

# Grupo SURA Corporate Presentation

Q4-2018

## Disclaimer

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

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

Figures from income statement are converted to USD with an exchange rate of 2,956 COP/USD (average exchange rate for 2018), other financial figures are converted to USD with an exchange rate of 3,250 COP/USD (rate for year-end 2018) only for re-expression purposes.

# Leading Financial Services Group in Latam



## #1 PENSION FUND MANAGER

in Latam, with a growing voluntary savings business

**USD**

**129 bn**

in AUM by SURA AM

## #1 INSURANCE COMPANY

in Colombia, with an established growth platform in Latam

**USD**

**5.1 bn**

in Gross Written Premiums by Suramericana

## #1 COLOMBIAN BANK

with a leading presence in Central America

**USD**

**53.5 bn**

in loans by Bancolombia

## RELEVANT CLIENT BASE

in attractive markets

**~51 million**

**clients**

in our financial services companies

Outstanding brand recognition

~60% brand awareness

ASSETS MANAGED BY OUR STRATEGIC INVESTMENTS\*

**USD 211 bn**

MARKET CAP

**USD 5.7 bn**

December 31, 2018

COUNTRIES\*

**11**

INVESTMENT GRADE:

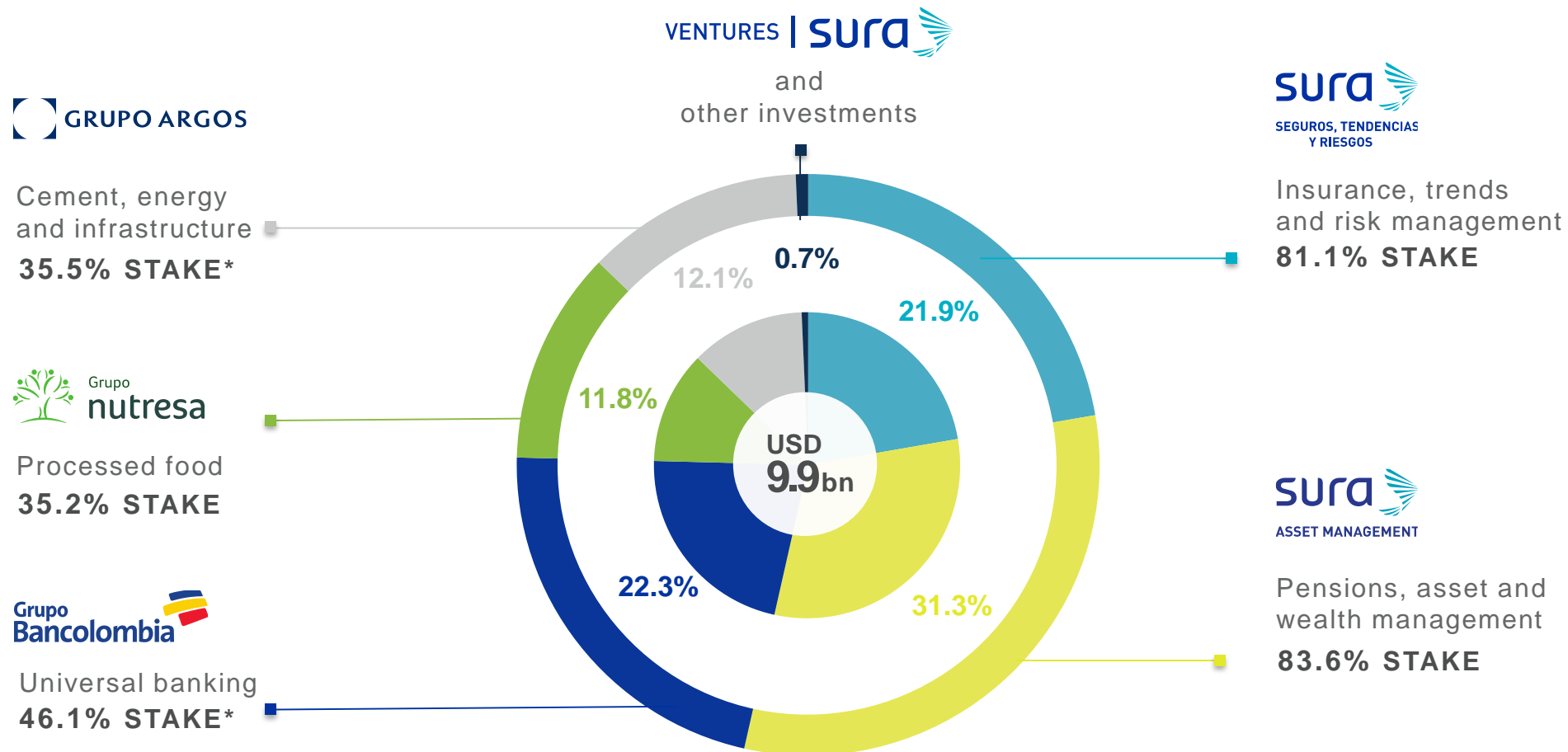
**FITCH BBB**

**S&P BBB-**

EMPLOYEES\*

**59,000**

# Diversified Investment Portfolio



GRUPO ARGOS

Cement, energy and infrastructure  
**35.5% STAKE\***

Grupo nutresa

Processed food  
**35.2% STAKE**

Grupo Bancolombia

Universal banking  
**46.1% STAKE\***

SURA  
SEGUROS, TENDENCIAS Y RIESGOS

Insurance, trends and risk management  
**81.1% STAKE**

SURA  
ASSET MANAGEMENT

Pensions, asset and wealth management  
**83.6% STAKE**

**75%**  
in financial services

**46%**  
in publicly listed companies

Note: \*SURA AM valued at the last transaction (CDPQ), Suramericana at 1.8x BV and companies listed at market value at the end of the quarter.  
\*Stakes in common shares

# History & Growth Stages

## INSURANCE LEADERSHIP in Colombia

1944 / 1990



1990 / 2007

## FINANCIAL SERVICES leader in Colombia

## INTERNATIONAL EXPANSION Multi Latin, financial services group

2007 / 2016



## 2017 - FOOTPRINT OPTIMIZATION divestment of annuities business (Chile and Peru)

# Building a Regional Platform with a Long Term View

**CREATING LONG TERM RELATIONS WITH OUR CLIENTS**



**14**  
MILLION  
2010 | **51**  
MILLION  
2018

**BECOMING THE LARGEST PENSION FUND MANAGER IN LATAM**



**AUM**  
from pension  
management  
business

USD **10 bn** | USD **129 bn**  
2010 | 2018

**AND THE 4TH LARGEST LATAM INSURANCE GROUP**



**Gross**  
written premiums

USD **1.2 bn** | USD **5.1 bn**  
2010 | 2018

**WITH A FOCUS ON FINANCIAL STRENGTH**



**Dividends**  
received from  
our portfolio

USD **90**  
MILLION  
2010 | USD **260**  
MILLION  
2018

**SUCCESSFUL DIVERSIFICATION FROM COLOMBIA**

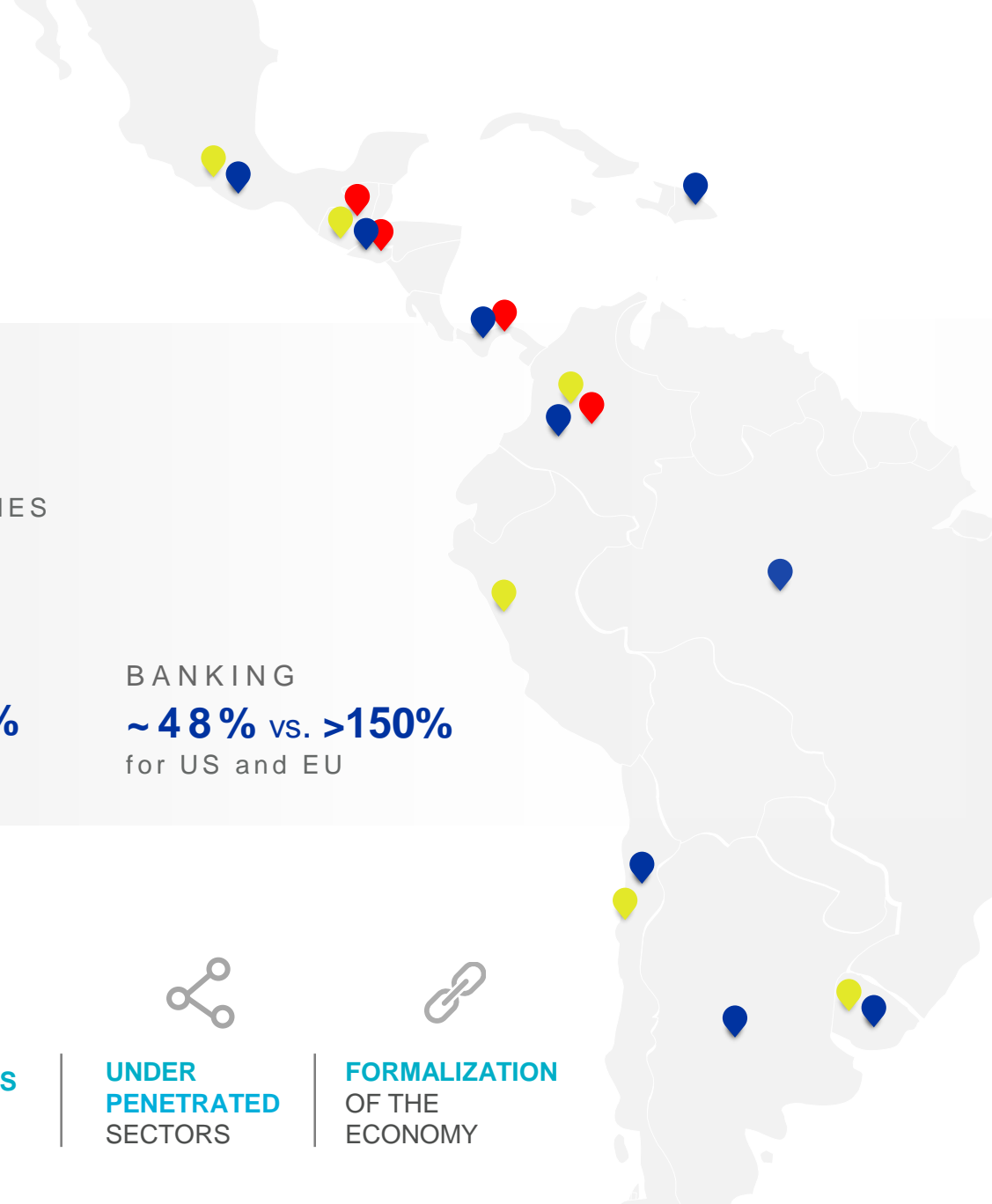
# of countries

**3**  
2010 | **11**  
2018

% Dividends & Net Income from Colombia

**100%**  
2010 | **45%**  
2018

# Geographic Footprint



## POPULATION

**520MM**

+1.1% CAGR (2000-2018)

## CLIENTS

**51MM**

IN 11 COUNTRIES

## PENETRATION\*

### INSURANCE

**3.1% vs. 7.8%**

for advanced countries

### PENSION

**31% vs. >80%**

for US and UK

### BANKING

**~48% vs. >150%**

for US and EU

## FINANCIAL SERVICES



## DRIVERS



**ECONOMIC GROWTH**



**MIDDLE CLASS FORMATION**



**DEMOGRAPHICS**



**UNDER PENETRATED SECTORS**



**FORMALIZATION OF THE ECONOMY**

\*Penetration as measured by Premiums/GDP of the countries where Suramericana has presence, AUM/GDP in the countries where SURA AM has presence and loans/GDP in Colombia.

# Corporate Strategy

Purpose: Create well-being and sustainable development for people, organizations and society.



Financial  
management



Human talent  
and culture



Innovation and  
entrepreneurship



Internal and external  
alliances



Trust and  
reputation



Knowledge

Aspiration: to become a **referent** Latin American Group in the financial services sector, thanks to our ability to **evolve** and provide **superior added value** to shareholders and society.

## ALIGNING OUR BUSINESSES WITH METRICS AND GOALS

### • VALUE CREATION

ROE  
EVA

### • SUSTAINABILITY

Dow Jones  
Sustainability Index

### • TRUST

Brand and  
reputation  
positioning

### • CONTRIBUTION TO SOCIETY

Market development, externalities  
and contribution to SDG



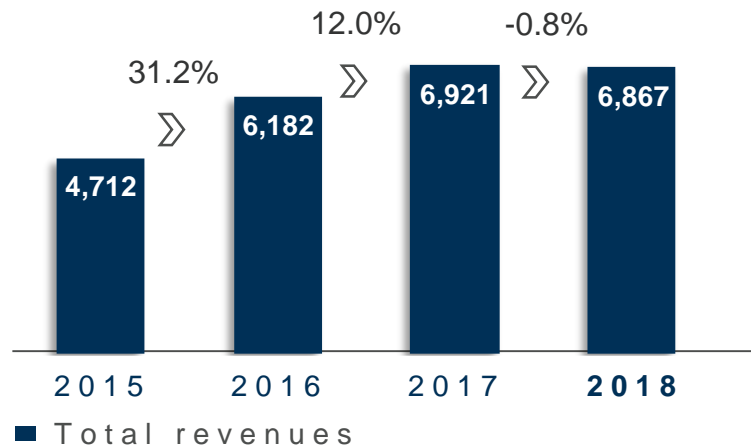
# Portfolio Management Strategy



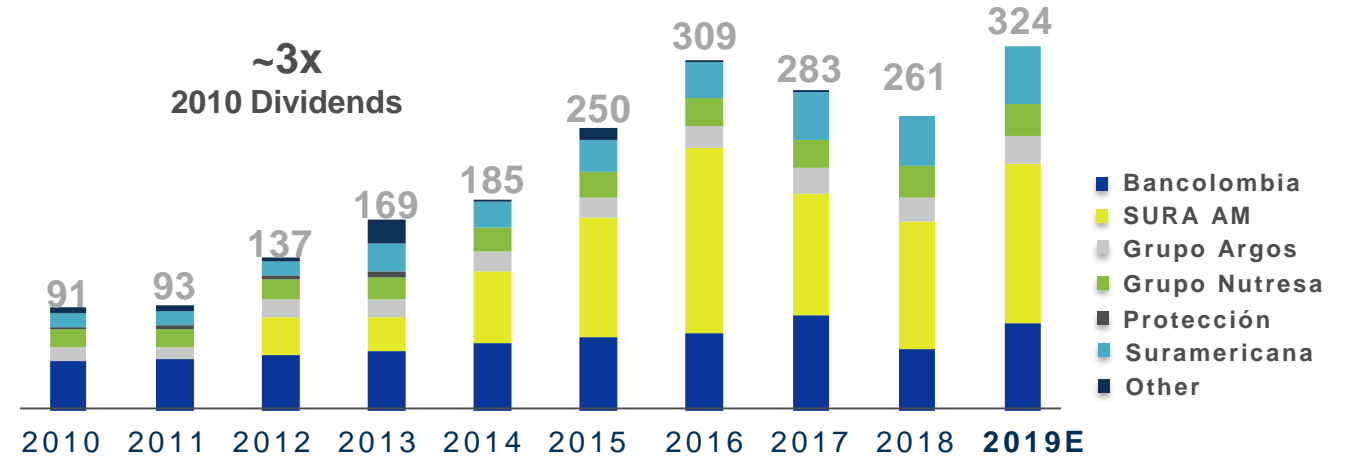
- Focus on value creation, granular analysis for whole portfolio.
- After an intensive expansion phase, focus on profitability and organic growth.
- Understanding of competitive advantages and value creation levers of each operation.
- Review capital exposure and allocation process criteria.
- Position ourselves for future profitable growth.

# Grupo SURA's Financials Evolution

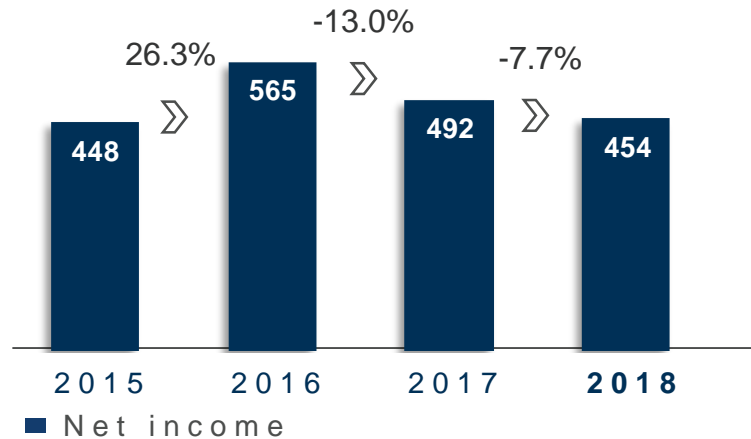
CONSOLIDATED REVENUES



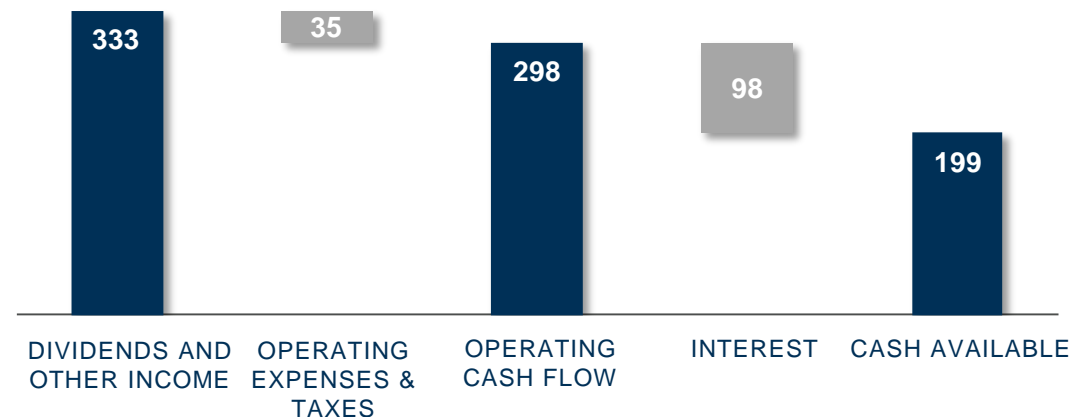
HOLDING COMPANY RECEIVED DIVIDENDS



CONSOLIDATED NET INCOME

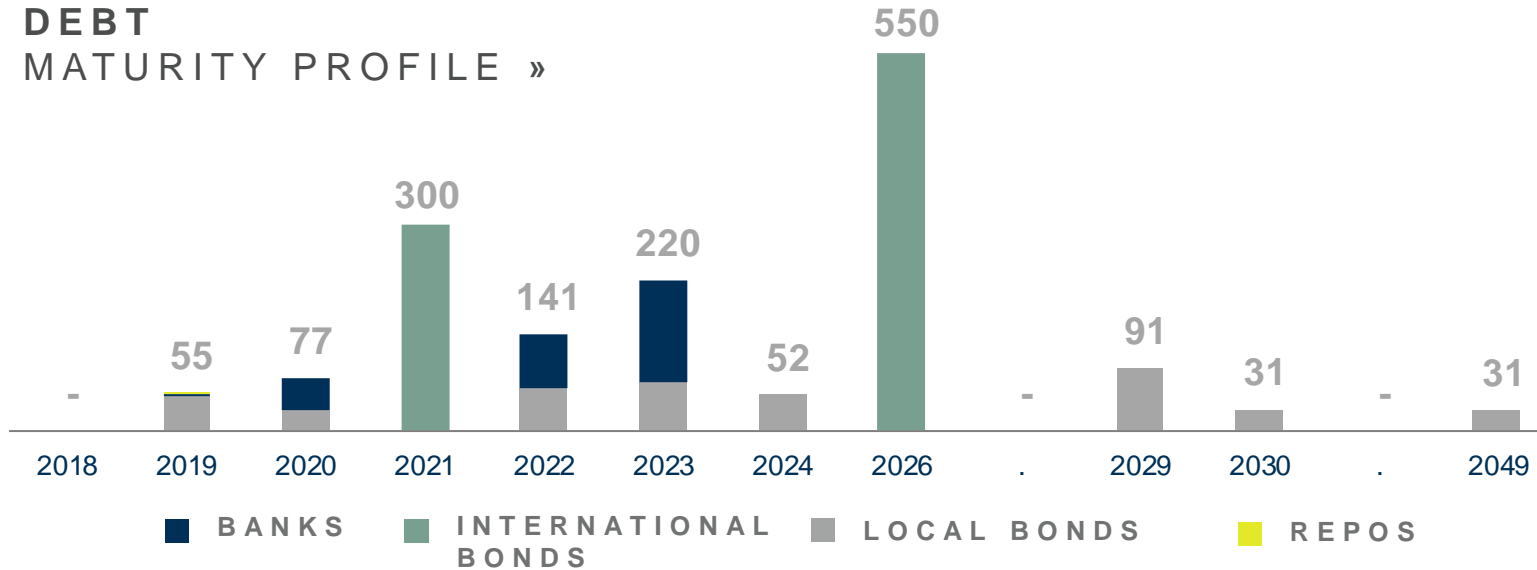


HOLDING COMPANY CASH FLOW (2019E)



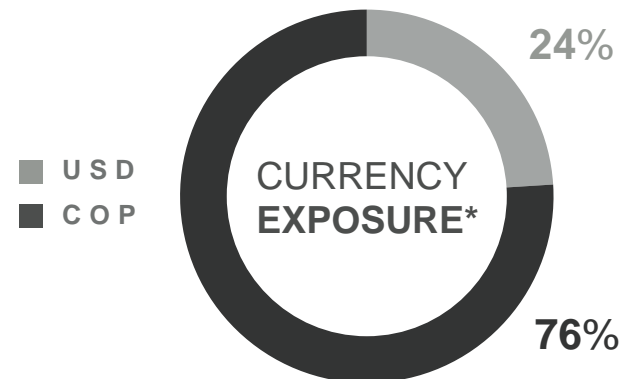
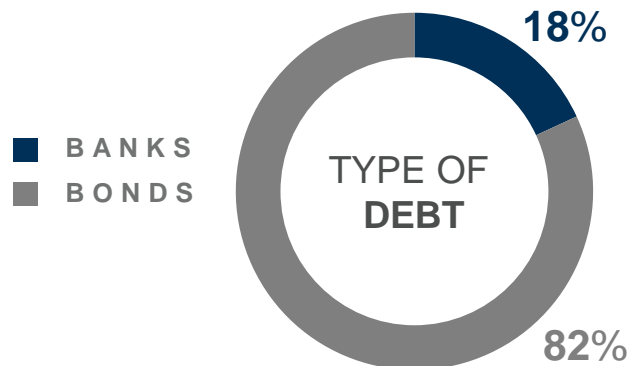
# Grupo SURA Individual Debt

## DEBT MATURITY PROFILE »



## » FINANCIAL DEBT:

**USD 1.55bn**



## CREDIT RATIOS »

NET DEBT/  
DIVIDENDS (FTM)

**4.7x**  
Max. 5x

## LIQUIDITY

**1.1x**  
Min. 1.2x

LOAN  
TO VALUE

**14.1%**  
Max. range 25-30%



# Suramericana

## #4 LATAM INSURANCE GROUP

with an established  
growth platform in 9  
countries

## #1 INSURANCE COMPANY

in Colombia with top 5  
positions in 5 Latam  
countries

## MULTICHANNEL APPROACH

developing new  
channels throughout  
the region

# 22,100 agents

## DIVERSIFIED BUSINESS MODEL

Geography

**32%**  
of GWP outside  
Colombia

Business lines

**43%** P&C

**32%** Life

**25%** Mandatory health

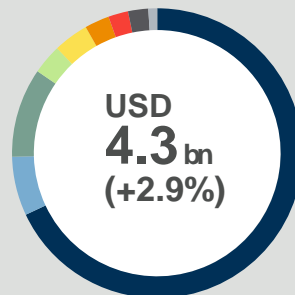
**20,400**  
employees

**17.2 million**  
clients

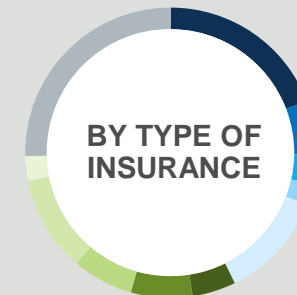


## RETAINED PREMIUMS 2018 »

*(Includes Revenues from Mandatory Health)*



- 68% Colombia
- 7% Chile
- 10% Argentina
- 3% Brazil
- 4% Mexico
- 3% Panama
- 2% El Salvador
- 2% Uruguay
- 1% Dominican Rep.



- 19% Auto
- 6% Fire
- 3% Mandatory car
- 2% Transport
- 12% Other non-life
- 5% Individual life
- 7% Group life
- 7% Health
- 11% ARL (worker's comp)
- 3% Other life
- 25% Mandatory health



**Provide well-being,**  
competitiveness and  
sustainability to people  
and businesses



**Human talent**  
and Trends & Risks  
Management



**Increase current clients' loyalty,** to drive attraction and growth of new clients



**Sustainable ROE**  
above cost of equity

**> ENVIRONMENT > EMERGING RISKS > CONSUMER AND BUSINESS TRENDS**

# Competitive Strategy

## WE COMPETE IN



HUMAN  
TALENT



VALUE  
PROPOSITION



OPERATIONAL  
MODEL



## WE MANAGE



ALLIANCES



REGULATION



TECHNOLOGY



CAPITAL

> SUSTAINABILITY > OPERATING EFFICIENCY > LONG-TERM RELATIONS > VALUE CREATION

# Being Relevant to Clients

## RELEVANT SOLUTIONS



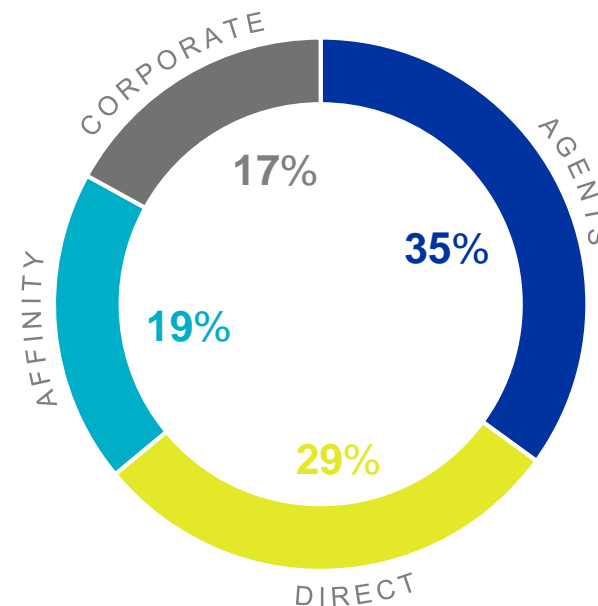
Introducing **life** solutions to other countries

- › Develop SME segment
- › Multidimensional segmentation
- › Develop solutions for emerging risks:
  - CYBER RISK
  - AGRICULTURE
  - INNOVATION

## CHANNELS

Multichannel approach

- › Direct
- › Digital
- › Affinity
- › Sustainable Brokers



## OPERATIONAL MODEL

Automation of processes that don't add value to clients

UNDERWRITING :

**50%** → **80%**

in 2 years

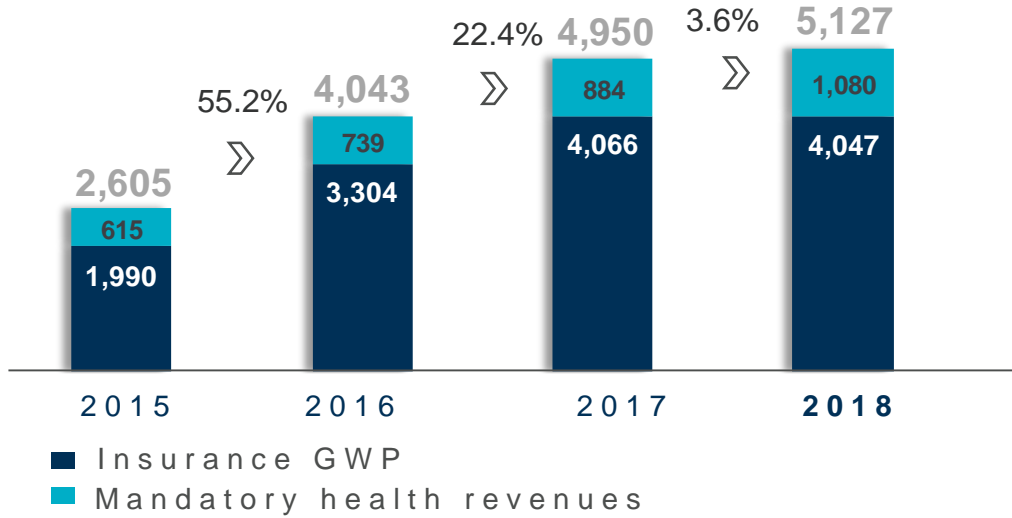
CLAIMS :

**80%**

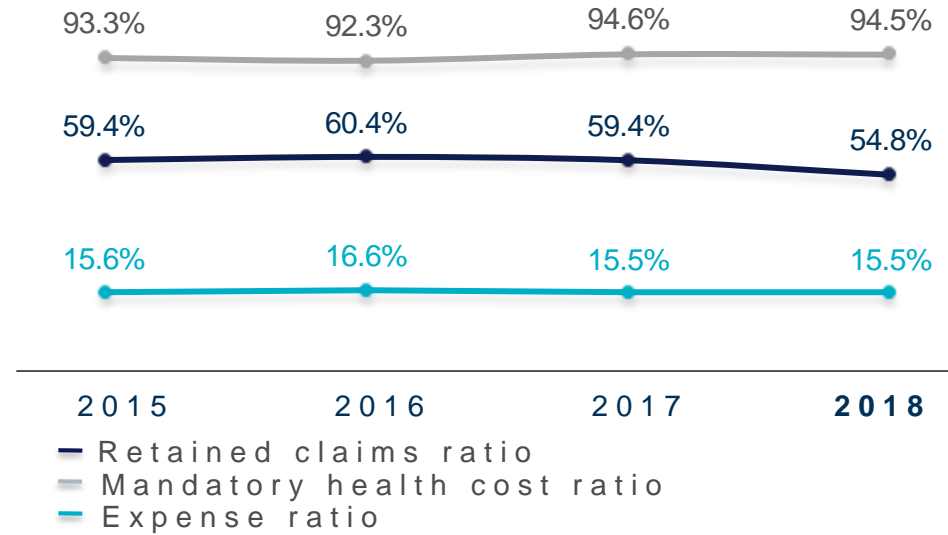
in Colombia

# Suramericana's Financials Evolution

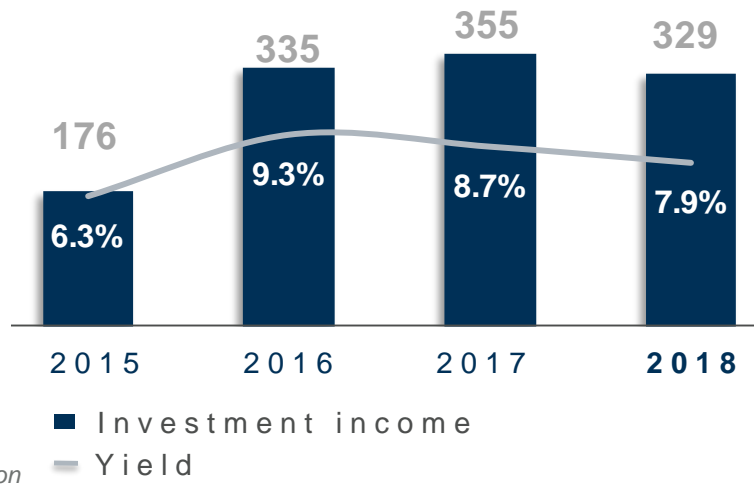
## OPERATING REVENUES



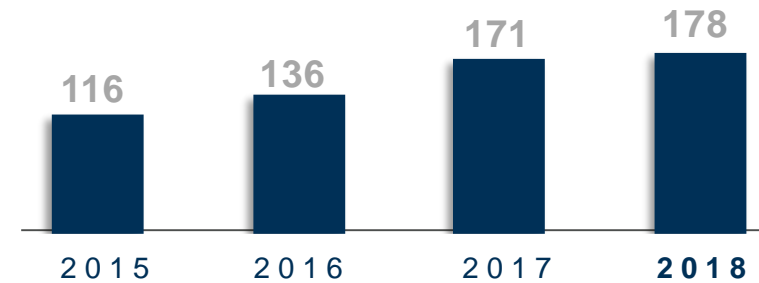
## CLAIMS AND EXPENSE RATIO



## INVESTMENT INCOME



## NET INCOME



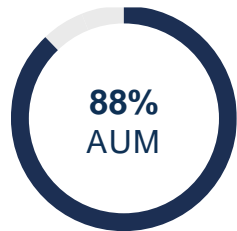




# SURA Asset Management

## MANDATORY PENSION

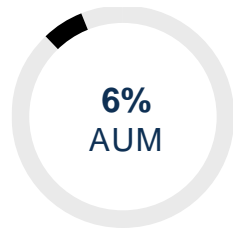
Highly-regulated market  
Stable cash flow generation



**AUM**  
**USD 113 bn**  
**Clients 18.5 MM**

## WEALTH MANAGEMENT

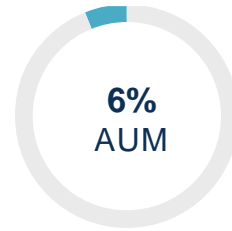
Underpenetrated business with high growth potential



**AUM**  
**USD 8.5 bn**  
**Clients 1.3 MM**

## ASSET MANAGEMENT

Regional platform connecting Latam to the world



**AUM**  
**USD 10.7 bn\***  
\*USD 3.3 bn from WM Unit



Country	AUM (bn)
Chile	44
Colombia	30
Mexico	30
Peru	19
Uruguay	3
Brazil	5
<b>Total</b>	<b>129</b>

### FIGURES TOTAL COMPANY »

**AUM**  
**USD 129 bn**

**CLIENTS**  
**19.8 MM**

**MARKET SHARE**  
**22.8%**  
Mandatory Pension

**FITCH BBB+**  
**MOODY'S Baa1**

As of December 31, 2018

# Sustainability of Mandatory Business



**Closeness in the relationship** with clients.



**Relationship with stakeholders**, seeking the improvement of pension systems and its understanding.



**Efficient and innovative Business Models.**

**MARKET  
SHARE AUM**

**23%**

**MILLION  
CLIENTS**

**18.5**

**COST INCOME**

**32%**

# Transformation of Wealth Management Business



**Brand positioning**  
“Inversiones SURA”.



**Advice and recommendation** of investment and savings.



**From products to solutions** increasing value proposition.



**Attraction of new clients** and cross-sell to existing clients.

**AUM**

**USD 9.0 bn**

**AUM GROWTH**

**+8.3%**

**>1.3 MILLION CLIENTS**

**+13%**

# Development of the Asset Management Business



**Regional platform** with scalable operation models.



**High standards in portfolio management** backed by SURA's reputation.



**Relationship with institutional clients** and product development in Latam.

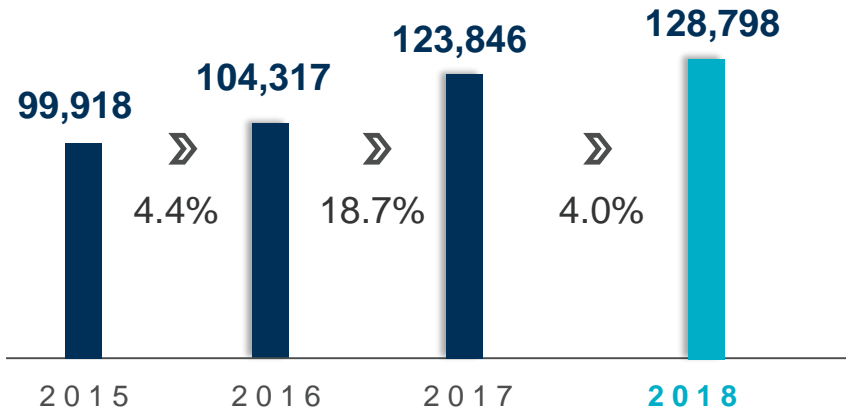
**AUM**  
**USD 11.2 bn**

**GROWTH AUM**  
**+6.0%**

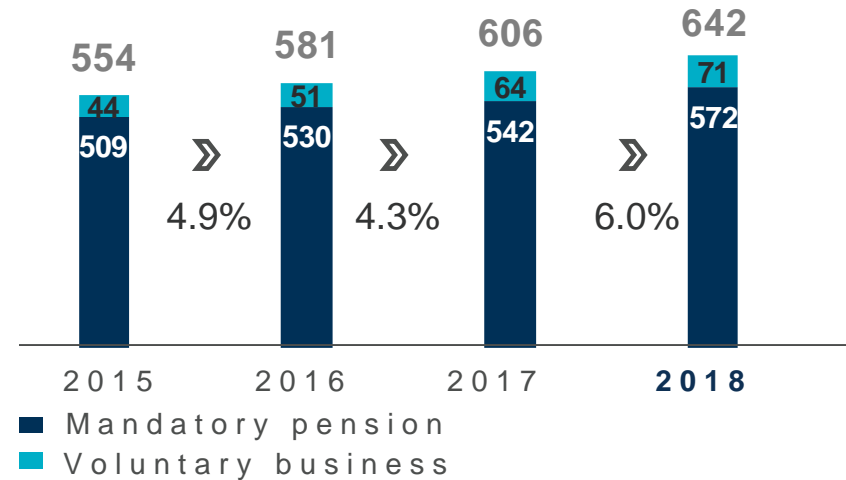
**AUM WITH ALPHA**  
**+73%**

# SURA AM's Financials Evolution

AUM

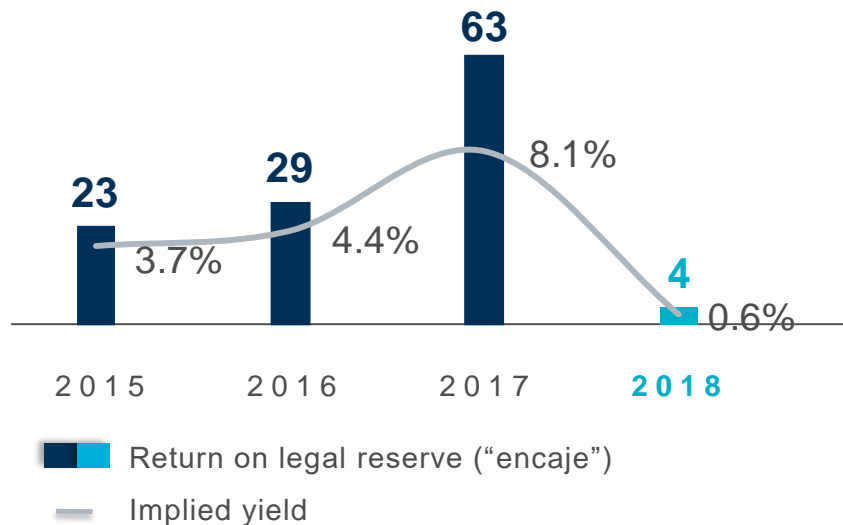


COMMISSION INCOME

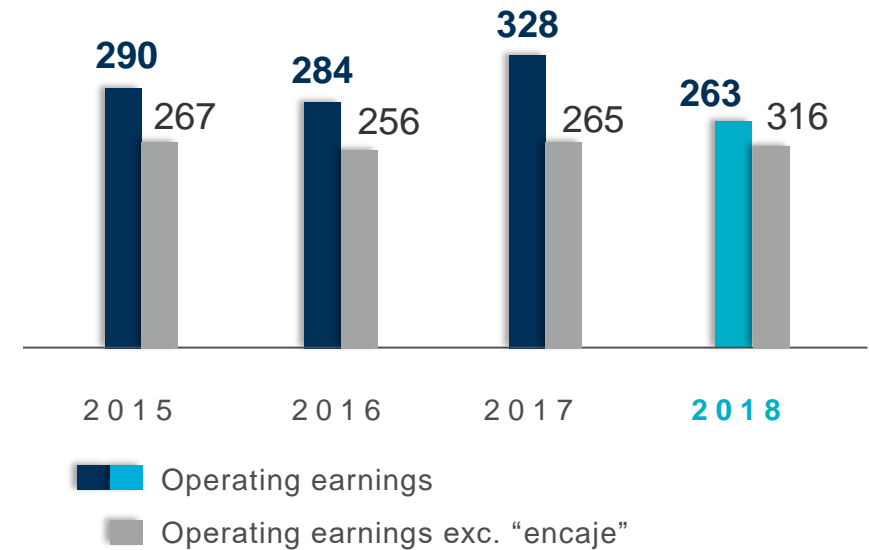


**CAGR**  
Mandatory 3.4%  
Voluntary 14.2%

RETURN ON LEGAL RESERVE



OPERATING EARNINGS



**USD 730 MM**  
invested  
in "encaje"



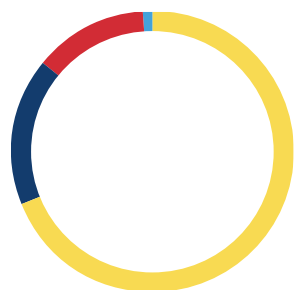
## COLOMBIA'S LEADING FINANCIAL INSTITUTION

with a strong presence in Central America

## OVER 13 MM CLIENTS

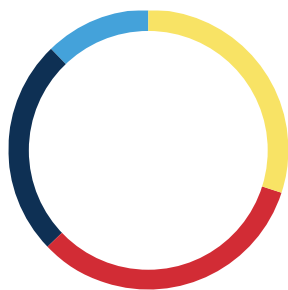
with access to a strong distribution network  
5,939 ATMs, 1,022 branches and 12,395 banking kiosks

### LOANS



- 69% Commercial
- 17% Consumer
- 13% Mortgage
- 1% Micro credit

### FUNDING



- 30% Savings
- 33% Time deposits
- 25% Other
- 12% Checking

### MARKET SHARE

COLOMBIA  
Loans  
**26.2%**

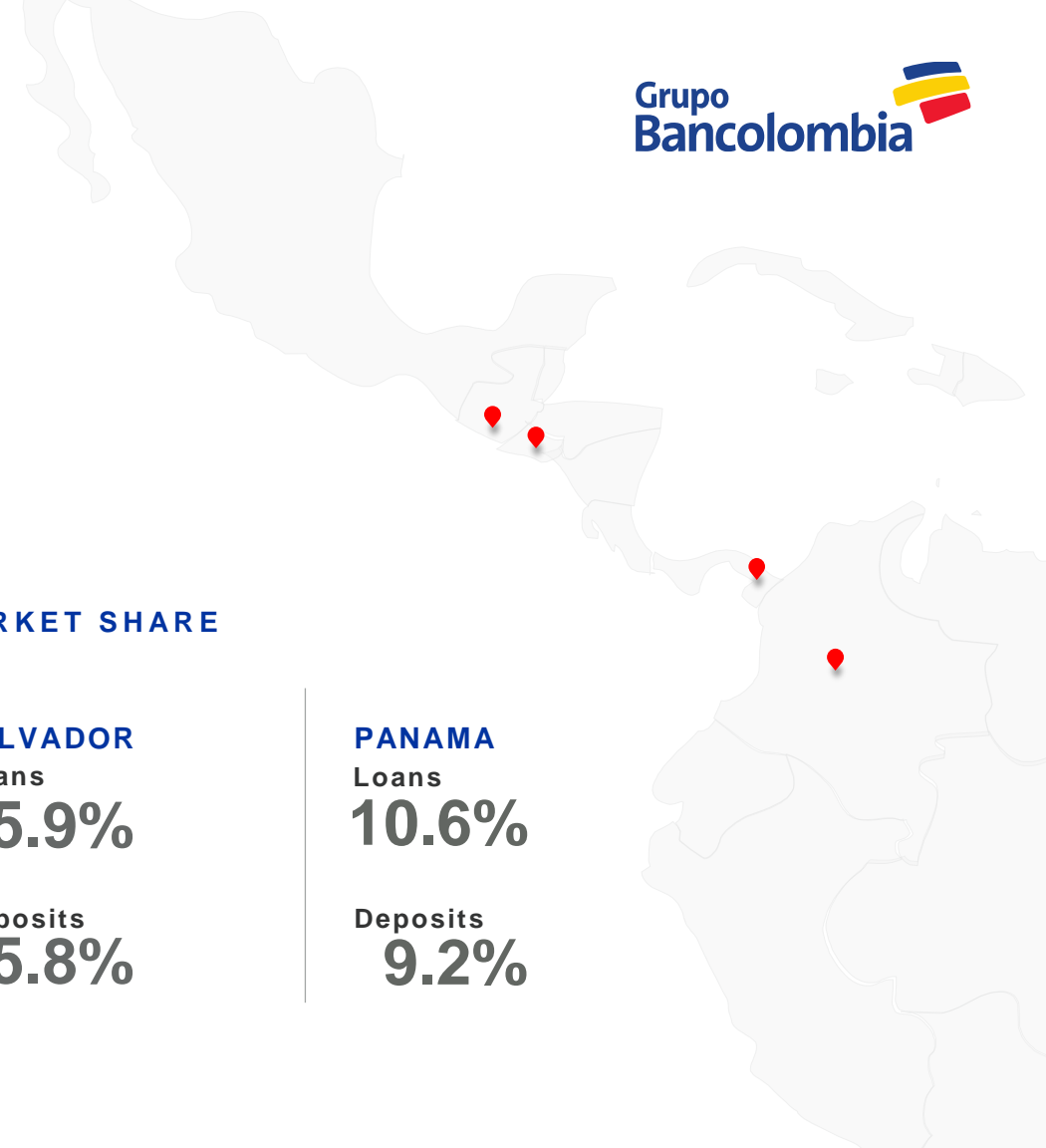
Deposits  
**23.3%**

SALVADOR  
Loans  
**25.9%**

Deposits  
**25.8%**

PANAMA  
Loans  
**10.6%**

Deposits  
**9.2%**



## HIGHLIGHTS 9M 2018 »

ASSETS

**USD 67.7 bn**

TIER I

**10.1%**

NET INCOME (LTM)

**USD 899 MM**

NET INTEREST MARGIN

**5.8%**

90D PDL COVERAGE

**180%**

MARKET CAP

**USD 9.1 bn**

NYSE listed



## LARGEST PROCESSED FOODS GROUP IN COLOMBIA

as measured by market share in all of the market segments it serves

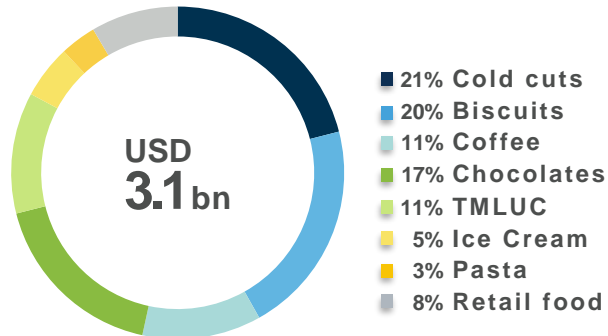
## PRESENCE IN 72 COUNTRIES,

owns 30 production plants in Colombia, 16 outside of Colombia and its own distribution network in 14 countries

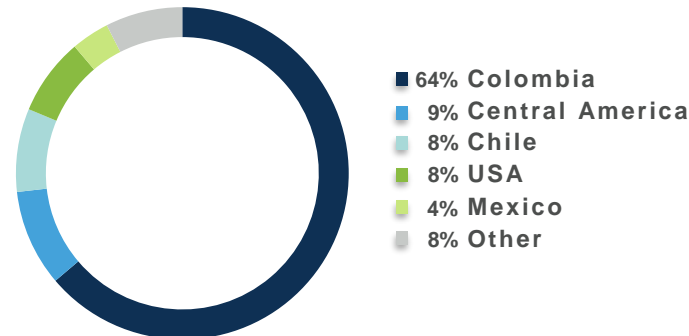
**STRONG BRANDING WITH VALUE ADDED PRODUCTS**



### 2018 REVENUE BY PRODUCT



### 2018 REVENUE BY REGION



## HIGHLIGHTS 2018 »

MARKET SHARE

**59.2%**

(COLOMBIA)

INTL. SALES

**36.4%**

MARKET CAP

**USD 3.3 bn**

EBITDA (LTM)

**USD 380 MM**

EBITDA MARGIN

**12.5%**

NET INCOME (LTM)

**USD 172 MM**



## STRATEGIC FOCUS

in Cement, Energy, Road and Airport Concessions



## SOLID TRACK RECORD

building regional platforms

### Cement and RMC\*

# 1 in Colombia  
# 2 in RMC and # 4 in cement in USA

**Relevant player in the energy sector**  
in Colombia, Panama and Costa Rica

**Leader in road and airport concession industry** in Colombia

\*RMC: Ready Mix Concrete

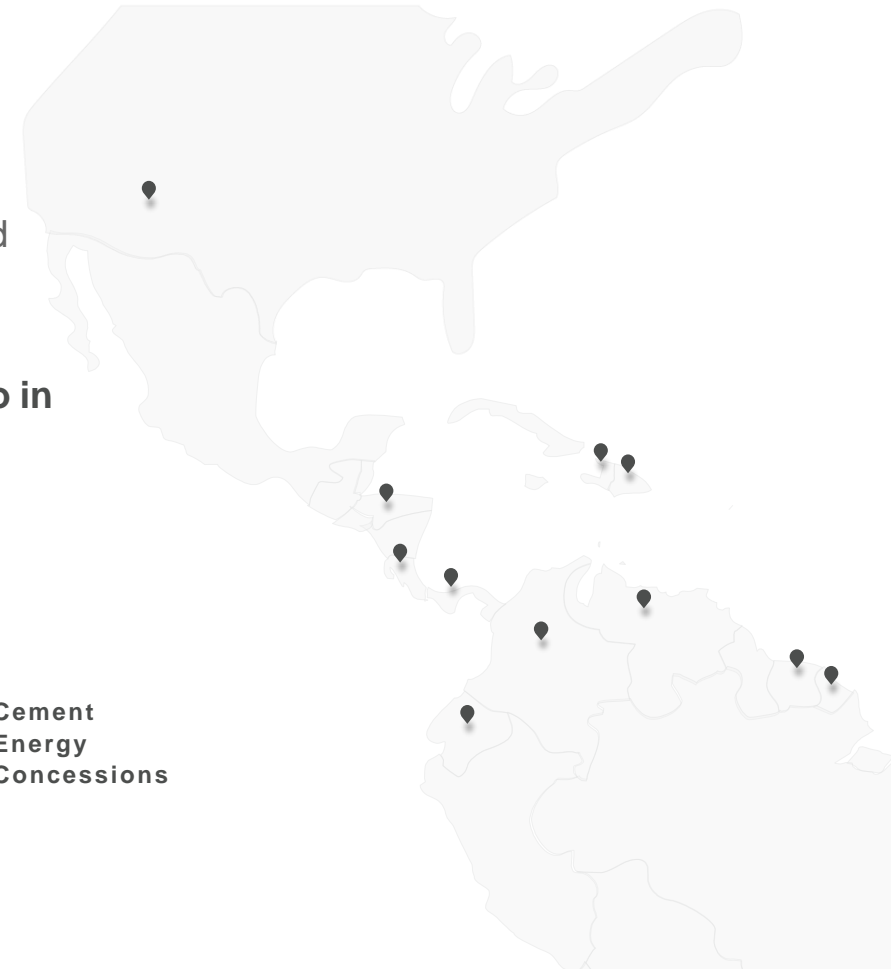
## HOLDING COMPANY

with a solid and articulated portfolio with USD 14.5 billion in AUM

**With a balanced portfolio in regions, currency, and sectors**



■ 62% Cement  
■ 25% Energy  
■ 13% Concessions



## HIGHLIGHTS 2018 »

MARKET CAP

**USD 4.3 bn**

REVENUES

**USD 4.9 bn**

EBITDA

**USD 1.3 bn**

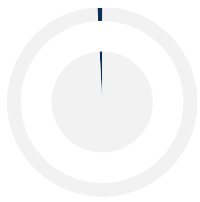
EBITDA MARGIN

**27.2%**

SHAREHOLDER'S NET INCOME

**USD 227 MM**





## FINTECH

**alkanza**  
Robo-advisory

 **MoneyLion**  
Personal finance platform

 **LendingHome**  
Mortgage digital market place

## HEALTHTECH


**Clover**  
Health tech operator

**Driver**  
Optimizing access to cancer clinical trials

**pager**  
Optimizing Access to health systems

## INSURETECH

*Slice*  
Digital insurance

 **Zendrive**  
Mobile sensor data for road safety

**trōv**  
On-demand insurance

**Welltok**  
Health ecosystem – preventive approach

## B2B

 **acsendo**  
HR SAAS Targeting SMEs

## VC FUND

**BOLD** CAPITAL PARTNERS  
Singularity VC fund

COMPANIES ANALYZED

25 **1,065**

INVESTMENTS IN

**11 COMPANIES**  
AND 1 FUND

AMOUNT INVESTED

**USD 34 MM**

 **APPENDIX**

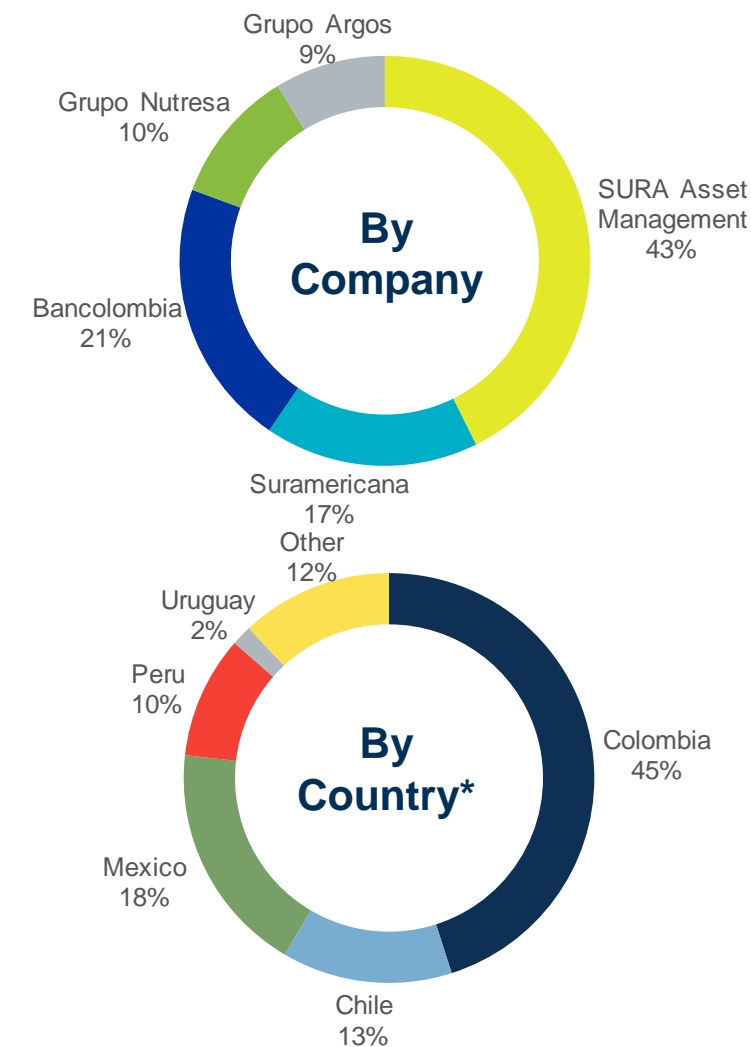
# Diversification

## CONSOLIDATED FIGURES

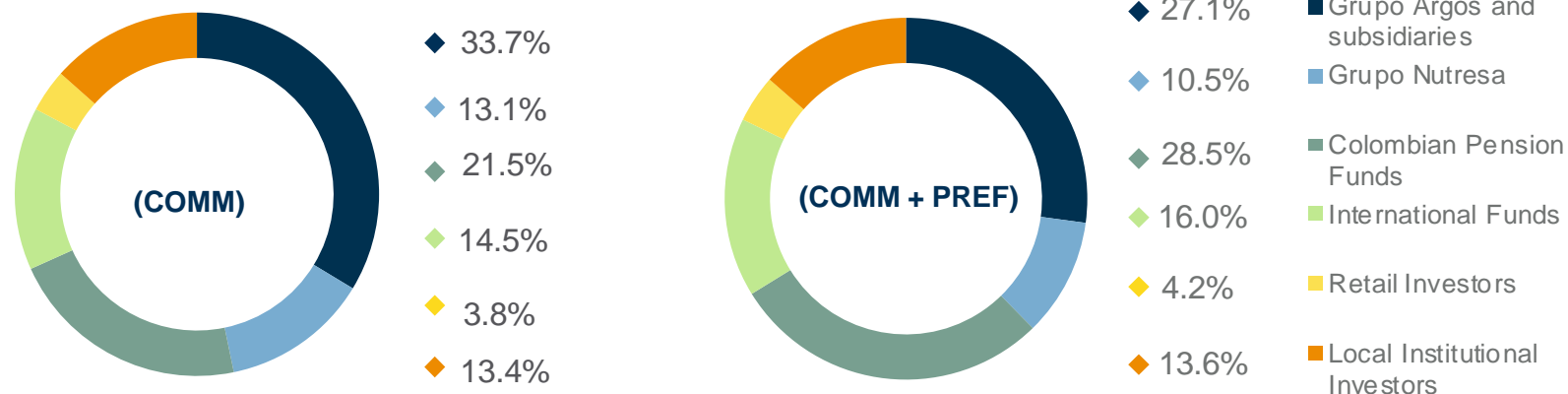
Country	Clients	Revenues	Net Income	Assets
COLOMBIA	28	56.5%	52.5%	50.6%
CHILE	4	16.4%	14.4%	27.5%
MEXICO	8	10.1%	18.7%	9.6%
PERÚ	2	2.2%	9.5%	4.4%
ARGENTINA	1	5.5%	-0.6%	1.8%
PANAMA	1	2.2%	2.6%	1.7%
OTHER	7	7.0%	2.9%	4.5%
<b>TOTAL</b>	<b>51</b>	<b>6,587</b>	<b>454</b>	<b>21,870</b>

Figures in million USD as of December 31, 2018. Clients in million.

## DIVERSIFIED DIVIDEND STREAM



# Shareholding Structure



Total Outstanding Shares  
**581,977,548**

Outstanding Common Shares  
**80.6%**

Outstanding Pref. Shares  
**19.4%**

Market Cap  
**USD 5.7 BILLION**

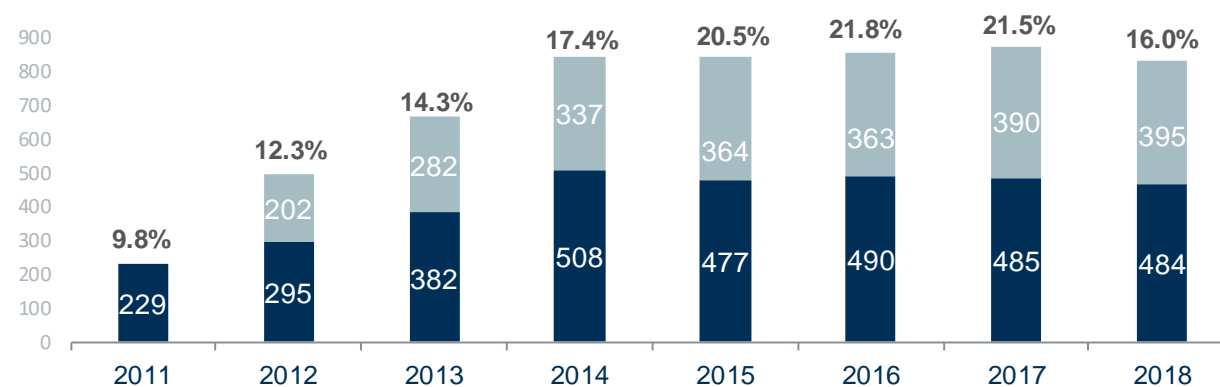
International Funds  
**501**

Number of Shareholders  
**11,102**

Average volume Traded 12 months Common  
**USD 4.1 million**

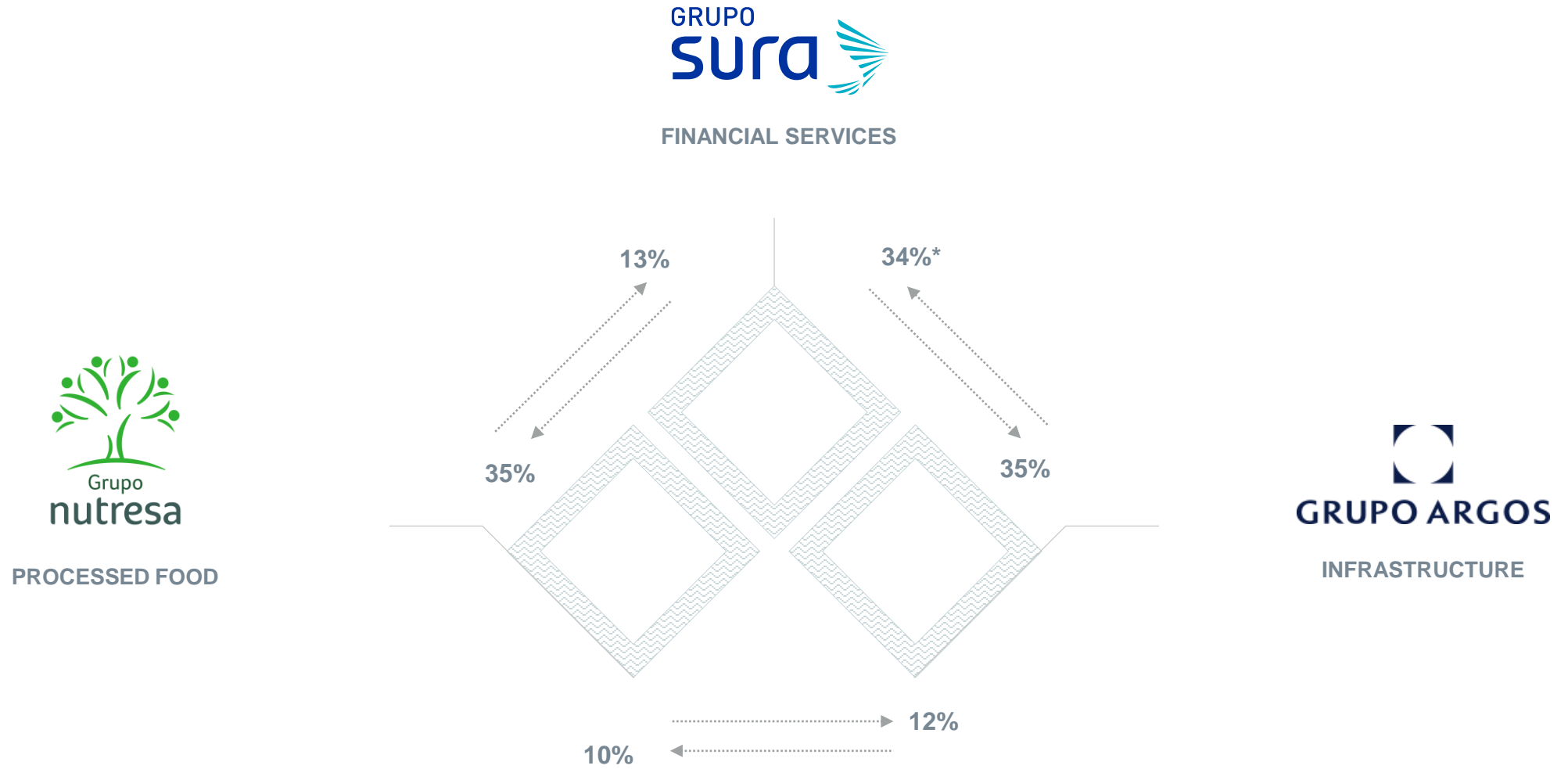
Average volume Traded 12 months Pref  
**USD 1.2 million**

## International ownership evolution »



◆ Pref. Shares  
◆ Comm. Shares

# Cross Holding Structure



# Mandatory Pension Fund Segment



**Contributions to pension funds are mandatory and correlated to size of the formal workforce**

- » Flows into pension funds are a fixed percentage of affiliates' salary
- » As countries formalize their economies, contributions to pension funds will also increase
- » Individuals are allowed to make additional voluntary contributions

**Key Drivers:**

- » Mandated contribution by law
- » Economic growth
- » Formalization of employment
- » Disposable income, tax incentives, etc.



**Steadily increasing revenues driven by contributions to funds / assets**

- » Fees are retained on a regular basis, driven by contributions to the fund / assets, providing a stable revenue stream
- » Average fees have been slightly decreasing but significant increase in salary base has handsomely compensated this trend

**Key Drivers:**

- » Base salaries
- » Fund fees
- » Competition
- » Regulatory environment










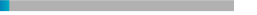
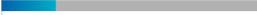


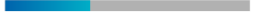



















**AUM tend to be stable, as pensions are “sticky”**

- » Pension fund managers invest the assets with very specific guidelines, limiting the variability of the offer
- » Hence, fund performance is similar among fund managers, leading to lower churn







**Key Drivers:**

- » Pension fund manager's financial strength
- » Brand recognition & value proposition
- » Commercial effectiveness
- » Regulatory limits

# Main Characteristics per Country

	 CHILE	 MÉXICO	 COLOMBIA	 PERÚ	 URUGUAY	 EL SALVADOR
MANDATORY SALARY CONTRIBUTION (INCLUDING FEE)	Employee  10%	Employee  1,13%	Employee  4%	Employee  10%	Employee  15%	Employee  6,25%
	Employer  0%	Employer  5,15%	Employer  12%	Employer  0%	Employer  0%	Employer  6,75%
	Government  0%	Government  0,22%	Government  0%	Government  0%	Government  0%	Government  0%
	<b>Total 10.0%</b>	<b>Total 6,5%</b>	<b>Total 16%</b>	<b>Total 10%</b>	<b>Total 15%</b>	<b>Total 13%</b>
RETIREMENT AGE	Men <b>65</b>   Woman <b>60</b>	Partial <b>60</b>   Total <b>65</b>	Men <b>62</b>   Woman <b>57</b>	All <b>65</b>	All <b>60</b>	Men <b>60</b>   Woman <b>55</b>
FEE	Paid on flow 	Paid on AuM 	Paid on flow 	Mix of flow and AuM (10y migration towards AuM)  	Paid of flow 	Paid on flow 
NEW AFFILIATES	Tender every 2 years	Free to choose	Free to choose	Tender every 2 years	Free, except high income affiliates	Free to choose
CHANGE OF PROVIDER	Free to change every 2 months, except new affiliates which need to wait 2 years	Free to change after 12 months or anytime to a provider with better returns	Free to change between multifunds every 6 months free to change	Free to change at any time, except new affiliates which need to wait 2 years	Free to change every 6 months	Free to change every 12 (monthly) contributions or if provider has poor returns

# Main Characteristics per Country (contd.)

	 CHILE	 MÉXICO	 COLOMBIA	 PERÚ	 URUGUAY	 EL SALVADOR
DISABILITY AND SURVIVORSHIP	● Paid by Employer	● Paid by Government	● Paid by AFP out of the 3,0% fee	● Paid by Individual	● Paid by Individual	● Paid by Employer
VOLUNTARY	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Monthly/annual limits.</li> <li>» Tax incentive.</li> <li>» Additional account available.</li> </ul>	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Tax incentive.</li> <li>» Additional account available.</li> </ul>	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Monthly/annual limits.</li> <li>» Tax incentive.</li> <li>» Additional accounts available.</li> </ul>	<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> </ul>		<ul style="list-style-type: none"> <li>» Incremental to mandatory pension</li> <li>» Tax incentive.</li> </ul>
N° OF MANDATORY FUNDS (MULTIFUNDS)	5 By amount invested in equity	4 By age and type of investment	3 in accumulation stage and 1 in deaccumulation stage	3 By amount invested in equity	1 in accumulation stage and 1 in deaccumulation stage	1
DISBURSEMENTS TO RETIREES	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFP).</li> <li>» Annuity (through life insurance company).</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFORE).</li> <li>» Annuity (through life insurance company).</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFP).</li> <li>» Annuity (through life insurance company).</li> <li>» Combinations.</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals or temporal withdrawal (through AFP).</li> <li>» Annuity (through life insurance company).</li> </ul>	<ul style="list-style-type: none"> <li>» Annuity (through life insurance company) not available yet.</li> </ul>	<ul style="list-style-type: none"> <li>» Programmed withdrawals (through AFP).</li> <li>» Annuity (through life insurance company) not available yet.</li> </ul>



# Our Vision

## Proposals for enhancing a multi-pillared pension system

More savings and over a longer period of time

More efficient investment portfolios

Multi-funds protect against risk

Enhancing competition

Incorporating alternative investment options

Increasing contribution rates

Adequate integration with other pillars

Extending voluntary pension savings

Enhancing the different types of pension

Creating appropriate institutions

Adjusting retirement ages based on life expectancy








Universal pensions

Expanding the coverage of social assistance pensions

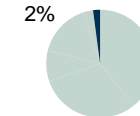
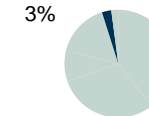
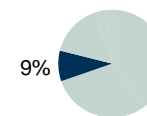
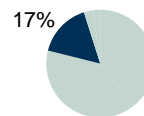
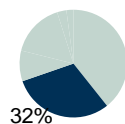
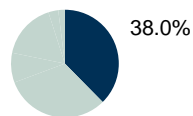
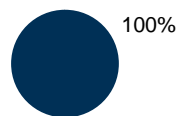
Greater degree of pension security and stability

Educating and advising pension fund members on how to construct their pensions

# Undisputed leadership in Mandatory Pension Business

	 CHILE	 MÉXICO	 COLOMBIA	 PERÚ	 URUGUAY	 EL SALVADOR
	<b>22.8%</b> Ranking 1 <sup>st</sup>	<b>19.2%</b> Ranking 4 <sup>th</sup>	<b>14.7%</b> Ranking 3 <sup>rd</sup>	<b>36.7%</b> Ranking 2 <sup>nd</sup>	<b>38.6%</b> Ranking 1 <sup>st</sup>	<b>17.8%</b> Ranking 2 <sup>nd</sup>
Metlife	9.3%	24.9%	0.0%			
Prudential	10.9%	28.0%			4.4%	
Principal	9.3%	19.0%	6.8%			
Banorte	7.4%		22.4%			
Grupo AVAL	6.8%			42.9%		
Citibank	5.9%		17.9%			
Scotiabank	4.3%			12.8%	25.5%	
Grupo BAL	4.8%		14.7%			
<b>Total AUM (USDBN)</b>	<b>516</b>	<b>193</b>	<b>170</b>	<b>82</b>	<b>46</b>	<b>16</b>
<b>Number of Players</b>		<b>6</b>	<b>11</b>	<b>4</b>	<b>4</b>	<b>2</b>

## \$516 Bn Industry's AUM Breakdown by Country



Figures as of September 2018.

34 This information is sourced from the superintendency of each country and includes AFP's AUM (Mandatory Pension, Voluntary Pension and Severance) only.



## **Q4-2018 Results**

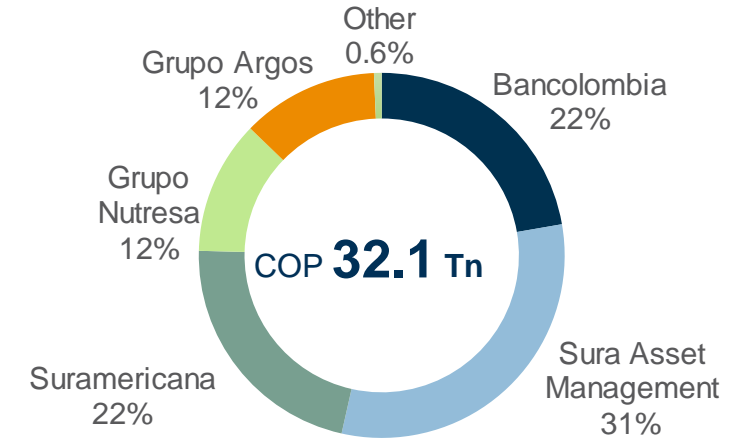
# HIGHLIGHTS »

## GRUPO SURA



- Year of important strategic decisions: affects comparability of figures but business continued with a positive operating dynamics
  - **Growth of operating income in comparable terms:** Life 15.8%, Non-Life 13.3%, Mandatory 6.1%, Voluntary Savings 10.7%.
- **Consolidated total revenues** of COP 19.2 tn decrease 0.8% due to lower retained premiums and investment income
- **Total expenses** decrease 0.4%, explained by lower loss ratios and reserves adjustments, as well as controlled expenses
- **Net profit** from continuing operations reached COP 1.4 tn, with a 7.6% growth leveraged by operating dynamics and lower taxes
- **Divestment of annuities business in Chile** had an accounting impact (non cash) of COP 63,063 MM, which is reflected in the net profit of COP 1.3 tn, with a decrease of 7.7%
- Financing Law (tax reform) Update
- **Financial Conglomerates Law**
- Robeco Sustainability Yearbook: Silver Medal in Diversified Financial Services
  - #3 worldwide in its category

### INVESTMENT PORTFOLIO\*

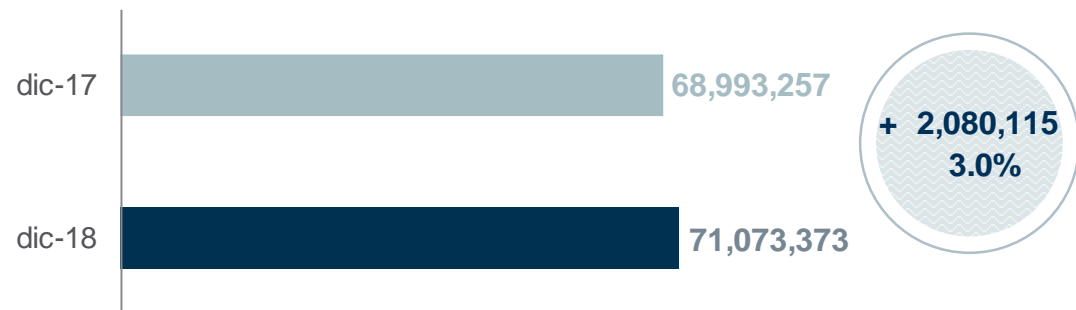


\*SURA AM valued at the last transaction (CDPQ), Suramericana at 1.8x equity and companies listed at market value at the end of the quarter.

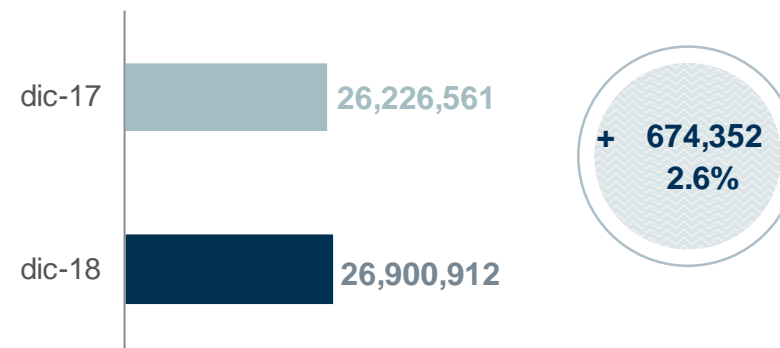
# STATEMENT OF FINANCIAL POSITION »

## CONSOLIDATED

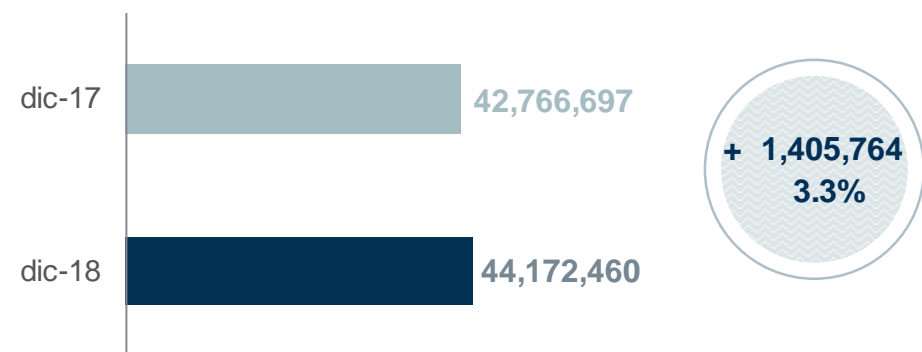
### Assets »



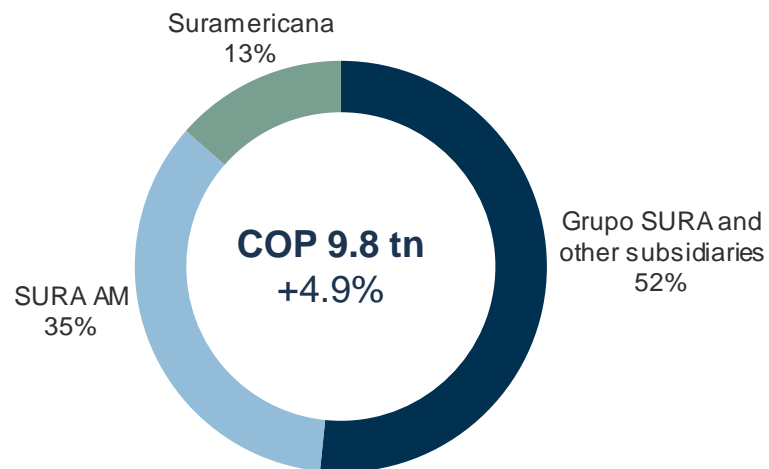
### Total Equity »



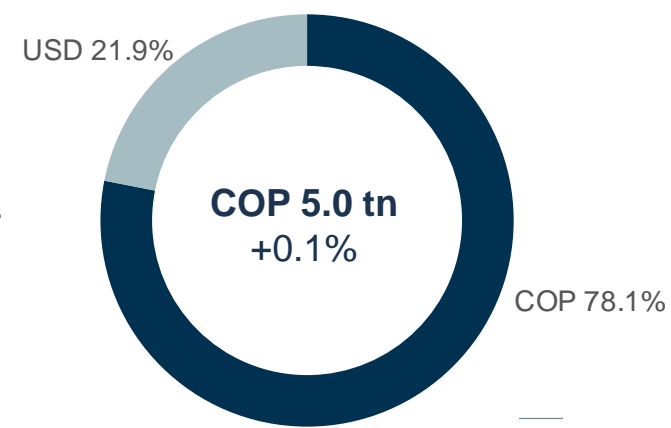
### Liabilities »



### Consolidated Financial Debt



### Individual Financial Debt

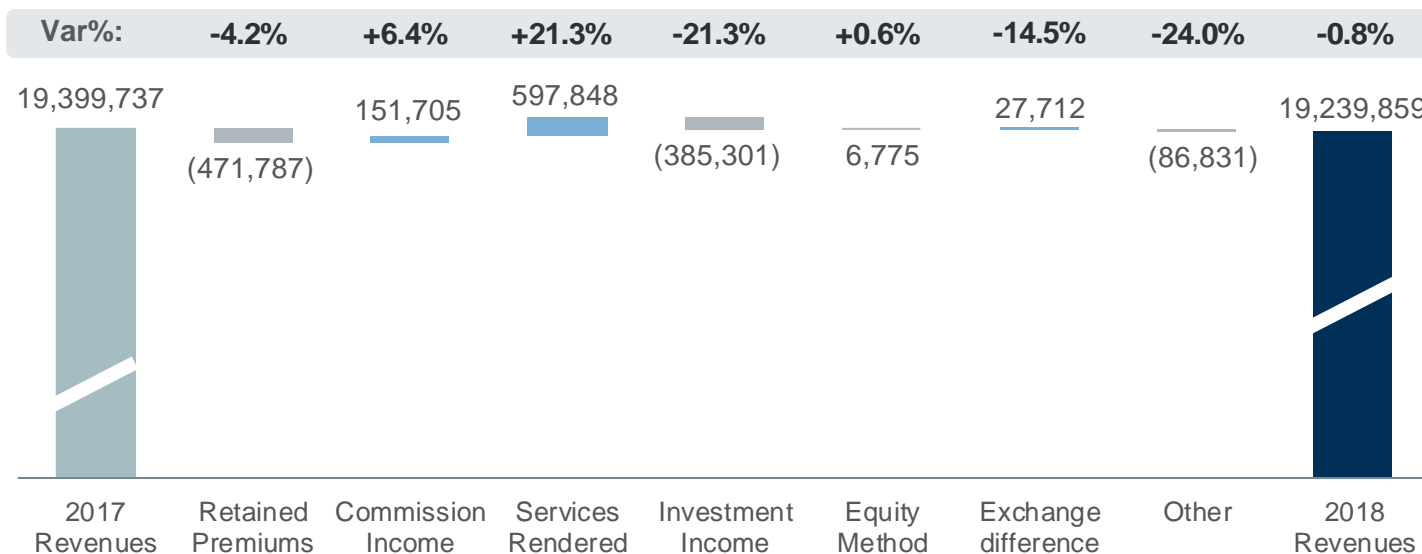
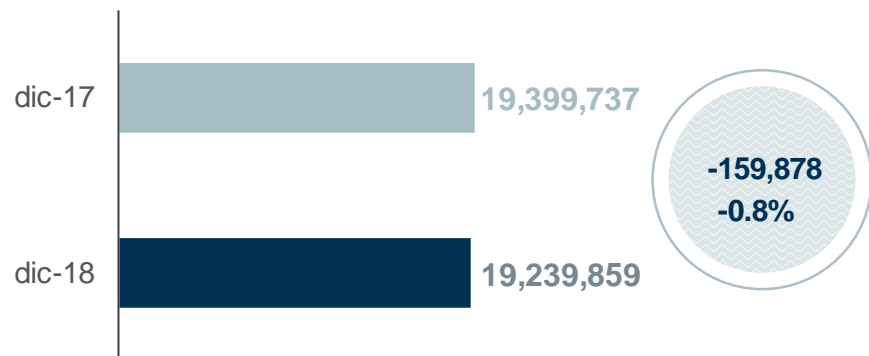


# ESTADO DE RESULTADOS INTEGRALES »

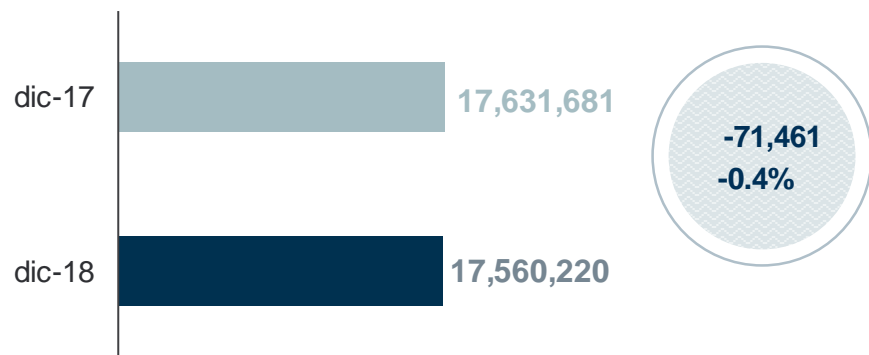
## CONSOLIDADO



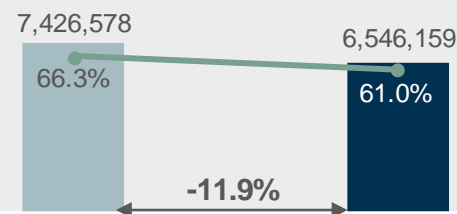
### Total Revenues »



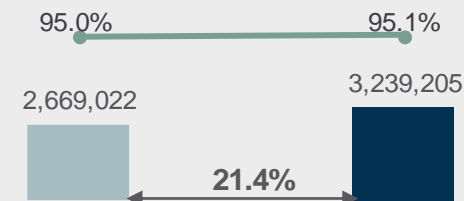
### Total Expenses »



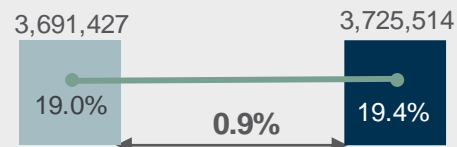
#### Claims + Reserve Adj: % Retained Premiums.



#### Services Rendered: Costs / Revenues



#### Admin. Expenses: % of Total Revenues



#### Interest Expense: % of Total Revenues



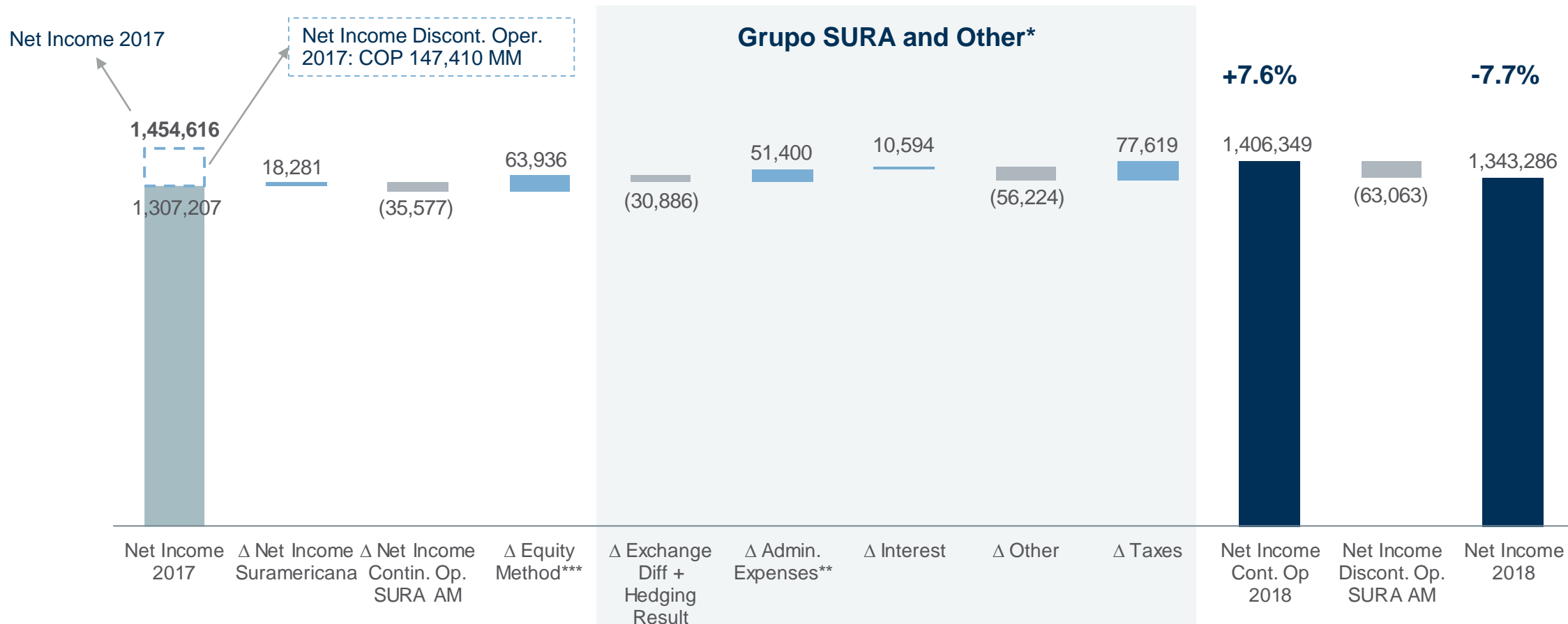
Figures in COP million

\*Admin. Expenses = Administrative Expenses + Employee Benefits

2017  
2018

# STATEMENT OF COMPREHENSIVE INCOME »

## CONSOLIDATED NET INCOME



**Net Income – parent company : COP 1.18 bn (-5.8%)**

\* Grupo SURA and Other (GS) includes Grupo SURA Grupo SURA Finance, Grupo SURA Panama, Habitat and Arus.

\*\* GS Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees at Grupo SURA and Other level. Includes expense related to conciliation process with DIAN in 2017.

\*\*\* Equity method from associates at Grupo SURA doesn't include AFP Protección since its already accounted in SURA AM's net income

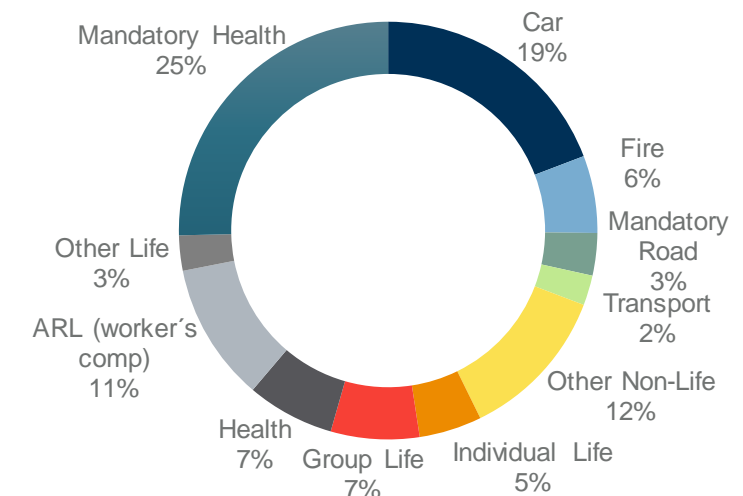
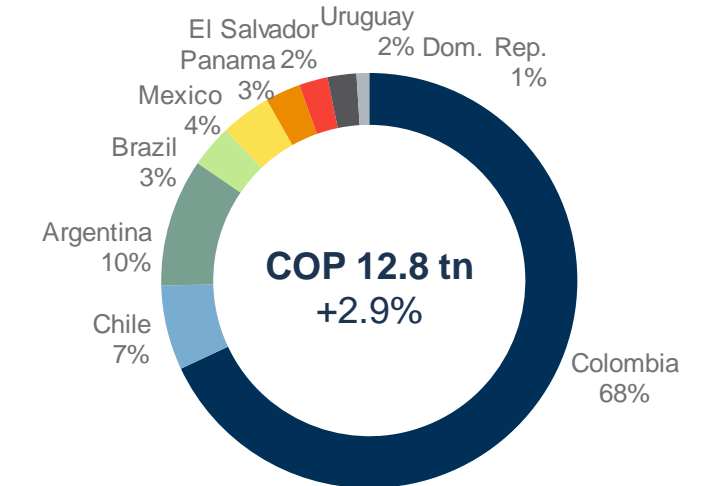
# HIGHLIGHTS »

## SURAMERICANA



- Positive progress in the consolidation of a regional platform with presence in 9 countries
  - Slight decrease in **written premiums** explained by strategic decisions
  - **Revenue from services rendered reaches COP 3.2 tn**, maintaining excellent growth dynamics (+ 21.7%)
  - Operations outside of Colombia represent 32% of operating income and 43% of retained premiums (without Mandatory Health).
- Improvement of 13.0% in the **technical result** with growth in all segments driven by decrease of 412 pbs in retained claims that ended in 53.3%:
  - P&C technical result grew 2.8%, Life Insurance 26.0% y Health Care 19.4%.
- Operational expenses were controlled with an increase of 3.2% even with significant investments in projects and technology
- **Investment income** decreased 7.3% due to lower inflation rates in Colombia and the negative behavior of the capital markets.
- Net income reached COP 524,867 MM, increasing COP 18,281 MM or 3.6% in the year.
  - Operating results offset lower non-operating revenues. Normalized net income grows 27%.

### RETAINED PREMIUMS + REVENUES FROM SERVICES RENDERED 2018



Adjusted ROE\*

**12.5%**

Adjusted ROTE\*

**16.3%**

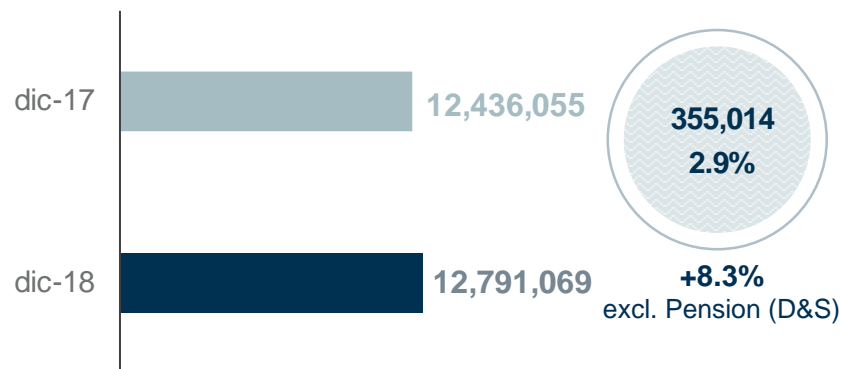
\*\* ROE and ROTE with net income adjusted for amortization of intangibles associated to acquisitions, divided by average equity and average tangible equity.



# STATEMENT OF COMPREHENSIVE INCOME »

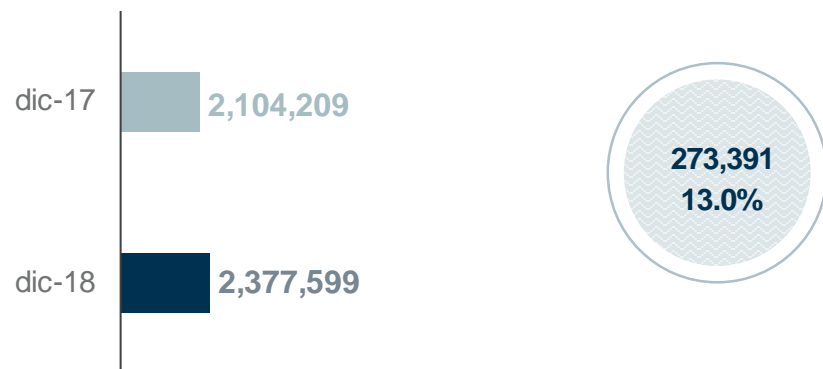
## CONSOLIDATED

### Operating Revenues\* »



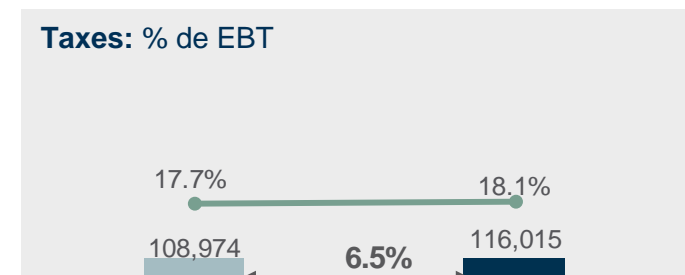
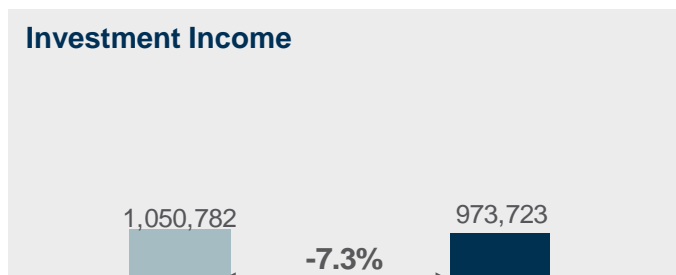
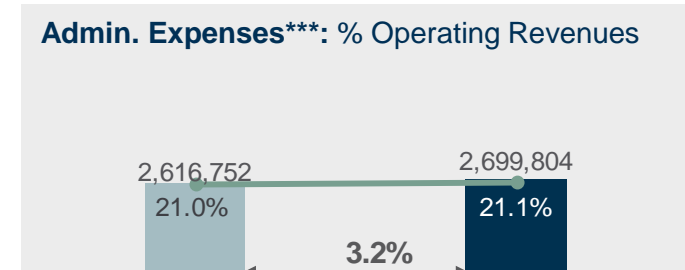
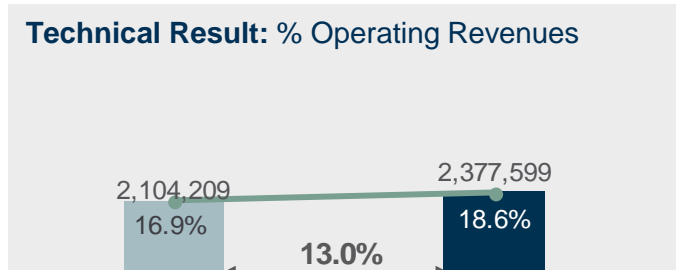
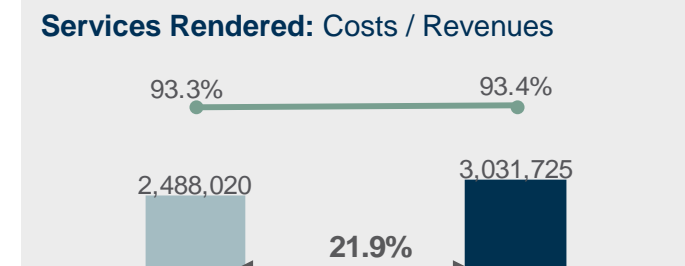
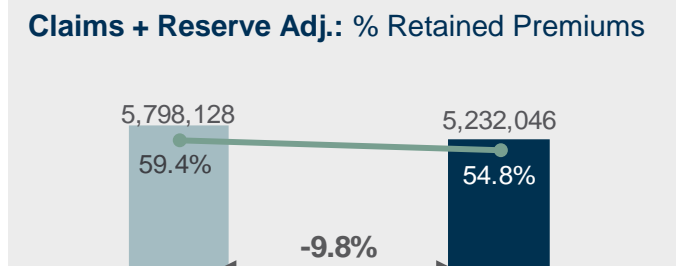
\* Retained premiums + Revenues on services rendered

### Technical Result\*\* »



\*\* Technical result equals underwriting result before administrative expenses and investment income

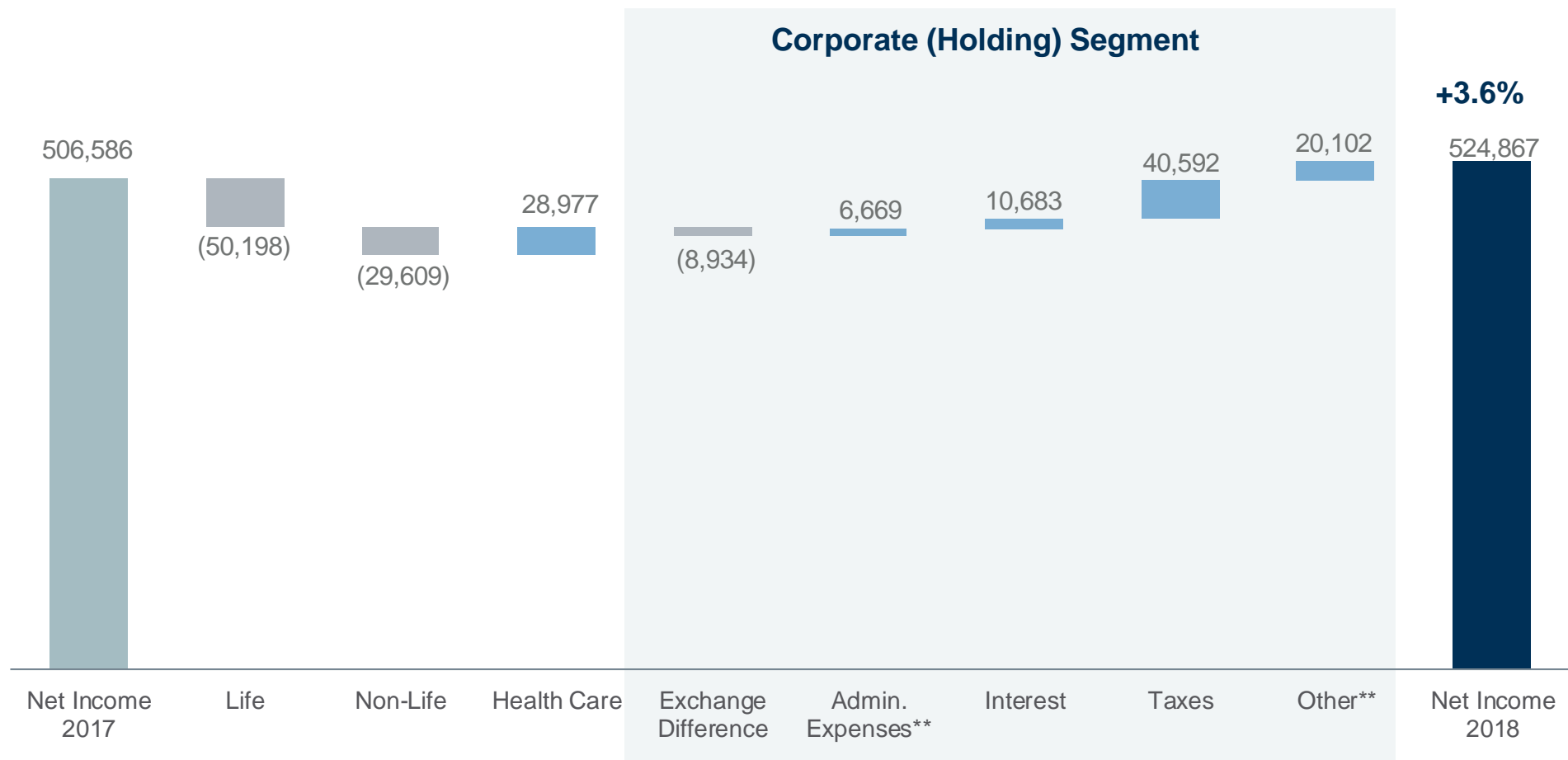
\*\*\* Admin. Expenses = Administrative Expenses + Fees + Amortizations and Depreciations + Impairment. Figures in COP millions



2017  
2018

# STATEMENT OF COMPREHENSIVE INCOME »

## CONSOLIDATED FIGURES SURAMERICANA S.A.

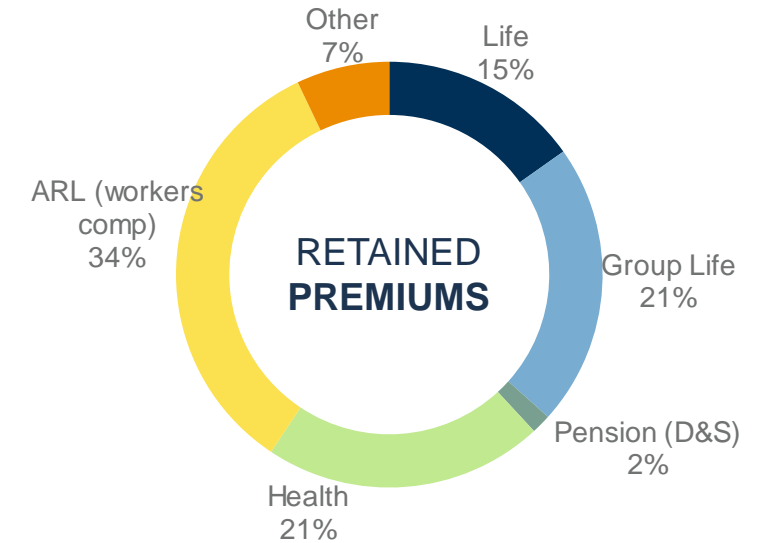
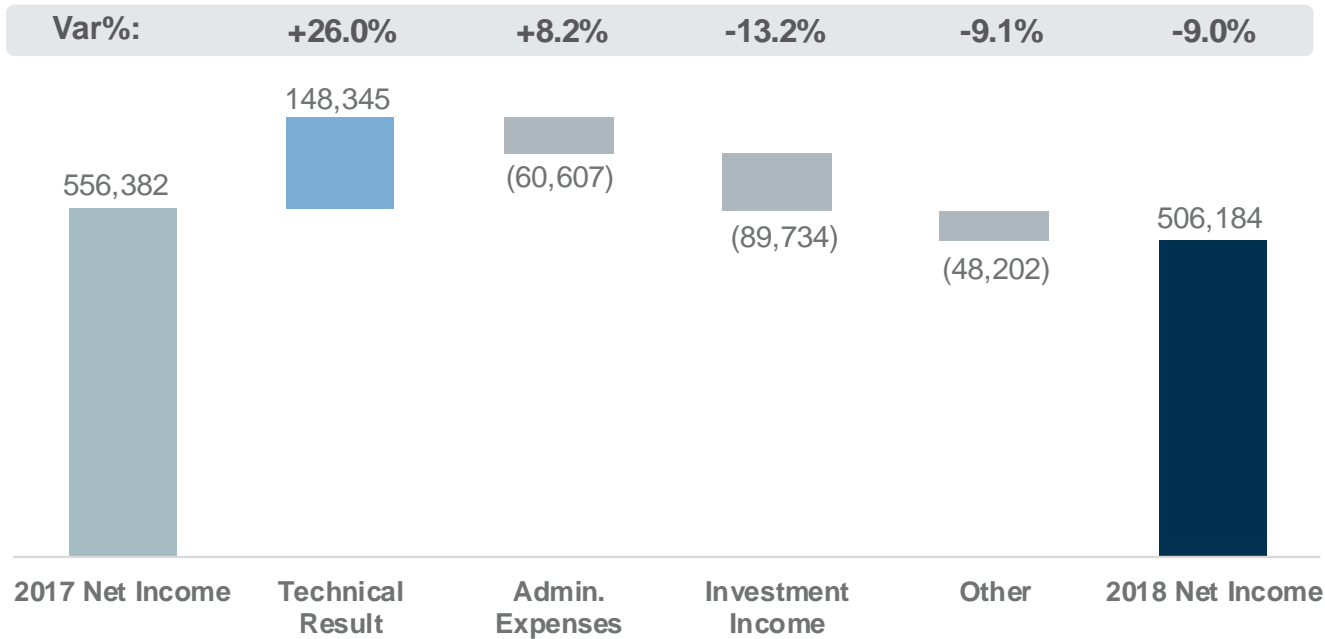


\* Admin. Expenses includes Administrative Expenses, Employee Benefits and Fees of the corporate segment.

\*\*"Other" variation mainly corresponds to other income and expenses of the corporate segment, as well as the variation in the net income of the "Other" segment, which includes the support operations of Suramericana SA.

# SURA INSURANCE, TRENDS AND RISK MANAGEMENT»

## LIFE INSURANCE SEGMENT



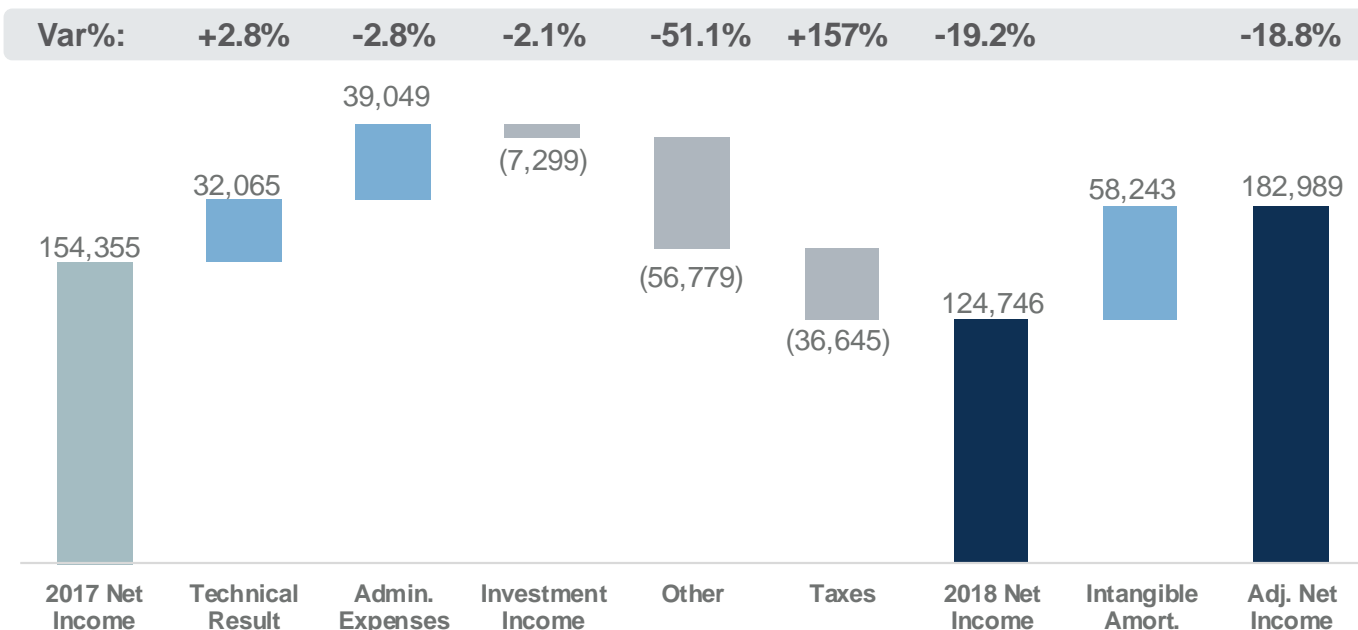
- **Decrease in premiums (-8.3%)** reflects decision not to participate in Pension D&S and change in health premiums accounting methodology. Normalized growth of 15.8%
- **Technical result (+ 26.0%)** driven by an increase of 76.6% in the quarter associated with positive adjustment of reserves and lower claims
- **Investment income** continues to fall (-13.2%) and (-26.9% in the quarter) explained by lower inflation and impacts on equity investments
- **Net income** decreases 9.0% due to non-recurring revenues in 2017 (COP 46,000 MM) and lower investment income.
  - In the quarter, net income grew 24.9% due to a lower loss ratio.

	Retained Premiums		Retained Claims Ratio	
	dic-18	%Var	dic-18	dic-17
Life	<b>620,221</b>	7.3%	<b>27.7%</b>	28.5%
Group Life	<b>876,069</b>	15.9%	<b>34.7%</b>	34.3%
Pension	<b>60,648</b>	-91.1%	<b>155.4%</b>	104.4%
Health	<b>866,486</b>	-14.1%	<b>90.6%</b>	64.4%
ARL (worker comp.)	<b>1,371,319</b>	16.7%	<b>60.0%</b>	62.3%
Other	<b>288,290</b>	12.9%	<b>82.8%</b>	83.9%
<b>Total</b>	<b>4,083,032</b>	<b>-8.3%</b>	<b>59.2%</b>	<b>61.3%</b>

# SURA INSURANCE, TRENDS AND RISK MANAGEMENT»

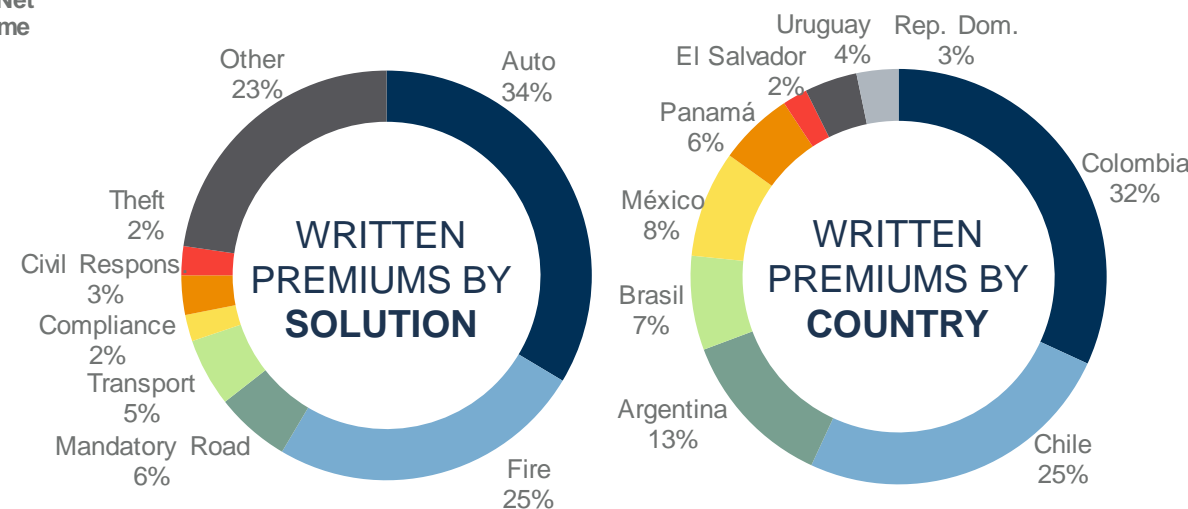


## NON-LIFE (P&C) SEGMENT



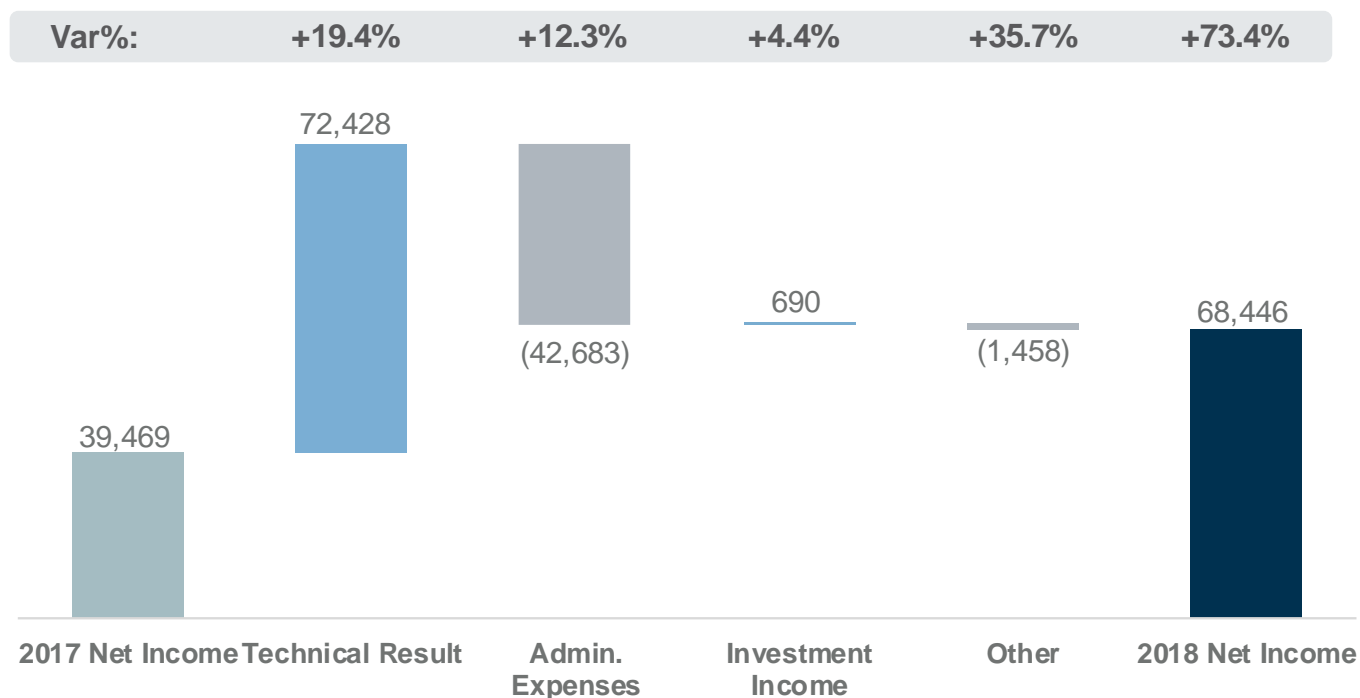
	Retained Premiums			Retained Claims Ratio	
	dic-18	%Var	%Var LC*	dic-18	dic-17
Auto	<b>2,457,926</b>	-7.1%	8.3%	<b>58.5%</b>	59.6%
Fire	<b>765,997</b>	28.9%	42.0%	<b>21.3%</b>	35.4%
Mandatory road acci	<b>420,094</b>	7.2%	7.1%	<b>57.5%</b>	70.1%
Transport	<b>297,423</b>	-11.6%	1.7%	<b>45.0%</b>	43.3%
Compliance	<b>63,963</b>	-2.9%	22.3%	<b>60.0%</b>	79.2%
Civil Respons.	<b>138,576</b>	7.5%	15.3%	<b>43.9%</b>	51.1%
Theft	<b>156,297</b>	8.9%	7.8%	<b>30.4%</b>	41.7%
Other	<b>1,074,534</b>	4.4%	20.6%	<b>42.5%</b>	32.8%
<b>Total</b>	<b>5,471,681</b>	<b>2.5%</b>	<b>16.3%</b>	<b>47.9%</b>	<b>51.0%</b>

- **Retained premiums** increase 2.5% in nominal rates and 16.3% in constant exchange rates, reflecting positive operating dynamics in the countries.
- **Combined ratio** improves 136 bps to 104.1%, with good performance both in claims and administrative expenses.
- **Investment income** -2.1% with a fall in the quarter of 30.8%, due to lower average inflation and impacts from equity investments.
- **"Other"**: includes the accounting charges related to the inflation adjustment in Argentina of COP 42,732 MM, as well as some non-recurring income in 2017



# SURA INSURANCE, TRENDS AND RISK MANAGEMENT»

## HEALTH CARE SEGMENT



	Services rendered		Claims Ratio	
	dic-18	%Var	dic-18	dic-17
EPS	<b>2,966,895</b>	22.0%	<b>93.6%</b>	93.4%
IPS	<b>539,540</b>	15.5%	<b>69.2%</b>	68.8%
Dinámica	<b>269,648</b>	22.7%	<b>71.3%</b>	71.6%
<b>Total</b>	<b>3,776,083</b>	<b>21.1%</b>	<b>88.5%</b>	88.2%

- Revenues grow 21.1% due to the increase in the number of affiliates at the EPS which reached 3.1 million
- The cost indicator remains at the same levels and the expense ratio improves by 80 bps
- Technical result growing 19.4%.
- Net income grows 73.4% due to good operating performance and control in administration expenses\*

\*Admin Expenses = Administrative Expenses + Fees + Depreciations and Amortizations + Impairments  
 Figures in COP million

# HIGHLIGHTS »

## SURA ASSET MANAGEMENT

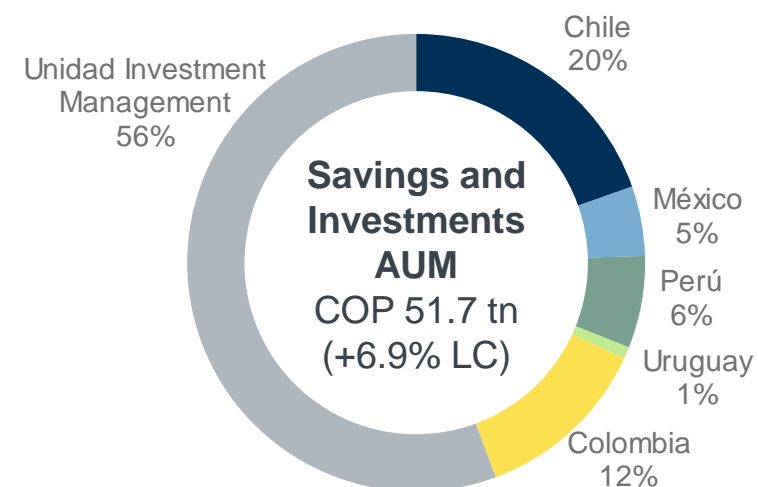
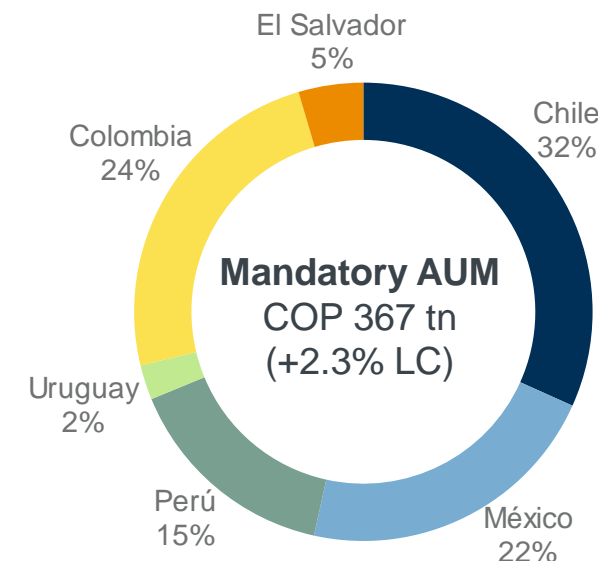
- Stable growth in the mandatory business; the voluntary continues with double-digit growth due to the contribution of the Investment Management and Savings and Investments units
- Normalized operating earnings grows 0.4% and contrasts with the net result that decreases 39.7% or COP 244,310 MM explained by:
  - Accounting loss (non cash) from the divestment of the life annuities business in Chile.
  - Lower income from legal reserve of COP 190,000 MM and a lower revenue via equity method of COP 70,000 MM, also explained by the return of the legal reserve in Protection
  - Impacts partially offset by operating performances, cost control and the presence of non-recurring expenses in 2017.
- Consolidated AUM reach COP 418 tn and customers 19.6 MM
- Caisse de dépôt et placement du Québec (CDPQ) reached an agreement to acquire a 6.7% stake in SURA AM to Bancolombia and Grupo Wiese for USD 247 MM
- AFP Integra won 4th bid for new affiliates to the pension system in Peru

Adjusted ROE\*

**6.0%**

Adjusted ROTE\*

**22.3%**

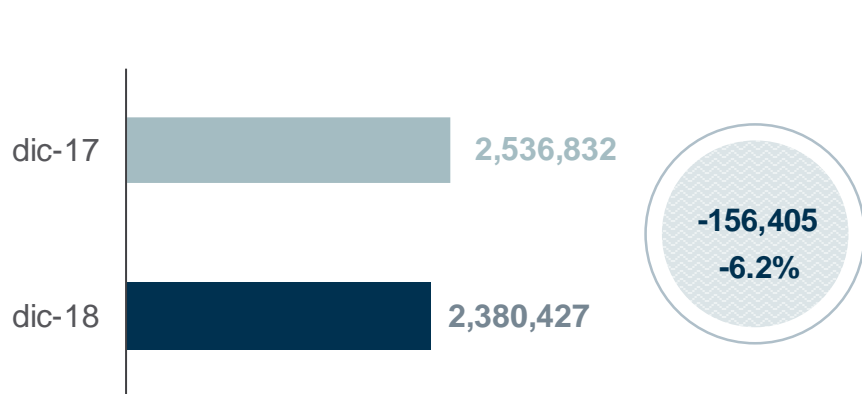


\*\* ROE y ROTE with net income adjusted for intangible amortization related to acquisitions and gains/losses from discontinued operations.

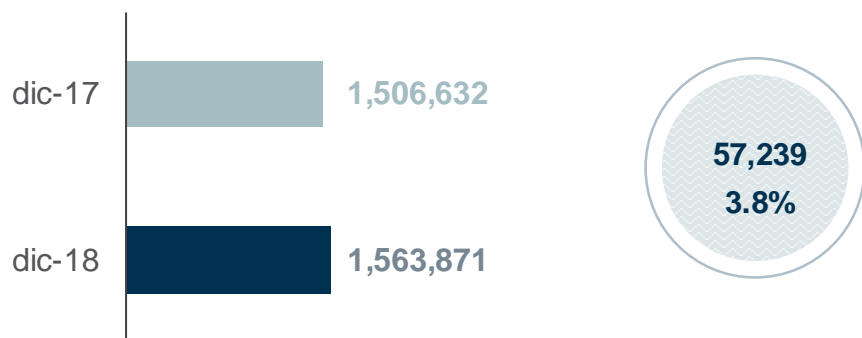
# SURA ASSET MANAGEMENT »

## CONSOLIDATED RESULTS

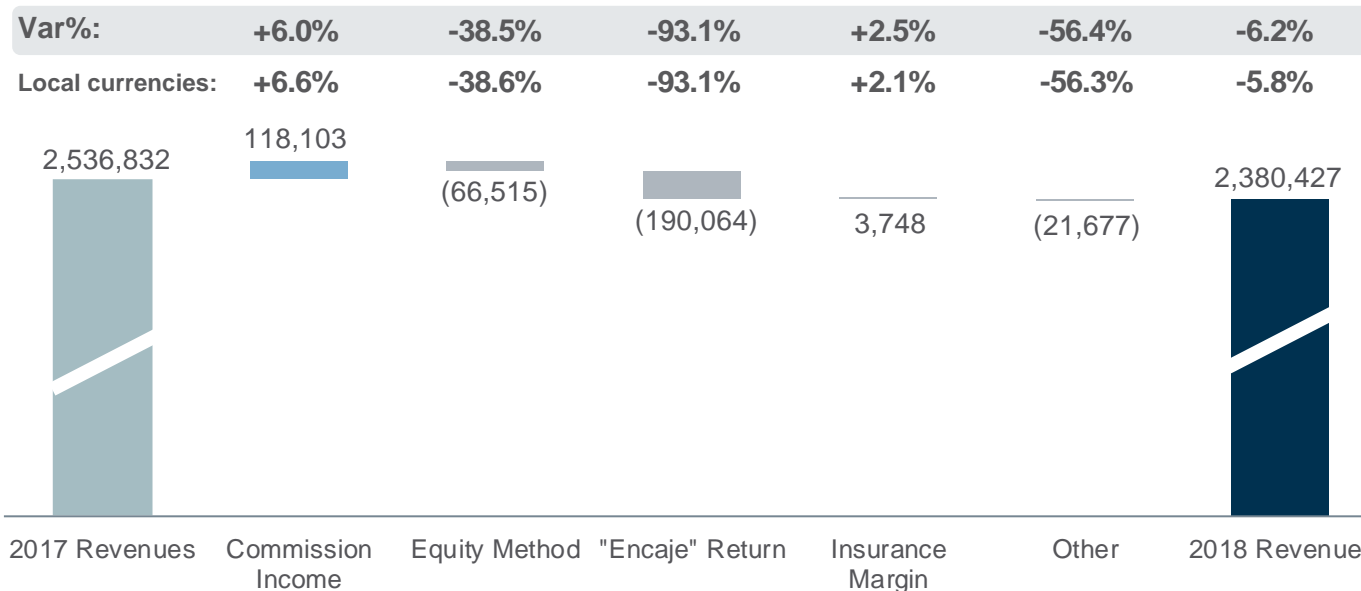
### Operating Income + Insurance Margin»



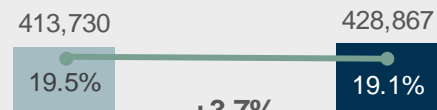
### Operating Expense»



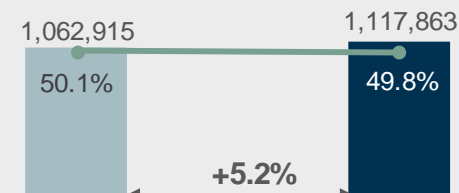
Figures in COP million. Variations in real exchange rates



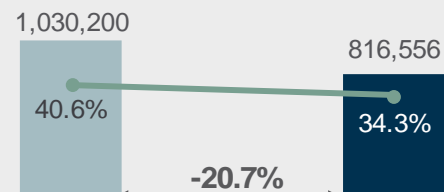
#### Selling Exp: % Commiss. Inc.+ Insurance Mgn.



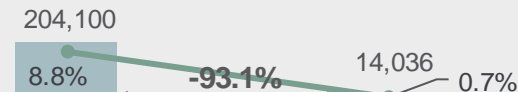
#### Admin Exp: % Oper. Income + Insurance Mgn.



#### Oper. Earnings: % de Ing. Oper. + Mgn Seguros



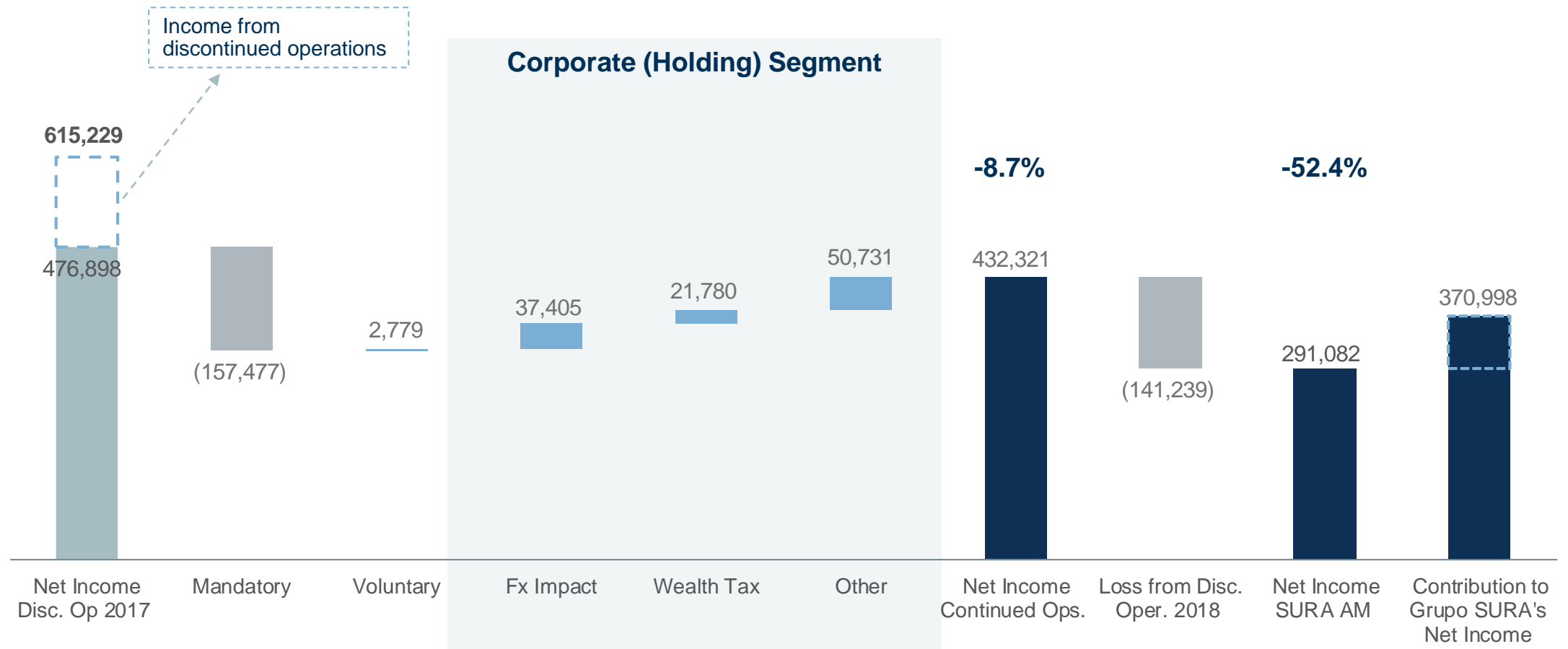
#### Return on Encaje: revenues and implied yield



2017  
2018

# ESTADO DE RESULTADOS INTEGRALES »

## UTILIDAD NETA SURA ASSET MANAGEMENT



\*Fx Impact = Exchange difference + Gains (losses) at fair value.

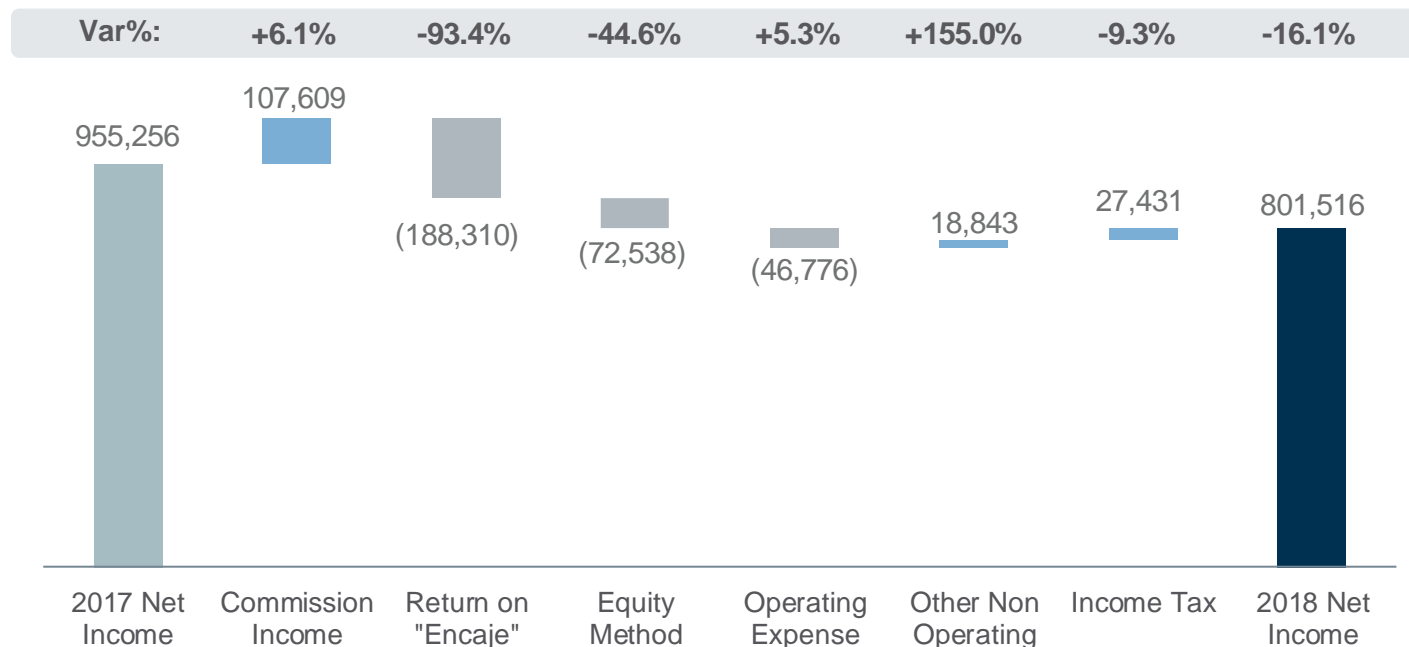
\*\* Other includes lower income tax for COP 91,993 MM, investment income from corporate that presented a decrease of COP 29,300 MM compared to 2017 and other minor variations.

### Variaciones en tasas de cambio reales

Figures in COP Million



## MANDATORY PENSIONS BUSINESS



Figures in COP MM	Net Income	Var \$	Var\$ "Encaje"	Var\$ Net income ex. "Encaje"
Chile	287,531	(44,811)	(66,185)	21,374
México	257,440	(262)	(43,346)	43,084
Perú	144,280	(37,646)	(74,044)	36,397
Uruguay	40,908	(3,381)	(5,232)	1,851

- AUM of COP 366.8 tn (+ 2.3%), explained by contribution of the net flow of COP 7.9 tn (+ 28.1%).
  - Mexico AUM: COP 79.8 tn (+4.5%)
- Salary base: COP 122.1 tn (+ 5.4%). Peru (+ 5.3%) and Protección (+ 7.4%) stand out.

- Fee income continues to grow above inflation: + 6.1%.
- Return on legal reserve impacts results of the year with a decrease of -93.4% or COP 188,310 MM with negative returns in the quarter.

## VOLUNTARY SAVINGS BUSINESS

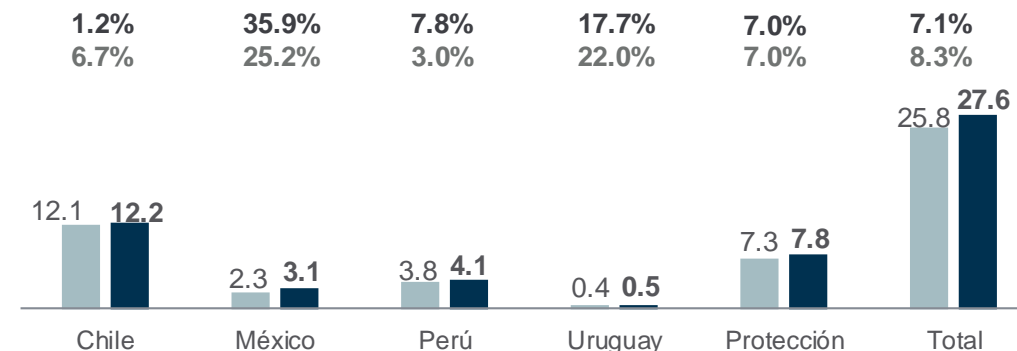
### VOLUNTARY SAVINGS AUM (trillion COP)\*



### INVESTMENT MANAGEMENT AUM

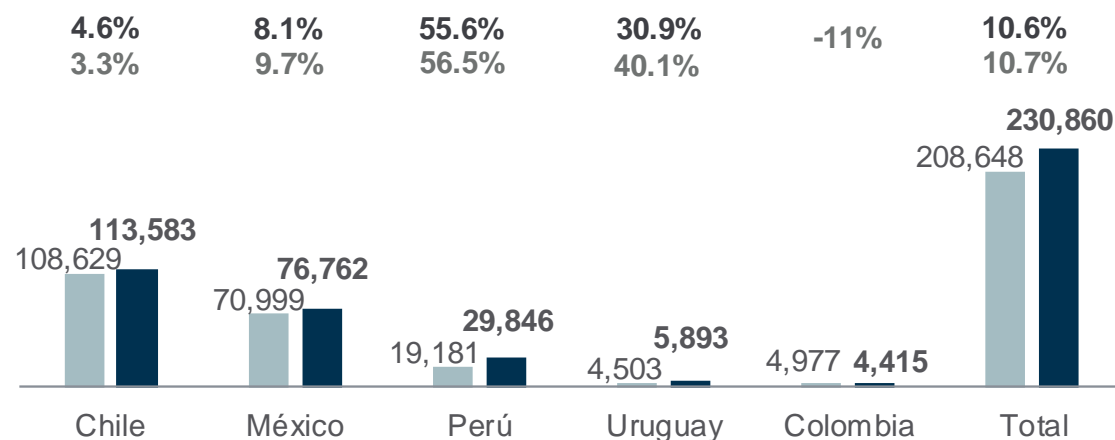


### SAVINGS AND INVESTMENTS AUM



\*COP 10.6 tn eliminated from duplicate AUM between the Investment Management Unit and Savings and Investments business

### COMMISSION INCOME



- Continues growth strategy:
  - IM consolidates its team and platform with 120 people and 94 investment funds.
  - Savings and Investments optimizing and modernizing its channels, also developing its regional platform focused on advisory.
- Total insurance margin (+4.3%)
- Operating result of COP -29,408 MM improves by COP 5,945 MM.

◆ Dic - 17   ◆ Dic - 18   %Var COP   %Var Local Currencies