

**sura**   
ASSET MANAGEMENT

# 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**
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- 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

**Arati.**  
Project in development

# Regional Presence

**23.7** 15.5 2012

● MILLION CLIENTS

USD  
**175.7** BN vs 63.2 2012  
AUM ●

**8** COUNTRIES

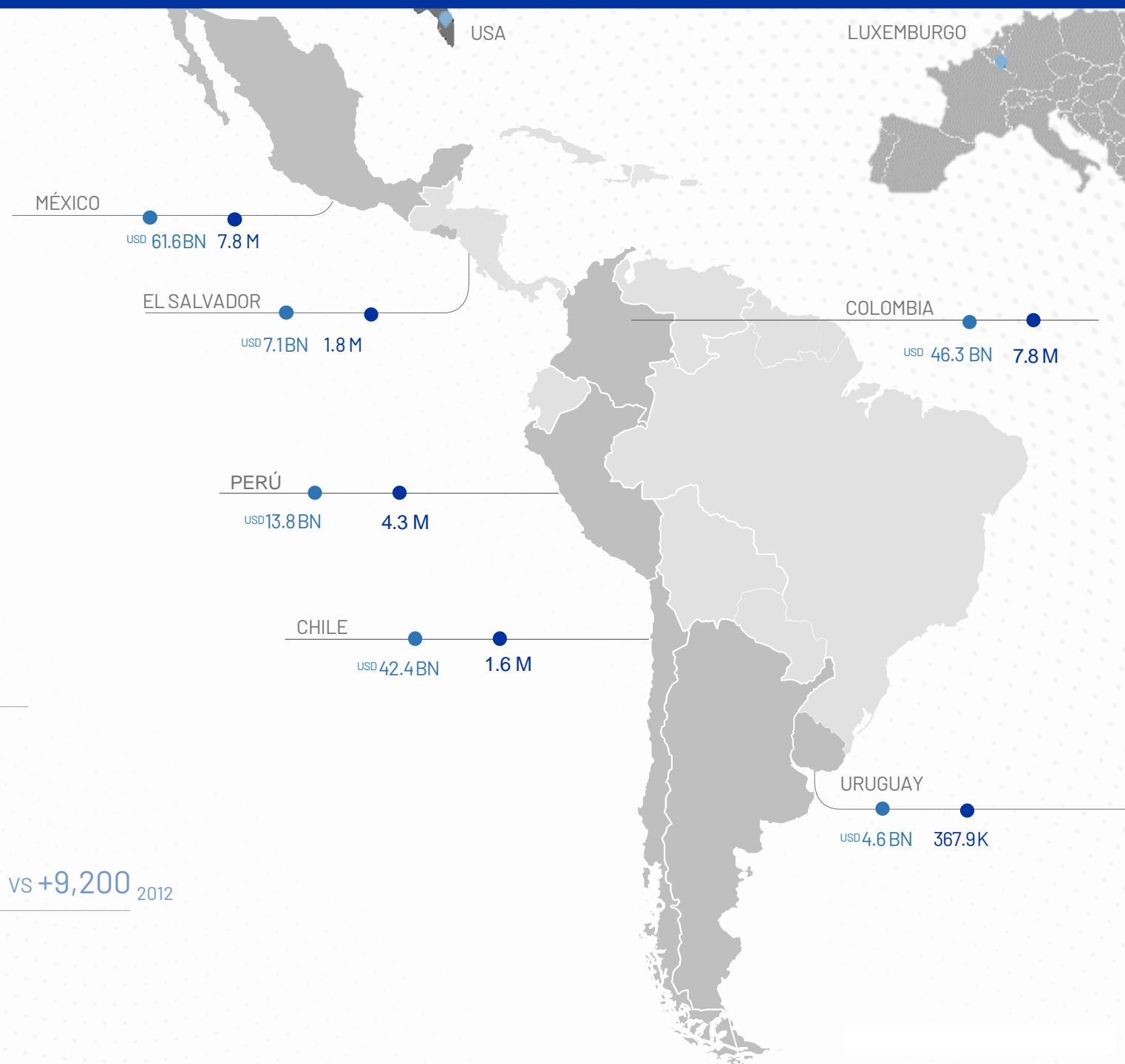
**635**

CORPORATES AND  
INSTITUTIONAL CLIENTS

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

**+6,800** vs +9,200 2012

EMPLOYEES



# Our Main Figures

## Assets Under Management

USD **149.7** BN  
Pensión savings segment

USD **26.0** BN  
Voluntary segment

USD **175.7** BN  
Total

## Average Fee (over AUM)

**0.55%**  
Pension savings segment

**0.65%**  
Voluntary segment

## Premiums issued

USD **596.2** MM

## Income

USD **790.7** MM  
Pension savings segment  
commissions

USD **146.8** MM  
Voluntary segment  
commission

USD **938.8** MM  
Total Income (including "Encaje"  
and "other income")

## Balance Sheet

USD **8.2** BN  
Assets

USD **873** MM  
Financial Debt

USD **158** MM  
Coverage

USD **3.1** BN  
Equity

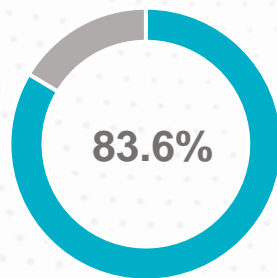
# CORPORATE GOVERNANCE



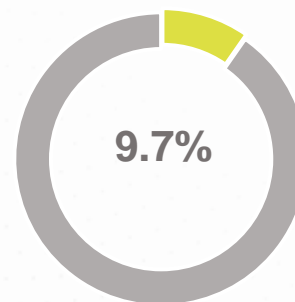
## Supporting our solid financial position, transformation and global vision



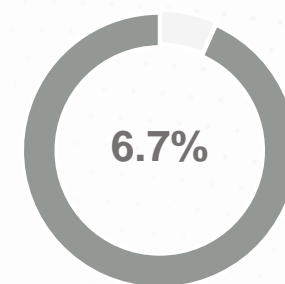
A Latin American holding company with a strategic focus on the diversified financial services sector



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

<p><b>Francisco Murillo</b> A&amp;R</p> 	<p><b>Juan David Correa</b> <b>Patricia Restrepo</b> Colombia</p> 	<p><b>Emilio Bertran</b> México</p> 	<p><b>Aldo Ferrini</b> Perú</p> 
<p><b>Jaime Munita</b> Chile</p> 	<p><b>Ruth de Solorzano</b> El Salvador</p> 	<p><b>Sebastián Peaguda</b> Uruguay</p> 	<p><b>Gonzalo Falcone</b> SURA Investments</p> 

### CORPORATE

<p><b>Carlos Esteban Oquendo</b> <i>CFO</i></p> 	<p><b>Juan Camilo Osorio</b> <i>CIO</i></p> 	<p><b>Catalina Restrepo</b> <i>Human talent, Sustainability y Communications</i></p> 
<p><b>Felipe Trujillo</b> <i>Corporate Development</i></p> 	<p><b>Joaquin Idoyaga</b> <i>Legal &amp; Compliance, Risk Management and IT</i></p> 	

# 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**

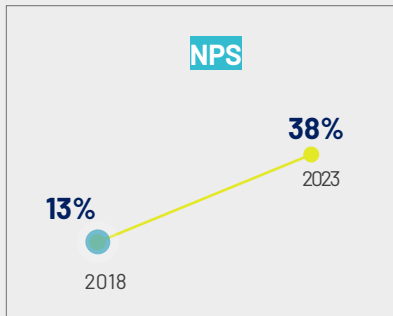
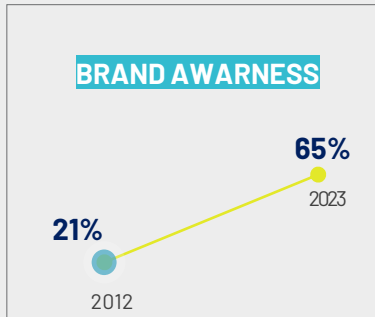


- Accelerating **business profitability**
- **Specialized** and well-differentiated **advisory services**
- Best in-class **investment solutions**
- **Regional reputation** and client relationship
- Adequate and efficient **distribution models**

# Retirement & Savings

Opportunities ahead

## Empathetic Brand and customer satisfaction that generates trust



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

Broad exposure in **Alternative Investments**

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

**82.8%**

of AUM growth is composed by **returns** since 2018\*

## Institutional relationship and future well-being

**Knowledge:** +80 hours with academy in pension talks

**Spokesperson:** Influence workshops, recurring meetings with regulators and political actors

**Presence:** Attendance at industry events, *Global Pensions Programme* sponsorship

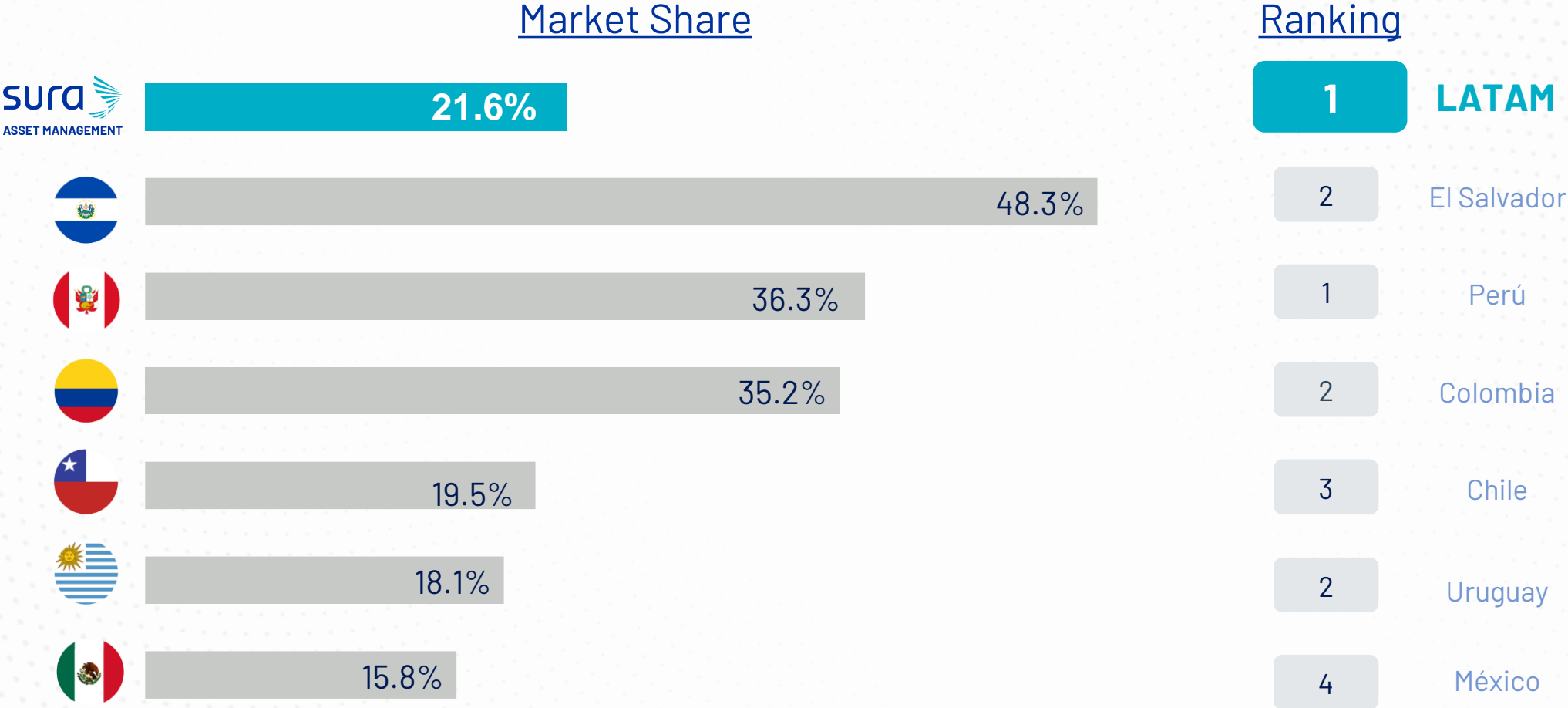
**Alliances** with academy, cost of reforms



\*Does not correspond to a pension trajectory exercise



# SURA- AM, LEADING THE REGIONAL PENSION INDUSTRY



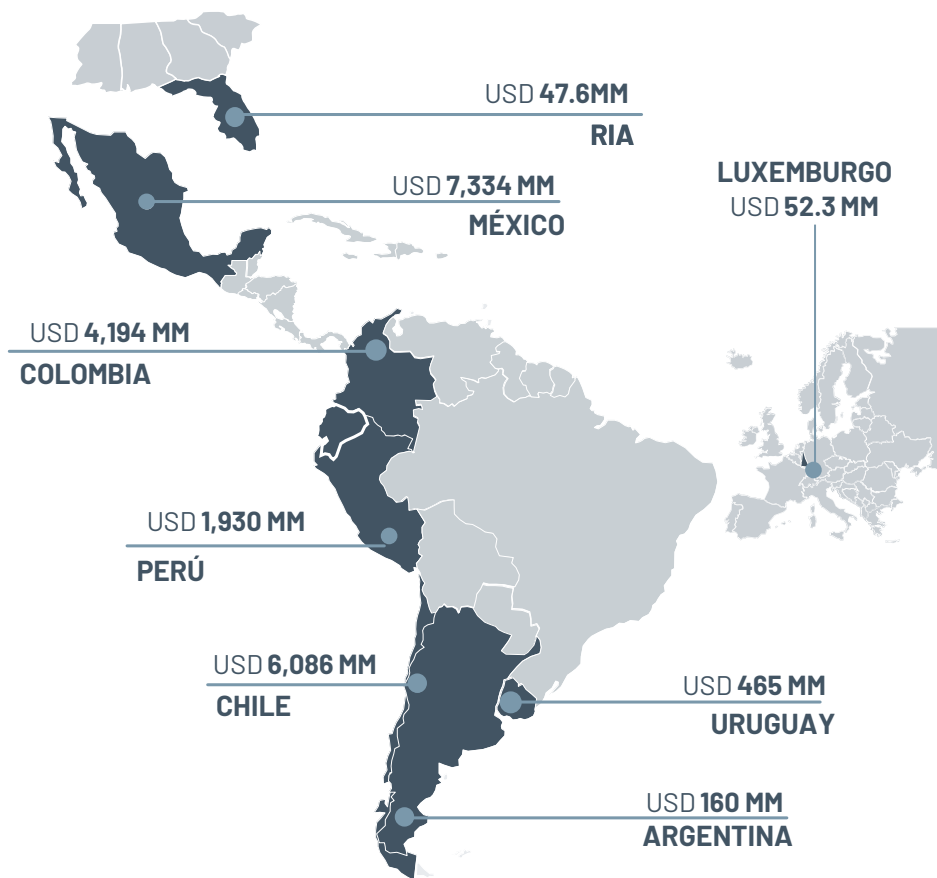
**2X THE MARKET SHARE OF OUR CLOSEST LATAM COMPETITOR**

[1] Figures as of September 2023

Source: Superintendencies of each country, which includes the closing balance of AUM reported by each pension fund or siefore..

# Voluntary Segment Excluding Voluntary Pensions

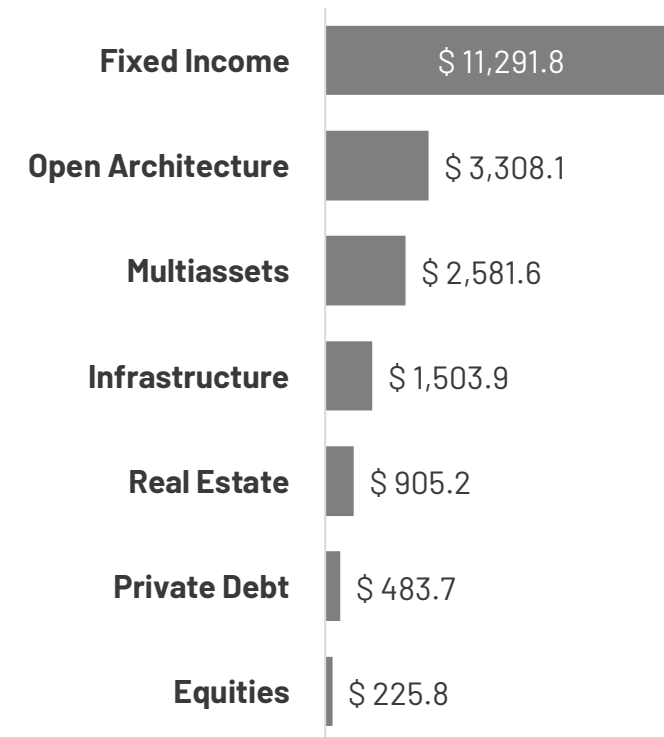
## AUMs by Country



## AUMs by Line of Business



## AUMs by Asset Class



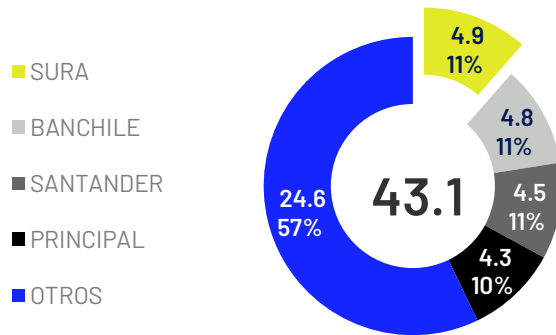
Figures as December 2023

\*Doesn't include Protección

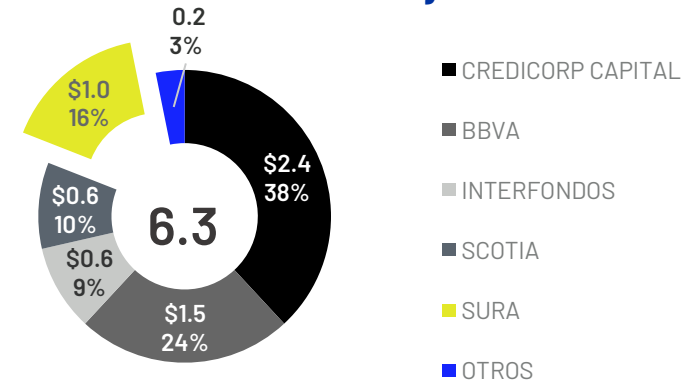
# Sura Investments

Relevant player in the investment industry.

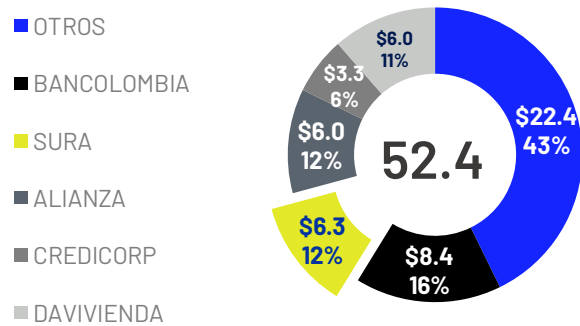
## Chile | Voluntary Savings Industry



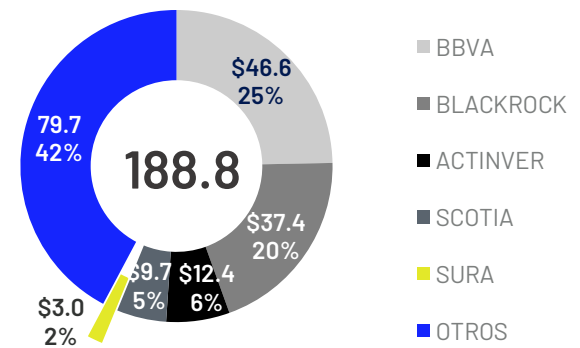
## Peru | Funds Industry



## Colombia | Funds and Voluntary Savings Industry



## Mexico | Funds Industry



Chile's voluntary savings includes the Corredora de Bolsa (Brokerage firm), as well as AGF and VIDA. Source: CMF Peru includes the mutual fund industry (SAF) and the custodial services for clients belonging to brokerage firms. Source: SMV Colombia includes the Private Equity, Mutual Funds and Pension Funds industry. Source: Superfinanciera Mexico includes the Investment Funds industry. Source: CNBV. Values stated in USD billions except for Chile which is in USD MM. Figures in USD BN except Chile in MM USD - September 2023

# FINANCIAL FIGURES

# Income Statement | Quarterly

Income Statement				Proforma		
	4Q-2023	4Q-2022	Var. % *	4Q-2023	4Q-2022	Var. % *
Fee and commission income	242	201	13.3%	242	204	8.7%
"Encaje" return	79	49	51.8%	79	56	38.3%
Net Equity Method result	1	9	-80.5%	1	2	-12.0%
Other operating income	19	41	-53.8%	19	45	-58.0%
<b>Operating Income</b>	<b>341</b>	<b>300</b>	<b>8.4%</b>	<b>341</b>	<b>307</b>	<b>4.5%</b>
Insurance Margin	-9	-3	286.6%	-9	-3	286.7%
<b>Total operating expenses</b>	<b>-188</b>	<b>-157</b>	<b>12.0%</b>	<b>-188</b>	<b>-152</b>	<b>11.4%</b>
<b>Operating Income</b>	<b>145</b>	<b>141</b>	<b>0.4%</b>	<b>145</b>	<b>152</b>	<b>-6.7%</b>
Net financial result	-2	-7	-84.5%	-2	-7	-84.9%
Net financial derivatives and Fx	3	7	-56.9%	3	8	-61.8%
<b>Income before tax</b>	<b>146</b>	<b>141</b>	<b>2.4%</b>	<b>146</b>	<b>153</b>	<b>-5.2%</b>
Income tax expense	-54	-35	46.6%	-54	-40	27.0%
Discontinuous operations	-16	-14	12.2%	-16	-14	12.2%
<b>Net Income after tax (before minority interest)</b>	<b>76</b>	<b>92</b>	<b>-16.2%</b>	<b>76</b>	<b>99</b>	<b>-21.3%</b>
Minoritary Interest	14	24	-43.4%	14	32	-55.9%
<b>Net Income (after minority interest)</b>	<b>62</b>	<b>68</b>	<b>-6.9%</b>	<b>62</b>	<b>68</b>	<b>-6.0%</b>

## Highlights

- **Commission revenues** reached **242 MUSD**, reflecting a growth of **13.3%** compared to the same quarter of the previous year (proforma **8.7%**). This increase is attributed to a **10.7%** rise in the Savings and Retirement business, driven by an **10.7%** growth in the Salary Base and a **13.5%** increase in AUM, benefiting from yield recovery and a **11.2%** rise in individual contributions.
- The Reserve Requirement (**Encaje**) yielded a positive performance of **79 MUSD** in the third quarter of 2023, growing **51.8%** compared to the same period of the previous year.
- **Operational expenses** increased by **12.0%** compared to the same quarter in 2022, and adjusting the effects of AFP Protección, stand at **11.4%**. This higher trend of expense growth during the last quarter is explained by non-recurring factors related to the new strategic focus of the voluntary business. Excluding these non-recurring effects, the expense growth would be **8.5%**.

Figures in USD millions.

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



# Income Statement | YTD

Income Statement				Proforma		
	December 2023	December 2022	Var. % *	December 2023	December 2022	Var. % *
Fee and commission income	939	666	31.8%	939	851	5.0%
"Encaje" return	107	9	1321.1%	107	-17	N/A
Net Equity Method result	8	7	-0.9%	8	11	-31.5%
Other operating income	72	64	11.0%	72	68	5.4%
<b>Operating Income</b>	<b>1,126</b>	<b>746</b>	<b>42.0%</b>	<b>1,126</b>	<b>912</b>	<b>17.7%</b>
	<b>0</b>	<b>0</b>				
Insurance Margin	15	25	-43.9%	15	25	-43.9%
	<b>0</b>	<b>0</b>				
<b>Total operating expenses</b>	<b>-711</b>	<b>-520</b>	<b>28.6%</b>	<b>-711</b>	<b>-656</b>	<b>3.5%</b>
	<b>0</b>	<b>0</b>				
<b>Operating Income</b>	<b>430</b>	<b>252</b>	<b>61.0%</b>	<b>430</b>	<b>281</b>	<b>45.2%</b>
	<b>0</b>	<b>0</b>				
Net financial result	-26	-51	-49.1%	-26	-53	-51.2%
Net financial derivatives and Fx	14	4	271.5%	14	5	216.5%
	<b>0</b>	<b>0</b>				
<b>Income before tax</b>	<b>418</b>	<b>205</b>	<b>89.6%</b>	<b>418</b>	<b>233</b>	<b>68.5%</b>
Income tax expense	-157	-68	121.2%	-157	-97	58.0%
Discontinuous operations	-16	-21	-29.0%	-16	-21	-29.0%
<b>Net Income after tax (before minority interest)</b>	<b>245</b>	<b>116</b>	<b>93.5%</b>	<b>245</b>	<b>115</b>	<b>94.7%</b>
Minority Interest	36	25	49.7%	36	24	52.1%
<b>Net Income (after minority interest)</b>	<b>209</b>	<b>91</b>	<b>103.9%</b>	<b>209</b>	<b>91</b>	<b>104.6%</b>

## Highlights

- **Commission revenues** reached **939 MUSD**, reflecting a growth of **31.8%** compared to December of the previous year (pro forma **5.0%**). This increase is attributed to a **6.6%** rise in the Savings and Retirement business, offsetting the impact of the voluntary business which decreased **3.3%**.
- The Reserve Requirement (**Encaje**) maintains a favorable result in the year-to-date 2023, during which it records an annualized yield of **10.2%**, contrasting with a yield of **-1.5%** in December 2022. This positive Encaje performance, coupled with a strong operational result, significantly contributes to an increase in the income tax.
- **Operational expenses** increased by **28.6%** compared to December 2022, influenced by the consolidation of AFP Protección and AFP Crecer. Adjusting for this effect, the growth is **3.5%**.

Figures in USD millions.

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

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

# 2023 Compliance and 2024 Projections

	2023	2024
<b>AUM</b>	14.4% vs 9 - 11%	9% – 11%
<b>Fee and commission income*</b>	31.8% vs 26% - 29%	8% – 10%
<b>Adjusted ROE</b>	8.8% vs 6 - 7%	7% – 8%
<b>Adjusted ROTE</b>	27.8% vs 17% - 21%	17% – 21%

Consolidated metrics

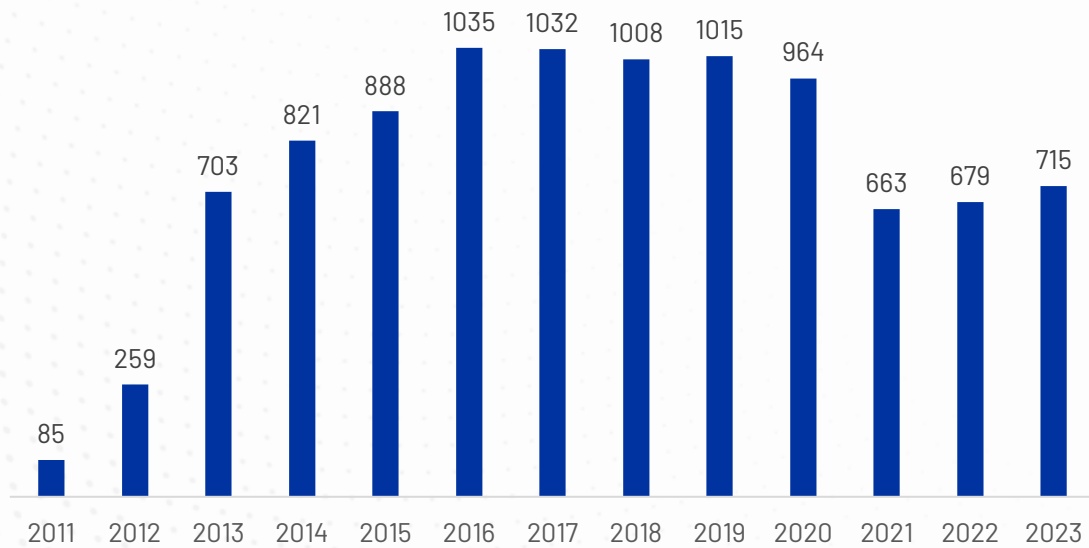
2023 Fee and commission income includes 100% Protection consolidation

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

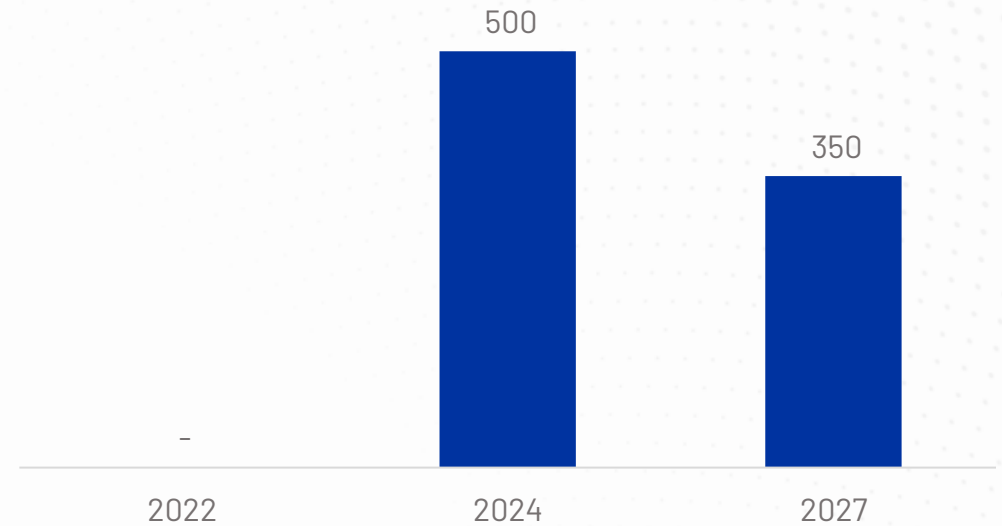
# Debt Profile

Leverage ratio under target range

## GROSS DEBT + SWAP EVOLUTION (MUSD)



## DEBT MATURITY PROFILE (MUSD)



Baa1 | BBB

Moody's | Fitch Ratings

7.5%<sup>[1]</sup>

Total Debt Cost

8.0x<sup>[1]</sup>

LTM EBITDA / Interest

1.5x<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 December 2023.