

# SURA ASSET MANAGEMENT

Corporate Presentation



## DISCLAIMER

- » The forward-looking statements contained in this document are based on Management's current forecasts and outlook.
- » For better illustration and decision-making, figures for SURA Asset Management and its subsidiaries are administrative rather than accountant, and therefore may differ from those presented to official entities. Thus, SURA Asset Management assumes no obligation to update or correct the information contained in this presentation.

- 1. SURA-AM OVERVIEW**
- 2. CORPORATE GOVERNANCE**
- 3. CORPORATE STRATEGY**
- 4. FINANCIAL FIGURES**

# **CONTENT**

# SURA-AM OVERVIEW

# Our Lines Of Business



## PENSION SERVICES

- » Mandatory pensions
- » Severance
- » Asulado



## INVESTMENT & WEALTH MANAGEMENT

- » Voluntary Pensions
- » Distribution of own Mutual Funds and open architecture
- » Managing investment portfolios (Mandates and Funds)
- » Creating products and services



## NEW LINES OF BUSINESS

**qiip**

**Arati.**

Project in development



# Regional Presence

**23.5** 15.5 2012  
● MILLION CLIENTS

**4** million  
Users **qiip**

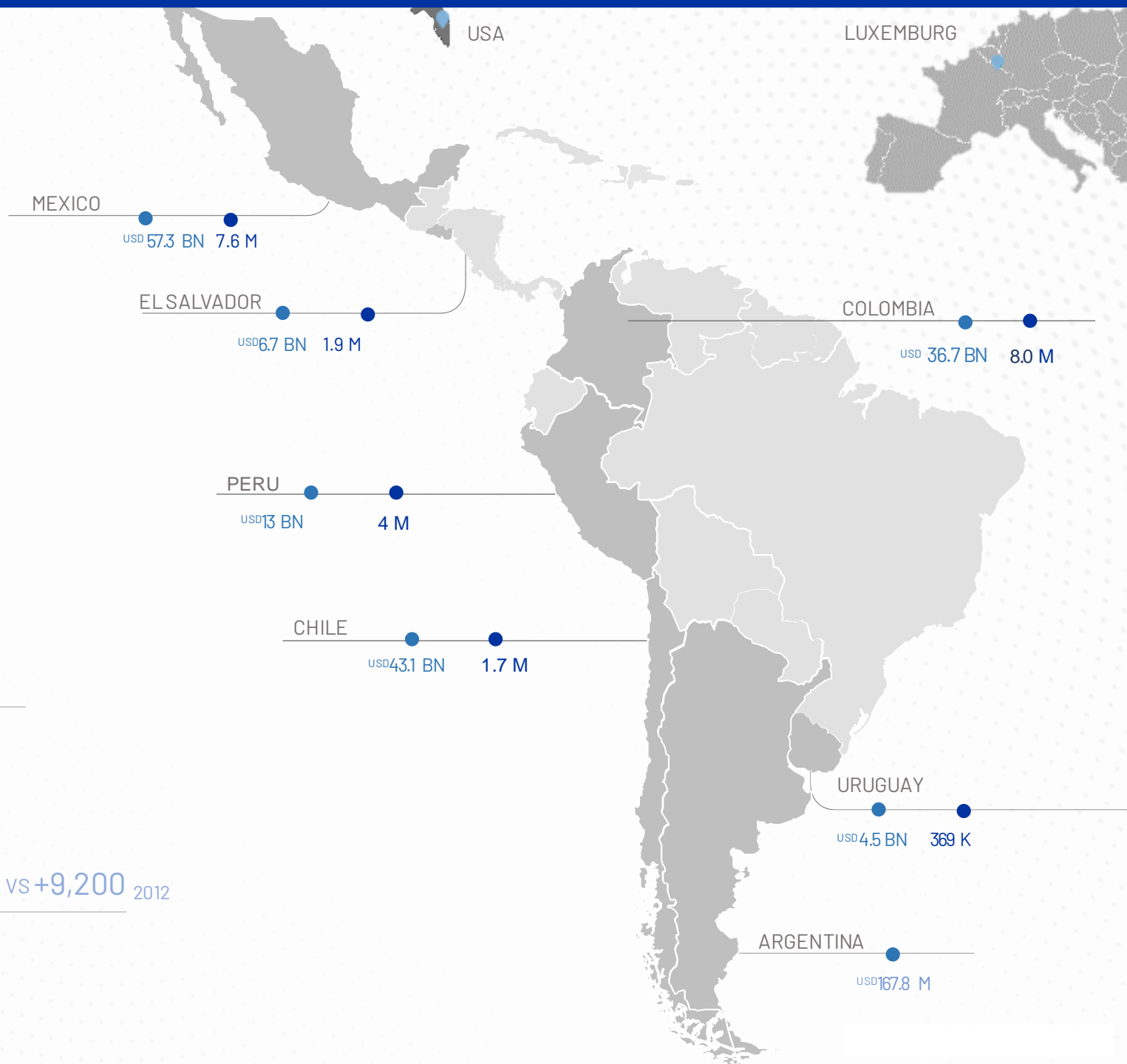
USD  
**164.5** BN VS 61.9 2012  
AUM ●

**9** COUNTRIES

**569**  
INSTITUTIONAL CLIENTS

INVESTMENT GRADE  
Fitch **BBB Rating**  
Moody's **Baa1 Rating**

**+6,800** VS +9,200 2012  
EMPLOYEES



Figures as of June 2023.

# Our Main Figures

## Assets Under Management

USD **140.3** BN  
Pensión savings segment

USD **24.3** BN  
Voluntary segment

USD **164** BN  
Total

## Average Fee (over AUM)

**0.55%**  
Pensión savings segment

**0.78%**  
Voluntary segment

## Premiums issued

**176.5** MM

## Income

USD **186.5** MM  
Pensión savings segment  
commissions

USD **69.1** MM  
Voluntary segment commission

USD **456.4** MM  
Total Income (including "Encaje"  
and "other income")

## Balance Sheet

USD **7.5** BN  
Assets

USD **877** MM  
Financial Debt

USD **144** MM  
Coverage

USD **3.2** BN  
Equity

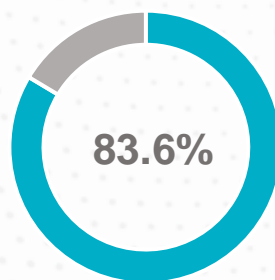
# CORPORATE GOVERNANCE



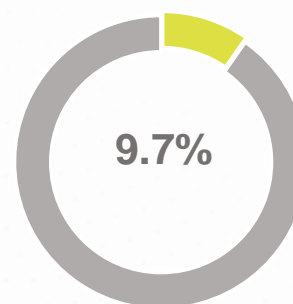
## Supporting our solid financial position, transformation and global vision



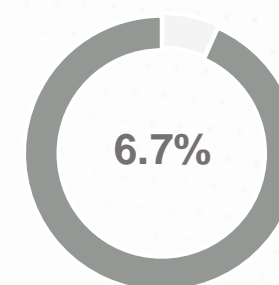
A Latin American holding company with a strategic focus on the diversified financial services sector



A Colombian investment group with extensive experience in the financial sector\*



Canada's second largest pension fund, CDPQ manages assets of + USD 390 Billion\* invested in Canada and elsewhere



\*SURA AM's shareholder exit process

\*Source: [www.cdpq.com/en/about-us/snapshot](http://www.cdpq.com/en/about-us/snapshot)

# Experienced Management Team

**Ignacio Calle Cuartas**  
CEO



**Maurizio Olivares**  
*Internal Audit*



## COUNTRY MANAGERS

**Francisco Murillo**  
A&R



**Juan David Correa**  
**Patricia Restrepo**  
Colombia



**Emilio Bertran**  
México



**Aldo Ferrini**  
Perú



**Jaime Munita**  
Chile



**Ruth de Solorzano**  
El Salvador



**Sebastián Peaguda**  
Uruguay



**Pablo Sprenger**  
SURA Investments



## CORPORATE

**Carlos Esteban Oquendo**  
*CFO*



**Juan Camilo Osorio**  
*CIO*



**Catalina Restrepo**  
*Human talent, Sustainability y Communications*



**Felipe Trujillo**  
*Corporate Development*



**Joaquin Idoyaga**  
*Legal & Compliance, Risk Management and IT*



# CORPORATE STRATEGY

# We ratify our purpose and refine our guidelines

- **Efficient operations**, from a business management standpoint
- **Client segmentation and value offerings** based on accumulation and formality
- **Proactive engagement in building better pensions** leveraged on our leadership position
- Drilling down on **voluntary savings** and all its possibilities
- Value proposals for the **retirement stage**



- Accelerating **business profitability**
- **Specialized** and well-differentiated **advisory services**
- Best in-class **investment solutions**
- **Regional reputation** and client relationship
- Adequate and efficient **distribution models**

# Pensión Savings Segment

## Empathetic Brand and institutional relationship



Industry **proposals** to improve **pension systems**

We **assist with** reforms and regulatory amendments

## Excellent performance of our funds that translate into better pensions

AUM WITH POSITIVE ALPHA\*

↑ **66.5%** 12 months  
Vs **38.5%** for the competition

Broad exposure in  
**Alternative Investments**

**Alliances** with some of the best **Asset Managers**

**10% AUM CAGR** last 10 years

## Tangible models of wellness and future building for customers

**Arati.**



Financial Wellness



Social welfare



Physical, emotional and mental well-being



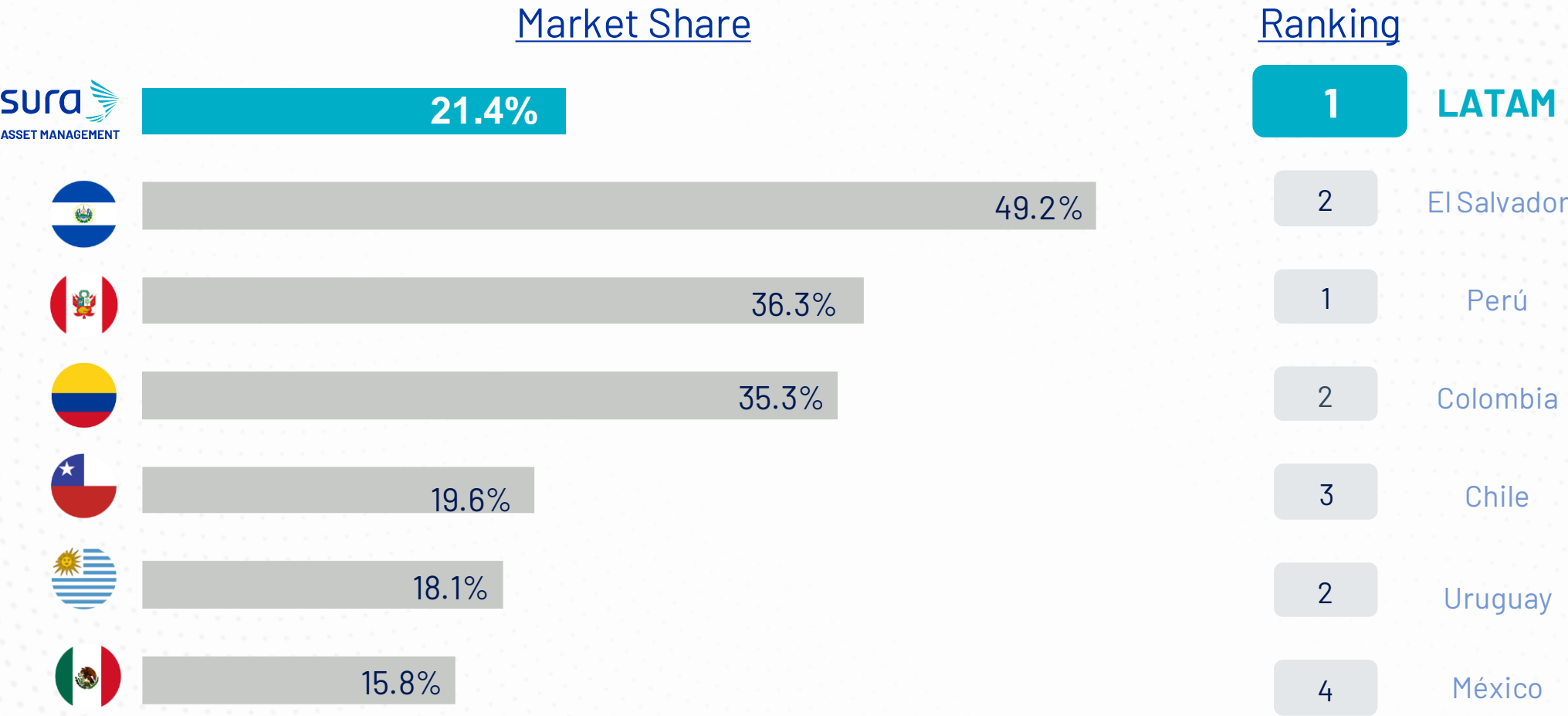
Make your day-to-day life easier

**We support** the culture of the elderly

**+200** spaces for open dialogue



# SURA- AM, LEADING THE REGIONAL PENSION INDUSTRY



2X THE MARKET SHARE OF OUR CLOSEST LATAM COMPETITOR

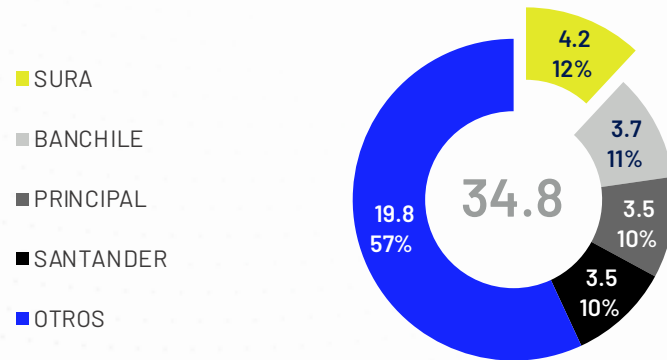
[1] Figures as of June 2023  
Source: Superintendencies of each country, which includes the closing balance of AUM reported by each pension fund or siefore..



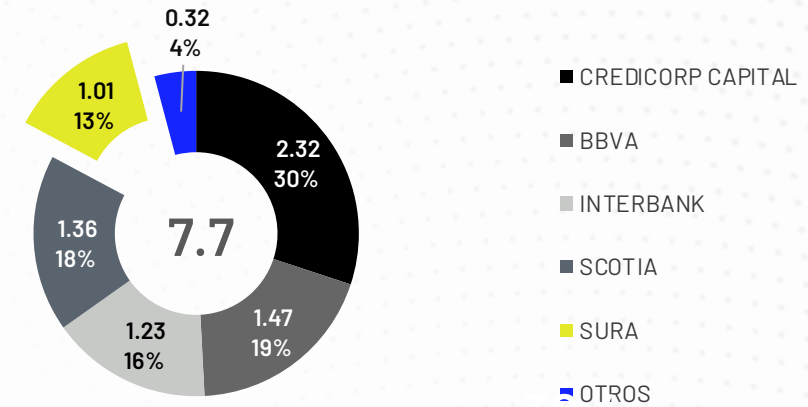
# Sura Investments

Relevant player in the investment industry.

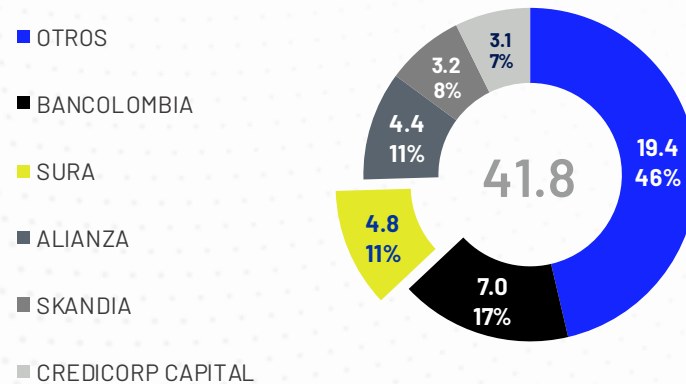
## Chile | Voluntary Savings Industry



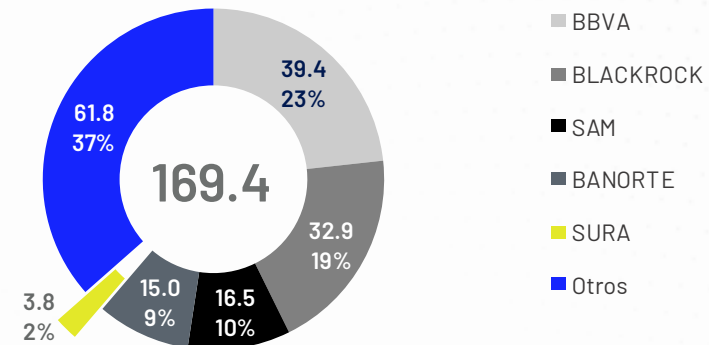
## Peru | Funds Industry



## Colombia | Funds and Voluntary Savings Industry



## Mexico | Funds Industry

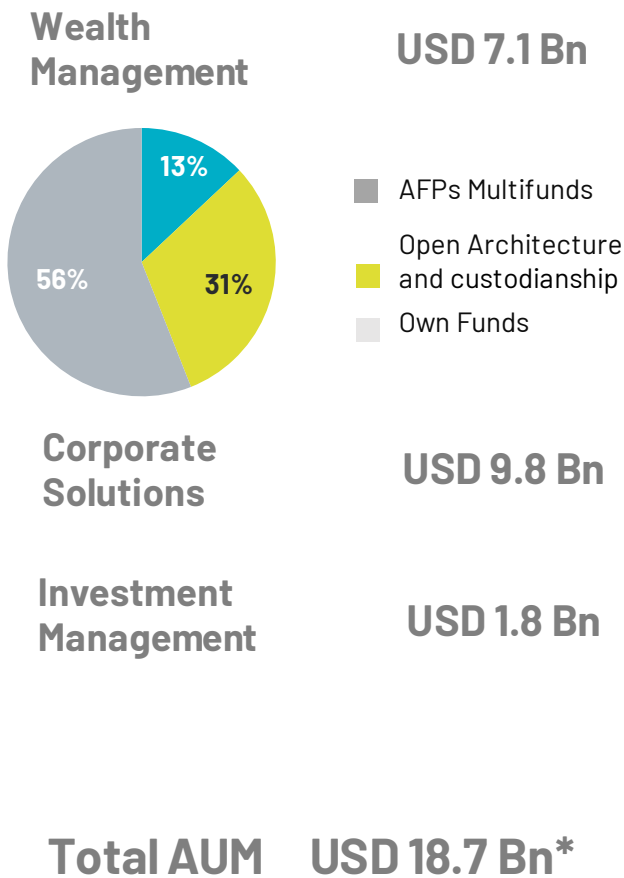


# Voluntary Segment Excluding Voluntary Pensions

## AUMs by Country

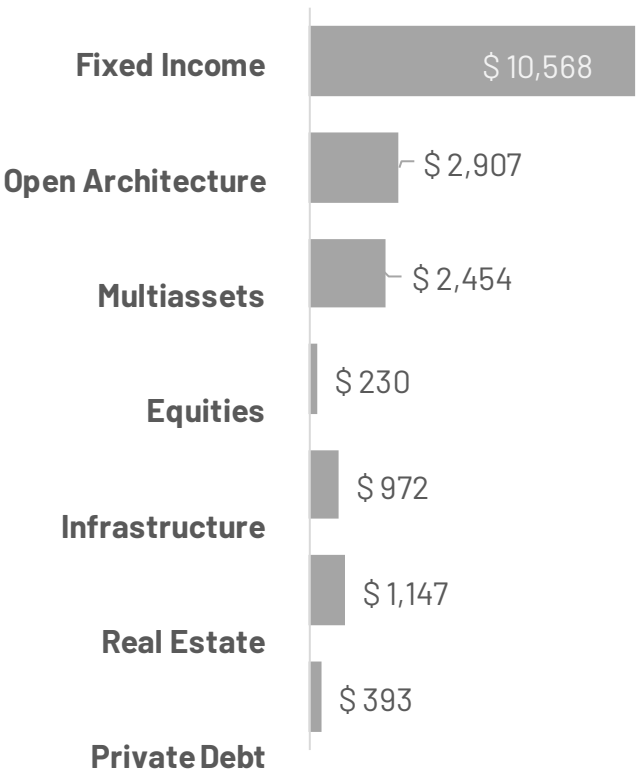


## AUMs by Line of Business



*Protección's Wealth Management division oversees \$5.6 billion.*

## AUMs by Asset Class



# FINANCIAL FIGURES

# Income Statement

The controlling net income performed well in the quarter and reached USD 64 million, leading to an improvement in profitability levels.

Income Statement	2T-2023	2T-2022	Var. % *	Junio 2023	Junio 2022	Var. % *
Fee and commission income	232	220	2.7%	456	438	3.9%
"Encaje" return	23	-25	N/A	43	-52	N/A
Net Equity Method result	3	2	92.5%	5	5	-12.9%
Other operating income	19	20	-10.8%	28	18	50.1%
<b>Operating Income</b>	<b>277</b>	<b>216</b>	<b>23.0%</b>	<b>533</b>	<b>410</b>	<b>28.8%</b>
Insurance Margin	14	10	28.3%	24	19	25.1%
<b>Total operating expenses</b>	<b>-172</b>	<b>-174</b>	<b>-2.6%</b>	<b>-350</b>	<b>-347</b>	<b>1.8%</b>
<b>Operating Income</b>	<b>118</b>	<b>52</b>	<b>99.8%</b>	<b>207</b>	<b>81</b>	<b>131.7%</b>
Net financial result	-7	-18	-61.2%	-16	-33	-46.8%
Net financial derivatives and Fx	1	8	-90.6%	3	-8	N/A
<b>Income before tax</b>	<b>112</b>	<b>41</b>	<b>124.3%</b>	<b>194</b>	<b>39</b>	<b>275.6%</b>
Income tax expense	-38	-26	48.3%	-65	-38	76.9%
Discontinuous operations	0	0	N/A	0	0	N/A
<b>Net Income after tax (before minority interest)</b>	<b>74</b>	<b>15</b>	<b>205.0%</b>	<b>129</b>	<b>1</b>	<b>761.4%</b>
Minoritary Interest	10	-8	N/A	22	-10	N/A
<b>Net Income (after minority interest)</b>	<b>64</b>	<b>23</b>	<b>112.0%</b>	<b>107</b>	<b>11</b>	<b>365.5%</b>

## Highlights

- **Commission revenues** grew by **38.0%** as of June 2023 (adjusted to pro forma view **3.9%**), driven by a **5.7%** increase in the Savings and Retirement business, benefiting from an **11.6%** rise in the wage base. However, the positive momentum in the Savings and Retirement business was partially offset by a **6.1%** decline in commission revenues from the Voluntary segment due to a decrease in fees.
- The **"encaje"** exhibited a significant recovery in the first half of 2023, shifting from a loss of **28 MUSD** in 2022 to a gain of **43 MUSD**. Furthermore, the annualized yield reached **8.4%** in the first half of 2023, in stark contrast to the **-2.8%** recorded in the same period of the previous year.
- **Operational expenses** grew by **38.0%** as of June 2023, driven by the consolidation impact of AFP Protección and AFP Crecer. Adjusting for these effects, operational expenses increased by **1.8%**, which represents an increment lower than the weighted average inflation across the countries where SURA Asset Management operates.

(Highlights as of June 2023)

Figures in USD millions.

\*Var% excludes exchange rate effects, average constant rate June 2023.

\*\* Proforma 2022, are administrative figures that include AFP Protección and AFP Crecer line by line in the income statements of Sura Asset Management

## 2022 Compliance and 2023 Projections

	2022	2023
<b>AUM</b>	(0.3%) vs +10 - 12%	9% – 11%
<b>Fee and commission income*</b>	(8.3%) vs (2%) - (5%)	26% – 29%
<b>Adjusted ROE</b>	5.1% vs 6 - 7%	6% – 7%
<b>Adjusted ROTE</b>	15.4% vs 20% - 22%	17% – 21%

Consolidated metrics

The year 2022 is expressed in proforma figures assuming that Protection falls within the Line of Equity Method.

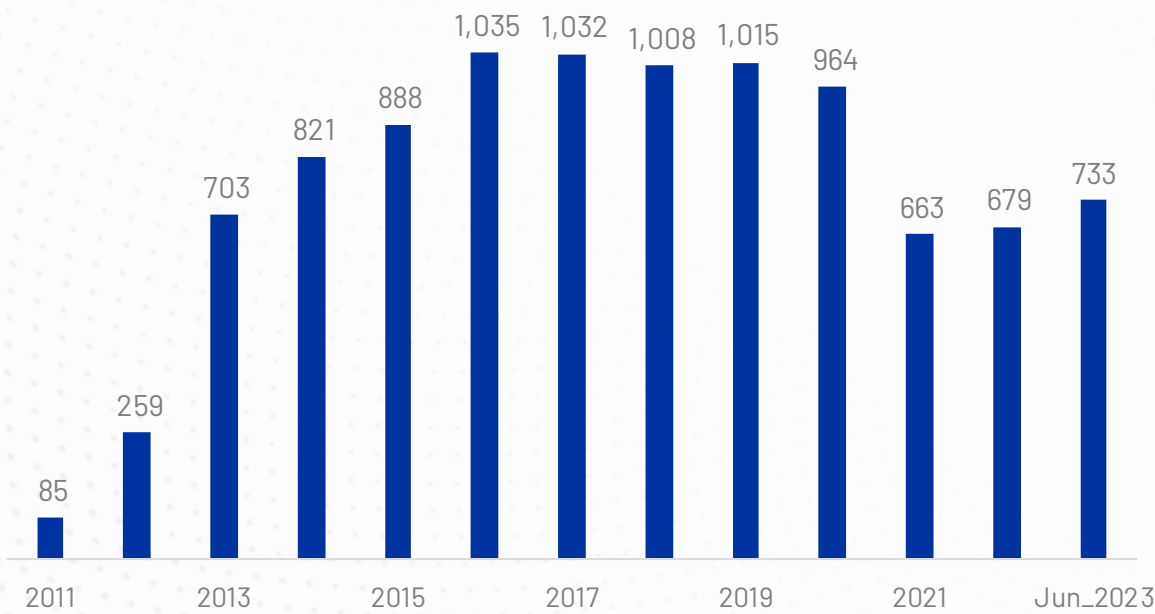
2023 Fee and commission income includes 100% Protection consolidation

Adjusted ROE: Excludes amortization expenses of intangibles associated with acquisitions.

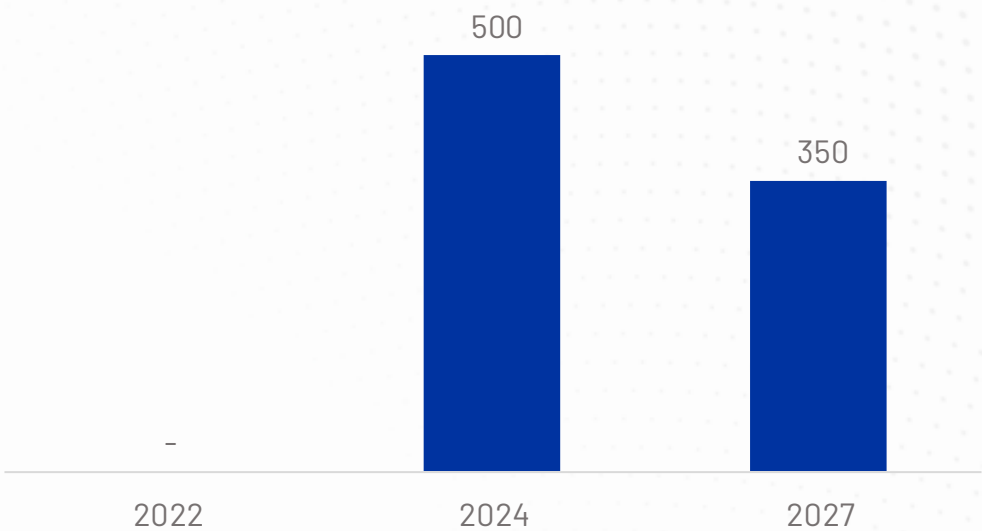
# Debt Profile

Leverage ratio under target range

▸ **GROSS DEBT + SWAP EVOLUTION (MUSD)**



▸ **DEBT MATURITY PROFILE (MUSD)**



**Baa1 | BBB**

Moody's | Fitch Ratings

**7.37%<sup>[1]</sup>**

Total Debt Cost

**6.7x<sup>[1]</sup>**

LTM EBITDA / Interest

**1.8x<sup>[1]</sup>**

Gross Debt + Swaps / EBITDA  
LTM

**2.5x | 3.0x**

Target range and benchmark  
for Moody's and Fitch

<sup>[1]</sup> Figures as of June 2023.