

# Grupo de Inversiones Suramericana S.A.

Grupo de Inversiones Suramericana S.A.'s (Grupo Sura) ratings consider the credit quality of its dividend streams, diversification in dividend sources and a track record of dividend stability. Fitch Ratings projects approximately 80% of Grupo Sura's 2022–2023 dividend stream will come from Sura Asset Management S.A. (BBB/Negative), Bancolombia S.A. (BB+/Stable) and Suramericana S.A., while the balance will come from its stake in Grupo Argos S.A. (AAA[col]/Stable) and Grupo Nutresa S.A. The Stable Outlook reflects Fitch's view that the company's leverage metrics will stabilize during 2022–2023 and it will maintain healthy liquidity.

## Key Rating Drivers

**Prospective Recovery Dividend Flow:** Fitch anticipates a gradual recovery in the dividends Grupo Sura receives from its subsidiaries during 2022, reaching pre-pandemic levels toward 2023. The business disruption generated by the pandemic affected most of Grupo Sura's investments and its capacity to distribute dividend. Grupo Sura's received dividends during 2021 were approximately USD165 million, compared with USD302 million in 2019 and USD305 million during 2020.

**Investment Portfolio Profile Incorporated:** Grupo Sura is a holding company with investments primarily focused in the financial services sector. Sura Asset Management, Bancolombia and Suramericana are the largest sources of cash flow to Grupo Sura, making up approximately 80%–85% of the company's total dividends received. Sura Asset Management has a sound business profile as the largest pension fund manager in Latin America, operating in six countries. Bancolombia has operations in seven Latin American countries and is the leading bank in Colombia. Suramericana is the leading insurance company in Colombia, and has a strong position in Central America. Grupo Sura also has stakes in leading companies in the industrial sector through the holding company Grupo Argos (infrastructure, cement and energy) and food company Grupo Nutresa.

**Financial Leverage Trend:** Fitch's base case assumes a deterioration in Grupo Sura's net financial leverage measured as net debt/received dividends during 2021 to around 6.5x in 2021. As dividends from its subsidiaries normalize, this ratio will trend toward 5.5x in 2022 and 4.5x in 2023.

**Adequate Financial Flexibility:** Grupo Sura has proven access to international and local bond and equity markets. Its liquidity is further enhanced by uncommitted credit lines and stakes in nonstrategic entities that it could divest. The company's ability to maintain strong loan-to-value (LTV) metrics is incorporated as a key rating factor. Fitch estimates LTV to be below 15% as of Dec. 31, 2021, which is viewed as strong for the rating category.

## Ratings

Rating Type	Rating	Outlook	Last Rating Action
Long-Term Local Currency IDR	BB+	Stable	Affirmed Jan. 28, 2022
Long-Term IDR	BB+	Stable	Affirmed Jan. 28, 2022
National Long-Term Rating	AAA(col)	Stable	Affirmed Jan. 28, 2022

[Click here for full list of ratings](#)

## Applicable Criteria

[Corporate Rating Criteria \(October 2021\)](#)

[Non-Financial Corporates Exceeding the Country Ceiling Rating Criteria \(January 2021\)](#)

[National Scale Rating Criteria \(December 2020\)](#)

## Related Research

[Latin American Corporate Credit Indicators: Third-Quarter 2021 \(More Clouds on the Horizon\) \(November 2021\)](#)

## Analysts

Debora Jalles  
 +55 21 4503-2621  
[debora.jalles@fitchratings.com](mailto:debora.jalles@fitchratings.com)

Jose Luis Rivas  
 +57 601 443-3701  
[joseluis.rivas@fitchratings.com](mailto:joseluis.rivas@fitchratings.com)

## Financial Summary

(COP Mil., as of Dec. 31)	2018	2019	2020	2021F	2022F	2023F
Gross Revenue	820,647	1,054,947	1,123,090	683,210	807,034	1,067,001
Revenue Growth (%)	(10.6)	28.6	6.5	(39.2)	18.1	32.2
Operating EBITDA (Before Income from Associates)	756,429	977,681	1,031,874	632,703	764,760	1,021,087
Total Net Debt with Equity Credit/Operating EBITDA (x)	6.6	4.6	4.2	7.0	5.6	3.9
Operating EBITDA/Interest Paid (x)	2.7	3.7	3.3	1.7	2.5	3.6

F - Forecast.

Source: Fitch Ratings, Fitch Solutions.

## Rating Derivation Relative to Peers

Grupo Sura's ratings reflect the credit quality of its dividend income streams, diversification in the sources of dividends and track record of dividend stability, in addition to the company's level of cash interest coverage and adequate liquidity. Grupo Sura's ratings also incorporate the structural subordination of the holding company's debt to the debt at its operating companies. In terms of peers, Fitch views Grupo Sura's average credit quality of its dividend income streams as weaker than Intercorp Peru Ltd (BBB-/Stable), with lower margins and a more leveraged capital structure. Grupo Sura's access to capital markets and diversification, geographically and by business, is viewed as stronger than Intercorp.

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- A positive rating action on Sura Asset Management and/or Bancolombia;
- Improvement in the credit profile of Suramericana.

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A negative rating action on Sura Asset Management and/or Bancolombia;
- Deterioration in the credit profile of Suramericana;
- Weakening liquidity and consistent deterioration in net leverage metrics, reaching levels consistently above 6.0x and LTV consistently above 30%;
- A change of control of Grupo Sura's key subsidiaries that affect the stability of the dividend stream.

## Liquidity and Debt Structure

**Adequate Liquidity:** The company has historically maintained low levels of cash relative to its short-term debt. This is mitigated by Grupo Sura's dividend income and ability to access alternative sources of liquidity. The company has debt amortizations of USD68 million in 2022 and USD137 million in 2023. The company's cash plus marketable securities position was approximately USD12.5 million as of September 2021. The company's strategy to cover debt maturities during 2022 and 2023 is to increase cash position from the dividends to be received and debt refinancing.

Fitch views Grupo Sura's refinancing risk as low. The company has proven access to international and local bond and equity markets, uncommitted credit lines and a high level of nonstrategic stakes. Grupo Sura's liquidity access through equity and debt instruments is estimated at around USD1.7 billion. Fitch expects the company's interest coverage ratio, measured as total received dividends/net interest expense, to be above 2.7x during 2022–2024.

## ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg).

## Liquidity and Debt Maturities

### Liquidity Analysis

(COP Mil.)	12/31/20	9/30/21
Total Cash and Cash Equivalents	438,154	4,422
Short-Term Investments	622,990	46,479
Less: Not Readily Available Cash and Cash Equivalents	0	0
<b>Fitch-Defined Readily Available Cash and Cash Equivalents</b>	<b>1,061,144</b>	<b>50,901</b>
Availability Under Committed Lines of Credit	0	0
<b>Total Liquidity</b>	<b>1,061,144</b>	<b>50,901</b>
LTM EBITDA After Associates and Minorities	1,031,874	411,617
LTM FCF	424,331	726,004

Source: Fitch Ratings, Fitch Solutions, Grupo de Inversiones Suramericana S.A.

### Scheduled Debt Maturities

(COP Mil.)	12/31/20
2020	1,053,584
2021	65,626
2022	1,187,614
2023	1,115,308
2024	163,248
Thereafter	1,885,721
<b>Total</b>	<b>5,471,101</b>

Source: Fitch Ratings, Fitch Solutions, Grupo de Inversiones Suramericana S.A.

## Key Assumptions

### Fitch's Key Assumptions Within Our Rating Case for the Issuer Include

- Total annual dividends received in the COP800 billion–COP1.200 billion range during 2022–2024;
- Net leverage, measured as net debt/received dividends, around 6.5x in 2021 and trending toward 4.0x from 2023;
- Interest coverage, measured as dividends received/net interest expense, above 2.7x from 2022.

## Financial Data

(COP Mil., as of Dec. 31)	Historical			Forecast		
	2018	2019	2020	2021	2022	2023
<b>Summary Income Statement</b>						
Gross Revenue	820,647	1,054,947	1,123,090	683,210	807,034	1,067,001
Revenue Growth (%)	-10.6	28.6	6.5	(39.2)	18.1	32.2
Operating EBITDA (Before Income from Associates)	756,429	977,681	1,031,874	632,703	764,760	1,021,087
Operating EBITDA Margin (%)	92.2	92.7	91.9	92.6	94.8	95.7
Operating EBITDAR	756,429	977,681	1,032,105	632,844	764,926	1,021,306
Operating EBITDAR Margin (%)	92.2	92.7	91.9	92.6	94.8	95.7
Operating EBIT	755,123	975,468	1,029,733	630,746	762,970	1,019,450
Operating EBIT Margin (%)	92.0	92.5	91.7	92.3	94.5	95.5
Gross Interest Expense	(304,650)	(357,207)	(380,545)	(361,768)	(303,592)	(285,394)
Pretax Income (Including Associate Income/Loss)	554,602	915,022	566,435	268,978	459,378	734,056
<b>Summary Balance Sheet</b>						
Readily Available Cash and Equivalents	9,241	22,861	1,061,144	2,837	2,579	2,744
Total Debt with Equity Credit	5,006,336	4,519,041	5,397,367	4,453,588	4,315,957	3,998,628
Total Adjusted Debt with Equity Credit	5,006,336	4,519,041	5,398,522	4,454,712	4,317,285	4,000,383
Net Debt with Equity Credit	4,997,095	4,496,180	4,336,223	4,450,751	4,313,379	3,995,884
<b>Summary Cash Flow Statement</b>						
Operating EBITDA	756,429	977,681	1,031,874	632,703	764,760	1,021,087
Cash Interest Paid	(277,690)	(266,618)	(313,348)	(361,768)	(303,592)	(285,394)
Cash Tax	(57,556)	35,277	(976)	(35,000)	(35,000)	(35,000)
Dividends Received Less Dividends Paid to Minorities (Inflow/[Out]flow)	0	0	0	0	0	0
Other Items Before FFO	(56,364)	(38,224)	71,550	0	0	0
Funds Flow from Operations	364,819	708,116	789,100	235,936	426,168	700,693
FFO Margin (%)	44.5	67.1	70.3	34.5	52.8	65.7
Change in Working Capital	0	0	0	0	0	0
Cash Flow from Operations (Fitch Defined)	364,819	708,116	789,100	235,936	426,168	700,693
Total Non-Operating/Nonrecurring Cash Flow	0	0	0			
Capex	(54,167)	(12,592)	(868)			
Capital Intensity (Capex/Revenue) (%)	6.6	1.2	0.1			
Common Dividends	(225,933)	(315,233)	(363,901)			
FCF	84,719	380,291	424,331			
Net Acquisitions and Divestitures	12,510	0	(40,306)			
Other Investing and Financing Cash Flow Items	(238,200)	(85,404)	(665,352)	0	0	0
Net Debt Proceeds	87,389	(300,983)	675,708	(943,779)	(137,631)	(317,330)
Net Equity Proceeds	30,471	0	40,628	0	0	0
Total Change in Cash	(23,111)	(6,096)	435,009	(1,058,307)	(258)	165
<b>Leverage Ratios (x)</b>						
Total Net Debt with Equity Credit/Operating EBITDA	6.6	4.6	4.2	7.0	5.6	3.9
Total Adjusted Debt/Operating EBITDAR	6.6	4.6	5.2	7.0	5.6	3.9
Total Adjusted Net Debt/Operating EBITDAR	6.6	4.6	4.2	7.0	5.6	3.9
Total Debt with Equity Credit/Operating EBITDA	6.6	4.6	5.2	7.0	5.6	3.9
FFO-Adjusted Leverage	7.8	4.6	4.9	7.5	5.9	4.1
FFO-Adjusted Net Leverage	7.8	4.6	3.9	7.4	5.9	4.1
FFO Leverage	7.8	4.6	4.9	7.5	5.9	4.1
FFO Net Leverage	7.8	4.6	3.9	7.4	5.9	4.1
<b>Calculations for Forecast Publication</b>						
Capex, Dividends, Acquisitions and Other Items Before FCF	(267,590)	(327,825)	(405,075)	(350,464)	(288,795)	(383,198)

(COP Mil., as of Dec. 31)	Historical			Forecast		
	2018	2019	2020	2021	2022	2023
FCF After Acquisitions and Divestitures	97,229	380,291	384,025	(114,528)	137,373	317,495
FCF Margin (After Net Acquisitions) (%)	11.8	36.0	34.2	(16.8)	17.0	29.8
<b>Coverage Ratios (x)</b>						
FFO Interest Coverage	2.3	3.7	3.5	1.7	2.4	3.5
FFO Fixed-Charge Coverage	2.3	3.7	3.5	1.7	2.4	3.5
Operating EBITDAR/Interest Paid + Rents	2.7	3.7	3.3	1.7	2.5	3.6
Operating EBITDA/Interest Paid	2.7	3.7	3.3	1.7	2.5	3.6
<b>Additional Metrics (%)</b>						
CFO - Capex/Total Debt with Equity Credit	6.2	15.4	14.6	5.3	9.9	17.5
CFO - Capex/Total Net Debt with Equity Credit	6.2	15.5	18.2	5.3	9.9	17.5

CCFO - Cash flow from operations.

Source: Fitch Ratings, Fitch Solutions.

#### How to Interpret the Forecast Presented

The forecast presented is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

**Ratings Navigator**

Factor Levels	Sector Risk Profile	Operating Environment	Management and Corporate Governance	Sector Competitive Intensity	Business Profile			Financial Profile			Issuer Default Rating	
					Industry Profile	Market Position	Diversification	Profitability	Financial Structure	Financial Flexibility		
aaa												AAA
aa+												AA+
aa												AA
aa-												AA-
a+												A+
a												A
a-												A-
bbb+												BBB+
bbb												BBB
bbb-												BBB-
bb+												BB+
bb												BB
bb-												BB-
b+												B+
b												B
b-												B-
ccc+												CCC+
ccc												CCC
ccc-												CCC-
cc												CC
c												C
d or rd												D or RD

Bar Chart Legend:			
Vertical Bars = Range of Rating Factor		Bar Arrows = Rating Factor Outlook	
Bar Colors = Relative Importance		↑	Positive
	Higher Importance	↓	Negative
	Average Importance	↕	Evolving
	Lower Importance	□	Stable

**Operating Environment**

bbb+	Economic Environment	bbb	Average combination of countries where economic value is created and where assets are located.
bbb	Financial Access	a	Strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
b-	Systemic Governance	bb	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'bb'.
ccc+			

**Sector Competitive Intensity**

a-	Industry Structure	bbb	Larger number of competitors with some track record of price discipline in downturns.
bbb+	Barriers to Entry/Exit	bbb	Moderate barriers to entry. Incumbents are generally strongly established but successful new entrants have emerged over time.
bbb	Relative Power in Value Chain	bbb	Balanced relative bargaining power with suppliers and customers.
bbb-			
bb+			

**Market Position**

a-	Market Share	a	Top-three player in most markets or leader in a well defined and protected niche.
bbb+	Competitive Advantage	bbb	Some competitive advantages with reasonably good sustainability.
bbb	Operating Efficiency	bbb	Return on invested capital in line with industry average.
bbb-			
bb+			

**Profitability**

bbb+	FFO Margin	bbb	12%
bbb	EBIT Margin	bbb	12%
bbb-	FCF Margin	bbb	2.50%
bb+	Volatility of Profitability	bbb	Volatility of profits in line with industry average.
bb	EBITDA Margin or EBITDAR Margin	bbb	20% or 20%

**Financial Flexibility**

bbb	Financial Discipline	bbb	Financial policies less conservative than peers but generally applied consistently.
bbb-	Liquidity	bbb	One year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bb+	FFO Interest Coverage or FFO Fixed Charge Cover	bb	3x or 3x
bb	FX Exposure	bbb	Some exposure of profitability to FX movements and/or debt/cash-flow match. Effective hedging in place.
bb-	Op. EBITDA/Interest Paid or Op. EBITDAR/(Interest Paid+Rents)	bb	3.5x or 3.5x

**How to Read This Page:** The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

**Management and Corporate Governance**

a-	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb+	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb-	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bb+	Financial Sponsor Attitude (LBO only)		n.a.

**Industry Profile**

bbb+	Long-Term Growth Potential	bbb	Mature industry. Traditional markets may be under some pressure but opportunities arise in new markets.
bbb	Volatility of Demand	bbb	Demand volatility in line with economic cycles.
bbb-	Threat of Substitutes	bbb	Facing substitutes of comparable quality but switching costs are significant.
bb+			
bb			

**Diversification**

a	Geographic Diversification	a	Strong diversification but balance between emerging and growth markets could be better.
a-	Product/End-Market	bbb	Exposure to at least three business lines or markets but with some performance correlation.
bbb+			
bbb			
bbb-			

**Financial Structure**

bbb-	FFO Leverage or FFO Adjusted Leverage	bb	4.0x or 4.0x
bb+	FFO Net Leverage or FFO Adjusted Net Leverage	bb	3.5x or 3.5x
bb	(CFO-Capex)/Total Net Debt With Equity Credit (%)	bb	7.5%
bb-	Total Debt With Equity Credit/Op. EBITDA or Total Adjusted Debt/Op. EBITDA	bb	3.5x or 3.5x
b+	Funding Structure (LBO only)		n.a.

**Credit-Relevant ESG Derivation**

				Overall ESG	
Grupo de Inversiones Suramericana S.A. has 14 ESG potential rating drivers					
key driver	0	issues	5		
➔ GHG emissions; air quality					
driver	0	issues	4		
➔ Energy management					
potential driver	14	issues	3		
➔ Water and wastewater management					
➔ Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management - product					
➔ Impact of climate change and extreme weather events on assets and operations					
not a rating driver	0	issues	2		
➔ Human rights; relationships with communities and/or land right holders; access and affordability					
	0	issues	1		

Show top 6 issues

For further details on Credit-Relevant ESG scoring, see page 3.

Credit-Relevant ESG Derivation

Grupo de Inversiones Suramericana S.A. has 14 ESG potential rating drivers

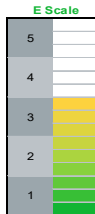
- ➔ Grupo de Inversiones Suramericana S.A. has exposure to emissions regulatory risk but this has very low impact on the rating.
- ➔ Grupo de Inversiones Suramericana S.A. has exposure to energy productivity risk but this has very low impact on the rating.
- ➔ Grupo de Inversiones Suramericana S.A. has exposure to water management risk but this has very low impact on the rating.
- ➔ Grupo de Inversiones Suramericana S.A. has exposure to waste & impact management risk and supply chain management but this has very low impact on the rating.
- ➔ Grupo de Inversiones Suramericana S.A. has exposure to extreme weather events but this has very low impact on the rating.
- ➔ Grupo de Inversiones Suramericana S.A. has exposure to land rights/conflicts risk, access/affordability risk or human rights violations risk but this has very low impact on the rating.

Showing top 6 issues

				Overall ESG Scale
key driver	0	issues	5	
driver	0	issues	4	
potential driver	14	issues	3	
not a rating driver	0	issues	2	
	0	issues	1	

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	GHG emissions; air quality	Diversification; Profitability; Financial Structure; Financial Flexibility
Energy Management	3	Energy management	Diversification; Profitability; Financial Structure; Financial Flexibility
Water & Wastewater Management	3	Water and wastewater management	Diversification; Profitability; Financial Structure; Financial Flexibility
Waste & Hazardous Materials Management; Ecological Impacts	3	Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management product	Diversification; Profitability; Financial Structure; Financial Flexibility
Exposure to Environmental Impacts	3	Impact of climate change and extreme weather events on assets and operations	Diversification; Sector Trend; Profitability; Financial Structure; Financial Flexibility



How to Read This Page

ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

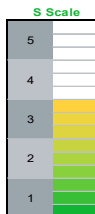
The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies the some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

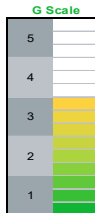
Social (S)

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Human rights; relationships with communities and/or land right holders; access and affordability	Management and Corporate Governance; Company's Market Position; Diversification; Profitability; Financial Flexibility
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Customer privacy; data security; product quality and safety; customer welfare; selling practices and product labeling	Management and Corporate Governance; Sector Competitive Intensity; Company's Market Position; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction; supply chain management - labor; employee diversity and inclusion	Operating Environment; Diversification; Profitability; Financial Structure; Financial Flexibility
Employee Wellbeing	3	Employee health and safety	Diversification; Profitability; Financial Flexibility
Exposure to Social Impacts	3	Shifting social preferences; social resistance to major projects or operations that leads to delays or cost increases	Operating Environment; Sector Trend; Company's Market Position; Diversification; Profitability



Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance



CREDIT-RELEVANT ESG SCALE

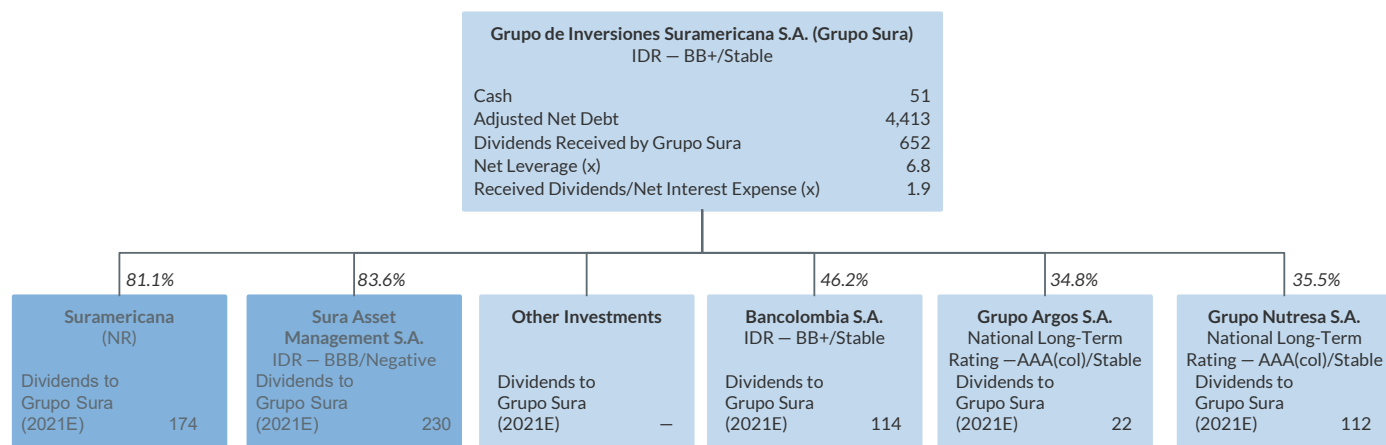
How relevant are E, S and G issues to the overall credit rating?

5		Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4		Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3		Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2		Irrelevant to the entity rating but relevant to the sector.
1		Irrelevant to the entity rating and irrelevant to the sector.



## Simplified Group Structure Diagram

### Organizational Structure – Grupo de Inversiones Suramericana S.A. (COP Bil., as of Sept. 30, 2021)



Controlled companies

IDR – Issuer Default Rating. NR – Not rated. E – Estimate.

Source: Fitch Ratings, Fitch Solutions, Grupo de Inversiones Suramericana S.A.

## Peer Financial Summary

Company	Issuer Default Rating	Financial Statement Date	Gross Revenue (USD Mil.)	Revenue Growth (%)	Operating EBITDA (Before Income From Associates) (USD Mil.)	Total Net Debt with Equity Credit/Operating EBITDA (x)	Operating EBITDA/Interest Paid (x)
Grupo de Inversiones Suramericana S.A.	BB+						
	BBB	2020	305	6.5	280	4.2	3.3
	BBB	2019	321	28.6	298	4.6	3.7
Intercorp Peru Ltd	BBB-	2018	278	(10.6)	256	6.6	2.7
	BBB-	2020	165	2.6	155	2.8	6.1
	BBB-	2019	168	43.6	139	3.1	4.7
Alfa S.A.B. de C.V.	BBB-	2018	119	(2.3)	103	3.7	4.0
	BBB-	2020	12,307	(21.9)	1,136	3.7	3.2
	BBB-	2019	17,538	(7.8)	1,930	3.1	4.0
	BBB-	2018	19,061	15.4	2,447	2.8	4.8

Source: Fitch Ratings, Fitch Solutions.

## Fitch Adjusted Financials

(COP Mil., as of Dec. 31, 2020)	Notes and Formulas	Reported Values	Sum of Adjustments	Other Adjustments	Adjusted Values
<b>Income Statement Summary</b>					
Revenue		1,105,178	17,912	17,912	1,123,090
Operating EBITDAR		1,014,193	17,912	17,912	1,032,105
Operating EBITDAR After Associates and Minorities	(a)	1,014,193	17,912	17,912	1,032,105
Operating Lease Expense	(b)	231			231
Operating EBITDA	(c)	1,013,962	17,912	17,912	1,031,874
Operating EBITDA After Associates and Minorities	(d) = (a-b)	1,013,962	17,912	17,912	1,031,874
Operating EBIT	(e)	1,011,821	17,912	17,912	1,029,733
<b>Debt and Cash Summary</b>					
Total Debt with Equity Credit	(f)	5,741,101	(343,734)	(343,734)	5,397,367
Lease-Equivalent Debt	(g)	1,155			1,155
Other Off-Balance-Sheet Debt	(h)	0			0
Total Adjusted Debt with Equity Credit	(i) = (f+g+h)	5,742,256	(343,734)	(343,734)	5,398,522
Readily Available Cash and Equivalents	(j)	1,061,144			1,061,144
Not Readily Available Cash and Equivalents		0			0
<b>Cash Flow Summary</b>					
Operating EBITDA After Associates and Minorities	(d) = (a-b)	1,013,962	17,912	17,912	1,031,874
Preferred Dividends (Paid)	(k)	0			0
Interest Received	(l)	0			0
Interest (Paid)	(m)	(1,842)	(311,506)	(311,506)	(313,348)
Cash Tax (Paid)		(976)			(976)
Other Items Before FFO		(510,338)	581,888	581,888	71,550
Funds from Operations (FFO)	(n)	500,806	288,294	288,294	789,100
Change in Working Capital (Fitch-Defined)		0			0
Cash Flow from Operations (CFO)	(o)	500,806	288,294	288,294	789,100
Non-Operating/Nonrecurring Cash Flow		0			0
Capital (Expenditures)	(p)	(868)			(868)
Common Dividends (Paid)		(363,901)			(363,901)
Free Cash Flow (FCF)		136,037	288,294	288,294	424,331
<b>Gross Leverage (x)</b>					
Total Adjusted Debt/Operating EBITDAR <sup>a</sup>	(i/a)	5.7			5.2
FFO Adjusted Leverage	(i)/(n-m-l-k+b)	11.4			4.9
FFO Leverage	(i-g)/(n-m-l-k)	11.4			4.9
Total Debt with Equity Credit/Operating EBITDA <sup>a</sup>	(i-g)/d	5.7			5.2
(CFO-Capex)/Total Debt with Equity Credit (%)	(o+p)/(i-g)	8.7			14.6
<b>Net Leverage (x)</b>					
Total Adjusted Net Debt/Operating EBITDAR <sup>a</sup>	(i-j)/a	4.6			4.2
FFO Adjusted Net Leverage	(i-j)/(n-m-l-k+b)	9.3			3.9
FFO Net Leverage	(i-g-j)/(n-m-l-k)	9.3			3.9
Total Net Debt with Equity Credit/Operating EBITDA <sup>a</sup>	(i-g-j)/d	4.6			4.2
(CFO-Capex)/Total Net Debt with Equity Credit (%)	(o+p)/(i-g-j)	10.7			18.2
<b>Coverage (x)</b>					

(COP Mil., as of Dec. 31, 2020)	Notes and Formulas	Reported Values	Sum of Adjustments	Other Adjustments	Adjusted Values
Operating EBITDA/(Interest Paid + Lease Expense) <sup>a</sup>	a/(-m+b)	489.2			3.3
Operating EBITDA/Interest Paid <sup>a</sup>	d/(-m)	550.5			3.3
FFO Fixed-Charge Coverage	(n-l-m-k+b)/(-m-k+b)	242.6			3.5
FFO Interest Coverage	(n-l-m-k)/(-m-k)	272.9			3.5

<sup>a</sup>EBITDA/R after dividends to associates and minorities.

Source: Fitch Ratings, Fitch Solutions, Grupo de Inversiones Suramericana S.A.

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