total insurance margin	78,116	65,430	10.0%	30,274	25,035	15.3%
Operating expenses	(1,442,146)	(1,317,871)	4.8%	(520,737)	(439,192)	13.1%
Operating earnings	839,602	610,958	29.3%	311,792	292,469	1.7%
Financial income (expense)	(138,354)	(153,386)	-9.7%	(41,178)	(53,873)	-23.6%
Income (expense) from derivatives and exchange difference	96,964	37,027	138.0%	61,623	(26,095)	N/A
Income tax	(279,390)	(230,336)	15.5%	(113,683)	(80,857)	35.4%
Net income from continuing operations	518,822	264,262	75.9%	218,555	131,644	59.2%
Net income from discontinued operations	6,128	(7,072)	N/A	1,282	5,414	-79.9%
Net income (losses)	524,950	257,190	82.8%	219,837	137,058	53.4%
Adjusted net income (losses)	591,961	329,558	64.6%	245,801	161,095	46.8%

*Adding -back amortization of M&A intangibles

Summary of our Results Per Segment

Resultados por segmento	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Retirement savings (pension fund management)	729,951	615,736	12.3%	254,511	283,871	-14.3%
Investment Management Inversiones SURA	33,405	(29,367)	N/A	12,772	(7,710)	N/A
Insurance	1,250	(13,099)	N/A	2,512	974	137.2%
Income and expenses SURA AM	(239,657)	(316,079)	-24.3%	(49,957)	(140,077)	-65.7%
Fx exchange effect	80,702	16,420	305.4%	53,152	(34,373)	N/A
Corporate expenses and projects*	(171,225)	(160,500)	3.6%	(66,260)	(53,404)	20.6%
Financial (expenses) income	(145,807)	(157,096)	-3.1%	(48,861)	(53,654)	-8.9%
Other and New Business	27,024	(2,012)	N/A	40,268	(3,166)	N/A
Taxes	(30,351)	(12,891)	141.6%	(28,257)	4,520	N/A
Consolidated net income	524,950	257,190	82.8%	219,837	137,058	53.4%
Amortization of M&A intangibles	(67,011)	(72,368)	-7.4%	(25,964)	(24,037)	8.0%
Adjusted net income	591,961	329,558	64.6%	245,801	161,095	46.8%

*Includes amortization of M&A intangibles

Retirement Savings

Our Pension Fund business produced COP 729,951 million in net income at the end of Q3, 2021, which was 12.3% more than for the same period last year, this driven by a 7.8% increase in operating income with operating expense rising at a far lower pace to 4.2%. In Q3 2021, net income fell by 14.3% explained by the drop in investment income from reserve requirements, however, income from fees and commissions performed well, increasing by 8.8% compared to the same period last year. This rise in income is mainly due to a 9.7% increase in the Wage Base and an improvement of 380 bp with the contribution rate (fund members / contributors). Likewise, the AUM in Mexico rose by 13.6% due to a more favorable sales performance, higher returns and a growth of 4.0% in contributions to workers' pension funds. Another factor that positively impacted the bottom line of our Pension Fund business was the recovery seen with revenues obtained via the equity method from AFP Protección, whose net income went from COP 44,593 million to COP 87,609 million at the end of Q3 2021. The performance of our Colombian Pension Fund Management firm, Protección in the overall segment has been driven by better returns on investments and higher fee and commission income, thanks to an increase of 11.0% in the Wage Base and a growth of 17.2% for the Severance business.

Inversiones SURA | SURA IM

The voluntary savings segment, which consolidates the results of Inversiones SURA and SURA IM, reported COP 33,405 million in net income on a YTD basis COP 12,772 million of which were obtained in just the third quarter, thereby completing a fourth straight quarter in positive territory. The profitability of this segment is being achieved as the platform reaches a higher level of maturity as well as significant scale in terms of AUM which now stands at COP 71.4 trillion. This growth in AuM was made possible thanks to favorable levels of business performance, as evidenced by a positive Net Fund Flow of COP 2.9 trillion over the last 12 months as well as a 12.1% growth in the number of clients. Investment performance also made an important contribution to the growth of AUM, with 55.8% of the traditional assets managed by SURA IM generating alpha, as well as building an alternative assets platform that positively impacted the risk-return ratio in favor of our clients. Good levels of performance with our Voluntary Pensions business at AFP Protección where fees and commission income rose by 12.1% thereby boosting the segment's results.

Insurance | Income and Expense - SURA AM

The increase in gains from exchange differences is mainly due to a greater depreciation of the Chilean peso in 2021 and its impact on the USD-denominated cash balance that the Company maintains in Chile. Corporate expense rose by 3.6% at the end of Q3 2021, in keeping with rising inflation. Financial expense, net of financial income dropped at the end of the third quarter thanks to an 18.5% decrease in the Company's indebtedness and lower financing costs. Other and New Businesses recorded a gain of COP 27,024 million as a result of an improvement with the performance of the seed capital investment funds aimed at strengthening SURA IM's business. Taxes increased by 141.6% on the amount of extraordinary dividends received from Chile and Peru as reserve requirements were freed up as a result of the amounts withdrawn from pension funds.

Operating Revenues

Retirement savings	2021	2020	%Var Ex - Fx
Wage base*	108,638,358	98,460,161	9.7%
AUM Mexico	135,214,969	112,761,831	13.6%
Total AUM Retirement savings	464,493,245	456,928,707	3.3%
Clients retirement savings	18.5	18.6	-0.7%
Contribution rate	38.1%	34.4%	

* Includes AFP Protección and AFP Integra at 100%.

** FEAUM (Fee earning AUM)

IM Inversiones Sura	2021	2020	%Var Ex - Fx
FEAUM (IM Inversiones Sura)	71,424,129	65,171,263	11.1%
Clients IM/Inversiones Sura	1,728	1,541	12.1%
Net flow Inversiones SURA	2,907,273	5,707,725	-49.1%
Total clients	20,909	20,791	0.6%
Total AUM	535,917,373	522,099,971	4.3%

**Clientes expresados en miles

Revenue Drivers

SURA Asset Management's consolidated AUM rose by 4.3% at the end of Q3 2021, driven by the Mexican Pension Fund Management subsidiary as well as, Inversiones Sura and Sura IM. Extraordinary withdrawals of pension funds in Chile and Peru amid the economic strife caused by the pandemic, that have amounted to COP 36.5 trillion over the last 12 months, affected the growth of AUM, which would have come to 7.6% excluding this effect. These extraordinary outflows of AUM do not have an impact on the fee and commission income recorded by the Pension Fund segment in Chile since this is based on the wage base, while in Peru the impact is limited to the segment in which commissions are based on the amount of AUM held, this representing 15% of the total.

Pension Fund Business

The improvement seen with fee and commission income was due to increases of 9.7% in the wage base and another 13.6% in AUM in Mexico. The Wage Base is benefiting from an increase of 380 bp in the Contribution Rate, in line with a recovery of the regional job markets. The growth in AUM in Mexico was driven by all three fronts that impact the growth of this indicator, that it so say, the Net Fund Flow rose by 109%, returns by 8.4% and contributions to individual pension accounts by another 4.0%.

Inversiones SURA | SURA IM

The Inversiones SURA and SURA IM lines of business continue to offer a range of high-value mutual funds and financial advisory services to retail and institutional clients, recording a 12.1% growth in the number of clients and a 11.1% increase in AUM. The growth with the Inversiones SURA line of business is mainly driven by the Wealth Management business in Chile, as well as the Voluntary Pensions segments in Colombia and Mexico. The scale gained with the Inversiones SURA line of business, together with the efforts made with optimizing its processes and distribution channels, have made this business quite a profitable one. For

example, Inversiones SURA Chile closed with an AUM of COP 20.5 trillion and an operating margin of 20%, which higher than the 5% recorded last year.

In Q3 2021, the SURA Real Estate Global Income Fund of Funds, offered by Inversiones Sura in Peru and dedicated to investing in real estate assets in the United States, managed to raise close to USD 50 million, reaching USD 220 million in AUM. This fund offers an opportunity for investors to diversify their portfolios through active management and an attractive risk / return ratio given its low correlation to traditional assets.

SURA IM continues to consolidate its institutional client base throughout the region, having signed up 66 new clients during this past quarter to close with a total of 468 institutional clients. SURA IM's AUM growth at the end of the third quarter was driven by corporate mandates, alternative assets, and Funds of Funds. In terms of managed traditional assets, Sura IM achieved alpha in 55.8% of the corresponding AUM. Sura IM's product offering has been strengthened with the launch of a new real estate fund in Mexico, a global trends fund (fund of funds) in Chile and a private debt fund in Colombia. In addition to this, our new trust company, Fiduciaria Sura, launched 3 multi-asset funds and a fixed income liquidity fund, thereby enhancing its value offering in Colombia.

The Private Debt Fund in Colombia, in alliance with Valores Bancolombia, is helping to finance small and medium -sized companies in Colombia, having raised COP 173,000 million (which is 44% higher than the originally estimated target). This product is also part of the Company's sustainable investment policies (ESG), designed to produce a positive social impact by contributing to the financial inclusion of pensioners and the financing of working capital for small and medium-sized companies through factoring and confirming arrangements. In this way, SURA IM continues with its commitment to help drive the economic reactivation of the Colombian economy.

Operating income	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Fee and comissions (Wage base - retirement saving)	827,834	732,946	9.9%	277,891	242,272	14.8%
Fee and comissions (AUM - retirement savings)	839,319	736,594	6.3%	300,219	257,725	3.7%
Fee and comissions (AUM - IM Inversiones Sura)	300,959	229,167	25.6%	105,150	85,160	18.0%
Total fee and commission income	1,969,157	1,701,192	10.3%	683,761	585,225	10.2%
Equity method	119,849	74,449	58.4%	51,845	73,194	-29.3%
Insurance margin	78,116	65,430	10.0%	30,274	25,035	15.3%
Other	63,580	10,343	501.2%	55,719	6,114	N/A
Total operating income	2,230,702	1,851,414	14.9%	821,599	677,340	15.3%

Fee and Commission Income - Retirement Savings Business

Fee and Commission income for the Pension Fund business rose by 8.1% for Q3 2021, thanks to the two main revenue drivers, the Wage Base and AUM. Fee and commission income from this segment as charged based on the Wage Base increased by 9.9% at the end of Q3 2021, mainly driven by an accelerated recovery of the job markets in Chile and Colombia, where the corresponding wage bases grew by 7.6% and 11.0% respectively, accompanied by a favorable baseline effect in Peru, which in May 2020 did not register any fee and commission income given the measures adopted to deal with the pandemic. The segment where commissions are based on the volume of AUM held, saw an increase of 6.3% at the end of Q3, driven by good levels of performance in Mexico, where fee and commission income rose by 6.5%, while in Peru, this increased by 2.0%. The growth brought on by new subscribers as a result of winning a new tender in Peru is being mitigated by the extraordinary withdrawals from AUM.

Fee and Commission Income - SURA IM | Inversiones SURA

Inversiones SURA and SURA IM's fee and commission income increased by 25.6% at the end of Q3 this due to higher volumes of AuM and an improvement with the commission rates now charged, all this compared to the same period last year. As for the Inversiones SURA line of business, the three main segments have performed well, with Sales & Trading more than doubling its income compared to last year, while Voluntary Pensions and retail fund distributions scored double digit increases. At SURA IM, growth was driven mainly by funds distributed through Inversiones Sura's retail channel, the institutional segment and the third-party Wealth Management channel. The insurance mandates segment contributed to a lesser extent, although it still recorded a positive growth compared to last year.

Equity Method | Insurance Margin | Others

Revenues obtained via the equity method, consisting of a 49.4% stake that SURA Asset Management holds in the Colombian Pension Fund Management firm, AFP Protección, came to COP 119,849 million at the end of Q3 2021, showing an increase of 58.4% compared to the same period last year.. This level of performance on the part of AFP Protección was due to both double-digit growths for the Voluntary Pensions and Severance lines of business, along with higher returns on reserve requirements. The growth of AFP Protección's Fund Management business was driven by an 11.0% increase in the Wage Base corresponding to the mandatory pension segment, and another 17.2% increase in the revenues corresponding to the Severance segment. As for the Voluntary Pensions business, income from fees and commissions rose by 12.1% in keeping with an 8.3% increase in AUM and an improved average Fee.

The Insurance Margin, which includes the Unit Link product as well as the life and health insurance lines of business in Chile, grew by 10.0%, this driven by a 22.5% growth in the Unit Link products, which was mitigated by a 15.0% drop in the life and health insurance business, which is currently being run off. The Others account, where returns are recorded from the funds that the Company invests in as seed capital to strengthen the business of SURA IM, showed a growth of 501.2% compared to last year due to better levels of performance for the managed investment funds, all this furthered by a favorable exchange rate difference as a result of the depreciation of the CLP so far this year.

Reserve requirements

Legal reserve (encaje)	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Value of legal reserve (consolidated)	2,767,640	2,870,013	-3.6%	2,767,640	2,870,013	-3.6%
Income from return on legal reserve (consolidated)	51,045	77,414	-38.6%	10,930	54,321	-80.4%
Consolidated annualized yield	2.5%	3.6%		1.6%	7.6%	
Chile	0.2%	1.8%		0.7%	0.5%	
México	4.5%	8.7%		2.9%	11.9%	
Perú	3.7%	-0.1%		1.0%	14.3%	
Colombia	6.6%	2.3%		6.2%	22.6%	
Uruguay	11.1%	17.8%		0.7%	26.0%	

The balance of the Company's reserve requirements recorded a decline of 3.6% at the end of Q3 2021, having been affected by the extraordinary withdrawals of pension funds in Chile and Peru that led to our reserve requirements being freed up, funds that have been used to reduce our indebtedness as part of our capital optimization efforts. Income from these reserve requirements has fallen by 38.6% so far this year, mainly given lower levels of performance from the investments held in Mexico and Chile, where withdrawals from pension funds have affected the performance of both the financial markets and risk aversion premiums. In Colombia, AFP Protección's reserve requirement improved significantly compared to last year, going from a negative return of 2.3% to a positive one of 6.6%, this having the consequent favorable impact on the overall results obtained. Over the last 12 months, SURA Asset Management achieved alpha in 63% of the COP 476 trillion in AUM belonging to managed pension funds in the region, highlighting the relative performance of Chile, Colombia and Peru, where 100%, 92% and 84% respectively of all managed funds are generating alpha.

Operating expense

Operating expenses	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Acquisition expenses (Consolidated)	(382,818)	(351,768)	2.7%	(140,172)	(126,401)	4.0%
Administrative expenses (Consolidated)	(1,059,328)	(966,103)	5.6%	(380,565)	(312,791)	16.8%
Total expenses (Consolidated)	(1,442,146)	(1,317,871)	4.8%	(520,737)	(439,192)	13.1%
Expenses / Revenues (Consolidated)	-64.6%	-71.2%		-63.4%	-64.8%	
Acquisition expenses (Retirement savings)	(260,755)	(246,513)	-0.2%	(101,142)	(91,068)	3.4%
Administrative expenses (Retirement savings)	(607,573)	(552,305)	6.3%	(206,945)	(171,818)	15.3%
Expenses / Revenues (Retirement savings)	-47.7%	-49.6%		-48.4%	-42.2%	
Acquisition expenses (IM Inversiones SURA)	(114,072)	(96,785)	11.4%	(36,727)	(32,748)	7.2%
Administrative expenses (IM Inversiones SURA)	(247,269)	(227,274)	3.9%	(94,323)	(78,911)	14.7%
Expenses / Revenues (IM Inversiones SURA)	-92.5%	-109.6%		-95.6%	-104.9%	

SURA Asset Management's operating expense showed a moderate increase in local currency of just 4.8% so far this year, which was in line with the average inflation levels of all those countries where the Company operates. The increase in expenses is lower than the growth in income, which in turn is producing an improvement with the consolidated Expense / Income ratio which dropped from 71.2% to 64.6%. The growth in operating expenses reached 13.1% at the end of Q3 2021 due to having carried certain items given the gradually lifting of restrictive measures due to the pandemic such as travel and public services; a calendar effect for expenses recorded in Q3 2021 that in 2020 were recorded in another quarter; extraordinary effects; and the regulatory effect of the amendments to the outsourcing law in Mexico, which entailed contracting sales agents that were formally outsourced. Additionally, operating expenses were pressured by the growth in Employee Profit Sharing plans and higher IT maintenance and cybersecurity expense. In Chile, retrofitting expense was recorded for the new hybrid work system that enables savings in physical spaces, together with an unfavorable baseline effect given reimbursed expenses from insurance policies covering losses sustained at branch office level as a result of the social protests that took place in 2019.

Operating expense for the Pension Fund business increased by 4.2% at the end of Q3 2021. The aforementioned pressure has been mitigated thanks to the business transformation drivers that SURA Asset Management has worked on in recent years, namely digitization, advanced analytics, process redesign and automation. On the other hand, operating expense corresponding to Inversiones Sura and Sura IM rose by 6.1%, mainly driven by an 11.4% increase in acquisition expense, in keeping with a 25.6% growth with fee and commission income. Administrative expense remains under firm control at levels below inflation, although these have accelerated during this past quarter due to the reactivation of this type of expense.

SURA Asset Management continues to deploy strategic initiatives to ensure its ongoing sustainability as well as profitable growth rates for its client-centric lines of business. Its on-line capabilities developed over recent years is providing the Company with greater operating efficiencies and improved CRM and client experience. On-line service transactions this year represent 97% of the total compared to 94% last year. Process automation through robotics is allowing us to scale up our capacities, lower operating costs, and reduce the amount of risk inherent to our processes; so far this year 120 new robots have been deployed for a total of 678 on a regional level.. Analytics has been worked on as an organizational capability, in order to leverage our client knowledge and generate revenues for our different lines of business. We have dedicated teams of staff, consisting of approximately 82 data scientists and more than 450 citizen data scientists, who enjoy the support of our state-of-the-art technology. Analytics has been an important factor in understanding our clients, allowing for adjustments to be made to our value proposal, communications and processes so as to improve the experience we offer our clients. Analytics empowers business processes by delivering information for client retention / recruitment as well as contactability campaigns, which have entailed more than USD 900 million in captured and retained AUM since 2019,

Consolidated EBITDA

Consolidated EBITDA	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Consolidated EBITDA	1,061,181	814,264	23.4%	388,362	361,192	2.6%
Consolidated EBITDA margin	46.5%	42.2%		46.6%	49.4%	
Consolidated EBITDA (excl. return on legal reserve)	956,647	758,269	26.2%	359,641	268,128	34.1%
Consolidated EBITDA Margin (excl. legal reserve)	42.9%	41.0%		43.8%	39.6%	

SURA Asset Management recorded COP 1.1 trillion EBITDA at the end of Q3 2021, which represents a growth of 23.4% compared to last year. Our EBITDA margin improved by 430 bp as a result of a positive operating performance with operating income growing by 12.8% while expenses rose at a slower rate of 4.8%. EBITDA growth for the third quarter came to 2.6% in spite of the increase in operating income for the quarter and was affected by a higher growth in operating expense along with a decline in returns obtained from reserve requirements.

Others | Non-Operating | Debt

Non-operating Taxes Discontinued operations	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Financial expenses	(165,671)	(182,279)	-9.4%	(54,967)	(60,778)	-10.0%
Financial income	27,318	28,893	-7.9%	13,789	6,905	93.7%
Income (expense) derivatives and exchange diff.	96,964	37,027	138.0%	61,623	(26,095)	N/A
Hedged debt	2,659,724	3,346,407	-20.5%	2,659,724	3,346,407	-20.5%
Total debt	3,408,117	3,903,410	-12.7%			
Cost of debt	6.42%	6.12%		6.42%	6.12%	
Earnings (losses) before tax	798,212	494,599	N/A	332,238	212,501	50.1%
Income tax	(279,390)	(230,336)	15.5%	(113,683)	(80,857)	35.4%
Net income from continuing operations	524,950	257,190	82.8%	219,837	137,058	53%

SURA Asset Management continued to reduce its indebtedness in Q3 2021, which fell by 12.7% (20.5% if were we to include the favorable balance of hedging arrangements) compared to the previous year. So far this year, debt prepayments for COP 505.5 million have been made as a result of the amount of cash generated by the Pension Fund business, as well as our capital optimization efforts and the freeing up of reserve requirements in Chile and Peru. The Gross Debt / EBITDA ratio at the end of Q3 came to 1.7x, which was lower than the 2.9x recorded at year-end 2020, this as a result of having reduced our debt and increased our EBITDA.

Financial expense fell by 9.4% at the end of Q3, 2021 as a result of having reduced our debt, this coupled with lower financial costs. There was a 7.9% drop in financial income at the end of Q3 2021 due to lower levels of cash and lower returns, since returns corresponding to Money Market accounts have declined and the fixed income investment portfolio in Latin America has underperformed given the increase in corporate bond rates throughout the Region. Income (expense) from derivatives and exchange differences recorded a gain of COP 96,964 million, which was 138.0% more than for last year, mainly due to the depreciation of the Chilean peso so far this year and its impact on the USD-denominated cash balance held by SURA Asset Management in Chile.

Net Income | ROTE

Net income	sep-21	sep-20	%Var Ex - Fx	Q3 2021	Q3 2020	%Var Ex - Fx
Consolidated net income	524,950	257,190	82.8%	219,837	137,058	53.4%
Amortization of M&A intangibles	(67,011)	(72,368)	-7.4%	(25,964)	(24,037)	8.0%
Adjusted net income	591,961	329,558	64.6%	245,801	161,095	46.8%
Shareholders' equity	9,875,234	9,146,354	8.0%			
Tangible equity	3,377,047	2,195,753	53.8%			
Goodwill	4,268,302	4,490,985	-5.0%			
Intangibles	2,229,885	2,459,617	-9.3%			
Adjusted ROE (12m)	8.0%	4.2%				
Adjusted ROTE (12m)	25.3%	15.1%				

*Adjusted for amortization of M&A intangibles

SURA Asset Management's net income came to COP 524,950 million at the end of Q3 2021, which represents a growth of 82.8% compared to the same period last year. This was mainly due to favorable operating levels, improved revenues obtained via the equity method given the increase in AFP Protección's net income along with a positive exchange difference. Profitability margins showed an improvement at the end of Q3 2021, with ROTE going from 15.1% to 25.3%, while ROE stood at 8.0% for an increase of 380 bp.

SURA Asset Management is a Company that was gradually built up on the back of acquisitions (Goodwill and intangibles amount to COP 6.5 trillion in assets), so ROTE (Return on Tangible Equity) is relevant as a measure of profitability.

Highlights (Separate Financial Statements):

Net income, as recorded in Grupo SURA's separate financial statements, reached COP 424,749 million for a 30.0% drop at the end of Q3 2021 compared to the same period last year. The following accounts are highlighted:

- **Dividends:** this includes all those received from Bancolombia, Grupo Argos and Grupo Nutresa. At the end of Q3 2021, dividends declined by 54.3% compared to the same period last year, this mainly due to lower dividends declared by Bancolombia for 2021.
- **Equity method:** this account includes the net income obtained from SURA Asset Management and Suramericana, duly adjusted based on the stakes held by Grupo SURA in each Company. This account came to COP 487,928 million, with a recovery of 8.5% compared to the same quarter last year, given the improved performance of SURA AM which contributed COP 438,234 million of this figure, for a 104.3% growth compared to the same period last year, as well as the net income that Suramericana provided totaling COP 3,081 million.
- **Exchange rate effect:** this account includes the exchange rate effect of USD denominated debt, net of hedging instruments. At the end of Q3 2021, this account came to COP 41,257 million, due to having offset hedging derivatives on an issue of bonds worth USD 300 million expiring last May, compared to a loss of COP 109,304 million for the same period last year, given the depreciation of the Colombian last year that, in turn, affected the unhedged portion of the Group's indebtedness.
- **Interest expense:** These increased by 4.9% at the end of Q3 2021, due to higher indebtedness in the form of an issue of local bonds carried out in August 2020 for the purpose of paying for an issue of international bonds falling due in May 2021 along with an increase in local interest rates

Financial Position and Indebtedness:

Grupo SURA ended Q3 2021 with a net indebtedness of COP 4.41 trillion. So far this year, the Company's debt, corresponding to bank loans, bonds and repos declined by COP 821,857 million, this mainly due to having paid off an issue of international bonds worth USD 300 MM, using the cash obtained from an issue placed in 2020.

Summary of our Separate Financial Results

	sep-21	sep-20	Var%	3Q2021	3Q2020	Var%
Dividends	263,124	575,861	-54.3%	0	63	-100.0%
Investment income	3,218	4,916	-34.5%	1,117	2,767	-59.6%
Gains (losses) at fair value	(1,966)	1,558		12,444	962	
Equity method	487,928	449,782	8.5%	210,216	117,342	79.1%
Other revenues	106	744	-85.8%	100	388	-74.2%
Total revenues	752,410	1,032,861	-27.2%	223,877	121,522	84.2%
Total expenses	(58,415)	(58,148)	0.5%	(17,034)	(16,081)	5.9%
Operating earnings	693,995	974,713	-28.8%	206,843	105,441	96.2%
Fx exchange effect (net)	41,257	(109,304)		4,390	657	568.2%
Interest expenses	(300,323)	(286,308)	4.9%	(93,219)	(91,168)	2.2%
Financial result	(259,066)	(395,612)	-34.5%	(88,829)	(90,511)	-1.9%
Earnings before taxes	434,929	579,101	-24.9%	118,014	14,930	690.4%
Income tax	(10,180)	27,262		3,370	(572)	
Net income	424,749	606,363	-30.0%	121,384	14,358	745.4%
	sep-21	dic-20	Var%			
Assets	30,294,124	30,479,961	-0.6%			
Liabilities	5,755,799	6,368,983	-9.6%			
Equity	24,538,325	24,110,978	1.8%			

Figures stated in COP millions