

ANNUAL  
REPORT

2013



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ABOUT OUR  
**ANNUAL REPORT**

Brief explanation regarding the contents of this report together with the philosophy behind it and the standards forming the basis for its preparation and presentation.





**DAVID BOJANINI G.**  
Chief Executive Officer -  
Grupo SURA

**B**eing able to handle information has unquestionably become more and more important to the life of people, organizations and the public at large. Access to information, which nowadays has become much more open and flexible, allows us to make better or at least more educated and mindful decisions.

So being able to provide as clearly and completely as possible details regarding the results and performance of a company such as Grupo SURA, reflects above all a firm commitment to transparency and accountability with our stakeholders, particularly our shareholders and investors. It is precisely these virtues that have allowed us to gain the trust of millions of clients throughout Latin America who are able to see how our Organization strives on a daily basis to deliver a consistent value promise with their well-being and growth in mind.

This document, our Integrated Annual Report, contains complete and specific information regarding Grupo Sura's performance and that of its strategic investments in 2013, covering all relevant economic, social and environmental issues. As we have reiterated on a number of occasions in the past, these investments are mainly concentrated in the banking, insurance pension, savings and investment sectors in Latin America with a presence in 9 different countries throughout the region.

The year-end financial information, main business figures, achievements obtained, the more important projects, risk management, corporate governance, compliance with applicable legislation, and the most salient challenges to be faced in the short, mid- and long term, as well as our strategic focus form an integral part of the information herein reported.

Also, and in keeping with international standards, this year we have also included a materiality analysis showing the more important sustainability issues facing the financial service sectors to which we belong, these forming the framework of everything we do.

This report was designed and drawn up based on the parameters introduced by the Global Reporting Initiative, while at the same time allowing us to reassert our commitment to consolidating practices aimed at upholding human rights, labor standards, environmental conservation, and transparency as part of the United Nation's Global Compact initiative which we embraced back in 2009 along with all our subsidiaries since then.

We are convinced that by upholding ethical conduct, respecting human dignity and protecting our natural resources we are treading a firm path towards a brighter future for all.

**DAVID BOJANINI GARCÍA**  
CHIEF EXECUTIVE OFFICER -  
GRUPO SURA



# CUMPLIMIENTO DE ESTÁNDARES

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**THIS REPORT COVERS  
ALL FINANCIAL, SOCIAL,  
ENVIRONMENTAL  
AND CORPORATE  
GOVERNANCE ASPECTS  
OF THE PERFORMANCE OF  
GRUPO DE INVERSIONES  
SURAMERICANA S.A. AND  
ITS CORE SUBSIDIARIES,  
BETWEEN JANUARY 1 AND  
DECEMBER 31, 2013.**

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**THIS REPORT IS  
PRESENTED ON AN  
ANNUAL BASIS , WITH  
THE LAST REPORT  
PUBLISHED IN 2012.**

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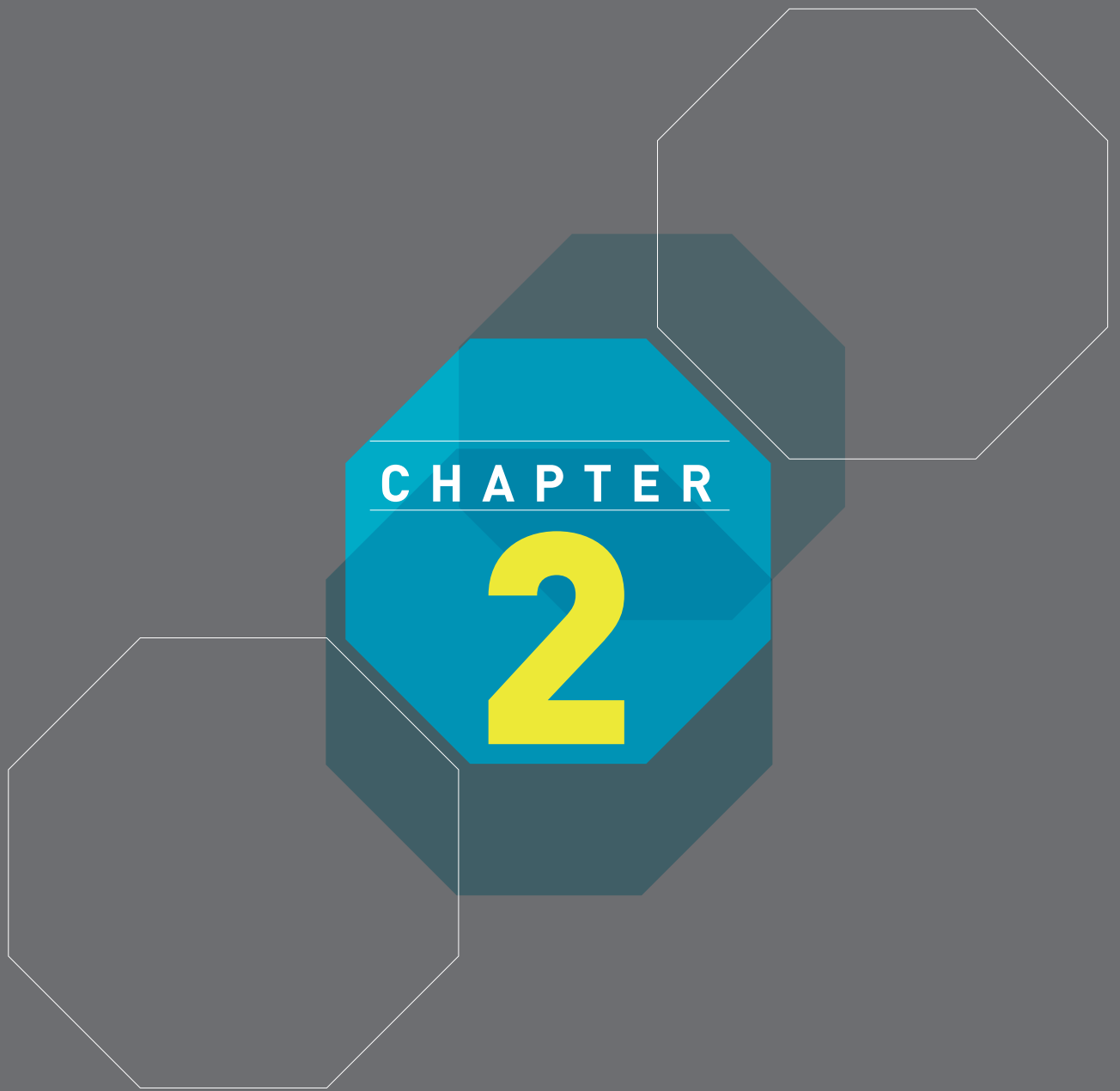
In 2012 Grupo SURA was hoping to obtain the Quality Seal for Issuers from the Colombian Stock Exchange (Bolsa de Valores de Colombia). We finally obtained this award in 2013, for our reporting practices as well as investor relations.

Part of Grupo SURA's operations and internal processes are carried out by the Shared Service Center belonging to our subsidiary, Suramericana. This synergy has allowed the Company to increase its operating efficiency and become more competitive, upon adapting the required model and processes in order to receive support mainly in the areas of Human Resources, Logistics and Information Technology, details of which are included in this report.

All the Company's financial information is published in keeping with Colombian accounting standards pursuant to that stipulated by the Colombian Superintendency of Finance. No accounting figures were re-stated at the end of 2013.

All the Company's accounting and financial information was audited by the firm KPMG. All non-financial information, particularly with regard to the corporate governance, social and environmental performance of both Grupo Sura and its main subsidiaries was audited by the firm, Deloitte, based on International Standards for Assurance Engagements - ISAE - 3000 as well as Assurance Engagements other than Audits or Reviews of Historical Financial Information, as issued by the International Auditing and Assurance Standard Board (IAASB).





# SENIOR MANAGEMENT

The profiles of the members of the Board of Directors and Senior Management fully complied with all applicable standards as well as our new organizational structure.

# BOARD OF DIRECTORS



The Company's Board of Directors is made up of seven (7) principal members, of which four (4) have an independent status, including the Chairman and Vice-Chairman. The current members of our Board of Directors were elected by the shareholders at their annual shareholder's meeting held on March 21, 2013 for a period of two years. The term of each of the current board members expires in March 2013.

The mechanisms deployed to ensure the independent status of the members of the Board of Directors are in keeping with that stipulated in Article 44 of Law 964 of 2005 as well as in Article 25 of the Company's by-laws..

The professional and personal profiles of the members of the Board of Directors in keeping with the Company's needs. All members must have analytical and managerial skills, a strategic business vision, objectivity, an ability to express his or her point of view as well as being able to evaluate high-level managerial tables. They must also have a knowledge of the industry as well as financial, risk management and legal matters; they must also have experience abroad as well as with crisis management. They must also be able to understand and question financial information and new business proposals.

Grupo SURA's Board of Directors has four Board Committees:

- Corporate Governance Committee
- Investment Committee
- Finance and Audit Committee
- Compensation and Development Committee

In 2013, the Board of Directors met on 12 occasions, with an attendance rate of 97.6%. The monthly fees for each member, as approved by the Shareholders at their Annual General Meeting, came to COP 5.000.000 for 2013.

More detailed information regarding our Corporate Governance can be found in a pdf version of this report on the following website [www.gruposura.com.co](http://www.gruposura.com.co) as well as with Grupo SURA's mobile app.

## 1 **ARMANDO MONTENEGRO TRUJILLO**

Chairman of the Board of Directors - Independent Member

Holding a degree in Industrial Engineering from the Universidad Javeriana, a Masters degree in Economics and Latin-American studies from Ohio University and a Ph.D. in Economics from New York University, Mr. Montenegro has held the posts of Director of Colombia's National Planning Department, Deputy Executive Director of the World Bank, Director of ANIF (Colombian Association of Financial Institutions) and Managing Director of Rothschild in Colombia. He is currently Managing Director of the Investment Bank, Agora.

He has been a member of Grupo SURA's Board of Directors since 2010.

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## **JUAN GUILLERMO LONDOÑO POSADA**

Holding a degree in Business Administration from the Universidad EAFIT, Mr. Londoño was General Manager of Ramón H. Londoño and Chief Executive Officer of Coninsa & Ramón H. S.A. He is currently the Chief Executive Officer of Celsia. He also serves on the Boards of Directors of EPSA S.A. E.S.P., Smurfit Kappa Cartón de Colombia S.A., Urbansa S.A. y Situm S.A.S..

He is also a member of the Boards of Directors or Trustees of Andesco, Acolgen, Proantioquia, Ruta N, Medellín's Metropolitan Technological Institute - ITM, Higher Education Corporation for Antioquia, Council for Economic Affairs for the Medellín Archdiocese as well as the CELSIA Foundation.

He has been a member of Grupo SURA's Board of Directors since 2007.

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## **JAIME BERMÚDEZ MERIZALDE** INDEPENDENT MEMBER

holding a degree in law from the Universidad de los Andes and a Ph.D. in Political Science from Oxford University (United Kingdom), Mr. Bermudez has served as Executive Director of the Consorcio Iberoamericano de Investigadores de Mercados y Asesoramiento (Latin American Consortium for Market Research and Consultancy), as well as a private consultant in strategic communications, public matters and crisis management for multinational companies and Government institutions. He has also served as advisor to the Colombian President as well as Minister of Foreign Affairs. He is currently President of the Investment Bank MBA Lazard Colombia

He has been a member of Grupo SURA's Board of Directors since 2011.

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## **HERNANDO YEPES ARCILA** Vice-Chairman of the Board of Directors INDEPENDENT MEMBER

Holding a law degree from the Universidad de Caldas, Mr. Yepes has served as magistrate for the Constitutional Division of the Colombian Supreme Court of Justice; magistrate for the Administrative Division of the Superior Bench; First Presiding Judge and Presiding Judge of the Superior Council for the Judiciary; delegate for the National Constituent Assembly in 1991; Legal Director of the National Federation of Coffee-Growers in Colombia as well as Minister of Labor and Social Security. He is currently Director of the Department of Public Law at the Pontificia Universidad Javeriana as well as exercising his profession as lawyer.

He has been a member of Grupo SURA's Board of Directors since 2007.

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## **CARLOS ANTONIO ESPINOZA** INDEPENDENT MEMBER

Holding a degree in Economics from the University of Louisiana, Mr. Espinoza also attended the Senior Management program at INALDE (Universidad de la Sabana) along with other programs at the Wharton School and Harvard Business School. He was the Chief Executive Officer of Acegrasas S.A. and currently serves as Chief Executive Officer of RACAFE & Cía SCA. He is also a member of the Board of Directors of Team S.A. as well as the Boards of Trustees of Fedesarrollo and the Fundación Cardio Infantil.

He has been a member of Grupo SURA's Board of Directors since 2013.

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## **CARLOS ENRIQUE PIEDRAHÍTA AROCHA**

Holding a degree in Economics from the University of Keele in the UK and a Master's degree in Finance from the London School of Economics, Mr. Piedrahita has also served as the Finance Officer of what is now known as Grupo SURA, as well as Chief Executive Officer of the Corporación Financiera Nacional y Suramericana CORFINSURA and the Compañía Nacional de Chocolates. He is currently the Chief Executive Officer of Grupo Nacional de Chocolates

On February 27, 2014, Mr. Carlos Enrique Piedrahita resigned from Grupo SURA's Board of Directors, after serving as a member since 2000. The Company would like to thank him for his firm commitment and active involvement in this governing body over the last 14 years, as well as the leadership, global business vision and marked sensitivity to humanitarian and social issues that he was able to bring to bear on both Grupo SURA and its strategic investments.

He has been a member of Grupo SURA's Board of Directors since 2000.

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## **JOSÉ ALBERTO VÉLEZ CADAVID**

holding a B.Sc. degree in Administrative Engineering from the Universidad Nacional and a M.Sc in Engineering from the University of California in the U.S., Mr. Velez also received a Honor's degree in Engineering from the Ecole Nationale d'Ingénieurs de Metz in France He was a local councillor for the City of Medellín and Assistant to the Governor of Antioquia. He also served as CEO of Suramericana (formerly Inversura) and is now CEO of Grupo Argos.

He has been a member of Grupo SURA's Board of Directors since 2004.

# SENIOR MANAGEMENT



## CORPORATE STRUCTURE:

Grupo SURA's ongoing expansion and growth is reflected in its results and robust financial position. These results must be supported by a corporate structure in keeping with the Organization's needs in order to meet the growing demands of an increasingly competitive environment.

Therefore, in order to continue moving forward in meeting the Organization's challenges and strategic objectives, while constantly coming up with best ways of creating added value for its portfolio investments, Grupo SURA reviewed both its managerial and corporate roles within the framework of its organizational structure. As a result of this exercise, which included analyzing a large number of leading companies worldwide known for their best practices, the Vice-Presidency of Corporate Affairs was created together with all those areas required to address issues such as planning, innovation, synergies, risk management, legal affairs and corporate responsibility, etc.

## **1 DAVID BOJANINI GARCÍA** **Chief Executive Officer**

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Mr. Bojanini holds a degree in Industrial Engineering from the Universidad de los Andes, and a Master's degree specializing in Actuarial Studies from the University of Michigan.

He served as Chief Executive Officer of Administradora de Fondos de Pensiones y Cesantías PROTECCIÓN S.A., for the space of 15 years since it was first founded. Prior to this he held the post of Actuarial Manager for Suramericana's insurance companies. He has been the Chief Executive Officer of Grupo de Inversiones Suramericana S.A. - Grupo SURA, since his appointment in October 2006. He also is a member of the Boards of Directors of Grupo Nutresa, Grupo Argos, Grupo Bancolombia, Suramericana S.A. and SURA Asset Management. He also sits on the Boards of Trustees for various social outreach projects including Fundación para el Desarrollo de Antioquia - Proantioquia, Fundación Empresarios por la Educación and Corporación Colombia Internacional.

## **3 IGNACIO CALLE CUARTAS** **Chief Financial and Investment Officer**

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Mr. Calle holds a degree in Production Engineering from the Universidad EAFIT and a Master's Degree in Economics and Finance from the State University of New York. He began his career in Suramericana in 1996 and later began to work for GRUPO SURA as Finance and Investment Manager. He later joined the Groupe Casino in France as Vice-president of Mergers and Acquisitions for Latin America and International Finance Director for the Casino Group's subsidiaries in Asia, the Indian Ocean and Latin America. He returned to GRUPO SURA in 2012 to serve in his current post. Mr. Calle is a member of the Boards of Directors of Suramericana, SURA Asset Management, Seguros SURA and AFP Integra, the latter two in Peru. He also sits on the Board of Directors of the Colombian Association of Industrialist - ANDI - as well as on the Board of Trustees of the Fundación Secretos para Contar.

## **2 FERNANDO OJALVO PRIETO** **Chief Corporate Affairs Officer and Company Secretary**

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Mr. Ojalvo holds a degree in law from the Universidad de Medellin and a specialization in Labor Law from the Universidad Pontificia Bolivariana. He has served as Manager of Administradora de Fondos de Inversión Suramericana, Legal Manager and Company Secretary of Suramericana and Subsidiaries, Chairman of the Suramericana Foundation, Chief Administrative Officer of Suramericana and Grupo SURA. Besides his current post in Grupo Sura, Mr. Ojalvo serves as Company Secretary for Suramericana S.A.

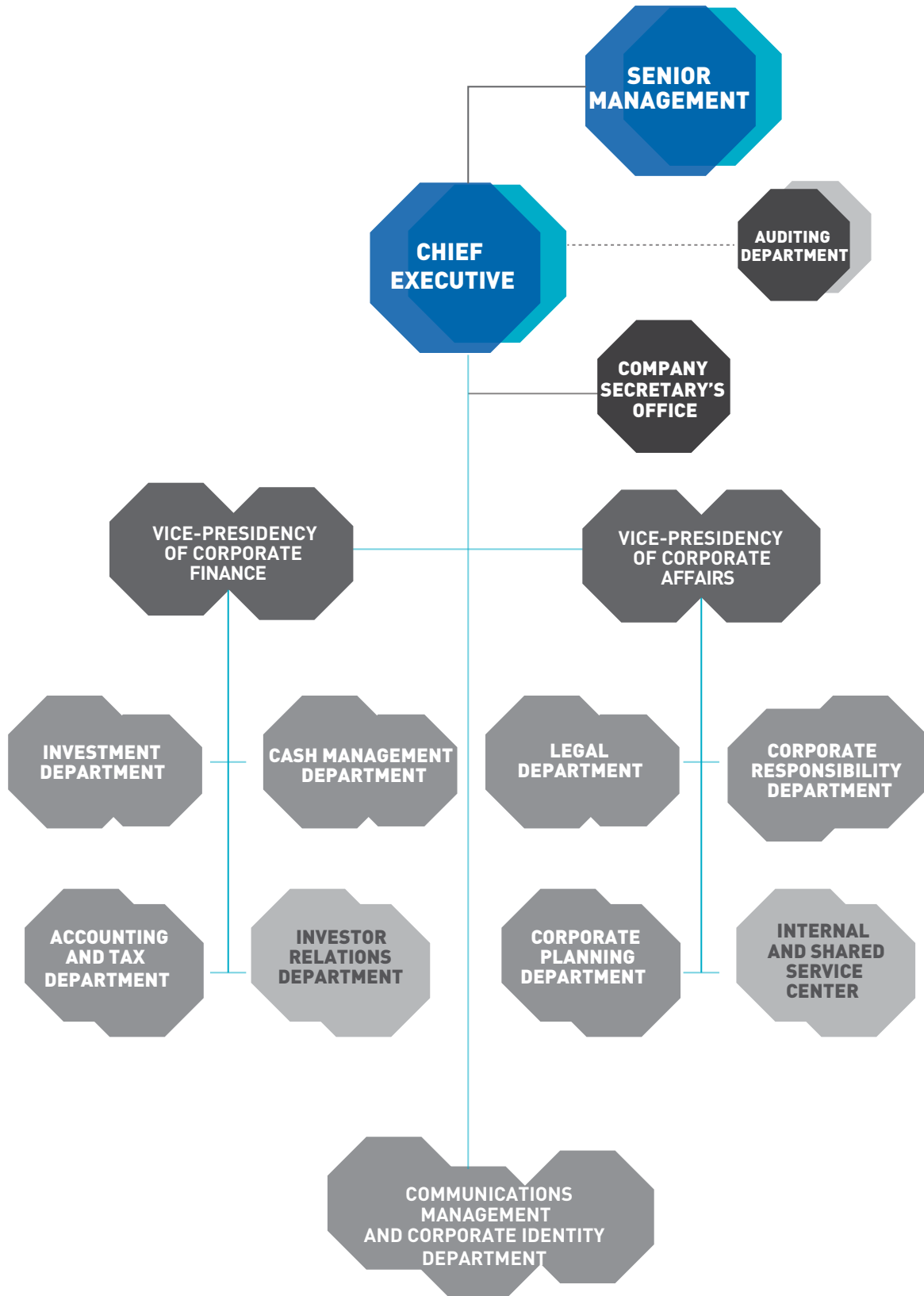
He is a member of the Boards of Directors of AFP Protección S.A., EPS SURA, Sodexo Colombia, Afore SURA S.A. de C.V., Primero Seguros Vida, SURA Art Corporation, SURA Asset Management México and the Suramericana Foundation. He also sits on the Boards of Directors and Trustees of several educational and social outreach institutions.

## **4 MARIO LÓPEZ LÓPEZ** **Chief Audit Officer**

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Mr. Lopez is a Public Accountant graduated from the Universidad de Antioquia in Medellin holding a specialization in Economic Policy from this same University. He has served as Accountant, Treasurer, and Operations Director for Corporación Financiera Suramericana S.A., a Tax and Accounting Advisor for Suleasing S.A., Administrative and Financial Manager for Sufiducia S.A. and Operating and Finance Manager for EPS SURA. He currently serves as Chief Audit Officer both for both Grupo SURA as well as its subsidiary Suramericana.

# ORGANIZATIONAL STRUCTURE





## **AUDITING DEPARTMENT**

Whose corporate role is to uphold auditing standards and policies amongst subsidiaries.

This area is in charge of directing, planning and providing advice with regard to control initiatives, in keeping with regulatory standards and policies, ensuring reliable financial results, the application of uniform accounting standards and policies, and preventing practices or behaviors that could lead to an impairment of the Company's assets.

## **COMPANY SECRETARY'S OFFICE**

- Responsible for handling the Company's shareholders.
- Serves as Secretary to the Board of Directors, the General Assembly of Shareholders and the different Boards appointed by the aforementioned governing bodies.
- Maintains in safekeeping the records, files and information provided by Government authorities.
- Assists with the formalities of new directors, legal representatives and senior executives taking over their posts as well as opening and closing offices.
- Ensures that the Company's by-laws are kept up to date.
- Monitors compliance with the Company's Codes of Good Governance and Ethics.

## **VICE-PRESIDENCY OF CORPORATE FINANCE**

Whose corporate role is to:

- Establish general guidelines, particularly with regard to the Company's capital structure and monitor the financial position of its subsidiaries.
- Facilitate access to capital.
- Monitor and officially implement the decisions taken by the Strategic Committee with regard to investment and finance.  
Being internally responsible for all those issues relating to investment, accounting, tax, cash management and investor relations  
Encourage trust and long-term relationships with investors and the financial community, positioning the Company's strategy and access to capital markets .

## **INVESTMENT DEPARTMENT**

Ensures the smooth-running of the investment portfolio, assessing the companies therein included.

Participates in new strategic projects and provide support to subsidiaries for key projects that help to add value to the Organization.

## **ACCOUNTING AND TAX DEPARTMENT**

Consolidates the financial results of the investments held.

Manages and provides accounting and financial information.

Upholds policies that contribute to the continuous improvement of corporate governance in both accounting and tax matters.

## **CASH MANAGEMENT DEPARTMENT**

Manages the Company's liquidity position and implements the corresponding financing strategy in support of expansion plans.

Optimizes the handling of the Company's funds ensuring that these remain available and earn optimal rates of return.

Manages the associated risks.

## **INVESTOR RELATIONS DEPARTMENT**

This area is responsible for providing accurate and timely information to the market regarding the situation of Grupo SURA and its investments both at home and abroad. It must also serve as a prime contact between the Company's Senior Management

and the financial and investment community in order to build long-term relationships and facilitate access to the capital markets for both Grupo SURA and its subsidiaries .

It is also responsible for transmitting financial and accounting information from Grupo SURA and its subsidiaries to the financial and investment markets.

## **VICE-PRESIDENCY OF CORPORATE AFFAIRS**

Whose corporate role is to:

- Encourage and ensure intercompany synergies
- Encourage best practices.
- Uphold Human Resource policies and identify high-potential human talent .
- Ensure compliance with corporate principles and values.
- Ensure that general sustainability guidelines are properly upheld.
- Encourage research and innovation.
- Provide support to the Chief Executive Officer with regard to all corporate governance issues
- Monitor and formally implement all the decisions taken by the Strategic Planning Committee with respect to the functions of the Vice-Presidency of Corporate Affairs.

Being responsible for the Company's administrative and corporate governance issues with regard to Planning, Corporate Responsibility, Human Talent, Legal Affairs , Risk Management and other internal services required for the Company's ongoing performance.

## **LEGAL DEPARTMENT**

- Provide legal advice to the Company's subsidiaries as well as all those companies in which the Organization holds a minority interest.
- Manage and carry out activities regarding the handling of legal risk in the region where the Organization is present.
- Provide its legal advice and opinions.
- Draw up and review contracts.
- Attend court proceedings
- Attend real estate issues
- Provide advice for special projects
- Monitor new changes to legislation
- Draw up powers of attorney
- Attend to oversight requirements and procedures
- Handle relationships with legal consultants

## **CORPORATE RESPONSIBILITY DEPARTMENT**

- Ensure that corporate responsibility policies are implemented throughout the region.
- Ensure that practices are put into place with stakeholders , in keeping with international sustainability standards.
- Provide assistance with sustainability issues.
- Handle social outreach programs and projects.
- Encourage the Organization 's corporate volunteer corps.

## **CORPORATE PLANNING DEPARTMENT**

- Coordinate the Company's strategic planning.
- Performs follow-ups on corporate projects.
- Encourage intercompany synergies and ensure the implementation of best practices.
- Manages the Comprehensive Risk System .
- Encourage research and innovation.
- Provide support to the Secretary of the Strategic Planning Committee.

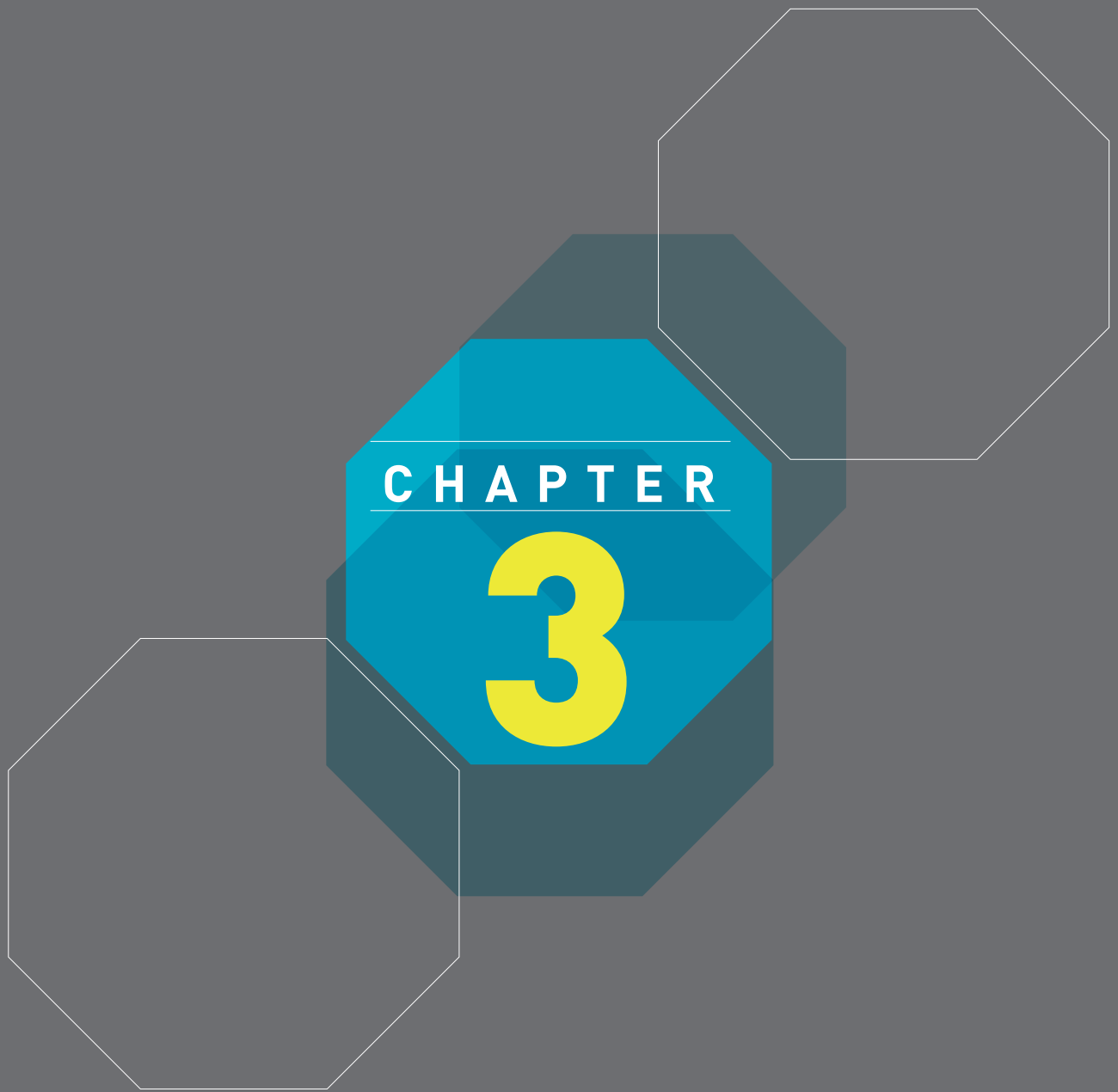
## **INTERNAL AND SHARED SERVICE CENTER**

- Provide and handle all those services and processes relating to Human Resources , Technology and Logistics , as required by the Company.

## **COMMUNICATIONS MANAGEMENT AND CORPORATE IDENTITY DEPARTMENT**

- Assist with the Company's positioning and consolidation and protect its corporate reputation through the strategic handling of stakeholder relationships and the Company's image.
- Its corporate role is to enforce corporate guidelines, transmit the Company's strategic brand management , and handle media information, corporate relations and organizational communications as a whole.





## C O R P O R A T E **INFORMATION**

Basic description of Grupo SURA, its investment portfolio and main shareholders as well as its strategic road map targeting challenges for the short, mid- and long term. A brief background containing historical data going back 70 years, is included for Suramericana, the Group's insurance and social security subsidiary.



# THE COMPANY

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Grupo de Inversiones Suramericana -Grupo SURA- is a Latin American company listed with the Colombian Stock Exchange (Bolsa de Valores de Colombia -BVC) and registered with the ADR – Level 1 program in the United States. It is also the only Latin American company from the Diversified Financial Service Sector to be admitted to the Dow Jones Sustainability Index (DJSI), which tracks companies that have become global benchmarks thanks to the best practices they have adopted from the economic, environmental and social standpoints.

Group Sura classifies its investments into the following two core categories:



# PORTFOLIO OF INVESTMENTS



CORE INVESTMENTS			PORTFOLIO INVESTMENTS	
Financial services, insurance and pensions			Processed food	Cement Concrete Energy
 <b>67.1%</b>	 <b>81.1%</b>	 <b>44.6%</b>	 <b>35.2%</b>	 <b>35.7%</b>
Mandatory Pension Funds Voluntary Pension Funds Severance Funds Investment Funds Pension Annuity Insurance	Mandatory and Voluntary Pension as well as Severance Funds	Commercial banking Consumer banking Bancassurance Government banking Asset management Cash management products Leasing investment banking Financial services Off-shore and private banking	Cold Cuts Cookies Chocolate Coffee Ice Cream Pasta Support divisions Distribution Alternate Channels	Cement Concrete Aggregate Electricity Generation Distribution Ports Real Estate Coal-mining Support divisions Logistics Transport

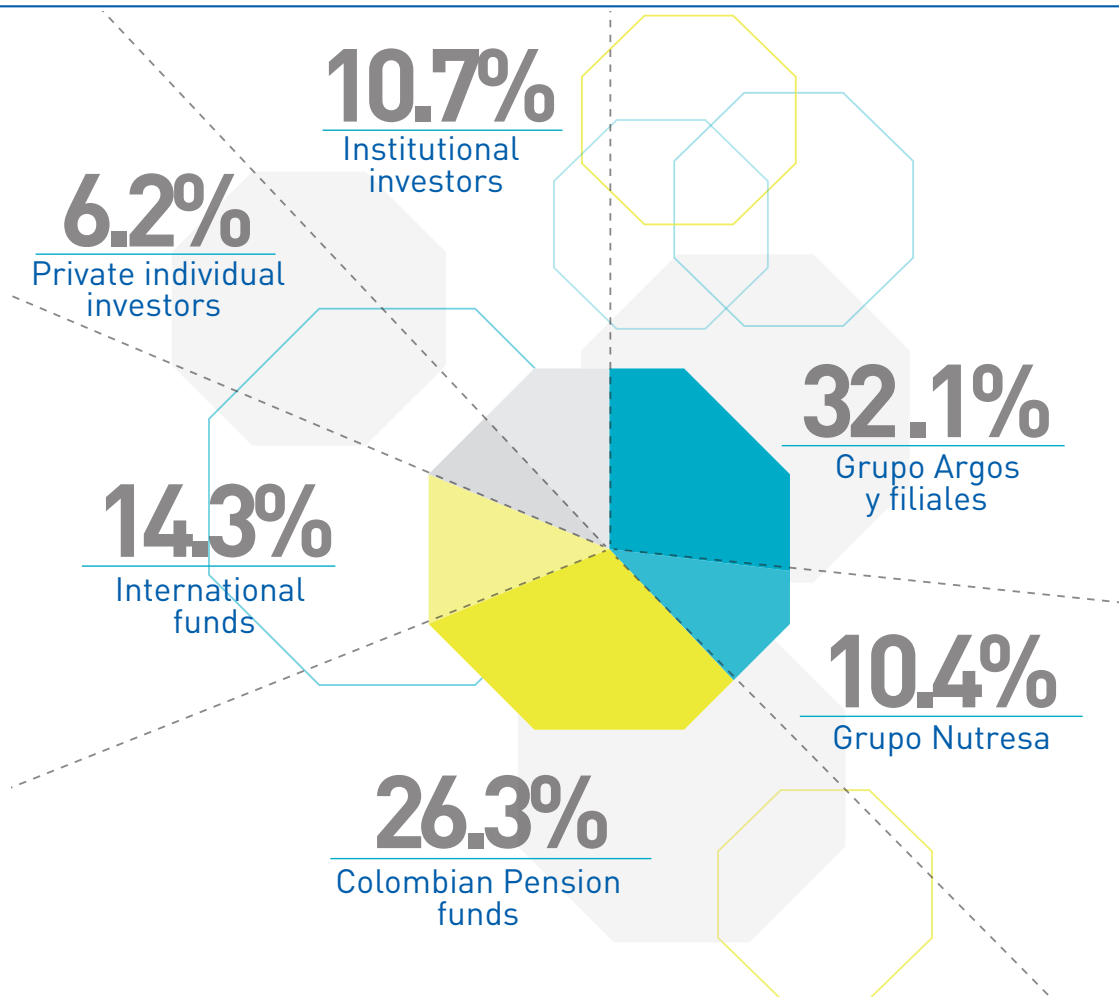
Other portfolio and complementary service investments



\*Note: Percentage stake held is based on number of voting ordinary shares held



# OUR MAIN SHAREHOLDERS



NAME OF SHAREHOLDER	NO. SHARES	PERCENTAGE STAKE
Grupo Argos S.A.	145,839,723	25.4%
Grupo Nutresa S.A.	59,387,803	10.3%
Fondo de Pensiones Obligatorias Protección	46,715,922	8.1%
Fondo de Pensiones Obligatorias Porvenir	36,867,557	6.4%
Cementos Argos S.A.	28,183,262	4.9%
Fondo de Pensiones Horizonte	22,929,152	4.0%
Fondo de Pensiones Obligatorias Colfondos Moderado	18,085,843	3.1%
Celsia S.A. E.S.P.	10,424,971	1.8%
Fondo Bursatil Ishares Colcap	10,259,312	1.8%
Colombiana de Comercio S.A.	9,451,033	1.6%
UBS AG London Branch	7,244,874	1.3%
Skandia Fondo de Pensiones Obligatorias	6,849,945	1.2%
Vanguard Emerging Markets Stock Index Fund	6,045,701	1.1%
Other shareholders with stakes of less than 1%	167,087,125	29.0%
<b>TOTAL</b>	<b>575,372,223</b>	<b>100.0%</b>

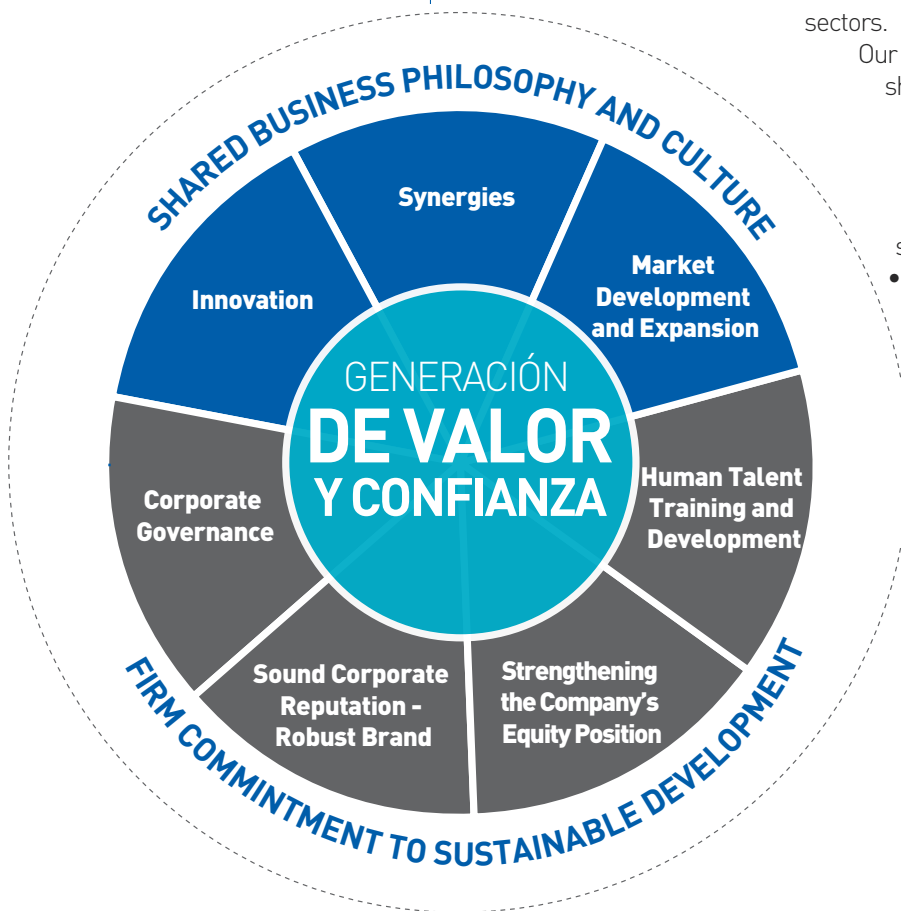
# STRATEGIC PLANNING

We, in Grupo SURA, continue to make progress with the transformation begun several years ago when we first began to expand. We understand the needs of a changing environment which is why we strive to constantly evolve with such.

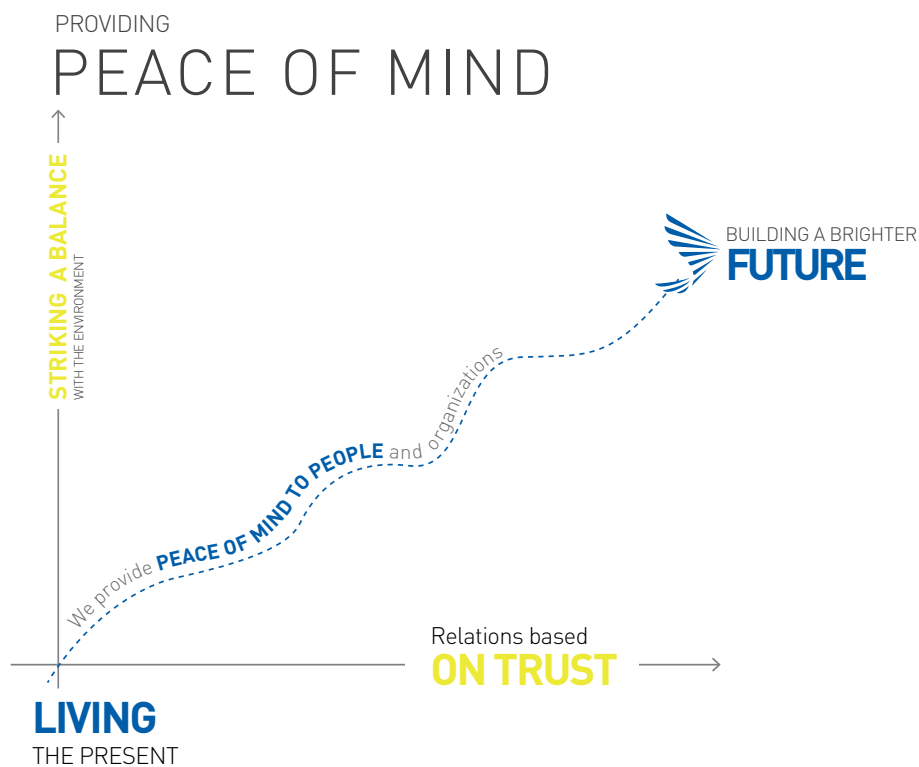
Our prime purpose is to inspire trust based on long-term relationships and provide added value to all those investments that make up our portfolio, particularly those that form the core of our business in the financial service sectors.

Our input with regard to our strategic investments shall allow us to provide a more comprehensive range of financial solutions based on strategic guidelines such as:

- Excellence in handling human talent for greater competitiveness and business sustainability.
- Our corporate reputation being one of our prime assets.
- Firm commitment to sustainable development.
- Competitiveness based on efficiency and productivity.
- International expansion in all those countries that form part of our strategic focus.
- Extending existing markets.
- Identifying and evaluating trends that impact our business.
- Strengthening our technological capabilities.
- Investing in research, development and innovation.



# MISSION

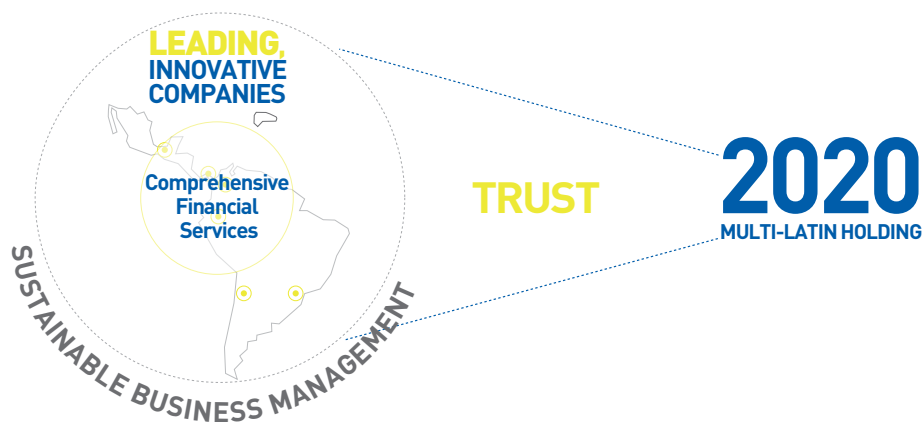


## ◆ MISSION

We provide peace of mind to people and organizations with an ample range of comprehensive financial services, helping them to thrive and prosper so that they may live the present and build the future they dream of. Inspiring trust and striking a balance with the environment form the basis of our stakeholder relations and our horizon extends into the long term.



# VISION



## ◆ VISION

By the year 2020 become a truly multi-latin holding widely recognized for inspiring trust providing a comprehensive range of financial services in all those countries where we are present through our leading, innovative companies that are widely known for their sustainable development practices.



## MAIN CHALLENGES FOR 2014

- Developing different markets through more innovative financial products and services so as to provide each of the countries where we are present with a comprehensive range of solutions capable of addressing each stage of our clients' life cycles.
- Harness synergies with our subsidiaries and respective companies so as to increase our efficiency and in so doing allow us to provide more competitive and comprehensive services.
- Begin to adopt International Financial Reporting Standards (IFRS) within Grupo SURA and in the meantime educate the market as to the impact this shall have on how the Company's financial information is to be interpreted.
- Continue to consolidate our business within the region and further our positioning from both the corporate and branding standpoints.
- Continue to make progress in sustainable business management, adapting best practices in this regard.



**SURAMERICANA  
CELEBRATES ITS  
70TH ANNIVERSARY**

In December 1944, the Compañía Suramericana de Seguros Generales (now known as Seguros Generales Suramericana) came into being, giving rise to a long-standing business philosophy that has transcended geographical borders. Its beginnings reflected the commitment of its founders to the development and competitiveness of the industry, with 32 companies and 150 shareholders coming together to set up an insurance company, which from the very outset has been driving the Colombian financial sector thanks to its sound ethical principles. The initial vision with the passing of time converted into a management model able to read and interpret the local business environment and anticipate and respond to changing market demands. Thus, in the early 90s, due to structural changes in the Colombia's Social Security System, new opportunities arose for private companies and consequently Suramericana became an important player in the health, labor risk and pension sectors through its subsidiaries at that time SUSALUD, SURATEP and AFP Protección. (the first two now known as EPS SURA and ARL SURA), Thus the Company began to build up a comprehensive portfolio of insurance and savings solutions for its Colombian clients.

In 1997, considering the growth and diversification of its investment portfolio, the Company spun off its insurance business giving rise to its parent company Suramericana de Inversiones (today known as Grupo SURA), whereupon it issued stock on the Colombian Stock Market, while continuing with the same corporate philosophy that it has always applied to its investments and business growth.

Later, in 1999, Inversura (today known as Suramericana S.A.), came into being, this the holding company for its insurance and social security subsidiaries. This was yet another step in structuring a more streamlined portfolio that shareholders could understand more clearly.

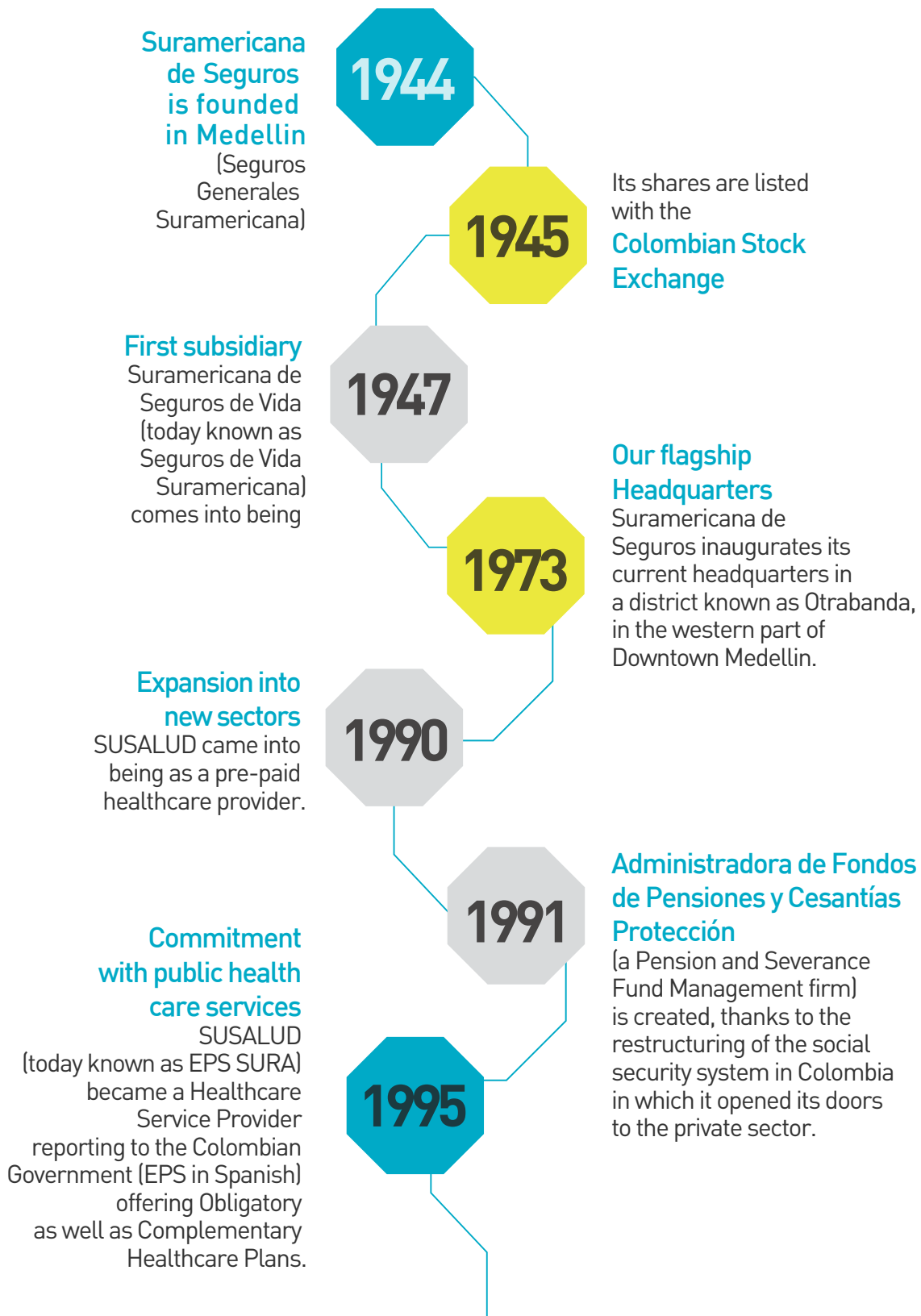
So it was the initial insurance company that gave rise to the SURA Organization. A seed that bore fruits with its SURA brand, providing value and inspiring confidence in what is now a total of eight Latin American countries, becoming a hallmark of support and peace of mind to all those it comes into contact with.

Thousands of people, who throughout its 70 years of history have contributed their grain of sand to the SURA project, making transparency, respect, responsibility and fairness, a legacy of important personal and business values.

The Company has been steadily building up its leading position, which shall surely remain as relevant tomorrow as it is today. Grupo SURA would like to congratulate Suramericana S.A. and its subsidiary Seguros Generales Suramericana on the occasion of its 70th anniversary making special mention of its contribution to the business community.

## SURAMERICANA'S INSURANCE COMPANIES

# MILESTONES





1996

### **SURATEP**

(today known as ARL SURA), came into being as a Workers' Compensation firm dedicated to handling occupational disease and workplace accident risk

1997

#### • **Grupo SURA**

After a spin off which allowed for the Company's investment portfolio to be separated from its insurance business, the parent company, Suramericana de Inversiones (today known as Grupo de Inversiones Suramericana – Grupo SURA), was created, dedicated exclusively to handling its investment portfolio, with the insurance companies as its main subsidiaries, in addition to holding major stakes in companies including BIC (today known as Bancolombia), Cementos Argos and Compañía Nacional de Chocolates

#### • **Presence in Panama**

Suramericana began its international expansion, acquiring a majority stake in Interoceánica (today known as Seguros Suramericana Panama).

1999

### **Inversura**

(today known as Suramericana S.A.) came into being, as the sub-holding of the Organization's insurance and social security subsidiaries and in keeping with the streamlining of its corporate structure.

2011

#### • **Dominican Republic and El Salvador**

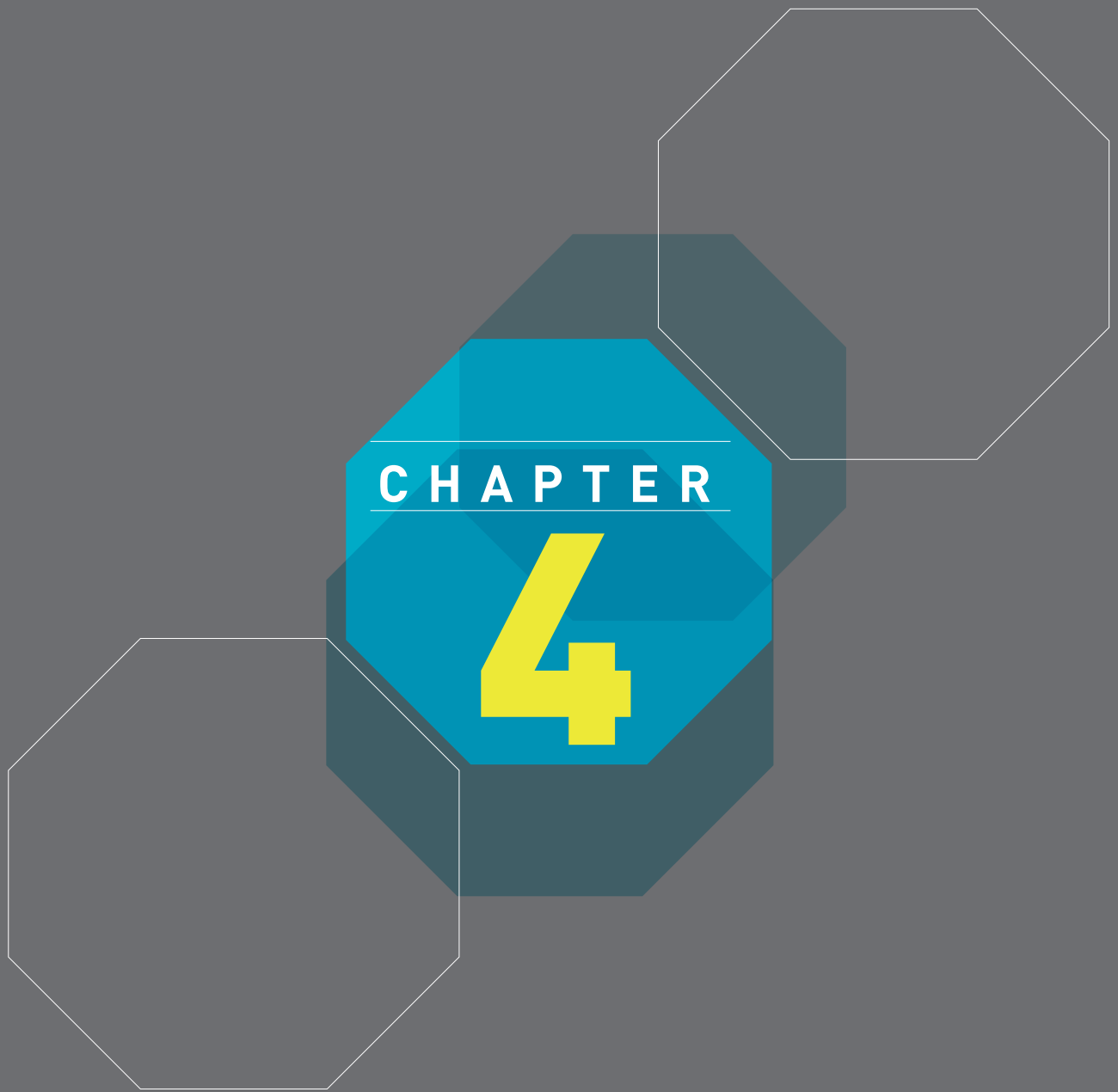
As part of its ongoing international expansion, the Company purchased the insurance companies, Proseguros, (today known as Seguros SURA) in the Dominican Republic, as well as Asesuisa, in El Salvador.

#### • **The SURA brand is extended**

Following the acquisitions of assets in the insurance, pension and investment fund sectors in 5 Latin American countries, on the part of Grupo SURA, the SURA brand is extended into new businesss and countries, becoming the multi-latina it is today.







## MANAGEMENT **REPORT**

A management performance that has continued to provide results that fill us with pride and satisfaction, particularly since these are not the product of any one-off situation or trend but rather the consistent, long-term strategy we have put into place.

# DEAR SHAREHOLDERS

# W

e have always considered continuity, consistency and a long-term business vision to be fundamental factors in the strategic planning of our Organization's growth and ongoing development. So, in 2013 and after the transformation we underwent as a result of various acquisitions made within the region, Grupo SURA continued to focus on consolidating and advancing our Latin American operations so as to be able to provide a comprehensive range of financial services in each of the countries where we are present.

As we have said before and continue to emphasize, we are convinced of the vital role that financial services play in the development of a country, especially when this goes hand in hand with caring for the well-being and growth of both private individuals and organizations alike at each stage of their respective life cycles. Therefore, the possibility of more people gaining access to the insurance, savings and investment solutions we offer, represents a constant sense of purpose for us, especially now that more than 34 million of our Latin American clients trust in the backing and experience of the companies that make up our portfolio.

Here, we are pleased to inform you that 2013 was a year in which we continued to grow and become more and more focused on providing comprehensive services; the operating performance of our portfolio companies continued in keeping with the plans and budgets we had initially drawn up, exceeding expectations in various instances; Grupo SURA continued to maintain a robust financial position, in spite of the volatility prevailing on the different markets, to which we were not immune; and we continued to strengthen our brand recognition and trust, both in terms of the clients attended by our different portfolio companies within the financial services sector, as well as investors and the market at large.

It was precisely in 2013 that we saw the number of international funds that have now become shareholders of Grupo SURA, go from 497 to 665, for a YoY increase of 34%. Consequently, these now hold a 14.3% stake in the Company. Having a significant number of international funds as shareholders, is not only important in terms of the amount of investor confidence that this represents for Grupo SURA, but because of the high standards that these apply when analyzing where to invest. This is why we are firmly committed to strengthening our corporate governance and the integrated and sustainable performance of our companies in general. Company shareholders at year-end 2013, holding both ordinary and preferred shares, came to 21,898, of which 2,061 hold both types of shares.

Grupo SURA's stock market performance has enabled us to continue to form part of important stock indices such as COLCAP1, COLEQTY2, MSCI3 y FTSE4, this in addition to being included for the third year running in the Dow Jones Sustainability World Index, being one of 6 Colombian companies together with 8 Brazilian companies for a total of 14 Latin American issuers now included in the Dow Jones Global Index. It is also important to mention that with regard to the aforementioned Colombian companies, 4 of these are related to our Company, namely Grupo Nutresa, Grupo Bancolombia, Grupo Argos and Cementos Argos, the latter two making their debut on this index for the first time ever. Also, within the Diversified Financial Services sector out of a total of 101 companies initially evaluated, only 12 were ultimately selected, Grupo SURA being the only Latin American company in this category.



**34**  
MILLION LATIN AMERICAN  
CLIENTS HAVE PLACED  
THEIR TRUST IN THE  
EXPERIENCE AND  
BACKING OF THE SURA  
BRAND.

As we are all aware, the role played by the Dow Jones Sustainability Index is becoming increasingly important for the global stock market, given the increasing significance of its evaluation and appraisal criteria with regard to advanced business management models and practices over the long term.

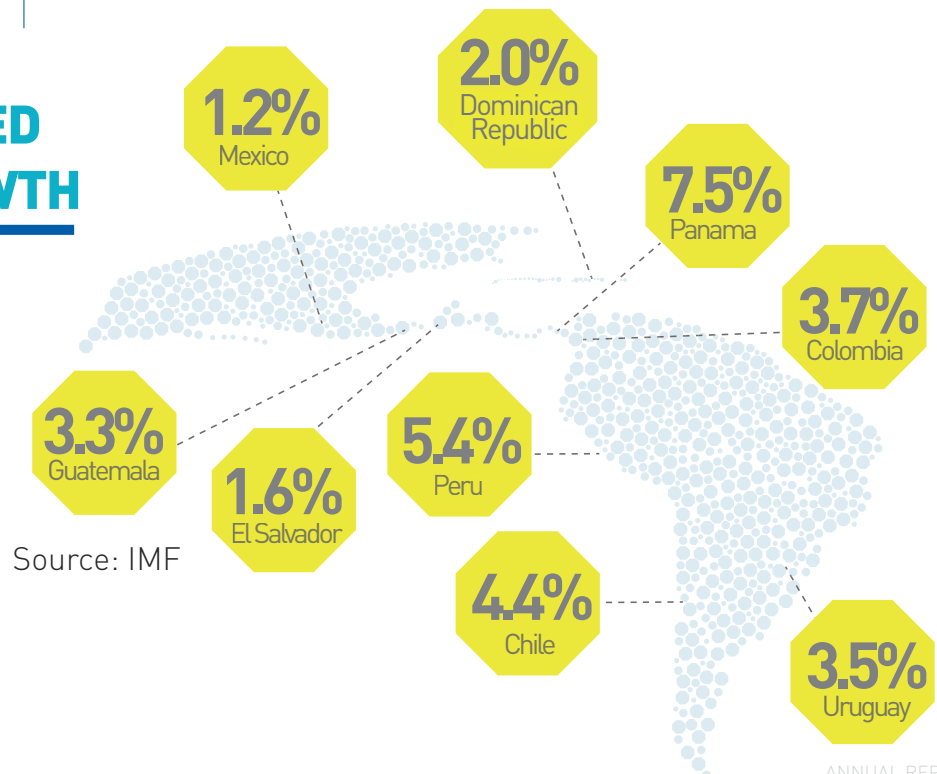
At the end of 2013, Grupo SURA's market capitalization came to COP 19.5 billion (USD 10.1 billion), continuing as a large cap company 5. Its preferred shares commanded a year-end price of COP 34,980 (USD 18.2) and its ordinary shares a year-end price of COP 33,700 (USD 17.5), while their average daily trading volume came to COP 15.228 million (USD 7.9 million).

Generally-speaking, 2013 was a year characterized by a high level of volatility on the equity markets, especially in emerging countries, as can be clearly seen with the MSCI Latam index, which fell by 13.2%, as well as the MSCI Emerging Markets index, which also declined by 5.0%. As already mentioned, global economic factors also affected the local stock market, including our own stock performance and that of some of our investee companies. According to analysts, perhaps the greatest impact was due to the change in the monetary policy of the Federal Reserve of the United States, prompting declines on the emerging markets

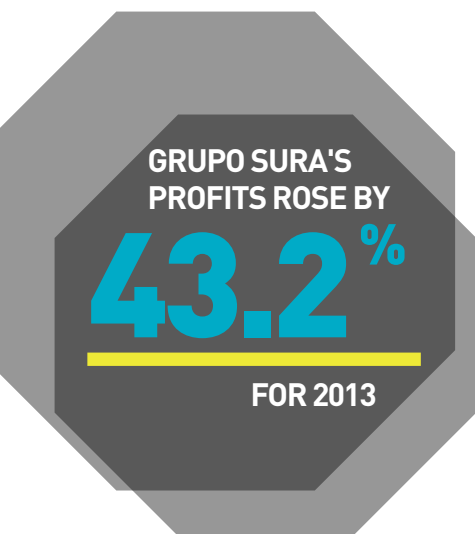
The Colombian Stock Exchange showed a decline of 12.4% for its COLCAP index, while Grupo SURA's preferred and ordinary shares fell by 10.3% and 11.3% respectively, that is to say to a slightly lesser extent than the rest of the market. In the same vein, the change in the share prices of our investments, excluding dividends, came to - 20.6% in the case of Bancolombia, - 5.0% Grupo Argos and 4.0% Grupo Nutresa.

Nevertheless, there are factors in play that make for a moderate level of optimism going forward this year. The operating performance of our companies continues positive and economic fundamentals in the majority of the countries where we are present, continue to point to ongoing growth. The International Monetary Fund estimates that the Global GDP grew by 3.0% and an upturn is forecast for 2014 which would take this figure up to 3.7%. Also purchasing power continued to rise, thanks to a growth in GDP per capita coupled with controlled levels of inflation; furthermore CELAC (the Community of Latin American and Caribbean States), is projecting a decline with the unemployment rate in Latin America and the Caribbean going from 6.7% to 6.4%

## PROJECTED GDP GROWTH



Source: IMF



## FINANCIAL PERFORMANCE

With regard to our financial results for year-end 2013, the Company obtained net income totaling COP 781.794 million (USD 405.7 million), showing an increase of 43.2%. This was made possible by operating revenues reaching COP 924.511 million (USD 479.8 million), showing an increase of 38.3%, due to:

- COP 437,433 million (USD 227.0 million) recorded via the equity method, showing a growth of 35.9%. This was due to subsidiary performance, with Suramericana S.A. accounting for COP 213,295 million (USD 110.7 million) and SURA Asset Management S.A. another COP 279,910 million (USD 145.3 million).
- COP 385,134 million (USD 199.9 million) in dividend income, showing a growth of 44.9%. This figure is particularly relevant given the surplus dividends recorded by SURA Asset Management worth COP 52.717 million (USD 27.4 million). As explained at the time, this surplus was produced since, based on applicable accounting standards, upon comparing the amount of dividends declared by SURA Asset Management for 2013 with income recorded under the equity method at year-end 2012, this produced a higher value for Grupo SURA's dividend income. Additionally, during Q4 2013, this same effect was seen with the Company, Inversiones y Construcciones Estratégicas this amounting to COP 31.664 million (USD 16.4 million).
- COP 99,439 million (USD 51.6 million) was recorded as a gain on the sale of investments, mainly from the sale of a 7.5% portion of our stake in AFP Protección.

Another highlight was the decline in operating expense totaling COP 45,986 million (USD 23.9 million), having dropped by 62.4%, due largely to lower administrative and fee expense. Also, with regard to non-operating revenue and expense, interest expense fell by 47.9% thanks to having lowered our level of indebtedness.

Balance sheet assets ended the year at COP 21.1 billion (USD 10.9 billion), decreasing by 2.9% compared to 2012. As previously explained, these were affected by the stock market performance of some of the listed companies that form part of our portfolio. Current assets totaled COP 352.126 million (USD 182.7 million), showing an increase of 74.3%, mainly due to available cash allocated to investment activities

Total liabilities decreased by 14.1%, to end the year at COP 762.782 million (USD 395.9 million). Here it is worth noting that we reduced our debt from COP 721,869 million (USD 374.6 million) to COP 563,005 million (USD 292.2 million). Thus, Grupo SURA obtained a debt-to-asset ratio of 2.7%, which was 66 basis points lower than for year-end 2012.

As a result, Shareholders' Equity came to COP 20.3 billion (USD 10.5 billion) at year-end 2013, showing a YoY decrease of 2.4%. This account also reflects fluctuations in the stock market prices of listed companies belonging to Grupo SURA's portfolio. On the other hand, GRUPO SURA's intrinsic share price came to COP 35.260 (USD 18.3).

In 2013, Grupo SURA's financial position was also acknowledged by Standard and Poor's, upon upgrading the Company's international credit risk rating from BBB- to BBB with a stable outlook, highlighting issues such as its flexible access to capital, robust investment portfolio and stable flow of dividends. Furthermore, during the first half of 2013, Fitch Ratings upheld Grupo SURA's international BBB- investment grade.

## STRATEGY

Important achievements for 2013 include the initiatives taken with reviewing and adjusting the Company's strategic road map, and strengthening its internal structure to better meet the demands inherent to Grupo SURA's purpose of creating added value for its portfolio companies and especially its subsidiaries within the financial services sector.

# HIGHLIGHTS

# Grupo SURA

SURA is the only Latin American company from the Diversified Financial Service Sector to be admitted to the Dow Jones Sustainability Index (DJSI),

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM

OPERATING EARNINGS  
REACHED

COP **924,511**  
MILLION  
(USD 479.8 MILLION)

FOR A YOY INCREASE OF

**28.3%**

Year-end net profits rose by

**43.2%**

YOY TO

COP **281,294**  
MILLION  
(USD 405.7 MILLION)

ORDINARY SHARE PRICE

COP **33,700**  
(USD 17.5)

PREFERRED SHARE PRICE

COP **34,980**  
(USD 18.2)

FIGURES FOR YEAR-END 2013

Grupo SURA is now present across various Latin American countries, having ventured into new businesses, broadened its corporate profile and strengthened its liaisoning with different stakeholder groups. Clearly as we continue to consolidate our different businesses throughout the region, identifying and harnessing inter-company synergies and working towards common goals, we shall be ensuring additional growth, a stronger portfolio as well as the sustainability of our business over the long term

In this sense, Grupo SURA's strategic focus over the coming years is built on the core purposes of providing added value and inspiring trust. In this way, we are seeking growth through innovation, synergies, expansion and market development. The Company's human talent, financial strength, robust reputation, strong brands and corporate governance form the basis for our ongoing progress. All of this must be firmly entrenched in a shared corporate philosophy and organizational culture, as well as a commitment to sustainable business development.

In order to attain these goals and strengthen our team, while maintaining the greatest possible efficiencies, we have identified the following key aspects on which we have begun to develop a more coordinated managerial approach, allowing for knowledge to be shared and synergies to be much more optimally harnessed:

- Expansion
- Value creation
- Financial focus
- Stakeholder relations
- Synergies
- Reputation and brands
- Innovation
- Sustainability
- Human Talent
- Organizational culture

## OUTLOOK

With regard to our ongoing strategy, we have prioritized a number of projects and initiatives over the short and medium term, which shall form the major focus of our efforts from now into the foreseeable future.

The first of these has to do with the preparation of our financial statements on which we have been working for several months with regard to implementing International Financial Reporting Standards - IFRS. This is bringing Grupo SURA more in line with international standards while meeting oversight requirements in Colombia, namely presenting the Company's financial reporting information under IFRS as of the year 2015 and on a comparative basis with 2014.

Given the type of company that is Grupo SURA and the composition of its portfolio, this new reporting system will entail some changes in reading and interpreting our reporting information, and so we shall be embarking on a series of explanatory initiatives, aimed at analysts, market specialists, our shareholders in general and other stakeholders, in order for these to better understand the impact caused and the appropriate interpretation of reporting under IFRS.

Another initiative scheduled for this year is the implementation of the Sarbanes Oxley Act. Compliance with this Act, also known as SOX, shall allow our company to advance in best corporate governance and information transparency practices. The scope of this project includes our subsidiaries, Suramericana S.A. and SURA Asset Management S.A. Our commitment to innovation as a way of ensuring our ongoing business sustainability, is also one of the work fronts which we have prioritized for this year. Innovation for us is not just technological, but extends to market research, identifying new trends, coming up with new solutions and developing new channels that respond to changing market conditions,

## OUTLOOK

Grupo SURA continues to work on migrating its accounting to

**(IFRS),**

(International Financial Reporting Standards) in keeping with global requirements.

**WE SHALL CONTINUE TO IMPLEMENT THE LATEST BEST PRACTICES IN TERMS OF CORPORATE GOVERNANCE AND TRANSPARENCY, BY ADOPTING THAT STIPULATED IN THE SARBANES OXLEY ACT.**

**(SOX)**

WE CAN ONLY ATTAIN TRUE BUSINESS **SUSTAINABILITY WHEN WE MAKE INNOVATION A PRIORITY** FOR ADAPTING TO AN EVER-CHANGING BUSINESS ENVIRONMENT.

and this is how we intend for our companies to remain relevant over the long term. Here, we are striving to develop collaborative models amongst the companies belonging to our core portfolio of strategic investments, with a view to sharing knowledge, technologies and significant experience so as to complement and enhance our combined business growth.

The search for greater efficiencies is another of our major work fronts for both Grupo SURA and its strategic investments. In recent years we have talked about the successful results obtained by Suramericana S.A. and its insurance and social security subsidiaries, with their total expense/revenue ratio now running at 11.5%, compared to 17.2% just 5 years ago.

This increased efficiency allows us to be more competitive on the different markets, increase investor returns and assign more funds to projects that ensure ongoing business growth. Consequently, our other subsidiary SURA Asset Management SA and its related pension, savings and investment subsidiaries have begun to identify opportunities for achieving greater efficiencies in all related areas.

## PERFORMANCE OF OUR STRATEGIC INVESTMENTS

### Suramericana S.A.

At the end of 2014, Compañía Suramericana de Seguros Generales (today known as Seguros Generales Suramericana) shall celebrate its 70th Anniversary. This provides us with another occasion on which to acknowledge and congratulate this subsidiary, which when first founded as what was to be the Organization's first insurance company, not only gave rise to an entire corporate philosophy and business approach but also formed the cornerstone of what was later to become Grupo de Inversiones Suramericana - Grupo SURA, whose presence now spans 8 different Latin American countries with its SURA brand.

Upon reviewing the performance and achievements obtained for 2013 by Suramericana S.A., our specialized Insurance and Social Security sub-holding, total subsidiary revenues came to COP 6.0 billion. (USD 3.1 billion), showing a 12.0% growth. At the same time, the combined profits of these operating companies totaled COP 353 thousand million (USD 183 million), which were 18% higher than those reported for 2012. The sub-holding's Shareholders' Equity amounted to COP 2.1 billion (USD 1.1 billion), representing an increase of 10.4% compared to the same period last year.

Net profits for this sub-holding, which already attends 8.4 million customers in a total of 4 countries (nearly a million outside Colombia) reached COP 262.910 million (USD 136.4 million), having increased by 6%. This was obtained after applying the equity method on subsidiary profits.

During the first few weeks of 2014, the ratings agency, Moody's confirmed the international investment grades held by Suramericana S.A.'s insurance companies, upgrading their outlook from stable to positive. The reasons behind this upgrade included brand strength, good levels of capital and the diversification of their solutions and investments.

These companies, including the Worker's Compensation Company, ARL, continue to lead the Colombian market with a consolidated market share of 23.2% and thus Suramericana S.A. is one of the five largest insurance groups in Latin America as well as the first Spanish-speaking company on the entire continent, according to the latest report from the Mapfre Foundation.

Furthermore, as part of the different innovation initiatives on which the Company has embarked on, the most salient of these include strengthening new distribution channels, such as the on-line solutions portal selling car insurance which was launched in September 2013. Thus SURA has become the first insurance company in Colombia to sell car insurance on line.

Our so-called Expansion Project is another interesting one, aimed at increasing market penetration in the lower income brackets Nos. 2 and 3, and this has entailed rigorous

SURAMERICANA  
S.A. PRODUCED AN  
EXPENSE TO INCOME  
RATIO OF

11.5%



research and a whole new learning curve with regard to new behavior patterns, solutions and ways of communicating, so as to introduce insurance to people who up to now have never had access to such.

Progress continues to be made with initiatives such as NuevaMente, aimed at the Elderly, as well as GPS Tracking Assistance as part of our efforts to become a multi-solution, multi-channel, multi-regional company. With regard to the latter aspect, Suramericana S.A. continues to focus on standardizing processes and policies with its subsidiaries in the Dominican Republic, Panama and El Salvador, which has involved transfers of technology and the exchange of knowledge and business practices.

All this, coupled with our efforts in enhancing our physical infrastructure, entails investing more than COP 196,000 million (USD 101.7 million) between 2013 and 2014, the most salient of which is start-up of the new SURA Healthcare Clinic in Cali as well as building new rehabilitation centers in both Bogotá and Medellín.

### **SURA Asset Management S.A.**

Our pension, savings and investment subsidiary recorded Assets Under Management totaling USD 113.2 billion, showing an increase of 13.5%. This subsidiary continues as the No. 1 pension fund management firm in Latin America, with 16.7 million clients in 6 countries, 9,822 employees and a market share of 23.4%, while continuing to strengthen its business in each of the countries where present.

These figures include AFP Crecer in El Salvador and AFP Protection in Colombia, and although Grupo SURA does not hold controlling stakes in said companies, they still form a fundamental part of SURA Asset Management's portfolio. In fact this latter company increased its stake in Protección to 49.4% in December 2013, thanks to a share swap, that was opportunely announced to the public, whereby Grupo SURA surrendered its 32.85% stake to SURA Asset Management in return for a greater stake in the latter company. All this forms part of the reorganization of the corporate structure of this pension fund subsidiary.

As far as SURA Asset Management's consolidated results are concerned, operating revenues came to USD 1.6 billion, which were 47.3% higher than the USD 1.1 billion recorded at year-end 2012. Consolidated net profits came to USD 238.2 million with year-end EBITDA reaching USD 437.3 million. One of the contributing factors for the level of results thus obtained was a 15.3% growth in the wage base of all those workers belonging to the Company's pension funds.

SURA Asset Management has continued with its expansion strategy, building a completely integrated financial service platform covering pension, retirement, savings and investment funds, thereby providing comprehensive support to its clients.

In 2013 the following transactions took place:

A 50% stake in AFP Horizonte was acquired, which in conjunction with SURA, in Peru, represents 710 thousand clients; and USD 4.5 billion in Assets Under Management.

Thus, AFP Integra now leads the Peruvian pension fund market with a 41.7% market share in terms of Assets Under Management. This shared purchase arrangement, in which AFP Profuturo also participated, proved to be quite a novelty for the market, while achieving the expected results.

A 6.3% increase in the stake held in Seguros SURA Perú, for a total of 69.3%.

Acquisition of Primero Seguros Vida, in Mexico, whereby SURA has managed to consolidate its range of savings and investment solutions in this part of the world.

SURA ASSET MANAGEMENT  
CONTINUED TO LEAD THE  
LATIN AMERICAN PENSION  
MARKET WITH

16.7

MILLION  
CLIENTS

USD 113.2

BILLION

IN ASSETS UNDER  
MANAGEMENT

It is important to note that with these new insurance companies, SURA Asset Management has effectively complemented and extended its range of retirement and savings products, in line with its ongoing strategy.

Furthermore, the Company has continued to make inroads on the voluntary pension business, for which it is using its considerable obligatory pension business as leverage. For this purpose, it has designed and implemented customer loyalty programs and extended its range of voluntary pension products throughout the region. The most salient of these initiatives are as follows:

In July 2013, Corredora de Bolsa SURA (a stock brokerage firm) was started up in Chile, providing a specialized and ample range of voluntary savings products in this part of the world. An insurance brokerage firm, specialized in individual life insurance solutions was set up in El Salvador, thereby complementing the range of obligatory savings solutions for clients in this country.

In Colombia, Suramericana began to distribute life insurance policies through the AFP Protección network, thanks to an alliance formed between the two companies.

In February 2013, Afisa SURA was launched in Uruguay, to complement the range of voluntary savings in this country.

Also, being fully aware of the need to play an active role in the consolidation of the different pension systems throughout the different Latin American countries where we are present, particularly with regard to recent reforms, the Company prepared and released, between August and October 2013, a study of how Contributions to the Private Pension System drive economic development in Latin America, in which renowned economists from Colombia, Mexico, Peru and Chile, assessed the macroeconomic effects that this system has had on overall growth. This publication received gratifying comments from experts within the industry and academics alike.

### Grupo Bancolombia

From the point of view of its strategic road map, 2013 was a year of great progress for Grupo Bancolombia's international expansion. With the acquisition of HSBC Panama (today known as Banistmo) for a total of USD 2.2 billion and having completed the purchase of a 40% stake in BAM in Guatemala, for USD 216 million, the Bank has effectively extended its presence in Central America especially now that Panama has been ranked as the second most dynamic financial market on the continent.

Consolidated assets totaled COP 130.8 billion (USD 67.9 billion), for a growth of 33.6%. The acquisition of the HSBC assets in Panama represents 14.6% of this growth, while the remaining 19.0% corresponded to operations. Thus, year-end Shareholders' Equity came to COP 12.5 billion (USD 6.5 billion) for an increase of 7.6%. Regarding the Bank's net revenues, these reached COP 1.5 billion (USD 788 million) with a decrease of 10.8% mainly explained by treasury losses caused by market volatility following the announcements of the U.S. Federal Reserve, with operating revenues coming to COP 6.4 billion (USD 3.3 billion).

Bancolombia continues as Colombia's No. 1 bank with a market share of 24.0%, based on its gross loan portfolio and has a market capitalization of COP 20.2 billion (USD 10.4 billion). On a regional level, Bancolombia currently attends more than 9 million clients, including its two recent acquisitions in Panama and Guatemala.

As was widely published at the time, on February 28 of this year, Bancolombia successfully launched its latest issue of preferred shares, placing a total of COP 2.7 billion (USD 1.3 billion) on the Colombian market, with bids exceeding 2.7 times the number of shares offered (COP 7.7 billion). These funds shall be allocated to strengthening its capital. Grupo SURA supported this issue, as majority shareholder with the largest stake in this bank, acquiring 26.8% of the total shares issued, and thus preserving its overall stake.

#### BANCOLOMBIA'S CONSOLIDATED ASSETS REACHED

**COP 130.8**  
BILLION  
(USD 67.9 billion)

**AFTER ACQUIRING  
THE HSBC  
OPERATIONS IN  
PANAMA (NOW  
KNOWN AS BANISTMO)**

**AFTER ACQUIRING  
TRESMONTES  
LUCHETTI, GRUPO  
NUTRESA'S  
PRESENCE NOW  
SPANS**

**16  
COUNTRIES**

**CEMENTOS ARGOS, A  
SUBSIDIARY OF GRUPO  
ARGOS, EXPANDED  
ITS PRESENCE IN  
THE NORTH AND  
CENTRAL AMERICA  
AFTER ACQUIRING  
NEW BUSINESSES  
IN FLORIDA AND  
HONDURAS.**

## INVESTMENT PORTFOLIO

### Grupo Nutresa

This company continued to extend its international presence, acquiring a 100% stake in Tresmontes Lucchetti, the second largest food company in Chile for USD 739 million, which has allowed Grupo Nutresa to expand in a total of 16 countries, venturing into new lines like instant cold drinks. Another widely publicized partnership was that formed with Alsea with a view to setting up and running a chain of Starbucks in Colombia, and more recently another partnership with Mitsubishi for distributing coffee products in Asia.

At the end of 2013, the Company recorded consolidated revenues of COP 5.9 billion (USD 3.1 billion) for an EBITDA of COP 832,827 million (USD 432.2 million), while its market capitalization came to COP 12.2 billion (USD 6.3 billion).

### Grupo Argos

In 2013, Argos Group, through its subsidiary Cementos Argos, completed the acquisition of a 53.3% stake in Lafarge Cement in Honduras for EUR 232 million. Also in Q1, 2013, it announced the acquisition of Vulcan Materials in Florida, United States, for USD 720 million, which included a plant, two cement grinding plants, 69 concrete plants, 13 concrete block plants and two ports. This transaction extends Cementos Argos's positioning in the southeastern part of United States, now ranking in No. 2 position on this market.

The geographic diversification of its revenues based on its increasing expansion, coupled with the dynamic pace of growth showed by the construction and infrastructure sectors in Colombia, were key factors in the results obtained by Grupo Argos at year-end 2013. Consequently, consolidated revenues came to COP 7.6 billion (USD 4.0 billion), EBITDA COP 1.9 billion (USD 1.0 billion) and a market capitalization of COP 15.4 billion (USD 8.0 billion).

## INVESTING IN SOCIAL OUTREACH PROJECTS

An important part of Grupo SURA's corporate responsibility, in conjunction with its subsidiaries, are the investments made in social outreach projects carried out through the SURA Foundation, which since 1971 has been supporting initiatives to improve the living standards of the more vulnerable, through sexual health education programs, training courses for greater competitiveness, comprehensive community management as well as a range of cultural activities.

By 2013, the SURA Foundation had extended its presence to 4 countries (Colombia, Panama, the Dominican Republic and El Salvador) and invested a total of COP 15,398 million (USD 8 million), which was 35.7% more than for 2012; this through partnerships with 120 international and local institutes.

Initiatives in Colombia included strengthening the quality of education with the Felix and Susana program, implementing educational methodologies for sexual health and peaceful co-existence education in a total of 196 schools with the support of the Colombian Ministry of Education; Bilingualism for Competitiveness, a program aimed at extending English as a second language, and the Transformative Leaders program dedicated to developing personal and leadership skills.

It is also important to mention the agreement signed with the Regional Center for the Promotion of Reading in Latin America and the Caribbean - (CERLALC in Spanish), an inter-government agency sponsored by UNESCO, for developing the School Library Program, which aims to teach 150 librarians in new ways of promoting reading and writing in Panama, the Dominican Republic and El Salvador.

**SURAMERICANA, OUR  
INSURANCE SUBSIDIARY, POSTED**

**COP**  
**6.0**  
**BILLION**  
(USD 3.1 BILLION)

IN TOTAL SUBSIDIARY EARNINGS  
SHOWING A YOY INCREASE OF

**12.0%**

**SURA ASSET MANAGEMENT,  
OUR PENSION, SAVINGS AND  
INVESTMENT SUBSIDIARY  
CONTINUED TO CONSOLIDATE  
ITS REGIONAL BUSINESS HAVING  
OBTAINED AN EBITDA FIGURE OF**

**USD**  
**437.3**  
**MILLION**

**GRUPO BANCOLOMBIA'S  
CONSOLIDATED ASSETS  
CAME TO**

**COP**  
**130.8**  
**BILLION**  
(USD 67.9 BILLION)

INCREASE OF

**33.6%**

**GRUPO NUTRESA POSTED**

**COP**  
**5.9**  
**BILLION**  
(USD 3.1 BILLION)

IN OPERATING EARNINGS  
FOR A YOY INCREASE OF

**11.2%**

**GRUPO ARGOS POSTED  
A YOY INCREASE OF**

**14.2%**

IN OPERATING EARNINGS  
WHICH REACHED

**COP**  
**7.6**  
(USD 4.0 BILLION)

**HAVING  
WELCOMED  
A NEW  
INDEPENDENT  
MEMBER IN 2013,  
THE MAJORITY  
OF GRUPO  
SURA'S BOARD  
OF DIRECTORS  
NOW ENJOY AN  
INDEPENDENT  
STATUS, THAT IS  
TO SAY 4 OUT OF  
A TOTAL OF 7.**

## RISK MANAGEMENT AND CONTROL SYSTEMS

Grupo SURA's corporate governance system continues to be a key factor in boosting investor confidence, since it introduces and promotes clear rules and regulations with regard to the relationships existing between the Company's Board of Directors, Senior Management, shareholders, suppliers and other stakeholders. Such system is firmly based on the Company's corporate principles (transparency, respect, responsibility and fairness) as contained in its Code of Good Governance and which prevails over any particular interest that either the Company or its directors or senior executives could have.

In 2013 the Company enhanced its control environment with various specific measures, such as inviting a new independent member to sit on its Board of Directors; the reorganization of its Board Committees, as was the case with the Corporate Governance Board Committee, which met for the first time in June; as well as a review of the Company's structure, in keeping with its newly defined corporate role.

Internal control is considered an indispensable requirement for achieving the Company's objectives. Therefore, as part of our Organizational culture, these internal controls are also to be incorporated in each of the companies coming under the control of Grupo SURA. In this regard, a self-monitoring culture has been widely disseminated at subsidiary level, which is also based on the best corporate governance practices that underlie everything our employees do as well as the aforementioned corporate principles.

The Company identifies, analyzes, evaluates and deals with risks and establishes the conditions under which these should be managed. Technological systems are controlled and have been designed for the proper functioning of our business operations. Communications with stakeholders are fluid and internal auditing runs independent monitorings, in conjunction with an interdisciplinary team that is evaluated by the Audit Committee, which in turn submits periodic reports to the Board of Directors.

Strengthening risk management is a priority for the Company. Indeed in 2013 the area of risk management was absorbed by Grupo SURA's Corporate Planning Department. This ensures that risk management remains perfectly aligned with the Company's ongoing strategy, forming an integral part of its planning, projects and processes. The Company continued to work on its Integrated Risk Management System based on cross-cutting initiatives with different areas of the Organization with regard to Financial, Reputational and Sustainable Investment risks. For carrying out and recording transactions, there are adequate control policies and segregation of duties in place. Sufficient information for decision-making purposes is also made available. Here, Senior Management conducts permanent follow-ups on key performance indicators regarding both the different businesses and processes and keeps the Board of Directors informed of the progress made with investments made both at home and abroad.

The controls deployed by the Company have been duly checked along with the systems used for reporting and controlling financial information, all of which have been found to be in proper working order.

The Board of Directors supervised the activities of the Audit Committee as well as the other supervisory bodies and was duly informed of all important events occurring within the Company as well as with its subsidiaries and associates. It faithfully carried out its functions and duties, especially those relating to reviewing the Company's Internal Control System and evaluating its financial statements.

Transactions with shareholders and senior management were carried out in accordance with applicable legislation and on the same terms and conditions afforded to third parties. All operations carried out with these and other economic related parties have been listed in Note 2 of the individual financial statements.

GRUPO SURA hereby certifies that it has complied with all applicable intellectual property and copyright legislation. Furthermore, the use of products, such as the software the Company uses for its normal day-to-day running, are in keeping with all applicable intellectual property and copyright legislation and its brands have been duly registered before the corresponding authorities. We currently possess sufficient evidence with which to make these statements, these consisting of satisfactory findings from internal audits performed on the Company's systems; software development and licensing agreements; purchasing or transferring copyright royalties; and resolutions issued by the Colombian Superintendency for Industry and Commerce which confirm the existence of trade mark registrations, amongst others. Additionally, and in compliance with the provisions of Law 1676 of 2013, the Company hereby states that did not obstruct the free flow of invoices from vendors or suppliers.

Finally, we would like to make special mention of some of the most important awards or certifications received by our organization in 2013: Firstly, we were pleased to obtain from the Institute of Internal Auditors, international certification of our internal auditing processes, which were found to be in full compliance with international auditing standards. This distinction, awarded both to Grupo SURA as well as Suramericana and its subsidiaries in Colombia, enables us to join a group of 12 Latin American companies that have been awarded this certification that the aforementioned institute grants on a world-wide level. We are therefore proud that our control and governance system is sufficiently robust to have earned such global recognition..

It was also important to have won the Issuer Recognition award from the Colombian Stock Exchange, for our business practices promoting transparency and corporate governance, as well as sound financial reporting systems.

Furthermore, we cannot fail to mention that Suramericana was ranked as "The Best Insurance Company in Latin America " and "The Best Insurance Company in Colombia" by the prestigious journal, Reactions, published by the Euromoney Group Also Gonzalo Alberto Pérez, Suramericana's Chief Executive Officer was given the "Best CEO of the Year in Latin America" award within the insurance sector. These awards underscore SURA's excellent work, in conjunction with its employees, in its different insurance businesses in Colombia, El Salvador, Panama and the Dominican Republic.

Finally, we would like to express our sincere gratitude to all our shareholders, suppliers and other stakeholders, especially the entire team of Grupo SURA and its various investee companies, for demonstrating once again their knowledge and professionalism in securing these results. This fills us with a great sense of satisfaction especially since these were produced not by one-off situations but by a consistent long-term strategy.



e are firmly committed to working both this year and the years ahead in perfecting the transformation begun a while ago and furthering our business on a regional level. We now have strategic investments in 9 different countries in Latin America and attend millions of clients, who in spite of the diversity of their cultures and countries, all find the same comprehensive response to their insurance, pension, savings and investment needs. Thus, we can safely say that in Latin America, although we are different, we have much in common: namely confidence in the backing, responsibility and experience that SURA is able to offer.

THANK YOU.

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**Armando Montenegro Trujillo**

Chairman of the Board of Directors

**Hernando Yepes Arcila**

Vice-chairman of the Board of Directors

**José Alberto Vélez Cadavid**

**Carlos Enrique Piedrahita Arocha**

**Juan Guillermo Londoño Posada**

**Carlos Antonio Espinosa Soto**

**Jaime Bermúdez Merizalde**

**David Bojanini García**

Chief Executive Officer Grupo SURA



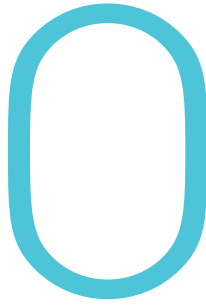




S U S T A I N A B L E  
**B U S I N E S S**  
M A N A G E M E N T

Description of Grupo SURA's corporate responsibility model, covering management and stakeholder liaisons practices as well as its economic, social and environmental aspects. Branding and risk management is also addressed in this section.

# CORPORATE RESPONSIBILITY MODELS



Our commitment to sustainable development lies at the core of our strategic planning initiatives. We are convinced that everything we do today shall affect both our shareholders and our environment in the future. Consequently, responsible business management is an unavoidable requirement for both Grupo Sura and its subsidiaries.

## WORK FRONTS

A comprehensive view of our corporate responsibility from three different vantage points:



# KEY ASPECTS

ALSO IN 2013, GRUPO SURA FINISHED DEVELOPING ITS NEW INTEGRATED SUSTAINABILITY INFORMATION TOOL (ISI) WHICH PROVIDES NON-FINANCIAL INFORMATION FROM THE ORGANIZATION'S DIFFERENT LINES OF BUSINESS.

In order to ensure a tangible commitment to sustainability and fulfill our strategic goals, we have defined six key aspects for developing our own practices and initiatives in keeping with the highest international standards and in so doing ensure that our Companies remain in the lead both at home and abroad.

## COMMITMENT TO FURTHERING BUSINESS ETHICS

- Corporate principles
- Corporate governance
- Commitments and espousing international standards

## RELATIONS WITH STAKEHOLDER GROUPS

- Policies and practices that strengthen our development and stakeholder relations

## BUSINESS DEVELOPMENT

- Opportunity and risk management
- Innovation and market, product and channel development
- Responsible Investing
- Information systems

## THE ENVIRONMENT

- Eco-efficiency
- Risks and opportunities
- Environmentally-responsible organizational culture

## INSTITUTIONAL IMAGE

- Brand governance
- Corporate reputation positioning

## SOCIAL DEVELOPMENT INITIATIVES

- Criteria and lines of investment
- Corporate volunteer corps
- Impact indicators

Grupo Sura in its role as investor is committed to responsible business management for which it has defined general guidelines and assists and monitors its subsidiaries in all those financial, social, environmental and corporate governance matters that are important for its ongoing sustainability.

By participating in board meetings and work shops as well as consolidating performance information into different areas of management, the Organization is able to track its progress as well as pinpoint risks and opportunities so as to be able to implement and consolidate initiatives and in so doing document management practices and learnings.

In this sense, in 2013 we completed the development of our Integrated Sustainability Information System (ISIS) with the help of Suramericana's IT Department, which shall allow us to collect non-financial information from our different businesses, which shall in turn allow us to trace back the data thus provided and qualify the respective reporting and monitoring processes. In 2014 we expect to extend this system to include the information of at least 50% of the companies that make up Grupo Sura and its subsidiaries.

# CHALLENGES SET FOR 2014 TO 2015

The analyses performed for the Dow Jones Sustainability World Indices as well as the materiality evaluations carried out from the sustainability standpoint amongst the investment, insurance, pension and healthcare sectors have provided us with substantial input with which to rate and fine-tune our focus and determine which are our main challenges, which we understand to be quite dynamic based on the context of each industry and country.

## RESULTS OF THE DOW JONES SUSTAINABILITY WORLD INDICES

CRITERIOS	CALIFICACIÓN			VARIACIÓN
	Peso	2012	2013	Puntos
Total Grupo SURA	100	68	72	4
Dimensión económica	41	85	89	4
Dimensión ambiental	24	38	44	6
Dimensión social	35	70	71	1

THIS MATERIALITY ANALYSIS COVERS VARIOUS ASPECTS THAT THE COMPANY'S STAKEHOLDERS CONSIDER IMPORTANT WHEN ASSESSING ITS PERFORMANCE OR MAKING DECISIONS IN THIS REGARD. THESE WERE IDENTIFIED THROUGH INFORMATION OBTAINED FROM SOCIAL NETWORKS, THE PRESS, OTHER COMPANIES WITHIN THE SECTOR AS WELL AS STAKEHOLDER GROUPS.

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM ●●

### MATERIALITY ANALYSIS - RESULTS

In 2013, materiality analyses were performed in conjunction with KPMG Advisory Services Ltd., on the different investment, insurance, healthcare and pension fund sectors in which GRUPO SURA's core investments are to be found, this in order to identify all those social, environmental and ethical aspects relating to the corporate responsibility and ongoing sustainability of both the Company and its subsidiaries.

**THE MORE SALIENT ISSUES IDENTIFIED IN EACH OF THE SECTORS ANALYZED ARE SHOWN AS FOLLOWS**

ISSUE	SECTOR			
	Investments (*)	Insurance	Pensions	Healthcare
Strategic planning - CSR/Sustainability	Green	Yellow	Yellow	Green
Social investment and market development	Green		Yellow	
Social commitment		Yellow		Yellow
Risk management	Green	Green	Green	Green
Ethics and integrity	Green			
Investments	Green		Green	
Best corporate governance practices	Yellow	Yellow		Green
Brand and communication management	Yellow		Red	
Performance / commitment to clients or users	Yellow	Green	Green	Green
Attracting and retaining human talent	Yellow		Green	
Building human capital	Yellow	Yellow	Green	Red
Environmental performance	Yellow	Yellow	Green	
Environmental management policies and systems.	Yellow			
Investor relations management	Yellow			
Employment practices	Yellow			
Climate change strategy	Red	Red		Red
Human Rights	Red	Red	Red	Red
Business/sectorial opportunities and innovation		Green		Green
Sustainable procurement /Supplier management		Yellow	Yellow	Yellow
Employee safety and healthcare		Red		Red
Preventing and handling general health and labor risks				Green
Stakeholder relations in providing our services			Yellow	Green
Analyzing the environment			Yellow	

(\*) Our Annual Report for 2012 contained a preliminary report on this particular issue. The scope of this study was extended in 2013 thereby confirming the results initially presented.

- **IMPORTANT ISSUES:** These are issues where we must step up our efforts, since these affect the ongoing sustainability of our Organization.
- **ISSUES OF CONCERN:** These are issues that must be constantly monitored since they could well become more important for the Organization.
- **EMERGING ISSUES:** These are matters that are not as yet important but could well affect our business in the future.

These issues relate to:

**1. The Strategic Planning of our ongoing CSR / Sustainability :** A strategic view of how we handle our ongoing CSR and sustainability issues mainly in our planning efforts and our stakeholder relations approach.

**2. Social investment and market development:** Participating in social development issues and upholding our commitment to the education and growth of different stakeholders.

**3. Social commitment :** The Organization 's commitment to raising standards of living.

**4. Risk Management :** Assessing and mitigating all those risks detected with our financial services and related issues.

**5. Ethics and integrity:** The Organization 's conduct in keeping with our ethical principles, based on responsibility, fairness, respect and transparency

**6. Investments -** Investment policies and practices based on the respective economic, social and corporate governance aspects.

**7. Best Corporate Governance Practices:** Drawing up best practices with regard to corporate governance, transparency and the skills and proficiencies of the members of our governing bodies.

**8. Communication and brand management :** practices governing the way we project our brand so as to create added value and further our positioning.

**9. Performance / Commitment to clients or users:** Handling our business in such as way so as to be able to fulfill the needs and expectations of our clients.

**10. Attracting and retaining human talent :** Initiatives designed to maintain our employees well-motivated, while furthering their skills and attracting new recruits offering specific abilities.

**11. Developing human talent:** Work practices that further the professional skills of our employees and how the Organization assesses the practices put into place.

**12. Environmental management:** How the Organization addresses the environmental impact of the activities it performs.

**13. Environmental policies and management systems:** Adopting practices and setting up environmental management systems, as well as the implementing specific policies with regard to different environmental issues.

**14. Investor relations management:** Carrying out our business activities so as to meet investor needs and expectations.

**15. Employment practices:** Conduct in keeping with our corporate principles of respecting and enhancing the rights of the Organization 's work force.

**16. Climate Change Strategy:** The initiatives taken by the Organization in order to adapt to the effects of climate change as well as directly or indirectly mitigating such.

**17. Human Rights:** Adherence to the principles of respect for the human rights.

**18. Business or sectorial opportunities and innovation:** Ability to identify and implement new business development opportunities.

**19. Sustainable procurement / Supplier Management:** The responsible handling of our supply chain with a view to establishing long-term supplier relations.

**20. Safety and healthcare:** The way the Organization ensures people's safety, integrity and welfare

**21. Preventing and handling general health and labor risks:** Commitment to upholding practices that help to uphold healthy habits and mitigate labor risk.

**22. Stakeholder relations in providing our services:** Setting up stakeholder relation mechanisms so as to guarantee an optimum service

**23. Environmental analysis:** Analyzing and participating in relevant demographic, political and cultural aspects, etc., that impact our business.

# CHALLENGES

KEY ASPECT	CHALLENGE	OBSERVATIONS
<b>Commitment to furthering business ethics</b>	Strengthen our Corporate Governance System	External performance evaluations of our Board of Directors.
	Consolidate a liaisoning and impact matrix with our stakeholder groups	Inicia en 2014
<b>Relations with stakeholder groups</b>	Implement and standardize processes with regard to supplier management.	Progress was made in 2013 with the integration of our supplier information management system in Colombia. We shall be starting up our supplier management model in 2014, staging pilot tests in different sectors as well as gauging the levels of supplier development.
	Identify synergies that could facilitate new businesses and expand market presence.	Ongoing
<b>BUSINESS DEVELOPMENT</b>	Draw up a strategy aimed at providing training courses with regard to financial services and risk management.	Currently being validated so as to go ahead with initial pilot tests.
	Continue to formalize and implement social, environmental and corporate governance criteria for the purpose of analyzing investment projects.	Currently being validated and formalized for which awareness campaigns are being staged. A work commitment has been set up with the participation of the Group's subsidiaries.
	Consolidate the monitoring systems used to ensure the environmental performance of the Company's subsidiaries.	In 2013, Suramericana extended the scope of its report in Colombia. In 2014 it shall begin to standardize its environmental performance and collect information from international subsidiaries belonging to Suramericana and Sura Asset Management.
<b>THE ENVIRONMENT</b>	Analyze environmental risks and opportunities.	Currently underway.
	Draw up a formal strategy for a climate change management initiative	Analyze current input and formalize the Company's position. 2014-2015.
	Develop and strengthen our information reporting channels and capabilities as well as extend our market positioning.	In 2014 we shall be implementing initiatives on a regional level to address these challenges.
<b>INSTITUTIONAL IMAGE</b>	Driving initiatives that promote greater transparency, institutionality, responsible business management and the protection of the environment on a regional level.	Please see the performance results of each subsidiary on each of these work fronts.
	Analyzing the social development priorities in each of the countries where we are present so as to provide input in defining the Suramericana Foundation's new international scope.	In 2014 we defined a road map towards a new international scope and initiatives were taken to formalize alliances and investments.



# INVESTING IN SUSTAINABLE PRACTICES

With regard to the funds approved by the General Assembly of Shareholders at its Annual Meeting held in 2012, a profit distribution proposal was adopted whereby COP 3.000 million was to be used to drive and develop sustainability practices to be implemented by GRUPO SURA and its subsidiaries. The initial commitment was to spend these funds in 2012 and 2013; however more time was needed given the scale of the beneficiary projects.

**At year-end 2013, 55% of the funds thus approved had been spent on:**

- A sustainability materiality analysis performed in the investment, insurance, pension and healthcare sectors. The overall results are to be found in Section XXXX. The studies carried out show the more important issues faced based on the degree of maturity within the industry as well as stakeholder opinions.
- Implementing the SURA Supplier Management Model, which is being deployed within the supply chain corresponding to the Suramericana subsidiaries, and shall shortly be adopted by Sura Asset Management's subsidiaries.
- Designing an educational program to extend the public's knowledge and use of financial services so as to enhance their competitiveness and quality of life. With this we intend to help develop individual skills and markets and contribute to greater financial inclusion.

Our Department of Corporate Responsibility is ready to provide more detailed information regarding these initiatives upon request.

# RELATIONS WITH STAKEHOLDER GROUPS

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## OUR LIAISONING GOALS



## SUPPLIERS

- Contributing to sustainable development in all those countries where we are present
- Providing useful information regarding Company, this as part of its supply chain
- Enhancing the capacity of our strategic partners in attaining their corporate objectives

## THE COMMUNITY

- Contributing to sustainable development in all those countries where we are present
- Helping to include diverse segments of the population in our business dynamics.

## OPINION LEADERS

Taking part in the country's opinion-building and decision-making process in drawing up public policy regarding the sustainable development of both business and the environment.

## MAINSTAYS OF OUR LIAISONING INITIATIVES.

**Inform:** Provide more and better information on who we are and what we do

**Educate:** Building knowledge and strengthening our two-way training initiatives, these based on best practices.

**Ensure ongoing feedback:** Establish different means of dialog allowing us to consult public opinion and set up two-way communications between the Company and its various stakeholder groups

**Positioning:** Our institutional presence when and where required from the strategic standpoint

## FRAMEWORK FOR BUILDING RELATIONSHIPS

- Corporate responsibility
- Knowledge-building
- Institutionalality
- Legal framework
- Prioritizing common interests
- Continuous improvement

## CORPORATE COMMUNICATION APPROACH

- Open
- Two-way
- Dynamic
- Reliable
- Inclusive
- Coherent
- Consistent

**WE ARE DRIVING OUR CORPORATE REPUTATION WITH THE CONSISTENT MEASURES TAKEN BY THE ORGANIZATION AND ITS CAPACITY TO BUILD LONG-TERM RELATIONS WITH ALL ITS STAKEHOLDER GROUPS.**

## ETHICS HELPLINE

**NO COMPLAINT OR REPORT  
WAS LODGED VIA THIS  
MEANS IN 2013**

Ethical conduct is not an option but an integral part of the way GRUPO SURA handles its business. For this reason the Company seeks to build an organizational culture based on a firm commitment to ethical conduct, thus ensuring more productive and competitive companies able to provide attractive results in terms of social development, quality, profitability and long-term growth.

We also have a Code of Ethics which forms an integral part of our Code of Corporate Governance. GRUPO SURA has also set up an Ethics Committee along with an Ethics HelpLine thereby facilitating its stakeholders a new channel of communication for reporting any situation that goes against the Company's corporate principles and ethical values.

[lineaetica@sura.com.co](mailto:lineaetica@sura.com.co)

# INVESTORS RELATIONS

**GRUPO SURA REALIZÓ EN BOGOTÁ Y MEDELLÍN SU PRIMER INVESTOR'S DAY, UN ESPACIO QUE TIENE COMO OBJETIVO DAR A CONOCER A INVERSIONISTAS, ANALISTAS DE MERCADO Y PÚBLICOS PROFESIONALES, DETALLES SOBRE LA ACTUALIDAD DE LA COMPAÑÍA Y SUS FILIALES, ASÍ COMO LAS PERSPECTIVAS A FUTURO.**

In 2013 we continued to enhance our performance in this area seeking new ways of strengthening our long-term relations with both current and potential investors and creating new channels so that we may continue to provide the market with clear, useful and opportune information. It was for this reason that GRUPO SURA staged its first ever Investor Day in Bogota and Medellin, to which investors, market analysts, and professionals within the field were invited to a presentation of its current situation, that of its subsidiaries and the outlook going forward. This event included presentations given by: David Bojanini, CEO of Grupo SURA, Gonzalo Pérez, CEO of Suramericana, Andrés Castro, CEO of SURA Asset Management and Christian Daude Senior Economics and Head of the Americas Desk at the OCDE Development Center, who analyzed the structural trends affecting Latin American economies and the facts affecting their development. For more information regarding this event please click on the following link: [www.gruposura.com/gruposuraday](http://www.gruposura.com/gruposuraday).

We also participated in a total of 15 specialized events held within the sector, which allowed us to increase our market exposure, both at home and abroad, having met with a total of 350 portfolio managers and analysts from the United States, Europe, Latin America and Asia. This greater exposure has reaffirmed the positioning enjoyed by our shares on different local and global stock indices, including the COLCAP, COLEQTY, MSCI, FTSE, DJSI amongst others

Finally, it was important for Grupo Sura to have won the IR award from the Colombian Stock Exchange for our best financial reporting practices, which have helped to enhance the Company's corporate governance and transparency in the eyes of its stakeholders.

#### QUARTERLY TELECONFERENCES

Here, the Company maintained permanent contact with the market, providing updated information on the Company's performance, trends, projects and strategies. We hold four quarterly teleconference calls in which our Company's Chief Executive Officer plays a key role, in which we provide updated information regarding our results and our ongoing strategy.

We also have different communication tools so as to keep in permanent contact with both the market and other stakeholders, this in addition to the information published as part of the reporting requirements issued by the Colombian Superintendency of Finance which can also be found on our website,

- **Página web - [www.gruposura.com.co](http://www.gruposura.com.co):** Here complete up-to-date information can be found regarding our Company and its portfolio of investments, in both Spanish and English versions. Visitors may also track on-line GRUPO SURA's Ordinary and Preferred shares, obtain customized shareholder information as well as consult a calendar of scheduled events and activities for the year.

- **Social Networks:** Our followers on Twitter, Facebook and YouTube obtain information of interest concerning the Organization and its business environment.

- **Mobile app:** We offer our own GRUPO SURA “app” which can be downloaded onto the user’s tablet or smartphone providing him or her with permanent access to all the latest updates regarding our share performance as well as corporate news and information.
- **Shareholder HelpLine – 018000 521555:** This is a toll-free service provided from Monday to Friday between 7.30 a.m and 5.00 p.m. by means of which we clear up any general queries about our Company.
- **Investor Relations Office – (574) 4355729:** Here institutional investors and brokerage firms can channel their specific queries regarding the more significant items of information reported by the Company.
- **Shareholders Office – (574) 4355302:** This area is responsible for attending shareholder queries regarding dividend payments, share certificates etc.
- **Fiduciaria Bancolombia – (574) 4042371:** The Company’s shareholders may also channel their queries through the network of branch offices belonging to Fiduciaria Bancolombia, the firm responsible for handling the Company’s shares and securities.
- **E-newsletters:** Visitors to our website may subscribe to these newsletters containing periodic information regarding the Organizations results and performance during the year.

# OUR BRAND

# B

Brands represent important intangible assets for the large majority of companies, regardless of the sector or country where they are to be found. This is particularly true in the case of the financial service sector, since brands represent vital attributes such as confidence, which is perhaps uppermost in the minds of clients when deciding who shall be responsible for handling their money and protecting their assets.

For this reason, since we began to expand into the rest of Latin America, decisions regarding the architecture, positioning and governance of the SURA brand has played a fundamental part of Grupo SURA's strategy in furthering its purpose of generating added value and confidence as a basis for developing and extending its comprehensive range of financial services in each of the countries where we are present and in so doing enhance the

well-being and quality of life of our clients.

Hence the communications, advertising and marketing departments of Grupo SURA, Suramericana, SURA Asset Management and their Latin American subsidiaries have been working in close conjunction to position the SURA brand as an expert, trustworthy, dynamic and approachable regional brand which has gone hand in hand with enhancing the present conditions and building the futures of both organizations and private individuals through our financial and insurance solutions.

The following are just some of the facets of the strategy devised with this in mind:

• **BRAND GOVERNANCE:** As part of Grupo SURA's corporate role, this is one of the most important fronts on which we have been working on, for the purpose of ensuring that our communications and branding are transmitted in a consistent and orderly fashion from the different businesses and countries where we are present. It is only in this way that we can harness synergies and truly position SURA as a regional brand, in keeping with our common purpose. For this purpose, we have set up a Corporate Branding and Reputation Committee, whose members are responsible for these matters at both the parent as well subsidiary companies. This Committee has drawn up a branding policy, amongst other initiatives, that includes general guidelines for handling the different businesses from this standpoint.

• **REGIONAL CAMPAIGN:** Besides specific initiatives taken by each company on a local level, the teams in charge of branding for both Grupo SURA and its subsidiaries have been working together in deploying a regional campaign whose message is "Although we are different, we have much in common." Here we are underscoring the diversity of all those countries where we are present as well as the financial solutions offered, where trust in the backing, responsibility and experience of the SURA brand is an overarching factor for millions of clients in these parts of the world.

Regional video campaign

<http://www.youtube.com/channel/UCgAfhN4V2fuz2UgCExeqXdA>

• **REGIONAL FINANCIAL EDUCATION BROADCASTS:** Fully aware of the importance of a financially educated public, which is key not only to furthering our industry but also to the overall development of those countries where we are present, we have drawn up an educational strategy titled "Living the SURA brand". This is also an important part of positioning our brand since it is broadcast to the entire region through the Casa Club TV channel. This consists of a series of 12 programs containing discussions and educational messages on how to handle personal finance as a vital factor for people's well-being and quality of life. This content is also transmitted via social networks as well as the digital platforms of both our companies as well as Casa Club TV, divulgan a través de las redes sociales y demás plataformas digitales de nuestras compañías y del mismo Casa Club TV.



**MILLIONS OF CLIENTS WITHIN THE REGION HAVE PLACED THEIR TRUST IN THE BACKING, RESPONSIBILITY AND EXPERIENCE THAT GRUPO SURA HAS TO OFFER.**



**Ramón en Perú**  
ve lo rápido que  
crecen sus hijos.  
Invierte para  
darles un futuro  
seguro.

**Ana en Colombia**  
siempre va  
tranquila. Cuenta  
a cada paso con  
el respaldo de  
su seguro.

AUNQUE SOMOS DIFERENTES, TENEMOS MUCHO EN COMÚN



**Amelia en Uruguay**  
ahorra para  
su retiro,  
así construye  
desde hoy un  
mejor mañana.

**Luís en México**  
piensa en  
su futuro.  
Por eso,  
invierte en una  
compañía que le  
da confianza.

AUNQUE SOMOS DIFERENTES, TENEMOS MUCHO EN COMÚN





José en Chile,  
mira su futuro con  
confianza. Sabe  
que ahorrando  
llegará lejos.

Inés en Panamá,  
ve nuevos  
horizontes, gracias  
a la tranquilidad  
que le da su seguro.

AUNQUE SOMOS DIFERENTES, TENEMOS MUCHO EN COMÚN



Teresa  
en El Salvador  
construye su futuro  
con el mejor respaldo.

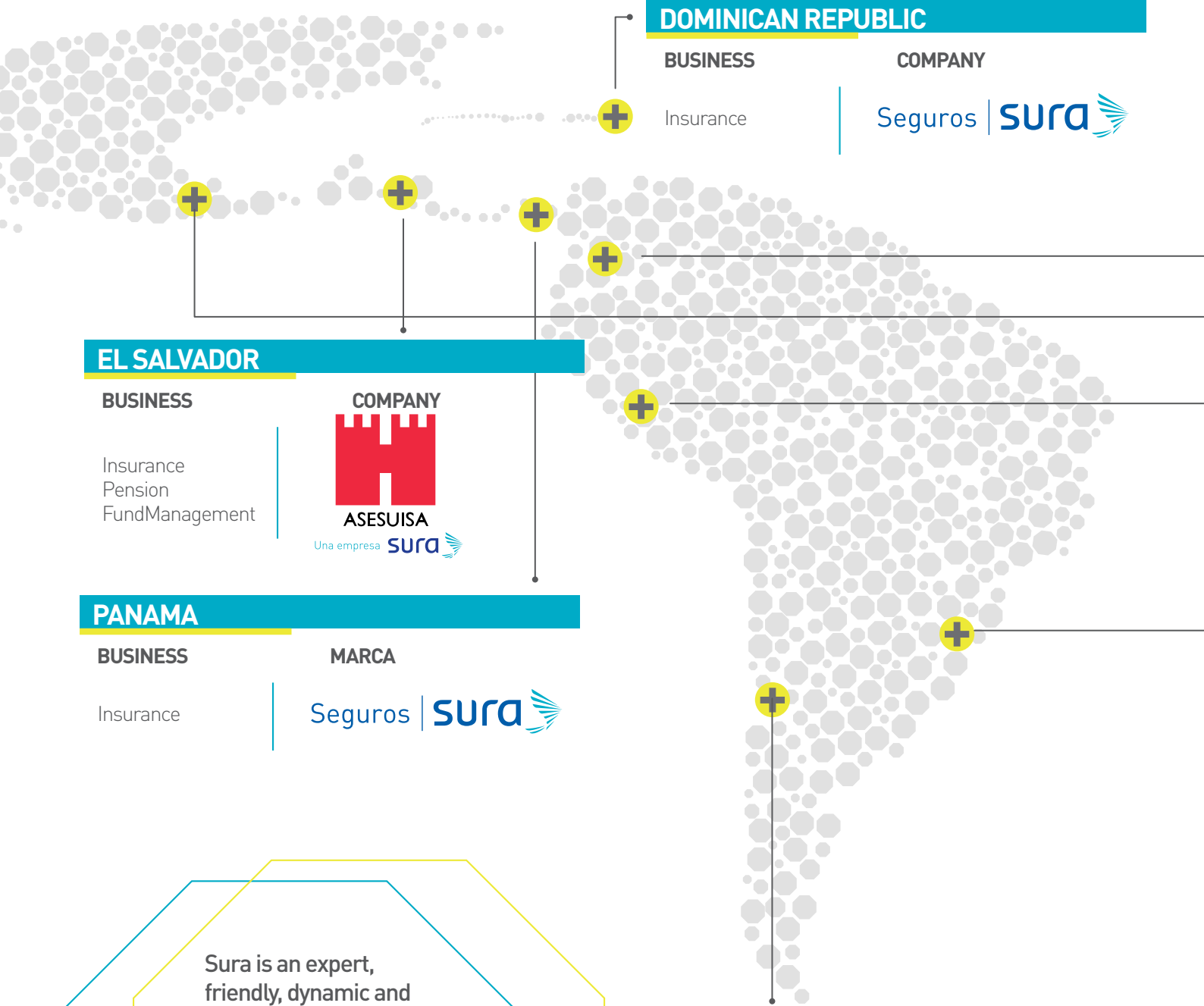
Rafael en República  
Dominicana  
sabe que con un  
seguro, en su casa  
vive la tranquilidad.

AUNQUE SOMOS DIFERENTES, TENEMOS MUCHO EN COMÚN

Millones de latinoamericanos tienen en común la confianza en el respaldo, la responsabilidad y experiencia de 69 años de SURA. **Soluciones financieras y de protección para vivir el presente y asegurar el futuro.**

SEGUROS | PENSIONES | AHORRO | INVERSIÓN  
COLOMBIA • CHILE • EL SALVADOR • MÉXICO • PANAMÁ • PERÚ • REPÚBLICA DOMINICANA • URUGUAY

# BRAND ARCHITECTURE



## DOMINICAN REPUBLIC

### BUSINESS

Insurance

### COMPANY

Seguros |

## EL SALVADOR

### BUSINESS

Insurance  
Pension  
FundManagement

### COMPANY



ASESUISA  
Una empresa

## PANAMA

### BUSINESS

Insurance

### MARCA

Seguros |

## CHILE

### BUSINESS

Pensions  
Life Insurance  
Mutual Funds  
Stock Brokerage

### COMPANY

AFP

Una empresa

Sura is an expert, friendly, dynamic and trustworthy regional brand which is helping and providing support to millions of clients in improving their current lives and building a brighter future. Sound financial position

## COLOMBIA

### BUSINESS

Insurance  
Occupational Risk  
Healthcare  
Pension Fund

### COMPANY

Seguros |   
EPS |   
ARL | 

## MEXICO

### BUSINESS

Pension Fund  
Wealth Management  
Life Insurance

### COMPANY



## PERU

### BUSINESS

Pension Funds  
Insurance  
Real Estate  
Mutual Funds

### COMPANY

AFP   
Una empresa   


## URUGUAY

### BUSINESS

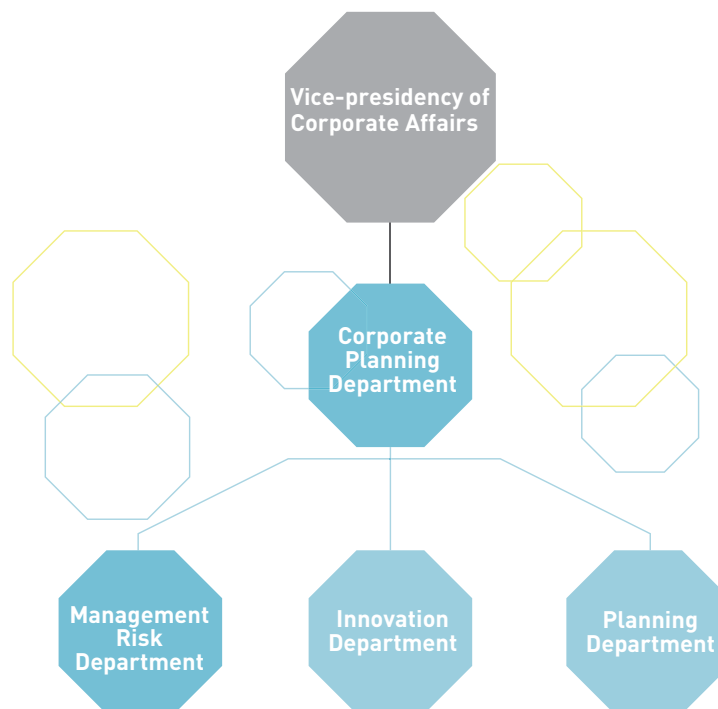
Pension  
Fund Management

### COMPANY

AFAP |   


## COMPREHENSIVE RISK

## MANAGEMENT



The Company's new structure has become an ideal opportunity to strengthen its Risk Management capabilities by including this area in its Corporate Planning Department. Forming part of this new team not only ensures their cross-cutting role across all areas of the Company, but also allows risk management to become so much more aligned with the Organization's strategy while forming an important part of Grupo SURA's planning, project and process structure.

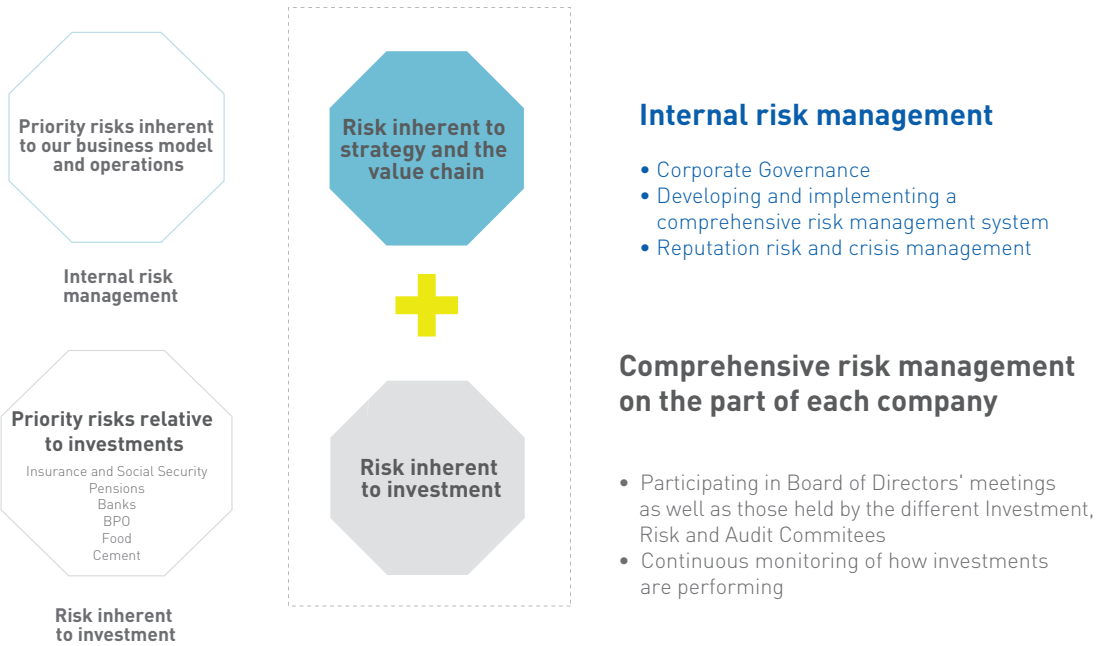
This initiative is in line with our overarching purpose to build trust based on long-term relationships and create added value to our portfolio investments. This change came about as part of the framework of this new structure, allowing this area not only to further consolidate the Company's Comprehensive Risk Management System but also continue handling risks with regard to the Company's strategy and value chain, together with those relating to its investments.

In 2013, this area continued to provide assistance to the Cash Management Department in analyzing risks relating to new financial products and structurings, as well as monitoring the risk exposure inherent to said structurings in which certain investments had already been made.

In conjunction with the Communications Department, the Risk Management area has continued to advance in the handling of reputational risk and crisis management and, as part of the activities scheduled for 2013, assisted in holding the First Regional Forum on Managing Reputational Risk for both Grupo SURA and its subsidiaries, at which practices were standardized and important knowledge shared with a view to providing a much more coherent and effective level of risk management throughout the Organization.

This area also assisted the Investment Department in building a new tool for consolidating and monitoring investments and their respective risks.

# OVERVIEW OF OUR COMPREHENSIVE RISK MANAGEMENT SYSTEM







## GRUPO SURA **MAIN FIGURES**

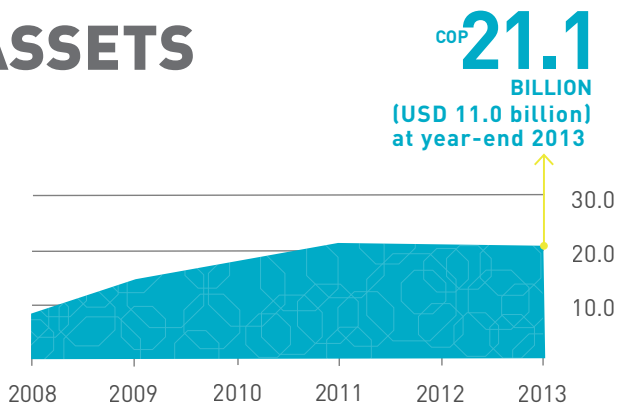
The following are Grupo SURA's key performance indicators from the financial, social and environmental standpoints, among others: Renewing our commitment to a more comprehensive performance while forging a truly sustainable business

# FINANCIAL AND BUSINESS MANAGEMENT



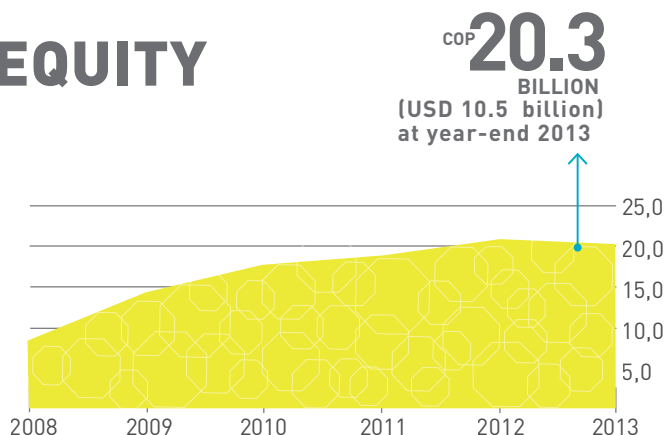
Our key performance indicators over the last five years have shown a consistent growth in keeping with Grupo SURA's strategy allowing it to maintain a robust financial position.

## ASSETS



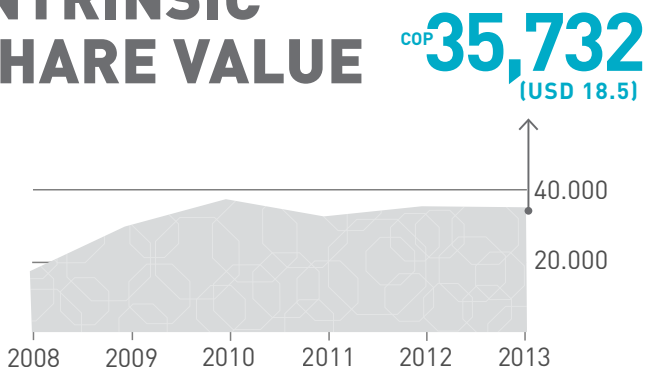
For a growth of **142%** over the last five years

## EQUITY



For a growth of **142%** over the last five years

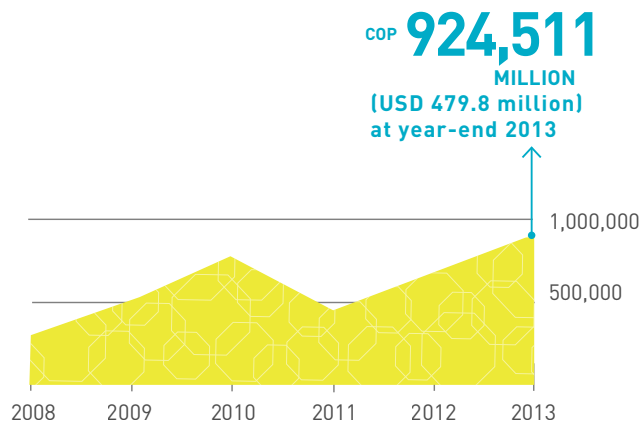
## INTRINSIC SHARE VALUE



For a growth of **100%** over the last five years

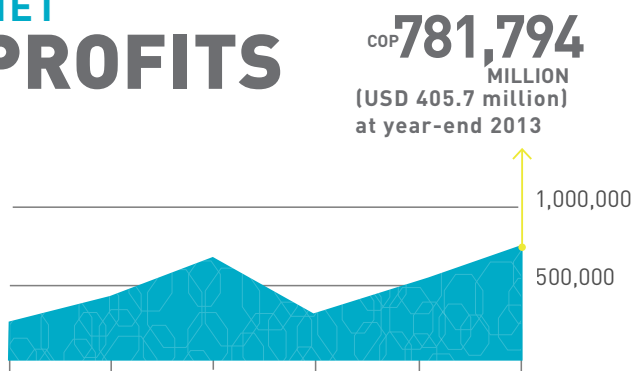


# OPERATING REVENUE



For a growth of  
**199%**  
over the last five years

# NET PROFITS



For a growth of  
**186%**  
over the last five years

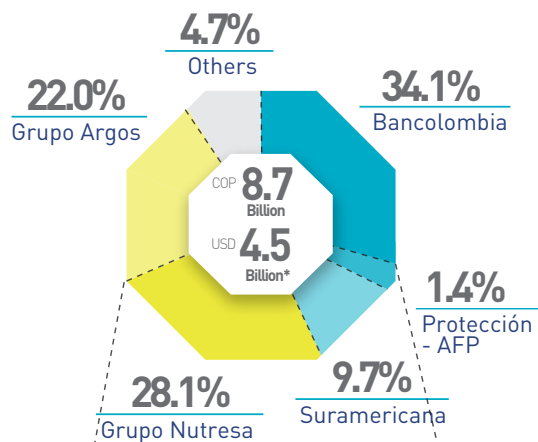
# SHARE PRICE

**ORDINARY SHARES**  
closed at year-end 2013 at  
COP **33,700**  
(USD 17.5)  
Having increased by  
**118%**  
over the last five years

**PREFERRED SHARES**  
closed at year-end 2013 at  
**34,980**  
(USD 18.2)  
Having increased by  
**7.6%**  
since 2011

# OUR INVESTMENT PORTFOLIO

## December 2008



IN 2008 GRUPO SURA'S STRATEGIC INVESTMENTS REPRESENTED

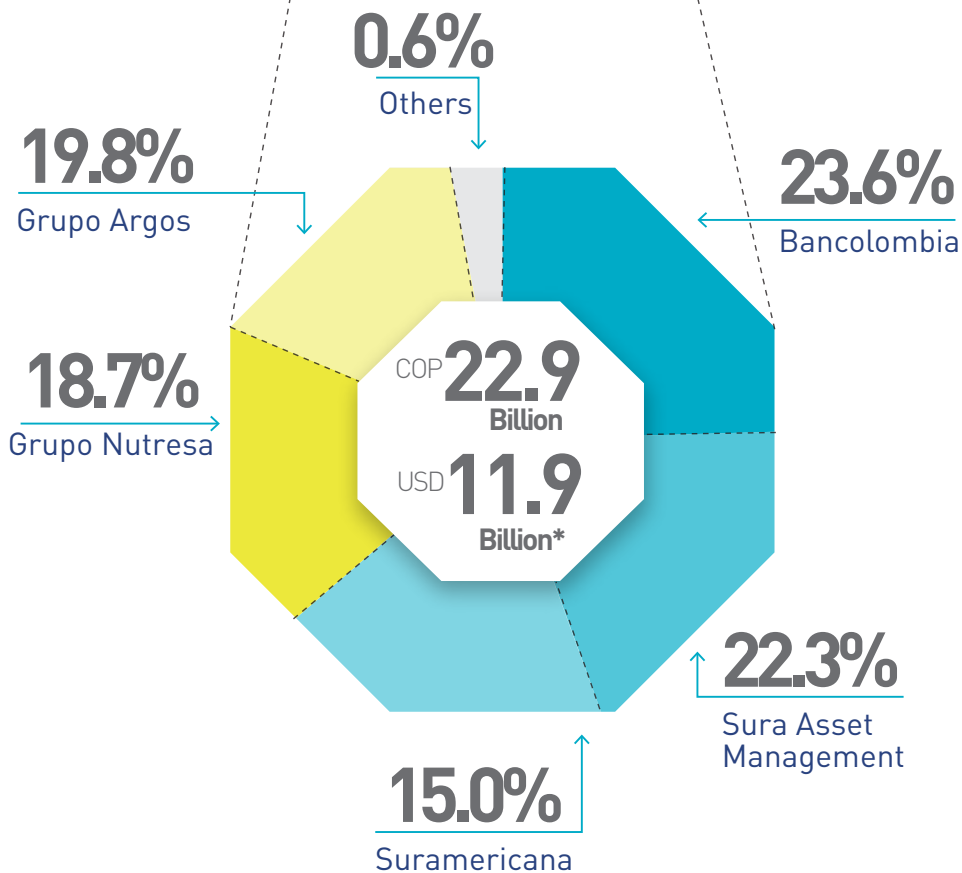
**45.2%**

OF ITS ENTIRE PORTFOLIO. THANKS TO OUR CONSOLIDATION STRATEGY AND OVERALL FOCUS, THESE REPRESENT TODAY

**60.9%**

OF OUR INVESTMENTS.

## December 2013



\*Including investments at fair value based on applicable  
**NOTE:** Suramericana's estimated value was based on twice its price to book (P/V) value, whereas that of SURA Asset Management corresponded to its book value.

## HUMAN TALENT

For Grupo SURA, its human talent is at the mainstay of its performance. Knowledge and experience is allowing us to become more competitive on an ever-changing and more demanding market.



Salaries and wages

7,503  
million

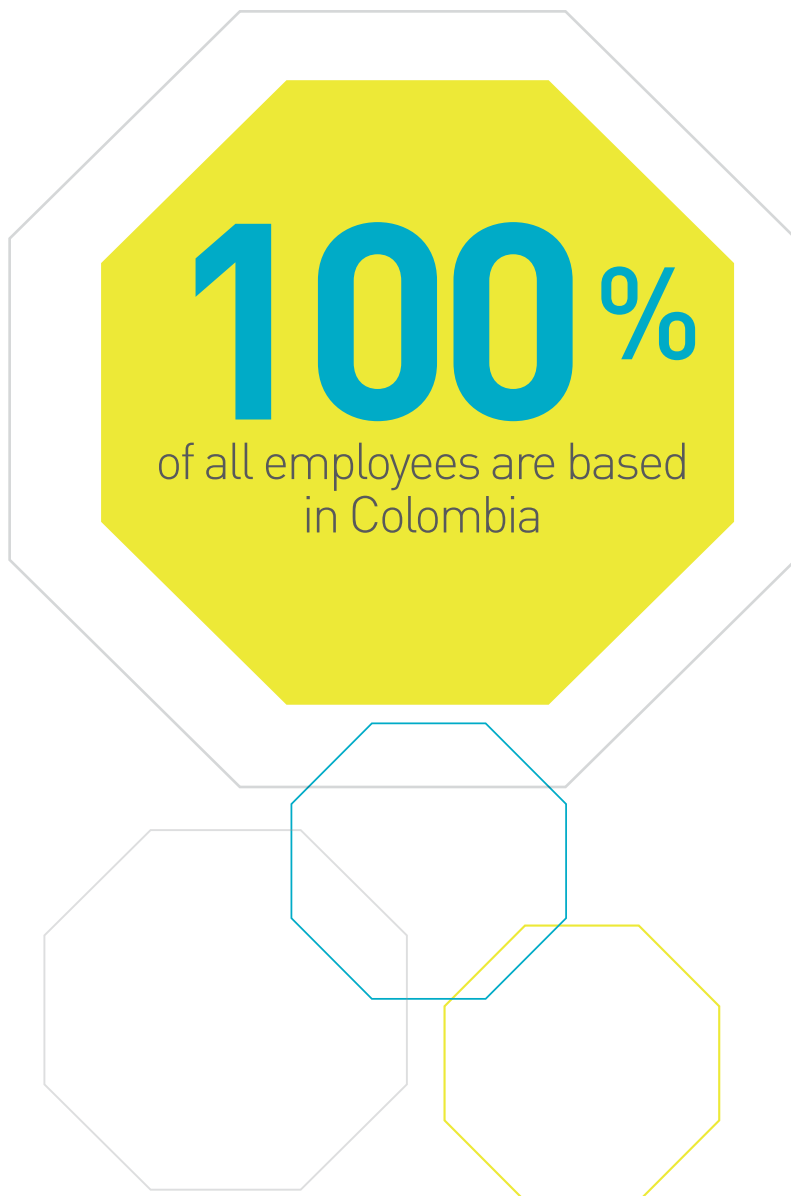
Employment benefits

1,879  
million

**Note:** These figures correspond to the parent company, Grupo SURA, and not to its subsidiaries.

## HEALTH AND WELLNESS

- **Sick leave absenteeism:** Grupo SURA's absenteeism due to ordinary sickness remained below the 2,5 goal set for 2013. The accident rate remained at zero (there were no workplace-related accidents) compared to the 8.14 average for the rest of the sector in 2013
- Grupo SURA has a Joint Committee for Workplace Health and Safety as well as a Workplace Co-Existence Committee both of which encourage healthy work environments and positive relations amongst employees.



# 80%

belong to the SURA Employee Fund, which encourages employees to save for the future.

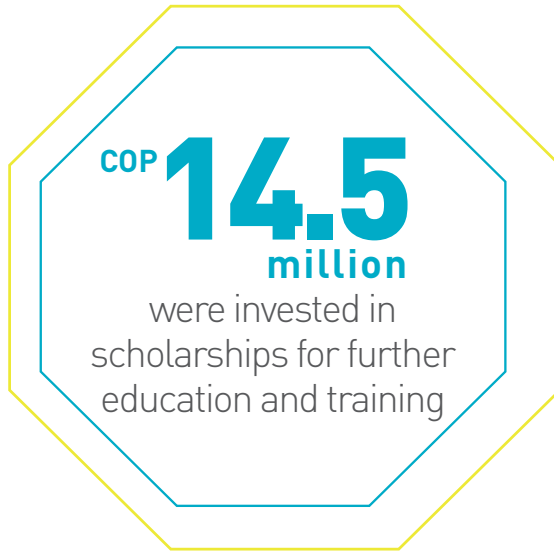
The Company matches employee contributions at a rate of

**COP 0.50**  
on a fixed basis.

**COP 28.6**  
**MILLION**  
matched by the Company

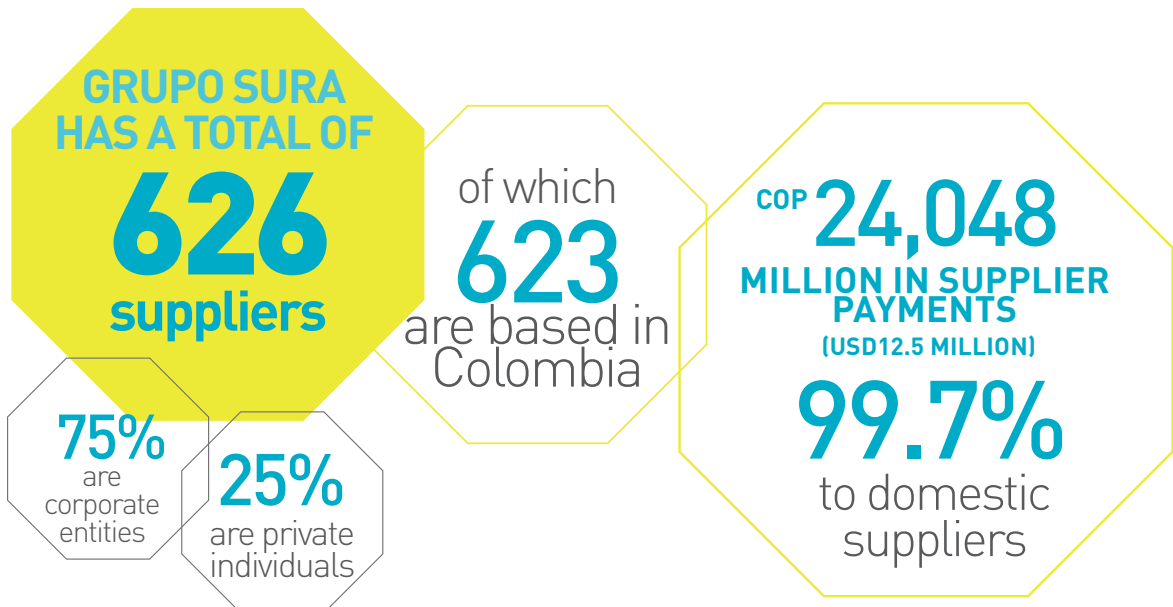
**COP 240.4**  
**MILLION**  
on the part of employees

## TRAINING



## SUPPLIERS

We contribute to the growth and development of our suppliers, through the understanding that a supply chain that is firmly aligned with the Company's corporate principles shall allow it to maintain long-term relations.



# COMMUNITY DEVELOPMENT

We are committed to community development through the various projects sponsored by the SURA Foundation that benefit the more vulnerable segments of the population and encourage cultural and educational programs that help to raise the quality of life.

## Work fronts

- Comprehensive Community Management.
- Sexual Health Education.
- Cultural Programs.
- Training programs for greater competitiveness

## In 2013

In 2013, Grupo SURA contributed **COP 4,000 million** to its SURA Foundation for a total of **COP 15,398** (USD 8 million).

- The SURA Foundation is present in a total of four countries (Colombia, Panama, the Dominican Republic and El Salvador)
- Presence in Colombia spans 16 Departments and 65 towns
- Alliances have been formed with 120 social outreach institutions
- The Foundation has participated in 130 initiatives

## VOLUNTEER CORPS

**62%**

of Grupo SURA's employees are SURA volunteers (in 2012 these numbered 225)

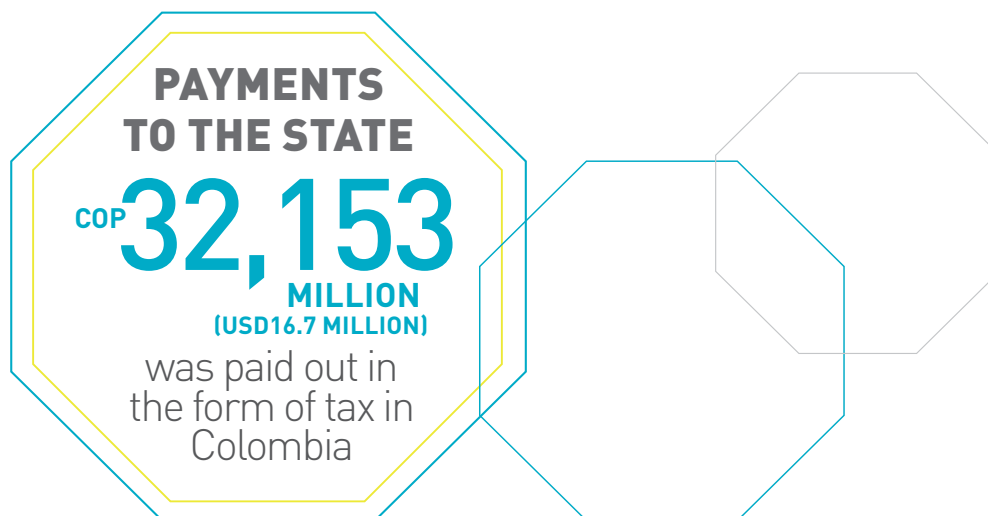
This produced

**583**

hours of community work (programs included improving infrastructure, providing psycho-social assistance, environmental initiatives and entrepreneurial training, amongst others). This came to 397 hours of community work in 2012.

For more information, please see the SURA Foundation's Annual Report: **Between Saying and Doing: Feeling**

Fundación | **SURA** 



## THE ENVIRONMENT

**We are striving to preserve the environment as a fundamental condition for ongoing sustainability. As investors, we are responsible for forging a corporate responsibility for the environment along with a long-term view of such.**

This is based on:

- Encouraging our portfolio companies to adopt practices aimed at protecting and preserving the environment, as well as taking precautionary measures while complying with all applicable legislation.
- Periodically analyzing the environmental performance of our strategic interests.
- Applying environmental criteria when selecting our suppliers and conducting activities relating to our business.
- Considering all environmental aspects and impacts of any potential investment and business opportunity.
- Creating ways of disseminating knowledge and resources in helping to forge an environmental culture.
- Taking part in alliances aimed at investigating, developing and using technologies aimed at protecting and caring for the environment.

## Energy consumption

Energy directly consumed (MJ)

**2,703,508.24**

Energy indirectly consumed (MJ)

**339,466.25**

Scope of Indirect Energy Consumption  
(as a % of direct employees)

**100%**

Energy that is indirectly consumed includes the fuel consumed by the Group's private jet.

## Water consumption a

Water collection (m<sup>3</sup>)

Water mains supply

**528.22**

Scope  
(% employees)

**100%**

## Greenhouse gas emissions

It is important to note that CO<sub>2</sub> emissions as a result of the amount of energy consumed have effectively gone up given the increase in coal and gas-based electricity generation on the part of Colombia's National Grid and a decrease in hydro-electric generation.

In 2013, a total of 248.83 kilograms of printing paper was consumed, showing a YoY drop of 28.57% compared to the amount consumed in 2012 This represents savings of approximately COP 310 thousand.

## Direct CO<sub>2</sub> emissions Scope 1 (CO<sub>2</sub> tons)

Fuel  
(Private jet)

**193.27**

Total Scope 1

**193.27**

## Indirect emissions Scope 2 (CO<sub>2</sub> tons)

Electricity consumed

**76.59**

Total Scope 2

**76.59**

## Indirect emissions Scope 3 (CO<sub>2</sub> tons)

Paper consumption

**0.21**

Total Scope 3

**0.21**









## OUR STRATEGIC INVESTMENTS

A breakdown of the main figures and factors relating to our strategy, the results obtained so far and how we are projecting our core investments from the economic, social and environmental standpoints.

# REGIONAL CONTEXT



Grupo SURA's strategic or core investments are centered on Latin America, particularly all those sectors and countries that show interesting trends and opportunities as well as an important growth potential in terms of creating and distributing a comprehensive range of financial services.

## KEY MACROECONOMIC FIGURES FOR LATIN AMERICA

COUNTRY	GDP	INFLATION	UNEMPLOYMENT	POPULATION	GDP PER CAPITA
Chile	4.4%	2.6%	6.2%	17.6	19,105
Colombia	3.7%	2.4%	10.3%	47.2	11,088
Dominican Republic	2.0%	5.0%	12.5%	10.4	9,698
El Salvador	1.6%	2.3%	5.7%	6.3	7,505
Guatemala	3.3%	4.8%	N/A	15.5	5,265
Mexico	1.2%	3.3%	4.8%	118.2	15,608
Panama	7.5%	4.5%	4.2%	3.7	16,540
Peru	5.4%	2.8%	6.0%	30.9	11,149
Uruguay	3.5%	8.9%	6.7%	3.4	16,588

SOURCE: Proyección FMI para el cierre de 2013

## PROSPECTS FOR THE DIFFERENT SECTORS

**ALL IN ALL, THE COUNTRIES WHERE GRUPO SURA'S SUBSIDIARIES ARE CURRENTLY OPERATING ARE MARKETS OFFERING ATTRACTIVE DEMOGRAPHIC POSSIBILITIES AND MAJOR OPPORTUNITIES FOR FURTHER DEVELOPING MARKETS AND NICHES.**

Since the large majority of Latin American countries have continued to grow at a rapid pace, this shall represent opportunities for all those sectors where Grupo SURA is to be found, especially given its current financial products and services and their low levels of market penetration to date. This goes hand-in-hand with an upwardly mobile middle class with growing purchasing power.

Indeed the entire region, and especially those countries where Grupo SURA is present, have seen poverty levels drop and their middle classes grow, thanks mainly to more formal job markets - although this continues to pose challenges - while inflation has remained under firm control and GDP has continued to steadily rise even when the global crisis was at its worst. Together, the countries where Grupo SURA's subsidiaries operate represent markets with attractive demographics which shall provide sectors such as pension funds with a stable, recurring and growing source of income.

The so-called "demographic window" shows a much more dynamic rate of growth among the economically active, compared to the increase in dependents, that is to say, retirees or school-aged children, all of which make for excellent prospect for the current and future performance of those assets managed by companies such as SURA Asset Management and Suramericana.

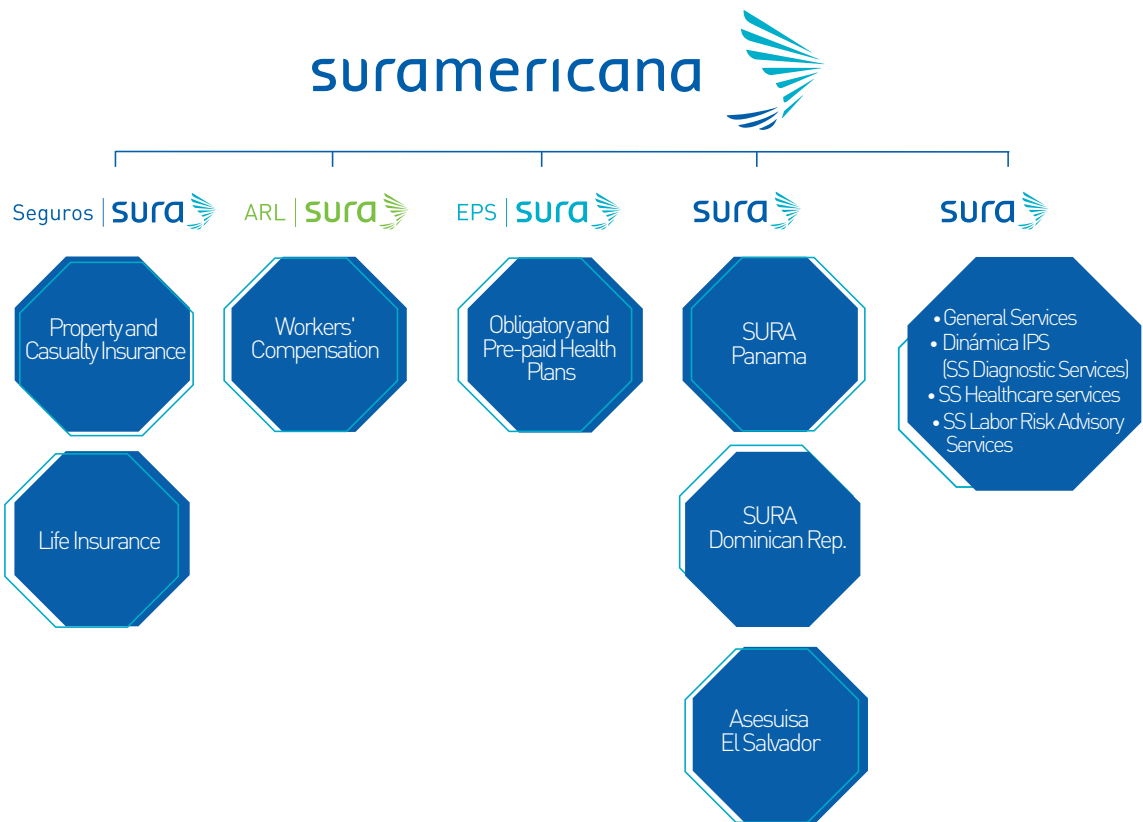
As for insurance, the sustained growth of this industry shall largely depend on innovations with regard to the development and distribution of these products as well as penetrating new markets and catering to new emerging risks, not to mention a more efficient use of technology on the part of insurance companies. Also the dynamic pace of growth that micro-insurance products have demonstrated shall provide the lower income segments of the population with greater access to voluntary insurance products, thereby increasing this potential market for the insurance industry.

# SURAMERICANA S.A.

W

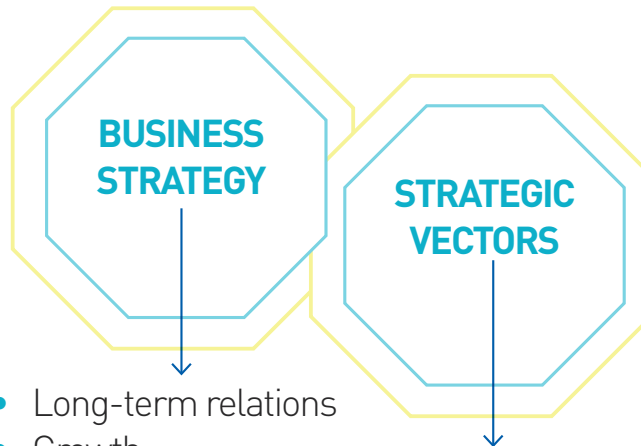
With more than 70 years of experience, SURAMERICANA S.A. is today one of the main insurance groups in Latin America. This Company, a subsidiary of GRUPO SURA in which the German reinsurance company, Munich Re, also holds a stake, is in turn the holding company of a group of different companies in Colombia, Panama, the Dominican Republic and El Salvador, all of whom offer insurance and social security solutions. Suramericana offers its clients comprehensive risk management solutions, innovation and added value, which in turn is an important point of differentiation vis-a-vis the competition.

## CORPORATE STRUCTURE



Shared Service Center  
Financial, Administrative, Control, Risk Management, Organizational Development

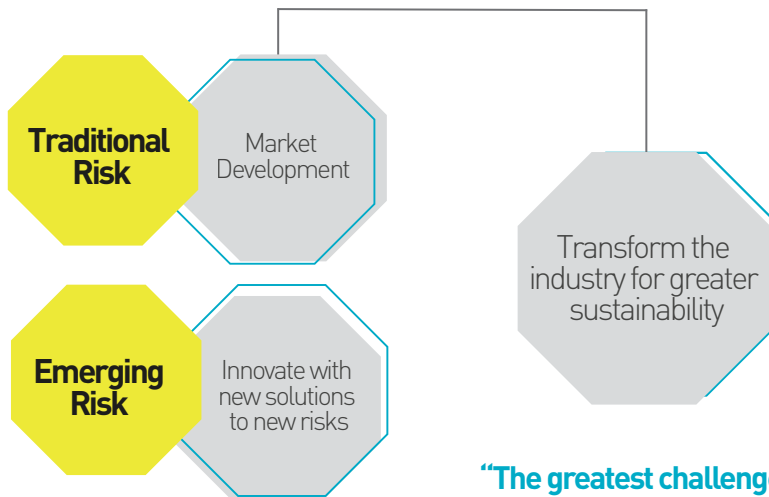
# FOCUS



- Long-term relations
- Growth
- Value creation
- Operating efficiency

- Ensure the sustainability of Suramericana's subsidiaries and lines of business.
- Consolidate synergies amongst its insurance and social security subsidiaries
- Create and consolidate new business and markets.

## Challenges



**“The greatest challenge for the future of the insurance industry is to be able to manage risk from the preventive standpoint so as to avoid these from materializing in the first place. Only then shall we be a truly competitive industry bringing greater competitiveness to the market and further development for the country as a whole.”**

**Gonzalo Alberto Pérez R.**  
**Chief Executive Officer - Suramericana S.A**

# INTERVIEW WITH GONZALO ALBERTO PÉREZ

CHIEF EXECUTIVE OFFICER - SURAMERICANA S.A



**THE CEO OF SURAMERICANA S.A., GONZALO ALBERTO PEREZ, SPEAKS ABOUT THE COMPANY'S ACHIEVEMENTS IN 2013 AND SHARES HIS VIEW ON PROSPECTS FOR THIS YEAR AS WELL AS THE CHALLENGES FACING THE SUSTAINABILITY OF THE INSURANCE INDUSTRY.**

1. **¿What was Suramericana's main achievement in 2013?**  
Besides attaining the budgeted goals at year-end 2013 along with a growth in profits, another important achievement was how we are envisioning our future growth, taking into account the challenges facing insurance companies. The first of these is being able to penetrate new segments of the population, which we interpret as expanding into and developing new markets. The second has to do with the sustainability of the insurance industry as a whole, leading us to focus more on the comprehensive and preventive handling of risk as a key element in our ongoing competitiveness as well as how we can ensure that our business remains relevant into the long term.
2. **¿How did Suramericana's insurance and social security subsidiaries contribute to Grupo Sura's financial results for 2013?** We helped to provide a comprehensive range of solutions to clients of Grupo Sura's portfolio of core investments. We also harnessed synergies with other non-core companies so as to gradually increase our presence with products and solutions in all those countries where our Organization is present. It is well worth noting the important contribution that Suramericana makes with regard to risk management, helping our clients with their life-time ambitions through solutions such as personal insurance and life annuities.
3. **¿How much added value does Grupo Sura provide Suramericana?**  
Well to begin with, we have the Group's economic backing and a robust financial position, then there is the Sura name and the support provided in terms of corporate reputation. Also, we have the knowledge shared amongst other companies belonging to Grupo SURA with regard to clients, solutions, risk management, and driving the growth of new and existing channels; all this makes for an important point of differentiation and a true competitive advantage for all those companies that make up Grupo SURA's strategic portfolio of investments.
4. **¿What are the more important challenges that Suramericana faces in 2014?**  
We are currently focusing of obtaining a more comprehensive view of our clients and this is why we are investing in new CRM initiatives and harnessing synergies within Suramericana and Grupo SURA. We are also working on a tool designed to drill down on the knowledge of all front-line personnel, which shall ensure greater efficiency and effectiveness.  
  
On the other hand, we have our human talent, which is the mainstay of Suramericana. One of our biggest challenges is to be able to attract and retain the best possible employees as well as develop an innovation-based culture to ensure our ongoing competitive advantage.
5. **¿What is the greatest growth potential you see for the insurance sector in the mid- to long term?**  
In the mid-term, our greatest challenge is to be able to reach out to the lower income segments. This is an important issue that forms part of our Expansion program, which is initially being deployed in Bogota and Medellin. Here we see an important opportunity which in turn is being driven by growth



in Colombia especially with regard to infrastructure, where we shall also be present. In the long term, we see a lot of potential in focusing on preventing risk by means of more comprehensive assistance and advisory services in risk management, coupled with a more integrated vision of our clients. This is how our services translate into greater competitiveness, providing knowledge besides compensation and this shall be an important source of income for Suramericana.

**6. With regard to the Company's expansion and regional presence, what is your focus or priority at this moment in time?**

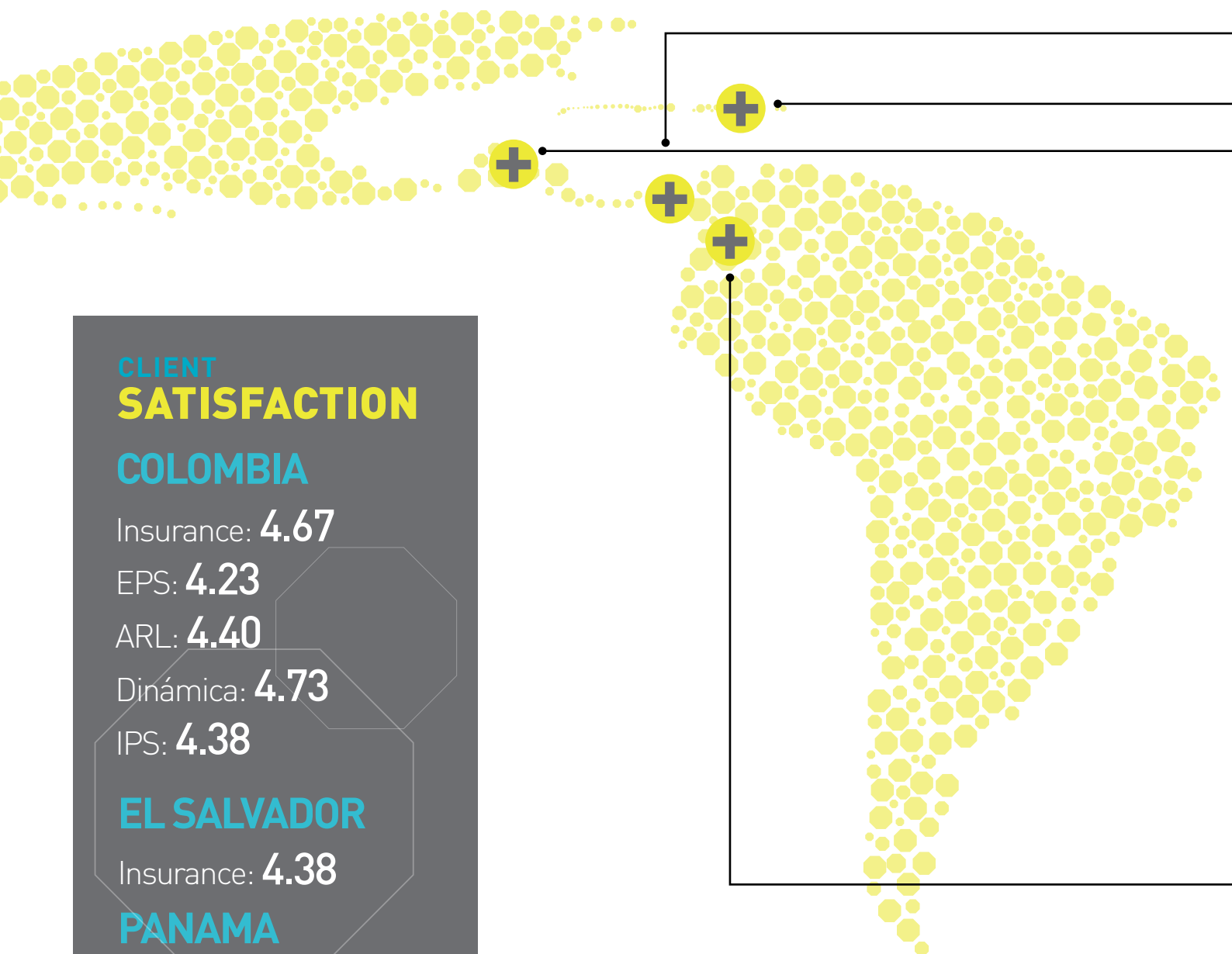
To continue standardizing practices and transferring knowledge with regard to our subsidiaries abroad. In Panama, particularly, we shall be working hard on strengthening our business so as to be able to take full advantage of the opportunities to be had in this part of the world. On the other hand, we continue to monitor possible new business opportunities in Peru and Mexico.

**7. How are you ensuring Suramericana's sustainability over the long term?**

We are ensuring our sustainability, from the financial standpoint, by maintaining an optimal level of reserves and zero indebtedness amongst our different subsidiaries.

From the strategic perspective, sustainability is based on being a multi-product, multi-channel, multi-regional company. These three concepts shall ensure our ongoing sustainability by providing a balance with which to diversify the Company's own risk.

# KEY INDICATORS 2013



## CLIENT SATISFACTION

### COLOMBIA

Insurance: **4.67**

EPS: **4.23**

ARL: **4.40**

Dinámica: **4.73**

IPS: **4.38**

### EL SALVADOR

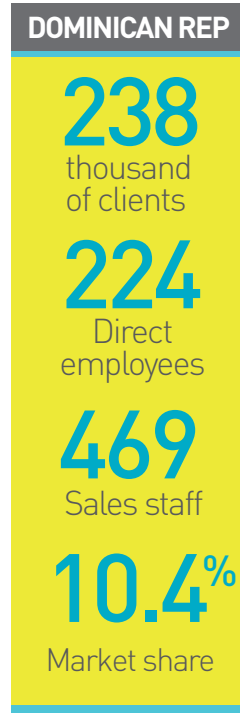
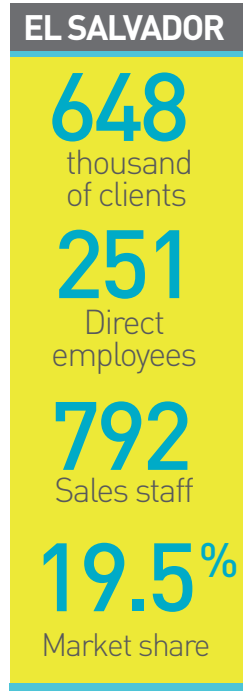
Insurance: **4.38**

### PANAMA

Insurance: **4.46**

### DOMINICAN REP.

Insurance: **4.42**

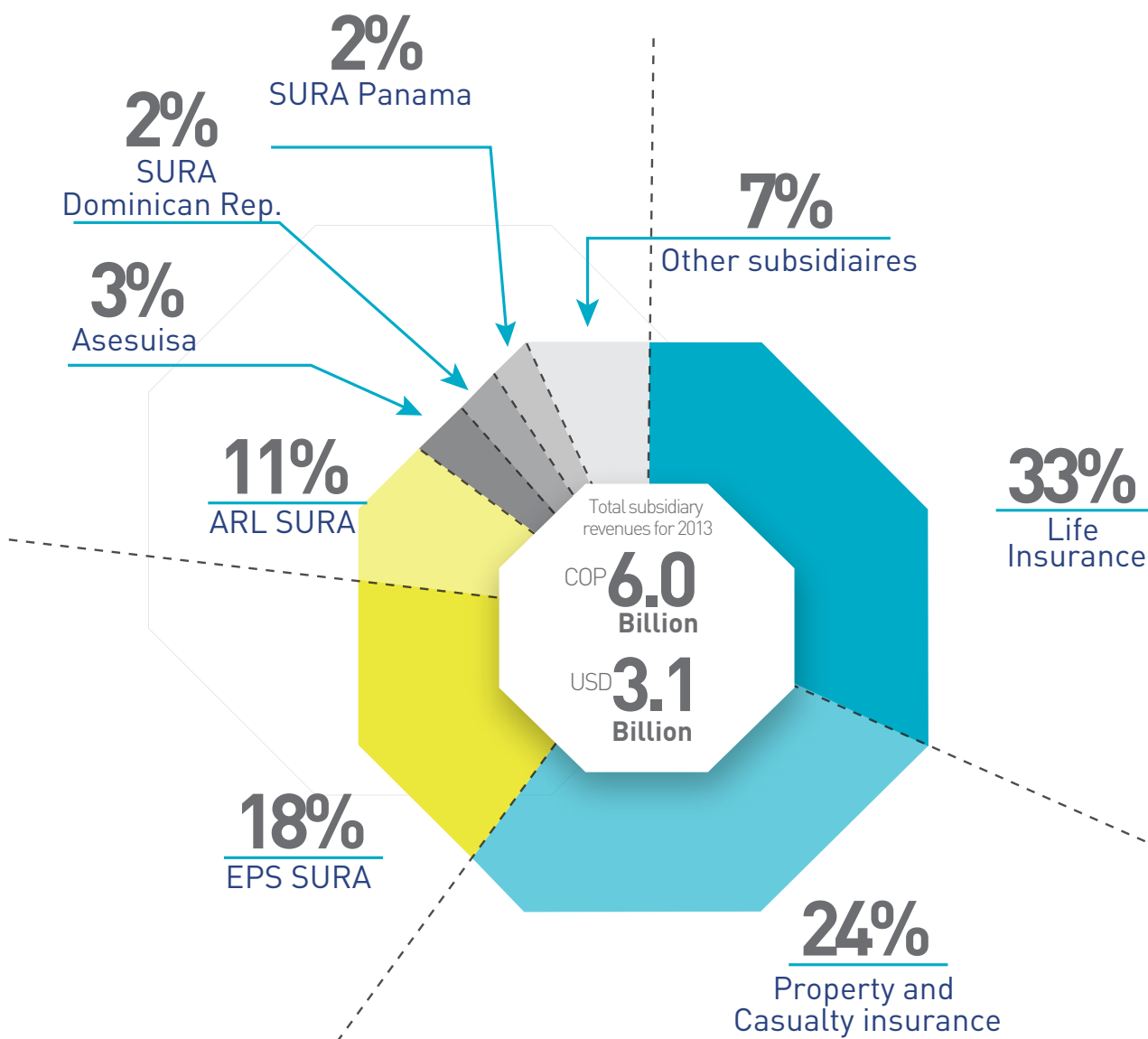


Suramericana shall be investing

**COP 196**  
**THOUSAND MILLION**  
**(USD 101.7 million)**

in business and infrastructure development projects between 2013 and 2014

# REVENUES BROKEN DOWN PER SUBSIDIARY



## OTHER FIGURES

**NET PROFITS:**  
 COP **262,910**  
 MILLION  
 (USD 136.4 MILLION)

**SHAREHOLDER'S EQUITY:**  
 COP **2.1** BILLION  
 (USD 1.1 BILLION)

**GROWTH IN PREMIUMS:**  
**12.0%**

**RESERVES:**  
 COP **5.8** BILLION  
 (USD 3.0 BILLION)

# KEY INDICATORS PER SUBSIDIARY AT YEAR-END 2013

## COLOMBIA

	Property And Casualty Insurance	Life Insurance	Occupational Risk Management Companies	Health Care Companies
Premiums	COP 1.4 BN. USD 737.4 MM.	COP 2.0 BN. USD 1.0 BN.	COP 657,635 MM. USD 341.3 MM.	COP 1.0 BN. USD 536.8 MM.
Market share	17.3%	30.3%	28.8%	8%*
Net Profits	COP 39,548 MM. USD 20.5 MM.	COP 172,812 MM. USD 89.7 MM.	COP 105,506 MM. USD 54.8 MM.	COP 15,625 MM. USD 8.1 MM.
Retained incurred claims	52.2%	59.5%	56.2%	92%
Combined ratio	99.92%	-	-	-

\* Figures at year-end 2013

BN: Billion

MM: Million

## INTERNATIONAL SUBSIDIARIES

	Panama	Dominican Republic	El Salvador
Premiums*	50,002	74,327	104,092
Net Profits*	-625	-1,235	3,515

\* Figures at year-end 2013

## COMMUNITY DEVELOPMENT

The SURA Foundation is present in a total of four countries: Colombia, Panama, the Dominican Republic and El Salvador.

Contributions Made to the Foundation

COP **3,200**  
MILLION  
(USD 1.7 million)



\* Los detalles de la inversión y los proyectos en los que participa la Fundación SURA se encuentran en la página 8 del capítulo 6, así como en el libro *Entre el decir y el hacer: Sentir* editado por la Fundación.

## HUMAN TALENT

Wages, salaries and employment benefits

COP **339,061**  
million  
(USD 176.0 million)

Inversión en Salud y Bienestar

COP **1,418**  
million  
(USD 736 thousand)

Amount invested in training  
and education programs

COP **5,529**  
million  
(USD 2.9 million)

JOB IN ALL FOUR COUNTRIES  
WHERE PRESENT (COLOMBIA,  
PANAMA, THE DOMINICAN REPUBLIC  
AND EL SALVADOR) NOW COME TO

**19,920**  
INCLUDING FRONT-LINE  
CLIENT SERVICE STAFF

NO. OF JOBS DIRECTLY  
CREATED IN 2013

**873**

**65.0%**  
OF THE TOTAL HEADCOUNT  
ARE FEMALE

AVERAGE EMPLOYEE AGE

**36**  
YEARS

## TRADE UNIONS

ASOAS – Asociación de Asesores Dependientes: 498 members in 2013

ASES – Asociación de Empleados de Suramericana: 90 members in 2013

During the second half of last year, a collective bargaining agreement was signed with the Asociación de Empleados – ASES–.

Our international subsidiaries do not have any trade unions

Suramericana has been a member of the United Nation's Global Compact since 2010.

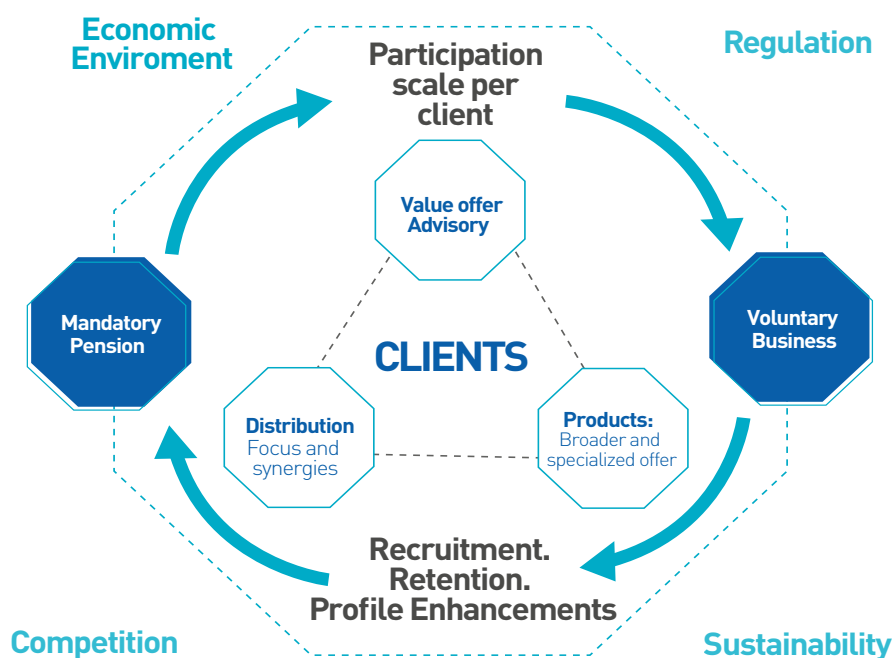
# SURA ASSET MANAGEMENT

S

URA Asset Management is Grupo Sura's pension, savings and investment fund management subsidiary present in Mexico, Peru, Chile, Uruguay, Colombia and El Salvador. At year-end 2013, SURA Asset Management continued as No. 1 Pension Fund Management Firm in Latin America, with USD 113.2 billion in Assets Under Management, belonging to 16.7 million clients, for a market share of 23.4% in all those countries where present.

## BUSINESS STRATEGY

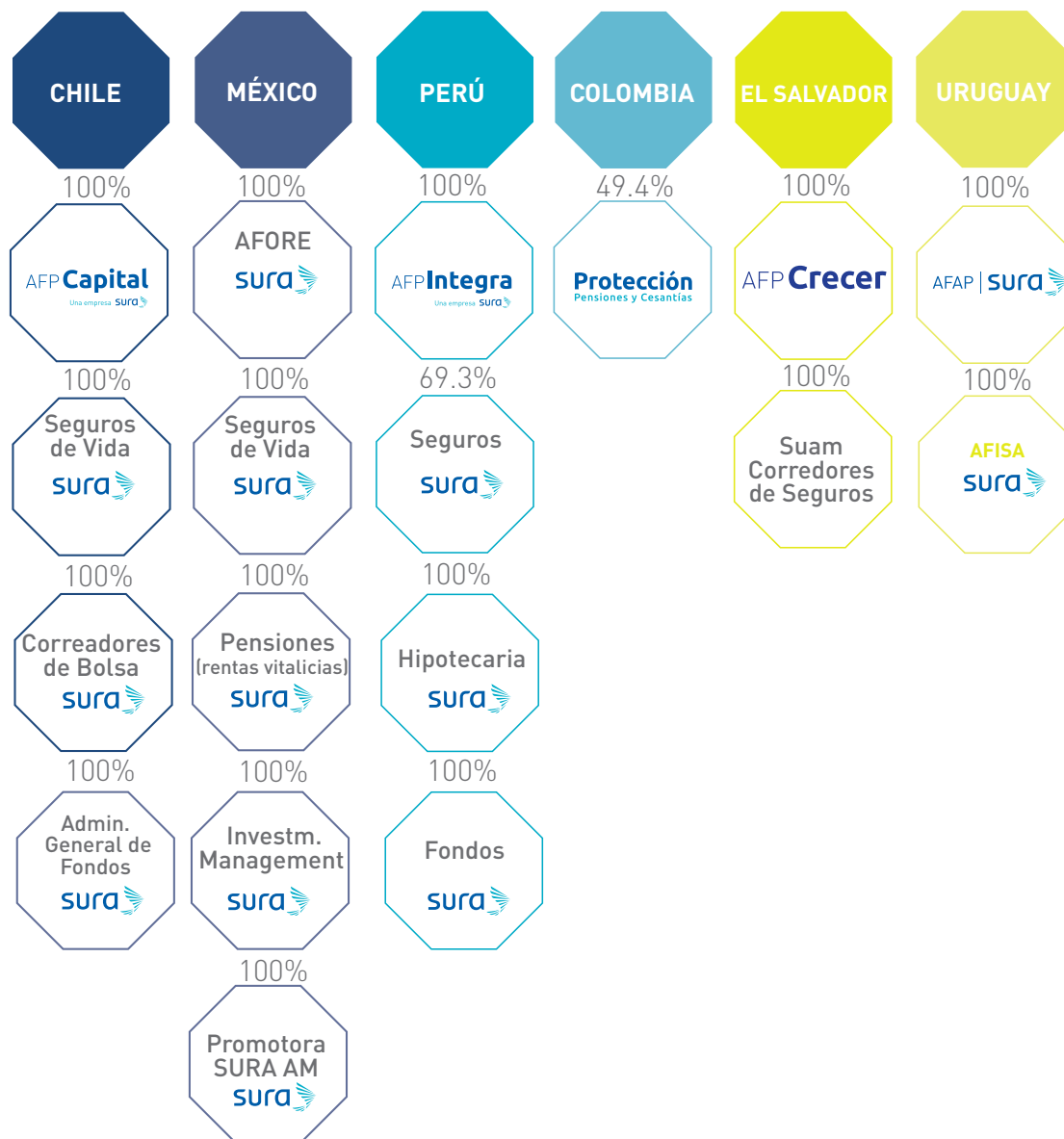
- To provide a comprehensive range of financial services in each of the markets where present, with special emphasis on wealth management and new investment solutions.
- Take advantage of the regional scale of its operations in order to harness synergies for greater efficiency as well as to share best practices for the benefit of our clients and shareholders.



# STRUCTURE

## sura

### ASSET MANAGEMENT



6 Pension Fund Management firms | 3 Life Insurance Companies | 1 Life Annuity Company |  
 4 Mutual Funds | 1 Insurance Brokerage | 1 Mortgage Loan Company | 1 Stock Brokerage |  
 1 Agency

<sup>1</sup> Company not controlled by SURA Asset Management.

<sup>2</sup> Stake in Crecer y through AFP Protección.

<sup>3</sup> Stake in Hipotecaria SURA is through Seguros SURA in Peru.



# INTERVIEW WITH ANDRÉS CASTRO

CHIEF EXECUTIVE OFFICER OF SURA ASSET MANAGEMENT



**THE CEO OF SURA ASSET MANAGEMENT, ANDRÉS CASTRO GONZÁLEZ, REFLECTS ON ITS RESULTS, PERFORMANCE, STRATEGY AND GROWTH.**

- ¿What was the main achievement of Sura Asset Management in 2013?** Last year was a dynamic one for Sura Asset Management. We were able to continue to successfully consolidate our business and take advantage of certain growth opportunities with voluntary savings plans in a total of six countries. We have also extended the positioning of our SURA brand with various regional initiatives such as Learn to Save, and further cemented the reputation of our companies with important contributions such as a study we conducted and published titled How the private pension system is contributing to economic development in Latin America.
- ¿How much added value does Grupo Sura provide Sura AM?** The experience and knowledge that Grupo Sura brings to the table, as our main shareholder, with regard to our pension, savings and investment products has led us to rethink the future of our business from the standpoint of our ongoing sustainability and become much more concerned at being able to form responsible and permanent relations with our different stakeholder groups.
- ¿What is the greatest growth potential you see in the mid- to long term for the pension, savings and investment sector?** We continue to lead the mandatory pension business given our expertise and the scale of our membership base. We shall continue to strengthen and drive this sector within the region.. It is to be noted that Sura Asset Management is the No. 1 pension firm in Latin America, besides being an expert player in the savings and investment sectors, with more than USD 113 billion in Assets Under Management. From this leading position, we shall be able to expand our range of plans in order to manage the region's savings. Although we have substantial growth potential in the pension fund sector, now with the growth of the Latin American economies, more job opportunities and a greater capacity to save on the part of a greater percentage of the population, it is crucial that we extend our efforts to other areas, for example deploying initiatives that allow us to expand our voluntary savings plans on a larger scale and in so doing become a leading player in this important sector.
- ¿What are the more important challenges that Sura Asset Management faces in 2014?** Challenges this year include, on the one hand, continuing to consolidate our newly-acquired companies, and on the other, surpass the average growth rate shown by the rest of the industry with regard to our voluntary savings and investment plans. Although we are not ruling out any further inorganic growth opportunities, our priority at the present time is to continue to build up the companies we have today. As we have been doing up to now, we shall continue to provide the knowledge and experience we have built up over the last 30 years to the Private Pension System in all 6 countries where Sura Asset Management is present. We shall also continue to strengthen our corporate reputation and drive our SURA brand. In so doing, we shall be inspiring greater loyalty on the part of the clients of our 8 companies, offering these the help and advice they need as an important point of differentiation vis-à-vis the rest of the industry.

**5. ¿What is Sura Asset Management's greatest strength in coming to grips with these challenges and achieving its plans in the short, mid and long term?**

In our part of the world we are a strong and important player with regard to the pension, savings and investment sector. In the space of just two years, we have been able to integrate our organizational culture based on our corporate principles of respect, fairness, transparency and responsibility, these being core values that cross cut our entire business, in keeping with those of our parent company, Grupo SURA. Our main strengths are to be found with our sales force and our client base, which at December 31, 2013 came to a total of 16.7 million. But the most important of all has to do with the talent of our employees, who now number more than 9.800, these being one of our main competitive advantages. We have all the backing and experience of our parent company in continuing to drive our business throughout the region and becoming a world-class company.

**6. ¿With regard to the Company's expansion and regional presence, what is your focus or priority at this moment in time?**

We shall continue to focus on our wealth management strategy which means accompanying our clients in each of their different life cycles, providing these with our experience and advice and extending our range of products to drive savings within the region. We wish to extend the leadership we have gained with the pension business to other sectors, drilling down on the range of products we are able to provide in each of the countries where present. Our goal in the short term is to become a world-class company, for which we have the full support of our shareholder, Grupo SURA and its leading portfolio companies in order to continue investing in and developing our business.

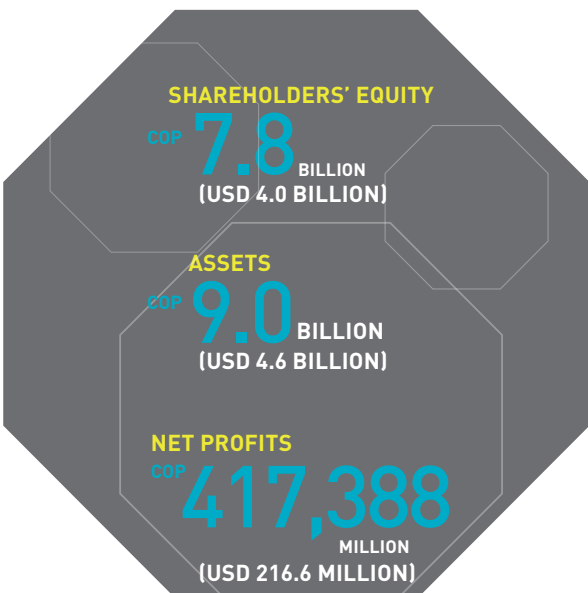
**7. ¿How are you ensuring Sura Asset Management's sustainability over the long term?**

Sustainability is inherent to our business and part of our corporate responsibility, where ethical conduct together with our social outreach programs and the initiatives taken in the public arena underscore everything we do in each of the markets and sectors where we are present. Our Sustainability Statement and Strategy is based on key factors such as our Good Corporate Governance, organizational culture, human talent, institutional relations and image, including all our stakeholder groups, added value for our clients, environmental conservation and responsible investing. Each of these have become firm commitments on which we continue to work.

# KEY INDICATORS 2013

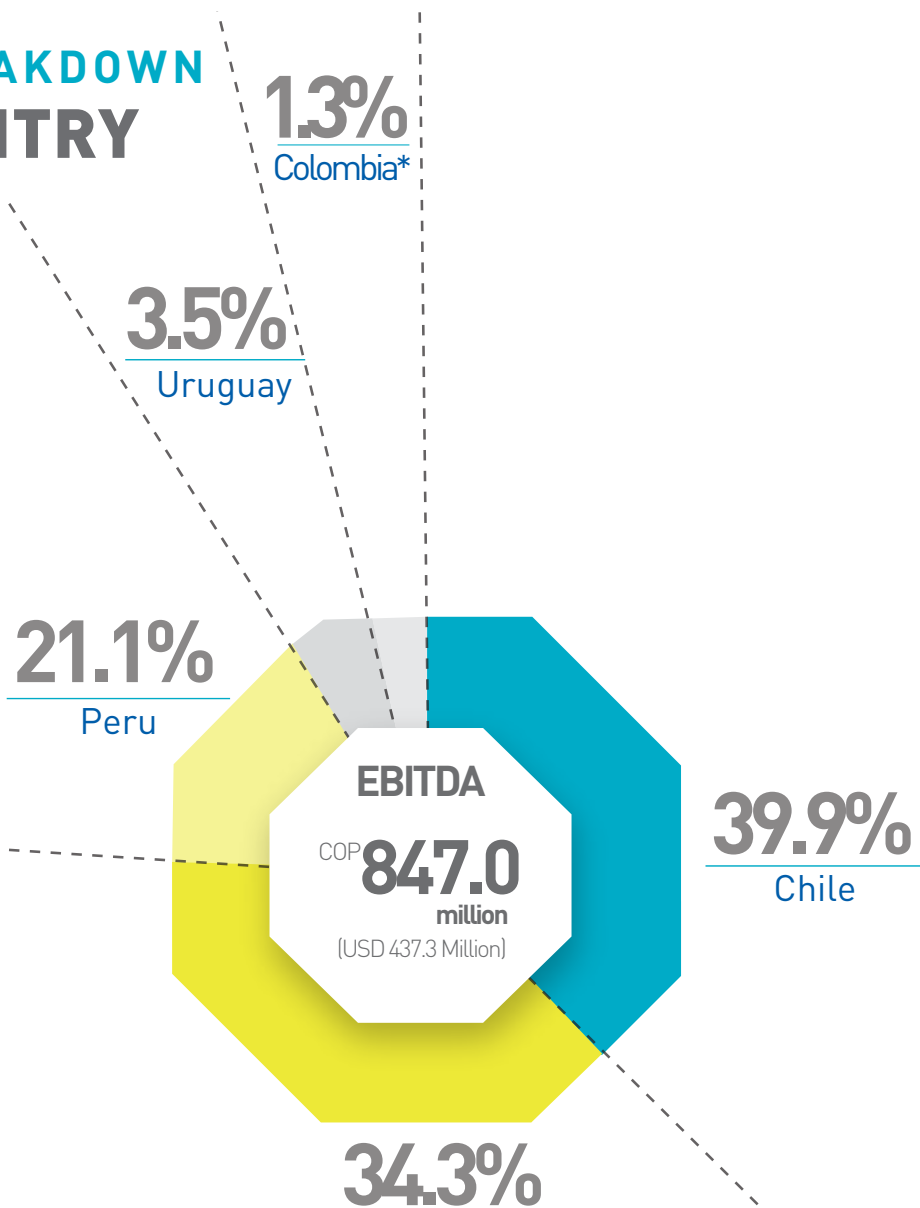


## FINANCIAL PERFORMANCE

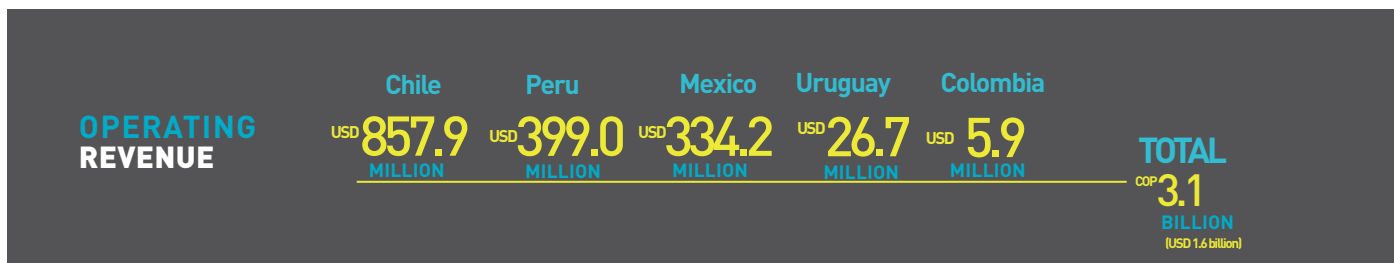


Figures corresponding to Sura Asset Management's Individual Financial Statements.

# EBITDA BREAKDOWN PER COUNTRY



corresponding to dividends received by AFP Protección totaling USD 5.9 million



\*Sin eliminaciones.

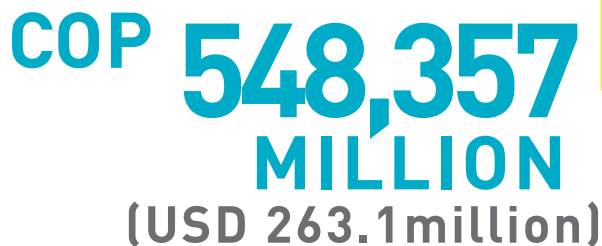
# THE COMMUNITY

(investing in social outreach programs)



# SUPPLIERS

A total of



# THE ENVIRONMENT

Environmental conservation is one of the challenges facing Sura Asset Management, for which purpose it has drawn up a plan for obtaining key environmental indicators and developing practices for reducing the impact of its operations as well as handling environmental risks and opportunities affecting business performance.

SURA is building new Headquarters in Chile, in keeping with LEED-Gold-certificated guidelines. Also AFP Integra has been included in the *Carbon Disclosure Project* for the third year running, being the only carbon neutral Pension Fund Management firm in Peru.

## EMPLOYEEES



### TRADE UNIONS

**CHILE:** Santa María, Lyon Ex Santa María, Ex Bansander and Sindicato Metropolitano Ex Bansander Trade Unions.

**MEXICO:** National Union of Workers (belonging to financial and banking institutions and organizations along with auxiliary credit clerks, office employees and similar).

**URUGUAY:** AEBU – Association of Banking Employees of Uruguay.

SURA Asset Management and its subsidiaries in Mexico, Chile, Peru, Uruguay and Colombia have all embraced the United Nations' Global Compact.

# GRUPO BANCOLOMBIA

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# B

Bancolombia is a Latin American financial group that provides its clients with an experience spanning more than 130 years, along with a wide range of financial products and services through an extensive network of branch offices and ATMs in all those countries where it is present. Bancolombia leads the market in both Colombia as well as El Salvador, through its subsidiary Banagricola. It has also recently acquired a new subsidiary in Panama, called Banitsmo, and now ranks as the second largest bank on one of the most dynamic financial markets in Latin America. It is also furthering its international scope with a presence in Guatemala (through its subsidiary, BAM) as well as Peru and Puerto Rico.

BANCOLOMBIA, in conjunction with its subsidiaries provides a comprehensive range of services including stock brokerage, investment banking, financial leasing, factoring, consumer credit, trust and fiduciary arrangements, asset management and insurance.

## STRATEGY

# 20/20 VISION

In order to set itself apart as a more humane bank, Bancolombia has defined its strategy as follows:

- **Provide a more innovative client experience:** with closer, stronger relationships because we are always at hand, for whatever, whenever and wherever the client needs us, thus providing a more convenient and efficient banking experience.
- **Nurturing client confidence as our most valuable asset:** with a more proactive vision and balancing business risk, building a good reputation for providing a service in keeping with a more humane banking experience.
- **People who are fully committed to providing more humane banking services:** these being employees that are able to reinvent our business based on more humane relationships with clients.
- **Expanding both at home and abroad:** continuing with our strategy to gain greater international scale, while pursuing our purpose of maintaining the appreciation of our clients so that they may recommend us to others.

# INTERVIEW WITH CARLOS RAÚL YEPES

CHIEF EXECUTIVE OFFICER OF GRUPO BANCOLOMBIA



**THE CEO OF GRUPO BANCOLOMBIA, CARLOS RAÚL YEPES, SHARES HIS VIEW OF THE STRATEGY BEING DEPLOYED BY THE BANK TOWARDS A MORE HUMANE BANKING EXPERIENCE, NOW BEING EXTENDED ON AN INTERNATIONAL SCALE.**

**1. ¿What was Bancolombia's main achievement in 2013?**

Last year we continued to work on building our new More Humane Banking model, creating a more approachable and responsible organization for an easier and more convenient banking experience. It was an excellent year for us in terms of innovation, allowing us to create more and better client relations in a much more efficient manner. Last year marked a new milestone for our international expansion. Here, we made two important acquisitions, one in Panama, namely the HSBC bank, now known as Banistmo, as well as a 40% stake in Banco Agromercantil (BAM) in Guatemala. Thanks to these new additions to our business we are now the leading bank in Central America and one of the ten largest financial groups in Latin America. This has filled us with pride as well as a renewed sense of purpose with taking our More Humane Banking Strategy to other countries and regions within the hemisphere.

**2. ¿How much added value does Grupo Sura provide Bancolombia?**

Grupo Sura is not only Grupo Bancolombia's majority shareholder, but is an important partner since we have entered into a series of alliances with Grupo Sura's portfolio companies in key business areas such as Bancassurance, for example. This alliance first began in 1995, for the purpose of providing our clients with a range of insurance products, including life, household, payment of financial obligations and even unemployment. This alliance provides true added value since these products are easy to obtain and pay for and claiming is much more convenient.

**3. ¿What is the greatest growth potential you see in the mid- to long term for the financial service sector?**

In spite of the progress made in extending banking services to a greater percentage of the population, we still have a way to go in the emerging markets and here we have identified substantial growth potential. Less than 50% of the population use banking services, almost 50% of Small and Medium Enterprises (SMEs) do not use credit, and less than 20% of the population have credit cards, cash being the preferred means of payment for almost 90% of the population. Banking services have a 38% penetration rate in Colombia (measured as gross loan portfolio as a percentage of GDP), which is very low compared to more mature countries such as Chile (80%). So our strategy now is to continue extending banking services to more segments of the population for which we have designed a multi-channel distribution model, with emphasis on self-management, flexible dissemination and mobility, so as to provide a quick, simple and more efficient access to financial services. The increase in Internet and mobile phone coverage has provided us with a great opportunity to extend our banking services to more clients and in a much more efficient way. Another channel that has allowed us to extend our coverage are the number of banking correspondents we currently have today (almost 2.000).

**4. ¿What are the more important challenges that Bancolombia faces in 2014?**

This year we shall be working hard on consolidating the new business acquired in Guatemala and Panama. We shall also be enhancing our More Humane Banking Model and extending this philosophy to cover more and more people, while striving to become the Bank of Choice for our clients, so that they may recommend us to others. We shall also be extending access to our financial services to more and more people and companies; all this while remaining firmly committed to providing greater innovation with simple, quick, impeccable banking solutions. Obviously all of



the above shall go hand in hand with our purpose of being a profitable, efficient, sustainable and ever-growing Organization, while at the same time providing our shareholders with greater added value.

**5. ¿What is Bancolombia's greatest strength in coming to grips with these challenges and achieving its plans in the short, mid and long term?**

Our business and performance model effectively places people at the heart of everything we do. The way we relate to the public at large shall perhaps be our strongest competitive advantage. Bancolombia is a reliable, innovative and sustainable Organization that has an excellent reputation in the different countries where we are currently present. Our capacity to innovate is evident with the relations we establish with our different stakeholder groups as well as our platform of financial services (processes, technology, allies, service model, comprehensive solutions, and channels). Our considerable size and the fact that we are a multi-geographical, multi-segment, multi-channel, multi-allied Universal Banking institution places us in a privileged position for playing a central role in society, connecting people, businesses, financial and non-financial decisions, flows of information and money and in so doing help society to become better organized.

**6. ¿With regard to the Bank's international expansion and regional presence, what is your focus or priority at this moment in time?**

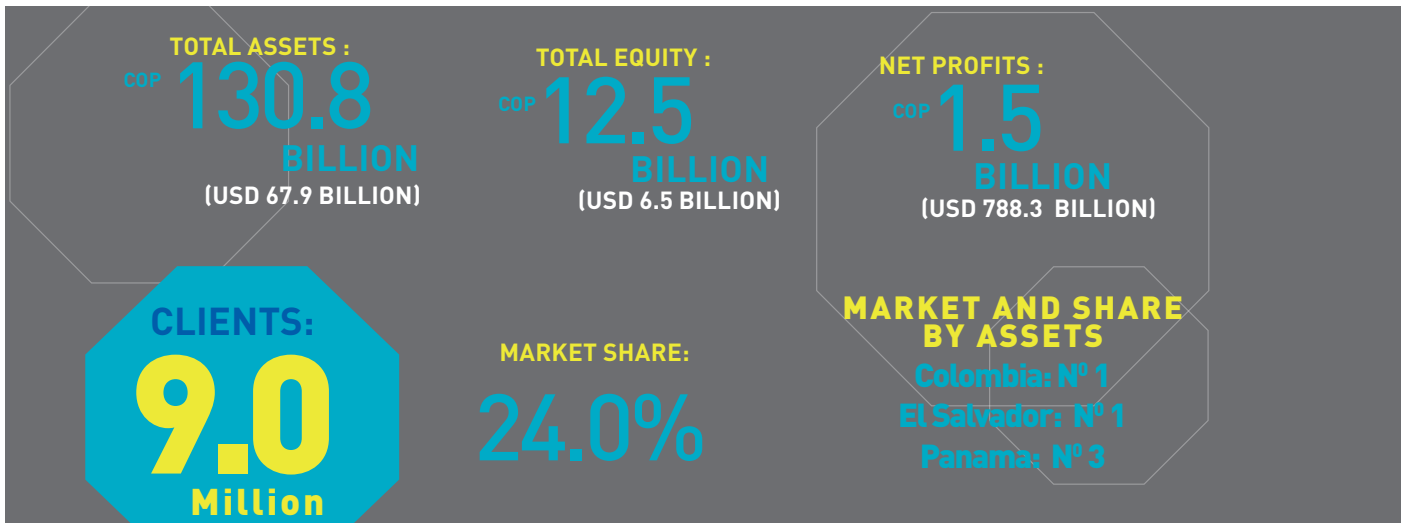
This year we shall be dedicating our efforts to consolidating the acquisitions made last year (BAM in Guatemala and Banistmo, formerly HSBC, in Panama) and building up their profitability. We shall also be concentrating on disseminating our More Humane Banking philosophy to all those countries where we are present and converting this in a regional hallmark of excellence.

**7. ¿How are you ensuring Bancolombia's sustainability over the long term?**

The finance industry is going through a period of transformation, and only those that are committed to innovation, efficiency and good corporate citizenship shall be placed in a privileged position. The Group has collectively drawn up what we call our 20/20 Vision, which is a comprehensive approach designed to remove obstacles and create the necessary skills for a new era of growth based on doing things well and changing how people engage with banking services. This vision is founded on the following four organizational cornerstones: (i) employees committed to providing a more Humane Banking experience; (ii) innovation for more enhanced client service and relations; (iii) the value of trust; and (iv) sustainable growth.

Also, from the standpoint of creating greater value for our stakeholder groups, we have implemented a sustainability model, thanks to which in 2013 we were included in the Dow Jones Sustainability Index, being the only Colombian bank out of a total of five Latin American banks that form part of this select group. We are now one of the 23 most sustainable banks on a global level.

# KEY INDICATORS 2013



## HUMAN TALENT

Presence spans 10 countries but employee data only covers 7 of these:

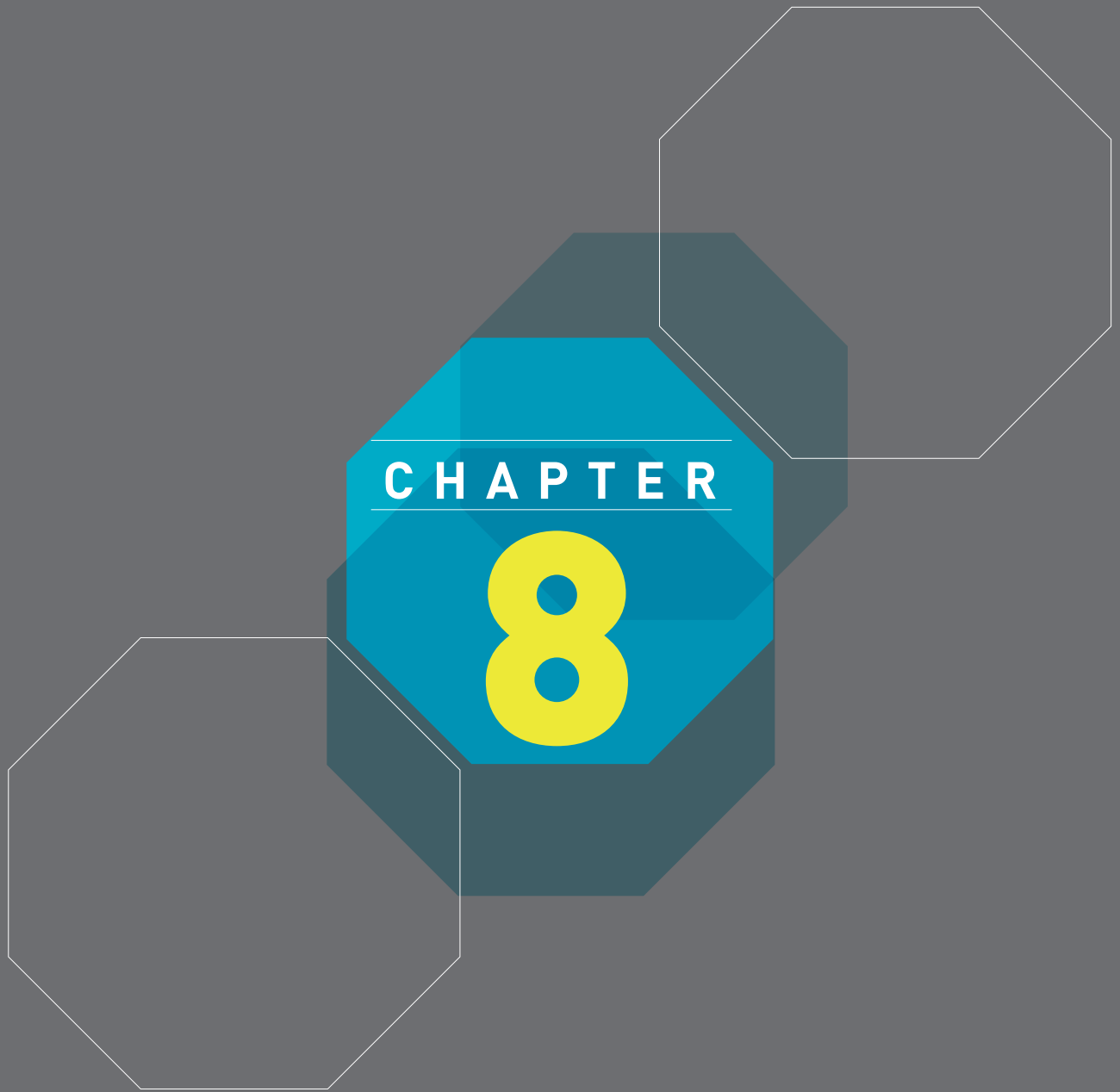
- Colombia
- Costa Rica
- Guatemala
- Puerto Rico
- Peru
- Panama
- El Salvador

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM









## **RATINGS, AWARDS AND RECOGNITION**

In 2013, Grupo SURA and its subsidiaries, were recognized by several global institutions given its robust performance, sustainable business practices and corporate governance, in accordance with best practices and the highest standards.

# GRUPO SURA 2013

## RATINGS

- Standard and Poor's raised Grupo SURA's corporate credit rating from BBB- to BBB, for which it provided a stable outlook, this based on its flexible access to capital, its sound investment portfolio and stable stream of dividends.
- On the other hand, Fitch Ratings upheld Grupo SURA's international investment grade, upon concluding that Grupo Sura's finances reflected the Company's credit rating, diversified investment portfolio, sound market position and the mid-term prospects for all those economic sectors in which the Company's interests can be found.

## RECOGNITION

- The Euromoney group also ranked Grupo SURA as the Best Managed Company in Colombia in all the sectors where it is present and the second best managed company in the Latin American Financial Service sector, making special mention of the Organization's best practices on both a local and regional level.
- The Institute of Internal Auditors (IIA Global), the leading global internal auditing authority awarded Grupo SURA, Suramericana and its Colombian subsidiaries with its certification based on International Standards for the Professional Practice of Internal Auditing.
- The Colombian Stock Exchange (Bolsa de Valores de Colombia) also awarded its IR Issuer award for our reporting practices as well as investor relations.
- Furthermore the Monitor Empresarial de Reputación Corporativa - MERCO (Corporate Reputation Business Monitor) Survey ranked Grupo SURA in eighth place amongst the top 15 companies with the best reputation in Colombia.

## RATINGS

- Moody's upgraded its outlook for Suramericana's insurance companies in Colombia to positive while upholding its International Investment Grade Baa3.
- BRC Investors Service issued a AAA rating to Suramericana's Life, Property and Casualty Insurance (Compañías de Seguros Generales y de Vida) and Occupational Risk Management (ARL SURA) subsidiaries for their robust financial situation. The latter Occupational Risk Management firm (ARL SURA) also received a Triple A credit rating.

## RECOGNITION

- The Company also attracted international recognition in 2013, having won awards for "The Best Insurance Company in Latin America" and "The Best Insurance Company in Colombia" from the industry magazine Reactions, published by the Euromoney Group". Also Gonzalo Alberto Pérez, won the "Best CEO of the Year in Latin America" award in the insurance category.
- Seguros Sura was also ranked in No. 1 position by the Colombian Association of Insurance Brokers (ACOAS in Spanish), this based on its Service Quality Survey that included aspects such as: Opportune price quotations, rapid policy issuing, clarity with the wording of its policies, timely compensation payments, skilled personnel and technological infrastructure.
- Based on a Brand Tracking Study, ARL SURA, the Group's Occupational Risk Management firm obtained the highest "Top of Mind" score with 32% and the highest "Top of Heart" score with 28%.

- EPS Sura came top in this study conducted by Invermer Gallup, with a brand positioning score of 12% in the “Top of Mind” category, as announced by Dinero, the Colombian financial journal.
- The Colombian Ministry of Health and Social Protection recognized EPS Sura, the Group’s mandatory health care subsidiary as the Health Care Institute Best Rated by Colombian Users.

## CHILE

- The Salmon Prizes awarded in Chile by the Association of Mutual Funds and Diario Financiero, a Chilean financial journal, recognized the Administradora General de Fondos SURA in the category of Developed Equity Funds, for its SURA Selección Global product, as well as in the category of Chilean Equity Funds, with SURA ACCIONES MIDCAP.
- Each year, the prestigious British journal, World Finance awards its prizes to major players in the financial service industry, this based on client service, rates of return and value proposals amongst other factors. In 2013, AFP Capital received the Global Pension Fund Award of the Year.
- The Morningstar Awards recognizing the best management firms (mutual, equity and fixed-income) in Chile selected SURA for one of its thirteen categories. These prizes are awarded in 29 other countries so as to provide investors with sufficient guidance in attaining their financial goals.
- SURA Chile also received – in conjunction with a total of 48 projects being carried out by companies and their foundations - the Sello Más Por Chile award for its Corporate Responsibility program “More Opportunities” which is being sponsored by the Company in association with the Sumate Foundation. The purpose of this program is to reduce the school drop-out rate amongst underprivileged children and youngsters, helping these to resume their schooling.
- SURA has been ranked in 75th place amongst the “Top 100 companies with the best reputation” according to the Monitor Empresarial de Reputación Corporativa (Corporate Reputation Business Monitor) Survey

## PERU

- AFP Integra was recognized as one of 26 companies upholding Best Corporate Practices by the Lima Stock Exchange (Bolsa de Valores de Lima) for its transparency, quality and the trust inspired with different stake holder groups. Consequently it received the Good Corporate Governance Index prize (IBGC in Spanish) for 2013
- Perú 2021, a non-profit association, gave its Socially Responsible Company award, in conjunction with CEMEFI, the Mexican Center for Philanthropy and charitable institutions belonging to Aliarse, to AFP Integra for its best practices and for driving sustainable development in Peru. This award is given to all those companies who are publicly and voluntarily committed to sustainable business management. This award was given to the company in 2012, under its former name of AFP Integra and in 2013 as SURA Peru, as it is now known.
- SURA Asset Management in Peru was ranked in 21st place as part of a Corporate Reputation survey, winning first place in the evaluation of leading companies within each sector and placed in 57th position in the Social Responsibility ranking.
- For its work and efforts with its Intégrate Program, Sura Peru received an award from the Ministry for Women and the Vulnerable Population that is given to public and private institutions who care for the elderly.

## MEXICO

- SURA Asset Management in Mexico was chosen as one of 50 most technologically innovative companies in 2013, mainly for its Electronic Transfer Portal (on-line pension savings transfers, as approved by the Mexican Credit Bureau and using the ProceSAR certification services).
- SURA Investment Management Mexico was also included in the Morningstar Awards given to all those funds and management firms that have provided more added value to their fund members over the last 3 years.. The Company won three out of a total of eight categories:
  - Morningstar Award for the Best Debt Fund Management firm
  - Morningstar Award for the Best Long-Term Debt Fund Management Firm (SURREAL)
  - Morningstar Award for the Best Global Equity Fund (SURHDIV)
- SURA Investment Management Mexico was recognized by Latin Asset Management / Fund Pro in 10 of its 60 award categories. This institution provides the investor community with rating information so as to be able to identify a fund 's investment policy, its level or risk and evaluate its performance against the rest of the industry.
  - Best Fund Management Firm of the Year in the Non-Taxpaying Debt category
  - Best Global Stock Market Fund (SURGLOB)
  - Best Mexican Indexed Equity Fund (SURIPC)
  - Best Short-Term Debt Fund (SURCORP)
  - Best Mid-Term Debt Fund (SUR30E)
  - Best Long-Term Debt Fund (SURREAL)
  - Best Short-Term Non-Taxpaying Debt Fund (SURCORP)
  - Best Mid-Term Non-Taxpaying Debt Fund (SUR30E)
  - Best Long-Term Non-Taxpaying Debt Fund(SURREAL)
  - Best International Flexible Conservative Fund (SURV40)

## COLOMBIA

- The British journal, World Finance included AFP Protección in its Corporate Governance Awards 2013, based on the Company's best practices in this regard. Special mention was made of the Company's reporting transparency as well as its best stakeholder liaisoning practices.

## EL SALVADOR RATINGS

- AFP Crecer was given a AAA rating by Fitch Ratings for its robust financial position and the quality of its performance.









C O R P O R A T E  
**G O V E R N A N C E**



In 2013, Grupo de Inversiones Suramericana continued to uphold its corporate principles of transparency, respect, responsibility and fairness in honoring its commitments with employees, suppliers, creditors, shareholders, the Government, society and the country in general.

Its Board of Directors was opportunely informed of the more significant events occurring within the Company and monitored the integrity of its financial reporting and the proper working order of its accounting, internal control, risk management and auditing systems. For its part, the Audit Committee oversaw all that relating to preventing and mitigating the different risks to which the Company is exposed and supervised all that carried out by the Company's governing bodies, including the statutory auditing and internal auditing functions, conducting follow-ups on these as well as the drawing up of work plans

The following is a list of the more important initiatives that the Company carried out in 2013 in strict compliance with all corporate governance guidelines both legal and institutional:

- A new independent member was appointed to the Company's Board of Directors. In April Mr. Carlos Antonio Espinosa Soto was appointed to play an active role on the Company's Board of Directors in his capacity as independent member of such. The majority of the Board now enjoy an independent status, that is to say 4 out of a total of 7, which we consider to be a major contribution to the Company's good corporate governance.
- New Board Committees were set up, based on amendments made to the Company's Code of Good Corporate Governance in 2012. This included a new Corporate Governance Committee which met for the first time in June with all its members attending.
- Upon updating the Company's organizational structure, in keeping with its new corporate role, a new Department of Corporate Affairs was set up, led by Mr. Fernando Ojalvo Prieto who is now in charge of the Legal, Corporate Planning and Corporate Responsibility areas, as well as managing the Shared Internal Service Center.
- In August of last year, we staged our first ever Investor Day in which the Chief Executive Offices of both Grupo SURA and its subsidiaries, Suramericana S.A. and Sura Asset Management presented their individual business strategies and addressed the challenges going forward.

- Also in this same month, the Colombian Stock Exchange awarded its IR (Investor Relations) prize to the Company for the efforts made in adopting exemplary reporting and investor relations mechanisms for greater market transparency.
- We also gave four (4) quarterly video conferences to financial analysts, both at home and abroad. Here we announced our quarterly results and Senior Management was able to answer queries regarding the performance of Grupo de Inversiones Suramericana as well as its local and foreign-based subsidiaries.
- As was the case with the previous year, in 2013 no complaints were made via the Company's Ethics HelpLine.

## THE COMPANY'S OWNERSHIP STRUCTURE

### 1. Share capital

Authorized capital COP 112.500.000.000 divided up into 600.000.000 shares.

Subscribed capital COP 107.882.291.813 divided up into 575.372.223 shares

Paid-in capital COP 107.882.291.813 divided up into 575.372.223 shares

### 2. Holders of significant stakes in the Company's share capital at year-end 2013:

SHAREHOLDER	# SHARES	% STAKE
GRUPO ARGOS S.A.	145,839,723	25.35%
GRUPO NUTRESA S.A.	59,387,803	10.32%
FONDO DE PENSIONES OBLIGATORIAS PROTECCION	46,715,922	8.12%
FONDO DE PENSIONES OBLIGATORIAS PORVENIR	36,867,557	6.41%
CEMENTOS ARGOS S.A.	28,183,262	4.90%
FONDO DE PENSIONES HORIZONTE	22,929,152	3.99%
FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MODERADO	18,085,843	3.14%
CELSIA S.A.E.S.P.	10,424,971	1.81%
FONDO BURSATIL ISHARES COLCAP	10,259,312	1.78%
COLOMBIANA DE COMERCIO S.A.	9,451,033	1.64%
UBS AG LONDON BRANCH	7,244,874	1.26%
SKANDIA FONDO DE PENSIONES OBLIGATORIAS	6,849,945	1.19%
VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,045,701	1.05%
OTHER SHAREHOLDERS WITH STAKES OF LESS THAN 1%	167,087,125	29.04%
<b>TOTAL</b>	<b>575,372,223</b>	<b>100.00%</b>

## PARENT COMPANY CONTROL SITUACIÓN DE CONTROL

At December 31, 2012, Grupo de Inversiones Suramericana, by virtue of the majority interests held, exercises direct or indirect control over the following companies both at home and abroad:

### Directly Owned:

- Suramericana S.A. (Colombia)
- Integradora de Servicios Tercerizados S.A.S. (Colombia)
- Inversiones y Construcciones Estratégicas S.A.S (Colombia)
- Sura Asset Management S.A. (Colombia)
- Grupo de Inversiones Suramericana Panamá S.A. (Panama)
- Gruposura Finance (Cayman Islands)

### Indirectly:

- Compuredes S.A. (Colombia)
- Enlace Operativo S.A. (Colombia)

- Operaciones Generales Suramericana S.A.S. (Colombia)
- Seguros Generales Suramericana S.A. (Colombia)
- Seguros de Vida Suramericana S.A. (Colombia)
- EPS y Medicina Prepagada Suramericana S.A. (Colombia)
- Diagnostico & Asistencia Médica S.A. IPS Dinámica (Colombia)
- Seguros de Riesgos Laborales Suramericana S.A. (Colombia)
- Servicios de Salud IPS Suramericana S.A. (Colombia)
- Servicios Generales Suramericana S.A.S. (Colombia)
- Consultoría en Gestión de Riesgos Suramericana S.A.S. (Colombia)
- Activos Estratégicos Sura A.M. Colombia S.A.S. (Colombia)
- Seguros Suramericana S.A. (Panama)
- Inversura Panamá Internacional S.A. (Panama)
- Sura Asset Management España S.L. (Spain)
- Grupo Sura Holanda B.V. (Holland)
- Grupo de Inversiones Suramericana Holanda B.V. (Holland)
- Sura Art Corporation S.A. de C.V. (Mexico)
- AFP Integra S.A. (Peru)
- Wealth Management Sura S.A. (Peru)
- Fondos Sura SAF S.A.C. (Peru)
- Pensiones Sura Perú S.A. (Peru)
- International Sura Perú S.A.(Peru)
- Servicios Sura S.A.C. (Peru)
- Asset Management Sura S.A.C. (Peru)
- Afore Sura, S.A de C.V (Mexico)
- Pensiones Sura S.A. de C.V. (Mexico)
- Asesores Sura, S.A. de C.V. (Mexico)
- Inverconsa, S.A. de C.V. (Mexico)
- Sura Investment Management México, S.A. de C.V. (Mexico)
- AFAP Sura S.A. (Uruguay)
- Sura Asset Management México B.V. (Holland)
- Grupo Sura Latin American Holdings B.V. (Holland)
- Grupo Sura AE Chile Holdings I, B.V. (Holland)
- Grupo Sura AE Chile Holdings II, B.V. (Holland)
- Sura S.A. (Chile)
- Sura Chile S.A. (Chile)
- Sura Data Chile S.A. (Chile)
- Promotora de Servicios Financieros Sura S.A. (Chile)
- Corredores de Bolsa Sura S.A. (Chile)
- Administradora General de Fondos Sura S.A. (Chile)
- Seguros de Vida Sura S.A. (Chile)
- AFP Capital S.A. (Chile)
- Santa Maria Internacional S.A. (Chile)
- Compañía de Inversiones y Servicios Sura Ltda (Chile)
- Ahorro Inversión Sura Administradora de Fondos de Inversión S.A. (Uruguay)
- Servicios Generales Suramericana S.A. (Panama)
- Seguros Sura S.A. (Peru)
- Hipotecaria Sura Empresa Administradora Hipotecaria S.A. (Peru)



- Planeco Panamá S.A. (Panama)
- Seguros Sura S.A. (Dominican Republic)
- Aseguradora Suiza Salvadoreña S.A. Asesuisa (El Salvador)
- Asesuisa Vida, S.A. Seguros de Personas (El Salvador)
- Habitat Adulto Mayor S.A. (Colombia)
- Sura Asset Management México, S.A. de C.V. (Mexico)
- SUAM Corredora de Seguros S.A. de C.V. (El Salvador)
- Mexamlux S.A. (Luxembourg)
- Dinámica IPS Zonas Francas S.A.S. (Colombia)
- Tublyr S.A. (Uruguay)
- Negocios Financieros S.A. (Peru)
- Promotora Sura AM, S.A. de C.V. (Mexico)
- Primero Seguros Vida, S.A. de C.V. (Mexico)
- Sura Asset Management Perú S.A. (Peru)

## THE COMPANY'S MANAGEMENT STRUCTURE

### 1. Board of Directors

This consists of seven (7) principal members, four (4) of whom have an independent status.

### 2. Members of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS	DATE OF FIRST APPOINTMENT	DATE OF LAST APPOINTMENT
Armando Montenegro Trujillo(*)	March 25, 2010	March 21, 2013
Hernando Yepes Arcila(*)	March 29, 2007	March 21, 2013
José Alberto Vélez Cadavid	March 25, 2004	March 21, 2013
Carlos Enrique Piedrahita Arocha	March 30, 2000	March 21, 2013
Juan Guillermo Londoño Posada	March 30, 2006	March 21, 2013
Carlos Antonio Espinosa Soto (*)	March 21, 2013	March 21, 2013
Jaime Bermúdez Merizalde (*)	March 29, 2011	March 21, 2013

(\*) Independent members

### 3. Senior executives who are not members of the Board of Directors

Chief Executive Officer: David Bojanini García

Chief Financial and Investment Officer: Ignacio Calle Cuartas

Chief Audit Officer: Mario Gildardo López

Chief Corporate Affairs Officer and Company Secretary: Fernando Ojalvo Prieto

#### 4. Board of Directors Fees

Pursuant to Article 23 e) of the Company's by-laws, it is the duty of the Shareholders to determine the amount of fees to be paid to the members of the Board of Directors as well as the principal and alternate Statutory Auditors. In determining the fees to be paid to the Board of Directors, the Shareholders consider the structure of the Board, its obligations, the personal and professional calibers of the members as well as their experience and the time dedicated to their activities. For the year 2013, the Shareholders, at their Annual General Meeting, approved a monthly fee of COP 5.000.000 for each member.

#### 5. Members of the Board of Directors who also sit on other boards or who are members of the Boards of Directors or Senior Management of other Companies holding important stakes in Grupo de Inversiones Suramericana.

Name	Title	Entity
------	-------	--------

José Alberto Vélez Cadavid,	Legal Representative of Grupo Argos S.A.	
José Alberto Vélez Cadavid,	Member of the Board of Directors of Celsia S.A. E.S.P.	
José Alberto Vélez Cadavid,	Member of the Board of Directors of Cementos Argos S.A.	
Carlos Enrique Piedrahita Arocha,	Legal Representative of Grupo Nutresa S.A.	
Carlos Enrique Piedrahita Arocha,	Member of the Board of Directors of Grupo Argos S.A.	
Juan Guillermo Londoño Posada,	Legal Representative of Celsia S.A. E.S.P.	

#### 6. Amendments to the Company's by-laws in 2013

During the financial year of 2013, the following amendments were made to the Company's by laws:

- Article 25 governing the structure of the Board of Directors and its period of service; and
- Article 3, Subsection 5 b. governing the rules, regulations and remuneration of the different Board Committees.

#### 7. Appointment, re-election and dismissal of the members of the Board of Directors

Members of the Board of Directors are appointed by the Shareholders for periods of two (2) years. They may be re-elected or dismissed at any time by the Shareholders Based on the Company's Corporate Governance Policies four (4) members of the Board of Directors must have an independent status, exceeding the minimum three (3) required by Colombian legislation

In deciding upon these appointments, the Company's by-laws do not establish a specific quorum, and therefore general rules and regulations are applied, that is to say, the Shareholders may decide upon such matters with a majority vote on the part of a plural number of persons representing at least the absolute majority of the Company's subscribed shares, and these decisions are made based on the majority of votes present.

Members appointed to the Board of Directors must offer a suitable professional and personal profile in keeping with the needs of the Company. All members must have analytical and managerial skills, a strategic business vision, objectivity, an ability to express his or her point of view as well as being able to evaluate high-level managerial tables. They must also have a knowledge of the industry with regard to finance, risk and legal matters; they must also have experience abroad as well as with crisis management.

## **8. Decision -making on the part of the Board of Directors**

Generally-speaking, decisions are made by the Board of Directors based on a majority vote of those present, except in the case of the Company guaranteeing or endorsing obligations on the part of Subsidiaries, in which case any decision must be made based on a unanimous vote.

## **9. Number of Board Meetings held during the year**

In 2013, the Board of Directors held a total of thirteen (13) separate meetings, 12 of these were attended in person and the other consisted of a teleconference. The individual attendance rates for each member of the Board were as follows:

Armando Montenegro Trujillo, 100%  
Hernando Yepes Arcila, 92.3%  
José Alberto Vélez Cadavid, 100%  
Carlos Enrique Piedrahita Arocha, 100%  
Juan Guillermo Londoño Posada, 100%  
Carlos Antonio Espinosa Soto, 100%  
Jaime Bermúdez Merizalde, 92.3%

For an average attendance rate of 97,8%.

## **10. Prior evaluation of the financial statements**

All financial statements presented on an annual basis and submitted for shareholder approval are previously evaluated by the Auditing Committee and the Board of Directors, who discuss and approve these before presenting these to the Shareholders, pursuant to Article 31 e) of the Company's by-laws.

## 11. Reporting information to the securities markets

All significant information regarding the Company is reported to the market by means of relevant information releases as stipulated by the Colombian Superintendency of Finance. These are simultaneously published on the Grupo de Inversiones Suramericana's website **-www.gruposura.com.co-**, thereby guaranteeing that such information is opportunely provided to investors, the authorities and the market at large.

## 12. Members of the Board of Directors Committees

### Corporate Governance Committee

Armando Montenegro Trujillo, Independent Member and Chairman of the Board of Directors

Carlos Antonio Espinosa Soto, Independent Member of the Board of Directors

Juan Guillermo Londoño Posada, Member of the Board of Directors

### Investment Committee

Armando Montenegro Trujillo, Independent Member and Chairman of the Board of Directors

Jose Alberto Vélez Cadavid, Member of the Board of Directors

Carlos Enrique Piedrahita Arocha, Member of the Board of Directors

David Bojanini García, the Company's Chief Executive Officer has a standing invitation to these meetings.

### Compensation and Development Committee

Jose Alberto Vélez Cadavid, Member of the Board of Directors

Carlos Enrique Piedrahita Arocha, Member of the Board of Directors

Hernando Yepes Arcila, Independent Member of the Board of Directors

### Finance and Audit Committee

Armando Montenegro Trujillo, Independent Member and Chairman of the Board of Directors

Hernando Yepes Arcila, Independent Member of the Board of Directors

Jaime Bermúdez Merizalde, Independent Member of the Board of Directors

Executives from the Financial, Auditing and Risk Management Departments together with representatives of the Statutory Auditing firm are also invited to this Committee meeting

### 13. Corporate Government Code - website link

The Company's Code of Good Governance has been made available on its website **www.gruposura.com.co**, under the link «Corporate Responsibility» which contains information that may interest those wishing to purchase shares or invest in the Company, as well as for its current Shareholders. .

This Code is also available in hard copy format at the Company Secretary's Office: Carrera 64 B No. 49 A 30, Medellín, Colombia

### 14. Investor Relations

The address of the Company's Investor Relations Office is as follows: Carrera 64 B 49 A 30 in Medellín. You can also contact this area using the following email addresses: [gruposura@gruposura.com.co](mailto:gruposura@gruposura.com.co); [ir@gruposura.com.co](mailto:ir@gruposura.com.co), or by ringing the toll-free HelpLine 018000521555.

We have also made available to our shareholders and investors, a calendar of corporate events on our website **www.gruposura.com.co** this in order to provide more detailed information to the securities market in general with regard to our reporting schedule relative to both our financial results and Company performance in general. This schedule contains the more important dates with regard to: This schedule contains the more important dates with regard to:

The Annual General Meeting of the General Assembly of Shareholders  
Dividend Payment Periods  
Dates when the Company's results are due to be published with the Colombian Superintendency of Finance  
Meetings or presentations where the quarterly results are due to be released to the market in general.

The firm, Fiduciaria Bancolombia, is responsible for handling the Company's shares, including transfers, payments and maintaining the Company's shareholder ledgers.

### 15. Dividend payments

Dividends may be collected either through the same stock brokerage firm through which our shares were purchased or personally at Bancolombia's own network of branch offices, as listed below:

CODE	NAME	CITY	ADDRESS	AREA CODE	TELEPHONE
811	CENTRO DE PAGOS APARTADO	APARTADO	CALLE 96 N° 99A - 04	094	8286868 - 8286869 - 8286786
899	CENTRO DE PAGOS ITAGUI	ITAGUI	CARRERA 50 N° 52 - 27	94	3701610
2	CENTRO COLTEJER	MEDELLIN	CARRERA 49 N° 52 - 08	94	4446924
4	LAURELES	MEDELLIN	CARRERA 76 N° 33 - 14	94	4446928
5	AVENIDA EL POBLADO	MEDELLIN	CARRERA 43A N° 11A - 40	94	4446930
8	LA PLAYA	MEDELLIN	CALLE 51 N° 43 - 95	94	4446934
16	AEROPUERTO OLAYA	MEDELLIN	CALLE 14 N° 52A - 25	94	4446945
29	OVIEDO	MEDELLIN	CARRERA 43A N° 6 SUR - 15	94	4446956
272	CARRERA 70	MEDELLIN	CARRERA 70 N° C5-4	94	4446998
313	AVENIDA COLOMBIA	MEDELLIN	CALLE 50 N° 55 - 37	94	4449296
316	CAMINO REAL	MEDELLIN	CARRERA 46 N° 52 - 81	94	4449298
319	SURAMERICANA	MEDELLIN	CALLE 49B N° 64B - 25	94	4449301
360	ESTADIO	MEDELLIN	CARRERA 74 N° 49B - 35	94	4449324
362	AVENIDA NUTIBARA	MEDELLIN	TRANSVERSAL 39B N° 73 - 47	94	4449325
551	UNICENTRO CENTRO COMERCIAL	MEDELLIN	CARRERA 66B N° 34A - 76	94	4449362
611	SAN FERNANDO PLAZA	MEDELLIN	CARRERA 43A N° 1 - 70	94	4449371
614	BELEN	MEDELLIN	CALLE 31 N° 76 - 22	94	4449373
245	PUERTA DEL RIO	MEDELLIN	CARRERA 48 N° 26 - 85	94	4489048
274	AVENIDA BOLIVARIANA	MEDELLIN	CALLE 34 B N° 66A - 96	94	4447013
123	CENTRO DE PAGOS RIONEGRO	RIONEGRO (ANTIOQUIA)	CARRERA 51 N° 51 - 42	94	5618040
80	BARRANQUILLA	BARRANQUILLA	CARRERA 44 N° 37- 19	95	3850476
474	MURILLO	BARRANQUILLA	CALLE 45 N° 44 - 136	95	3850496
487	COUNTRY PLAZA	BARRANQUILLA	CARRERA 53 N° 78 - 24	95	3850767
770	PASEO BOLIVAR	BARRANQUILLA	CARRERA 44 N° 34 - 02	95	3850965
85	CARTAGENA	CARTAGENA	CALLE 32 N° 26 - 35	95	6641401
86	BOCAGRANDE	CARTAGENA	CALLE 5 N° 2 - 44	95	6595001
495	EL BOSQUE	CARTAGENA	DIAGONAL 21 N° 53 - 66	95	6694006
788	SANTA LUCIA	CARTAGENA	CARRERA 30 C N° 71 - 108	95	6635513
70	MANIZALES	MANIZALES	CARRERA 22 N° 20 - 55	96	8783660
859	CARRERA 23	MANIZALES	CARRERA 23 N° 20 - 08	96	8841011
937	CENTRO DE PAGOS POPAYAN	POPAYAN	CALLE 2 # 7-74	92	8209186
209	CENTRO DE PAGOS VALLEDUPAR	VALLEDUPAR	CALLE 16 N° 10 - 17	95	5848645 - 5848701
536	QUIBDO	QUIBDO	CARRERA 2 N° 24 - 32	94	6707070
887	CENTRO DE PAGOS MONTERIA	MONTERIA	CARRERA 2 N° 31A - 49	94	7823141
13	QUINTA CAMACHO	BOGOTA	CALLE 67 N° 7 - 35	91	7435423
31	CENTRO INTERNACIONAL	BOGOTA	CARRERA 7 N° 30A - 28	91	3536737- 4886081
48	AVENIDA CHILE	BOGOTA	CALLE 72 N° 8 - 20	91	3463774

CODE	NAME	CITY	ADDRESS	AREA CODE	TELEPHONE
67	CENTRO DE PAGOS CALLE 72	BOGOTA	CALLE 72 N° 8 - 56	091	3262820
191	AVENIDA 19	BOGOTA	AVENIDA 19 N° 108A - 65	91	6374018
419	CENTRO DE PAGOS UNICENTRO BOGOTA	BOGOTA	AVENIDA 15 N° 123 - 30	91	2755220
76	NEIVA	NEIVA	CALLE 8 N° 4 - 71	98	8713086
455	EDIFICIO COLONIAL	NEIVA	CALLE 21 N° 5BIS - 121	98	8754449
482	CIENAGA	CIENAGA (MAGDALENA)	CALLE 17 N° 11 - 43	95	4240453
516	SANTA MARTA	SANTA MARTA	CARRERA 3 N° 14 - 10	95	4210185
517	EL RODADERO	SANTA MARTA	CALLE 6 N° 1 - 27	95	4220221
57	VILLAVICENCIO	VILLAVICENCIO	CALLE 38 N° 32 - 37	98	6622725
841	CATEDRAL	VILLAVICENCIO	CARRERA 32 N° 38 - 64	98	6621547
888	IPIALES	IPIALES	CALLE 14 N° 5 - 32	92	7732305
74	PASTO	PASTO	CALLE 19 N° 24 - 52	92	7227456
51	CENTRO DE PAGOS CUCUTA	CUCUTA	AVENIDA CERO N° 14 - 50	097	5717566
88	CUCUTA	CUCUTA	AVENIDA 5 N° 9 - 80	97	5717554
115	CIRCUNVALAR PEREIRA	PEREIRA	AVENIDA CIRCUNVALAR N° 4 - 48	96	3165690
721	EL LAGO	PEREIRA	CARRERA 7 N° 25 - 36	96	3338012
853	30 DE AGOSTO	PEREIRA	CARRERA 13 N° 39 - 58	96	3360676
20	BUCARAMANGA	BUCARAMANGA	CARRERA 18 N° 35 - 02	97	6527410
89	CABECERA	BUCARAMANGA	CARRERA 34 N° 51 - 17	97	6438990
793	PROFESIONALES	BUCARAMANGA	CARRERA 34 N° 42 - 106	97	6435151
814	CABECERA DEL LLANO	BUCARAMANGA	CARRERA 35A N° 51 - 41	97	6434800
111	COROZAL	COROZAL	CARRERA 25 N° 28 - 37	95	2857771
68	IBAGUE	IBAGUE	CARRERA 3 N° 14A - 18	98	2709920
435	PLAZA DE BOLIVAR	IBAGUE	CALLE 10 N° 3 - 34	98	2620728
869	PARQUE MURILLO TORO	IBAGUE	CARRERA 3 N° 11 - 02	98	2611108
157	CENTRO DE PAGOS BUENAVENTURA	BUENAVENTURA	CARRERA 2 N° 1 - 33	92	2411290
741	CALIMA	CALI	CARRERA 1 N° 70 - 00	92	4850551
752	PLAZA CAYCEDO	CALI	CARRERA 5 N° 10 - 79	92	4850557
803	CALLE CATORCE	CALI	CALLE 14 N° 8 - 79	92	4850561
836	ACOPI CALI	CALI	AVENIDA 3 NORTE N° 56N - 25	92	4850571
637	CENTRO DE PAGOS CARTAGO	CARTAGO	CARRERA 4 N° 10 - 65	92	2110840
66	PALMIRA	PALMIRA	CALLE 30 N° 28 - 63	92	2755736

In the case of all those investors holding our ADRs as well as those purchasing shares on the LATIBEX market, dividend payments are made through our depository bank in New York, BNY Mellon, or our Arranger Agent in Spain, Santander Investments.







FINANCIAL  
**STATEMENTS**



GRUPO DE INVERSIONES SURAMERICANA S.A.

CERTIFICATION FROM THE COMPANY'S LEGAL REPRESENTATIVE AND  
CHIEF ACCOUNTANT

February 14, 2014

To the Shareholders of  
Grupo de Inversiones Suramericana S.A.  
Medellin

We, the undersigned Legal Representative and Chief Accountant of Grupo de Inversiones Suramericana S.A. duly certify that the figures included in the Company's financial statements for the fiscal year ended Tuesday, December 31, 2013 were faithfully taken from the Company's books. Also before being made available to both you, our Shareholders, as well as third parties, we duly checked the following disclosures made therein, including the following:

a) All assets and liabilities included in the Company's financial statements for the fiscal year ending December 31, 2013 duly exist and all transactions therein included were carried out during this same period ending on the aforementioned date.

b) All economic events on the part of the Company during the year ended December 31, 2013 have been duly recognized in the financial statements.

c) Assets represent future economic benefits and liabilities represent future economic obligations either obtained by or for the account of the Company at December 31, 2013.

d) All items have been posted at their appropriate values according to generally-accepted accounting principles in Colombia for entities coming under the oversight of the Colombian Superintendency of Finance.

e) All economic events affecting the Company have been correctly classified, described and revealed in these financial statements.

f) The financial statements do not contain any material errors, flaws or inaccuracies that could affect the Company's true equity position or operations from becoming known.

DAVID EMILIO BOJANINI GARCIA  
Chief Executive Officer

LUIS FERNANDO SOTO S.  
Chief Accountant - Lic. No. 16951-T



## TO THE SHAREHOLDERS OF GRUPO DE INVERSIONES SURAMERICANA S.A.:

I have audited the financial statements of Grupo de Inversiones Suramericana S.A. (the Company), which comprise the balance sheets at December 31, 2013 and 2012 and the related statements of income, changes in equity, changes in financial position and cash flows, for the years then ended, and their respective notes that include the summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in Colombia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these financial statements based on my audits. I obtained the necessary information and carried out my audits in accordance with auditing standards generally accepted in Colombia. Such standards require that I comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the financial statements. In making this risk assessment, the statutory auditor considers internal control relevant to the preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my audit opinion expressed below.

In my opinion, the above mentioned financial statements, taken accurately from books and attached to this report, present fairly, in all significant respects, the financial position of the Company at December 31, 2013 and 2012, the results of its operations, changes in its financial position and its



cash flows for the years then ended, in conformity with generally accepted accounting principles in Colombia, applied on a consistent basis.

Based on the results of my tests, I believe:

- a) The Company's bookkeeping has been performed in conformity with legal rules and accounting pronouncements.
- b) The operations recorded in the books and management performance are in conformity with the bylaws and decisions of the General Shareholders' Meeting.
- c) The correspondence, the vouchers of accounts and the books of minutes and record of shares have been properly maintained.
- d) The Company has adopted adequate measures of internal control, prevention and control of money laundering and terrorism financing, and maintenance and custody of its and third parties' assets in its possession.
- e) The management report prepared by management agrees with the accompanying financial statements.
- f) The information contained in the contribution returns submitted to the social security system, specifically the information on affiliates and their salary base for determining contributions, has been prepared from the accounting records and supporting documentation. The Company is up to date in payment of contributions to the social security system.

**Gonzalo Alonso Ochoa Ruiz**  
**Statutory Auditor of**  
**Grupo de Inversiones Suramericana S.A.**  
**Registration 43668 - T**  
**Member of KPMG Ltda.**

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

DECEMBER 2013 AND 2012 (In thousand of Colombian pesos)

	Common stock	Share premium	Legal reserve	Occasional reserves	Equity reappraisal	Surplus from the equity method	Appraisals	Net income for the period	Total shareholders' equity
Balance at December 31, 2011	107,882,292	3,769,548,269	138,795,051	3,160,260,566	947,329,930	(194,150,818)	10,602,066,339	332,735,350	18,864,466,979
Distribution of 2011 results according to General Shareholders' Meeting Minutes # 16 dated March 29, 2012:									
Donations for Fundación Suramericana	-	-	-	-	-	-	-	(4,000,000)	(4,000,000)
Allocate to sustainability projects	-	-	-	-	-	-	-	(3,000,000)	(3,000,000)
Reserve for the protection of investments	-	-	-	77,595,286	-	-	-	(77,595,286)	-
Dividends over 106.334.963 (\$975.00 pesos per share)	-	-	-	-	-	-	-	(144,463,475)	(144,463,475)
Dividends over 106.334.963 (\$975.00 pesos per share)	-	-	-	-	-	-	-	(103,676,589)	(103,676,589)
Equity method	-	-	-	-	-	(134,307,204)	-	-	(134,307,204)
Appraisals	-	-	-	-	-	-	1,770,740,717	-	1,770,740,717
Net income for the period	-	-	-	-	-	-	-	546,099,505	546,099,505
<b>Balance at December 31, 2012</b>	<b>107,882,292</b>	<b>3,769,548,269</b>	<b>138,795,051</b>	<b>3,237,855,852</b>	<b>947,329,930</b>	<b>(328,458,022)</b>	<b>12,372,807,056</b>	<b>546,099,505</b>	<b>20,791,859,933</b>
Distribution of 2012 results according to General Shareholders' Meeting Minutes # 18 dated March 21, 2013:									
Donations for Fundación Suramericana	-	-	-	-	-	-	-	(4,000,000)	(4,000,000)
Reserve for the protection of investments	-	-	-	279,419,284	-	-	-	(279,419,284)	-
Dividends over 469.037.260 (\$339.00 pesos per share)	-	-	-	-	-	-	-	(159,003,632)	(159,003,632)
Dividends over 106.334.963 (\$975.00 pesos per share)	-	-	-	-	-	-	-	(103,676,589)	(103,676,589)
Equity method	-	-	-	-	-	586,117,262	-	-	586,117,262
Appraisals	-	-	-	-	-	-	(1,605,572,631)	-	(1,605,572,631)
Net income for the period	-	-	-	-	-	-	-	781,793,905	781,793,905
<b>Balance at December 31, 2013</b>	<b>\$ 107,882,292</b>	<b>3,769,548,269</b>	<b>138,795,051</b>	<b>3,517,275,136</b>	<b>947,329,930</b>	<b>257,659,240</b>	<b>10,767,234,425</b>	<b>781,793,905</b>	<b>20,287,518,248</b>

See notes to the financial statements.



# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FISCAL YEARS ENDED DECEMBER 31, 2013 AND 2012 (In thousand of Colombian pesos)

	2013	2012
<b>Sources of working capital:</b>		
Net income	\$ 781 793 905	546 099 505
Items that do not use (provide) working capital		
Provision for investments	5 667	-
Recovery of provision for investments	-	(11 851)
Earnings from sale of investments, net	(99 439 092)	(74 559 899)
Earnings from the equity method, net	(437 432 610)	(323 097 446)
Depreciation	290 188	131 086
<b>Working capital provided by operations</b>	<b>245 218 058</b>	<b>148 561 395</b>
Earnings from sale of investments	155 016 332	381 151 198
Investments	-	451 395 588
Intangibles	75 346	119 874
Dividends received from controlling companies	175 574 139	42 793 808
	<b>575 883 875</b>	<b>1 024 021 863</b>
<b>Uses of working capital:</b>		
Increase in investments	32 612 757	-
Dividends declared	262 680 220	248 140 065
Donations	4 000 000	7 000 000
Property, plant and equipment	892 698	273 151
Other assets	92 200	-
<b>Increase (decrease) of working capital</b>	<b>\$ 275 606 000</b>	<b>768 608 647</b>
<b>Changes in the components of working capital:</b>		
Increase (decrease) in current assets		
Cash and cash equivalents	200 826 448	(271 908 063)
Investments in available-for-sale equity securities	(77 899 350)	67 427 657
Accounts receivable	27 143 104	(799 206 436)
Prepaid expenses	-	(65 317 207)
	<b>150 070 202</b>	<b>(1 069 004 049)</b>
Increase (decrease) in current liabilities		
Financial obligations	(157 629 853)	(181 351 888)
Other financial obligations	(1 234 487)	(1 709 113 191)
Taxes, liens and fees	(2 150 170)	(2 150 170)
Accounts payable	1 744 366	20 470 742
Employee benefit liabilities	66 938	24 324
Unearned revenues	2 531 356	17 432 647
Estimated liabilities and provisions	31 136 052	17 074 840
	(125 535 798)	(1 837 612 696)
<b>Increase (decrease) in working capital</b>	<b>\$ 275 606 000</b>	<b>768 608 647</b>

See notes to the financial statements.

# CASH FLOW STATEMENTS

FISCAL YEARS ENDED DECEMBER 31, 2013 AND 2012 (In thousand of Colombian pesos)

	2013	2012
<b>Cash flow from operating activities</b>		
Net income for the period	\$ 781,793,905	546,099,505
Reconciliation between the net income for the period and the net cash		
Flow provided (used) by operating activities		
Recovery of provision for investments	-	(11,851)
Recovery of provision for taxes	-	(514,587)
Earnings from sale of investments, net	(99,439,092)	(74,559,899)
Earnings from equity method, net	(437,432,610)	(323,097,446)
Appraisals at market prices, net	(1,149,777)	(463,942)
Amortization of deferred charges	11,809,614	73,412,693
Depreciation	290,188	131,086
Changes in operating items		
Accounts receivable	(27,143,104)	799,206,436
Prepaid expenses	(11,809,614)	(8,095,486)
Intangibles	75,346	119,874
Other liabilities	(92,200)	-
Accounts payable	(2,058,457)	1,032,870
Employee benefit liabilities	66,938	24,324
Taxes, liens and fees	(2,150,170)	(2,150,170)
Unearned revenues	2,531,356	17,432,647
Estimated liabilities and provisions	31,136,052	17,589,427
Earnings from sale of investments	155,016,332	381,151,198
Increase in investments, net	(31,462,979)	451,859,528
Dividends received from controlling companies	175,574,139	42,793,808
<b>Net cash provided (used) by operating activities</b>	<b>545,561,534</b>	<b>1,921,960,015</b>
<b>Cash flow from investment activities</b>		
Increase in Property, plant and equipment	(892,698)	(273,151)
<b>Net cash provided (used) by investment activities</b>	<b>(892,698)</b>	<b>(273,151)</b>
<b>Cash flow from financing activities</b>		
Increase in bank loans and other financial obligations	(158,864,340)	(1,890,465,079)
Donations and sustainability projects	(4,000,000)	(7,000,000)
Dividends paid	(258,877,398)	(228,702,193)
<b>Cash provided (used) by financing activities</b>	<b>(421,741,738)</b>	<b>(2,126,167,272)</b>
Net cash increase (decrease)	122,927,098	(204,480,408)
Cash and cash equivalents at the beginning of the year	88,551,048	293,031,456
<b>Cash and cash equivalents at the end of the year</b>	<b>\$ 211,478,146</b>	<b>88,551,048</b>

See notes to the financial statements.





# NOTES TO THE FINANCIAL STATEMENTS

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in thousand of Colombian pesos)

## NOTE 1

### ECONOMIC ENTITY

Grupo de Inversiones Suramericana S.A. was incorporated as a result of being spun off from Compañía Suramericana de Seguros S.A., by means of Public Deed No. 2295 drawn up December 24, 1997 before the Notary Public No. 14 of the Circuit of Medellin, with all the corresponding accounting formalities duly completed by January 1, 1998. Its main registered place of business is in Medellin, but it is entitled to set up branches, agencies, offices and representations in other parts of the country as well as abroad, should its Board of Directors so decide. The Company is legally authorized to carry on its business purpose until 2097. Its business purpose is to invest in real estate and personal property, and may do so by means of shares, participations or holdings in companies, entities, organizations, funds and any other legally-permitted mechanism that allows for the investment of funds. Likewise, it may invest in securities or instruments yielding either a fixed or variable income, regardless of whether they are listed on a public stock exchange. In any case, the corresponding issuers and/or investees may belong to either the public or private sectors, both at home or abroad.

The Company's reporting period shall follow that of the normal calendar year, ending on December 31. According to that set out in its by-laws, the Company shall close its books on the cut-off date so as to proceed to draw up its balance sheet and income statement corresponding to the year in question.

The Company comes under the exclusive oversight of the Colombian Superintendency of Finance ("Superintendencia Financiera de Colombia"), since it is listed as an issuer of securities with the Colombian National Registry of Securities (Registro Nacional de Valores).

At December 31, 2013, the Company had a total of 48 employees all based at its Corporate Headquarters.

### CORPORATE PROFILE:

Grupo de Inversiones Suramericana S.A. (hereinafter "Grupo Sura") is a Latin American company listed with the Colombian Stock Exchange (Bolsa de Valores de Colombia -BVC) and registered with the ADR - Level 1 program in the United States. It is also the only Latin American company from the Diversified Financial Service Sector to be admitted to

the Dow Jones Sustainability Index (DJSI), which tracks companies who have become global benchmarks thanks to the best practices they have adopted from the economic, environmental and social standpoints. Group Sura's investments are classified in two core categories: strategic – those pertaining to the financial, insurance, pension, savings and investment sectors; and portfolio – those found mainly in the processed food, cement and energy sectors.

In recent years, the companies that make up Grupo Sura's investment portfolio have expanded to other countries and regions in the Western Hemisphere, including Central America, the Caribbean, the United States, Peru, Chile, Uruguay and Mexico.

The Group's interests in the financial service sector include a 44.7% stake in the voting shares of Bancolombia (equal to 26.67% of its share capital), where Grupo Sura is the largest shareholder; as well as a 81.1% stake in Suramericana S.A., the Group's insurance holding. The remaining 18.9% of Suramericana is owned by the German insurer Münchener Rückversicherungs-Gesellschaft Munich Re, commonly known as "Munich Re." In addition, Grupo Sura holds a direct stake of 59.95% in the share capital of Sura Asset Management Colombia S.A., and another 7.11% stake through Grupo de Inversiones Suramericana Panamá S.A. Both latter companies handle the Group's investments in the pension, savings and investment sectors throughout Latin America. The remaining 32.94% stake in Sura Asset Management's share capital belongs to other local and international shareholders.

The Group's investments in the processed food segment of the local industrial sector include a 35.2% stake in Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia where Grupo Sura is also the largest shareholder.

Grupo Sura's interests in the cement, concrete, energy, ports, coal-mining and real estate sectors include a 35.7% stake in the voting shares of Grupo Argos (equal to 29.1% of its share capital) where again GRUPO SURA is the majority shareholder. Grupo Argos is in turn the majority shareholder of Cementos Argos, S.A. and Celsia S.A. E.S.P.

Some of the abovementioned companies also have cross holdings within the Group, which at December 31, 2013 consisted of the following: Bancolombia held a 20.6% stake in Protección; Grupo Nutresa S.A. held 10.3% of the total shares outstanding belonging to Grupo Sura and 12.7% of its voting shares along with 10.2% of the total shares outstanding belonging to Grupo Argos, accounting for 12.4% of the voting shares. Grupo Argos S.A. and subsidiaries, for their part, held 32.1% of the total shares outstanding belonging to Grupo Sura and 37.4% of its voting shares along with stakes of 4.5% in Bancolombia S.A. and 9.8% in Grupo Nutresa.S.A.

Cash dividends received by Grupo Sura from the companies belonging to the Group both in 2013 and 2012 are set forth in the following table:

For years ended December 31

	2013	2012
Bancolombia S.A.	171,304,964	160,855,669
Grupo Nutresa S.A.	62,554,546	52,924,199
Suramericana S.A.	81,018,270	42,792,931
Grupo Argos S.A.	51,974,137	36,708,748
Protección S.A.	14,916,362	15,230,708
Celsia S.A. E.S.P	1,950	1,350
Compuredes S.A.	29,081	-
Sura Asset Management S.A.	118,937,499	-
Inversiones y Construcciones Estratégicas S.A.S	60,000,000	-
<b>Total</b>	<b>560,736,809</b>	<b>308,513,605</b>

Out of the entire amount of cash dividends received in 2013, 30.55% was obtained from Bancolombia S.A., 11.16% from Grupo Nutresa S.A., 14.45% from Suramericana S.A., 9.27% from Inversiones Argos S.A., 21.21% from Sura Asset Management S.A. 10.70% from Inversiones y Construcciones Estratégicas S.A. and 2.66% from Protección S.A.

## OUR STRENGTHS

- 1) GRUPO SURA holds equity interests in several companies who in turn own leading companies in Colombia, Mexico, El Salvador, the Dominican Republic, Panama, Peru, Chile Guatemala and Uruguay. Grupo Sura has invested in well established companies mainly in the financial service, insurance, social security, pension fund and complementary service sectors, and to a lesser extent in several industrial sectors, including food processing, cement and ready-mix concrete, energy, ports, coal-mining and real estate.
- 2) Robust stream of sound cash flows diversified over countries and sectors. Grupo Sura derives most of its cash flows from dividends received from a diversified group of companies operating across various industries and countries within Latin America. In recent years, these companies have consistently paid dividends, which have steadily increased by at least the rate of inflation, as measured by the Consumer Price Index (CPI).

- 3) Strong balance sheet that supports the growth of our business. At December 31, 2013, Grupo Sura's shareholders' equity came to COP 20,287,518 million with a total debt-to-asset ratio of just 1.6%. Grupo Sura has historically financed its expansion primarily with operating cash flows and the proceeds from sales of non-strategic assets. Here it is important to add that at the end of last year, the Company's indebtedness was substantially low given the size of its portfolio of investments.
- 4) Multi-product and multi-channel business model. Grupo Sura has increased its market share in the regional financial services sector by developing an integrated business model, allowing us to take full advantage of the synergies existing between our different banking, insurance and pension fund businesses while accessing a wider customer base and creating greater customer loyalty. All this has been carried out in strict compliance with all applicable regulations in each country and abiding by all legal restrictions. Our integrated business model represents a true competitive advantage for our different companies while creating a significant entry barrier that protects us from the competition
- 5) Commitment to best practices, corporate governance and sustainable development. Our Corporate Governance Code was first introduced in 2002 and we have been publishing annual corporate governance reports since 2005. The guiding principle behind our corporate governance policies is to champion a business policy governed by principles of fairness, respect, responsibility and transparency and a firm commitment to Colombia and its people. Our Corporate Governance Code follows international standards governing relationships with regulatory entities, independent board members, board of directors' roles, board of directors' committees as well as controlling and disclosing information. In addition, and as part of our commitment to sustainability and as part of our corporate responsibility model, Grupo Sura and its Colombian subsidiaries take part in social development projects through the Group's institutional contributions and the labors of our own group of volunteers, all of which is channeled through our Suramericana Foundation. These initiatives are aimed at helping individuals to develop their own skills and improving the living standards of the more vulnerable social classes.
- 6) An experienced management team. Grupo Sura has an experienced management team with a proven track record. Most of its members have held executive positions across various industries in Colombia and elsewhere in Latin America.



## OUR CORPORATE STRATEGY:

In 2013, the Company reviewed and adjusted its strategic road map and strengthened its internal structure so as to be able to better respond to the demands placed on Grupo Sura in its role with regard to all those companies that form part of its portfolio of investments, particularly those pertaining to the financial service sector.

Through the investments made over the years, Grupo Sura has expanded into other countries, making inroads on new types of business which has broadened its corporate profile and extended its commercial relationships. Clearly as we are able to identify and harness existing synergies and work together in the spirit of our mutual interests, we shall be driving growth, creating added value for our strategic interests and guaranteeing the sustainability of our business into the long term.

Here, Grupo Sura's strategic focus, as defined for the next few years, centers on providing added value and building trust. Growth shall consequently be driven by innovation, creating greater synergies as well as expanding and developing the different markets. The Group's human talent, robust equity, sound corporate reputation and brand image as well as a management model, firmly based on Corporate Governance principles, form the basis for this growth. Also, all these different facets of our strategic focus must be enshrined in a corporate culture and philosophy shared by all, while remaining firmly committed to enhancing our business sustainability.

## PROGRESS MADE WITH OUR DIFFERENT BUSINESSES

a) Our strategic investments. The main companies belonging to the Group's portfolio are leaders in their own respective markets. Grupo Bancolombia is not only the leading financial institution in Colombia and El Salvador but also has acquired the HSBC bank's operations in Panama; Suramericana is the holding company of the largest insurance firms in Colombia, El Salvador, the Dominican Republic and Panama; Sura Asset Management presides over a group of leading companies in Mexico, Peru, Chile and Uruguay. Grupo Nutresa is the largest food processing conglomerate in Colombia; and Grupo Argos has various holdings in the cement and ready-mix concrete, energy, coal-mining, port and real estate markets. It is also worth noting that Grupo Argos, through its cement subsidiary, holds an important position on the US market. We plan to maintain our leadership in these markets by employing highly-skilled individuals, offering superior products and solutions to our customers, investing in research and development for greater innovation, fostering customer loyalty by providing a combination of personalized attention and high-quality products and services at competitive prices while at the same time

ensuring that our businesses continue to abide by our guiding principles of fairness, respect, responsibility and transparency.

- b) Expanding into selected international markets and driving the growth of all those companies that form part of our portfolio of strategic investments in the financial services, insurance, social security, pension fund and complementary services sectors. As far as corporate strategy is concerned and expanding our interests abroad, we adhere to the following key criteria of responsible investment: (i) the political, social and macroeconomic stability of the countries in question; (ii) countries offering growth potential; (iii) companies that are leaders in their respective markets; (iv) acquiring controlling stakes; (v) companies providing positive levels of economic, environmental and social performance; (vi) best corporate governance practices; and (vii) sound corporate reputation. Based on these criteria we carried out the following acquisitions in 2013: through our subsidiary, Sura Asset Management we increased the stake held in Invita, today known as Seguros Sura en Peru, and also obtained a 50% stake in the AFP Horizonte pension fund in Peru as well as the Primero Seguros Vida life insurance firm in México.
- c) Maintaining and enhancing a strong, diversified stream of cash flows. By expanding our presence within the region, we seek to maintain and enhance the financial strength of our companies while diversifying our sources of revenues. In so doing, we aim to ensure that our dividend flows continue to be well diversified across various industries and countries, rising at similar or faster rates than in recent years. Also, and to ensure that our growth shall not hamper our strong credit position, we intend to continue with our long-term policy of maintaining conservative leverage levels

## SENIOR MANAGEMENT

Our Board of Directors, in keeping with our by-laws, consists of seven directors who are appointed at annual ordinary shareholders' meetings. The current members of our Board of Directors were elected by the shareholders at an ordinary shareholder's meeting held on March 21, 2013 for a period of two years. The term of each of the current board members expires in March 2015. Directors may be appointed for additional terms without limitation

The following table sets forth certain information about our current directors:

NAME	TITLE
Armando Montenegro Trujillo(1)	Chief Executive Officer
Hernando Yepes Arcila(1)	Vice-Chairman
José Alberto Vélez Cadavid	Principal member
Carlos Enrique Piedrahita Arocha	Principal member
Juan Guillermo Londoño Posada	Principal member
Carlos Antonio Espinosa Soto (1)	Principal member
Jaime Bermúdez Merizalde (1)	Principal member

(1) Independent Member, in accordance with Colombian law.

## SENIOR MANAGEMENT

Our current executive officers are as follows:

NAME	TITLE
David Bojanini García	Chief Executive Officer
Ignacio Calle Cuartas	Chief Financial and Investment Officer
Mario López López	Chief Audit Officer
Fernando Ojalvo Prieto	Chief Corporate Affairs Officer

## BOARD COMMITTEES

### CORPORATE GOVERNANCE COMMITTEE

This consists of three members of the Board of Directors, one of whom must be the Chairman of the Board of Directors. The Group's Chief Executive Officer attends these meetings by invitation. This Committee is responsible for issues regarding the Board of Directors, Senior Management, the Company's Good Corporate Governance and its sustainability performance.

### INVESTMENT COMMITTEE

The Investment Committee consists of four members, three of whom must be members of the Board of Directors, one being its Chairman, together with Grupo Sura's Chief Executive Officer. This Committee is responsible for the Group's investments and as such must define the corresponding investment policies and criteria, study new business opportunities and

the possibility of new strategic investments, periodically evaluate the Group's current investments and decide on whether these are to continue as part of the Group's portfolio. It is also responsible for advising the Group's subsidiaries as to their own investments, as well as seeking and evaluating possible strategic partners and analyzing portfolio risk.

Finance and Audit Committee

This Committee is responsible for promoting a culture of control within the Company, following up on the application of its Code of Ethics, and evaluating all aspects of the Company's finances and accounting, including contingency planning, internal risk identification and management processes ensuring that the Company's Internal Control System is firmly implemented, as well as any other functions that may fall under their responsibility pursuant to applicable legislation. This Committee is also in charge of reviewing the Company's annual and interim financial statements. It is made up of three members of the Board of Directors all of whom must have an independent status.

#### **COMPENSATION AND DEVELOPMENT COMMITTEE**

The Compensation and Development Committee is made up of three appointed members from the Board of Directors and is responsible for the strategic handling of the Company's human talent, ensuring the availability of critical human talent in being able to attract and retain such, as well as drawing up the corresponding succession plan. It is also in charge of formally evaluating Senior Management performance, making any recommendations required with regard to their performance-based remuneration, which shall be approved by the Company's Board of Directors and these shall strictly relate to the performance of each individual and the Company as a whole, while ensuring full compliance with Senior Management's remuneration policy.

#### **PRINCIPAL SHAREHOLDERS**

The following table contains certain information regarding the ownership of our ordinary shares as of December 31, 2013 listing all those holders with a minimum stake of 1%.

SHAREHOLDER	NUMBER OF COMMON SHARES HELD	% STAKE
Grupo Argos S.A.	145,839,723	25.35%
Grupo Nutresa S.A.	59,387,803	10.32%
Fondo de Pensiones Obligatorias Protección	46,715,922	8.12%
Fondo de Pensiones Obligatorias Porvenir	36,867,557	6.41%
Cementos Argos S.A.	28,183,262	4.90%
Fondo de Pensiones Horizonte	22,929,152	3.99%
Fondo de Pensiones Obligatorias Colfondos Moderado	18,085,843	3.14%
Celsia S.A. E.S.P.	10,424,971	1.81%
Fondo Bursátil Shares Colcap	10,259,312	1.78%
Colombiana de Comercio S.A.	9,451,033	1.64%
UBS AG London Branch	7,244,874	1.26%
Skandia Fondo de Pensiones Obligatorias	6,849,945	1.19%
Vanguard Emerging Markets Stock Index Fund	6,045,701	1.05%
Otros accionistas con participación menor al 1.0%(1)	167,087,125	29.04%
	<b>575,372,223</b>	<b>100.00%</b>

(1) Including 19,840 shareholders, who individually hold less than 1.0% of our common and preferred stock

Our ordinary shares are traded on the Colombian Stock Exchange (Bolsa de Valores de Colombia) (ticker symbol "GRUPOSURA SURA"). They also trade on the OTC Market in the United States in the form of ADRs Level 1 (ticker symbol "GIVSY") as well as on the Latibex - Latin American Securities in Euros Market (Mercado de Valores Latinoamericanos en Euros) (ticker symbol "XGSUR"). Our preferred shares, on the other hand trade on both the Colombian Stock Exchange (ticker symbol "PFGRUPSURA") as well as on the OTC market in the United States in the form of ADRs Level 1 (ticker symbol "GIVPY").

## IMPLEMENTING INTERNATIONAL FINANCIAL REPORTING STANDARDS - IFRS

In accordance with that stipulated in Law 1314 of 2009 as well as the subsequent Regulatory Decrees No. 2784 issued in December 2012 and No 3023 in December, 2013, Grupo de Inversiones Suramericana S.A, is obliged to migrate from Generally Accepted Accounting Principles in Colombia (COLGAAP) to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board – IASB.

Bearing in mind that this shall have an effect on Colombian companies, the Colombian Public Accounting Technical Committee (Consejo Técnico

de la Contaduría Pública) divided these up into three groups in order to proceed with this transition. Grupo de Inversiones Suramericana S.A., belongs to Group 1 whose obligatory transition period shall begin on January 1, 2014 so that IFRS- based comparative financial statements can begin to be issued as of December 31, 2015.

Consequently, the Company in conjunction with the consulting firm Ernst and Young, drew up a schedule of activities for this transition to the new accounting standards. The part of the schedule that was initially approved by the Board of Directors has been duly completed and the following activities were carried out by year-end 2013.

Diagnosis of the overall financial and technological impact as well as the effect on the Company's processes.

Preliminary opening balance sheet

Defining the main accounting policies and practices

Initial stage of the customization work to be performed on the Company's information systems.

The Board of Directors, through its Audit Committee, has continued to follow-up on the progress made with implementing the new IFRS so as to ensure that the transition schedule is duly complied with based on applicable legislation.

It is important to note that the Company opportunely remitted the information requested by the Colombian Superintendency of Finance, by means of Circular Letter No. 112 as to the progress made with the migration towards said standards.

## NOTE 2

### SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

#### **(a) Basis for Preparing and Presenting the Financial Statements**

The Company's financial statements are prepared and presented pursuant to generally-accepted accounting principles in Colombia as well as instructions given by the Colombian Superintendency of Finance, these accounting principles may well differ from International Accounting Standards.

#### **(b) Materiality (or relative importance)**

All economic events are recognized and presented according to their relative importance. Upon preparing the financial statements, materiality was determined based on total current assets and liabilities, total assets and liabilities, working capital, shareholders' equity and results for the year, as appropriate

As a general rule we applied a materiality threshold of 5% of the total value of assets and operating revenues.

#### **(c) Transactions and balances in foreign currencies**

Transactions in foreign currency are posted in Colombian pesos at the exchange rate applicable on the date on which said transactions are carried out. The balances of our assets and liabilities in foreign currency, at December 31, 2013 and December 31, 2012 were converted to Colombian pesos using the respective year-end market exchange rates of COP 1.926,83 and COP 1.768,23 per US dollar. Exchange differences resulting from adjustments to assets are posted on the income accounts, those relating to liabilities are applied to the assets in question until the asset is ready to be either used or sold and thereafter posted on the income accounts.

According to Decree No. 4918 issued December 26, 2007 by the Colombian Ministry for Commerce, Industry and Tourism, exchange differences resulting from equity investments in foreign subsidiaries must be posted as a higher or lower value of the Company's equity; and when the investment in question is sold off, this value is posted on the income accounts.

#### **(d) Use of Estimates**

The preparation of financial statements according to generally-accepted accounting principles in Colombia requires that Company Management

records estimates and provisions affecting the reported values of the Company's assets and liabilities, and for all contingent assets and liabilities to be disclosed on the date on which the financial statements are drawn up. The real results could therefore differ from the figures thus estimated.

**(e) Cash equivalents.**

For the purposes of its Statement of Cash Flows, the Company considers fiduciary rights on ordinary mutual funds as well as negotiable shares and certificates of deposit as cash equivalents.

**(f) Investments**

For valuation purposes, investments are classified according to the following criteria:

- Their intent and purpose: that is to say whether they are negotiable or permanent.
- Their corresponding yield: fixed, variable or a combination thereof
- Control held over the issuer: controlling or non-controlling stakes.
- The reason behind the investment: voluntary or mandatory
- The rights granted by the security: participating and non-participating

Investments are appraised and posted as follows:

- **Negotiable investments:** at their market value, and all variations with regard to their latest book values are recorded in the income accounts alongside each investment.
- **Controlling investments:** these are companies in which more than a 50% stake is held and which appear in the Colombian Trade Registry as under the Company's control. The value of these is either increased or decreased in books depending on any changes in the subsidiary's equity subsequent to its acquisition, this based on the percentage stake held, and any adjustments made thereto are recorded in the income statement in the capital surplus account.

The equity method is used, pursuant to that laid out in Joint Circular No. 11 issued August 18, 2005 by the Colombian Superintendency of Companies and the Colombian Superintendency of Finance, and the value of these investments is calculated and posted on a quarterly basis.

The difference between the book value of these investments and their intrinsic value is posted as a gain or a provision (which is charged to the income accounts) as applicable.

According to Decree No. 4918 issued December 26, 2007 equity investments in foreign subsidiaries must be restated in the functional



currency using the applicable exchange rate, as certified by the Colombian Superintendency of Finance, or any other authority that should replace said Superintendency, posting the difference between the book value of said assets and their restated value as an increase or decrease in the value of the Company's equity, in the account where equity variances are recorded. When the investment in question is sold off, any adjustments in the exchange difference recorded in the equity accounts shall affect the results for the corresponding period.

- **Permanent (non-controlling) investments:** should the value of the investments sold be higher than their book cost, the difference represents a gain for the period and this is posted in the valuation offset accounts (as a valuation against valuation surplus). Should the value of the investments sold be lower than their book cost, the difference is charged first to the valuation account and then to the valuation surplus account, up to the amount contained in said accounts with any amounts left over constituting a loss in the value of the investment which is then charged to the aforementioned accounts as a lower value of these same, regardless of the contrary nature of their net balances.

The Company applies an investment provision policy which is similar to that used by companies overseen by the Colombian Superintendency of Finance. Investments rated lower than a "BBB" are posted at values which should not exceed the following percentages:

LONG TERM	MAXIMUM VALUE (%)	SHORT TERM	MAXIMUM VALUE (%)
BB+, BB, BB-	80	3	80
B+, B, B-	60	4	50
CCC	40	5 and 6	0
DD, EE	0		

Investments which are not rated by outside rating agencies, are internally rated according to their inherent risk and are posted at a percentage of their commercial value, as shown below:

- A: Normal Risk: 100%
- B: Acceptable Risk: 80%
- C: Appreciable Risk: 60%
- D: Significant Risk: 40%
- E: Uncollectible Investment: 0%

**(g) Related Parties**

Grupo Sura's related parties are companies under its direct or indirect control, as well as members of its Board of Directors and Senior Management.

Colombian legislation sets forth certain restrictions and limitations on transactions carried out with related parties, such as the directors and senior management of a company, as well as its subsidiaries.

Restricted or prohibited transactions are duly stipulated in the Colombian Code of Commerce, as amended by Law 222 of 1995. This law establishes, among other things, the following: (i) all subsidiaries must carry out their activities independently and with sufficient administrative autonomy; (ii) transactions between the parent company and its subsidiaries or affiliates must be of a real nature and may not differ considerably from standard market conditions, nor be to the detriment of the Colombian government, stockholders or third parties and (iii) subsidiaries may not acquire any shares issued by their parent company.

Furthermore, our Corporate Governance Code stipulates that all transactions carried out between Grupo Sura and its shareholders, directors and senior executives must be carried out on an arm's length basis and with the utmost transparency, fairness and impartiality.

Grupo Sura has engaged in a variety of transactions with related parties in the ordinary course of business, such as credit facilities and other financial services from subsidiaries belonging to Bancolombia and Suramericana. The prices, interest rates and the terms and conditions set forth in the corresponding agreements are comparable to those that would be obtained through arms-length negotiations with unrelated parties.

During the last two fiscal years, Grupo Sura has not been involved in any related party transaction that is material to us or any of our related parties or was performed outside Grupo Sura's ordinary course of business.

**(h) Deferred Charges**

Deferred charges consist of insurance expense, which is amortized during the term of the policy, as well as organizational and pre-operating expenditure incurred by the Company in acquiring the ING assets, which was amortized over a 12-month period using the straight line method.

**(i) Equipment**

Equipment is posted at its purchase cost (which included the effect of inflation up to December 31, 2006). Depreciation is calculated by applying the straight-line method (to its inflation-adjusted cost)

during the estimated useful life of the asset in question. The annual depreciation rates used were as follows:

Equipment, furniture and office fixtures	10%
Computer equipment	20%
Vehicles	20%

#### (j) Intangibles

Intangible items consist of acquired goodwill, trademarks, non-competition agreements and contractual relations with clients.

- **Acquired goodwill**

As part of an overarching standard, and in keeping with that laid out in Article 11 of Decree No. 2649 of 1993 with regard to essence over form, goodwill resulting from the acquisition of Compuredes S.A. was posted in books according to the International Financial Reporting Standard (IFRS) 3, using the acquisition method on the date on which control of this company was effectively transferred. This goodwill corresponded to the purchase price paid on the date Compuredes was acquired, less the reasonable value of the corresponding net assets acquired, including intangible items (trademarks, non-competition agreements and contractual relations with clients) valued on the date of said acquisition.

Goodwill posted in this manner is not amortized but is subjected to impairment tests on an annual basis.

- **Trademarks, Non-Competition Agreements and Contractual Relations with Clients**

This account includes the reasonable value of all those rights obtained upon acquiring Compuredes S.A. on the corresponding acquisition date, the exercise or use of which may produce economic benefits over various determinable periods.

For the purpose of recognizing the extent to which the assets in question contribute to the Company's income, these are systematically amortized during their useful life, using the straight-line method as follows:

INTANGIBLE ASSET	USEFUL LIFE (YEARS)
Trademarks	1.0
Non-Competition Agreements	5.0
Contractual relations with clients	5.5

With regard to the application of the methodology used for business combinations and contractual relations with clients, the Colombian Superintendency of Finance considers it reasonable to post these in books pursuant to that provided in Official Notice 2012072089-003-000 issued on December 26, 2012.

### **(k) Derivatives**

These represent the value of all those financial arrangements that are set up for the purpose of managing liability risk, consisting of purchases or sales of assets such as foreign currencies, shares or futures to hedge exchange and interest rates, stock indexes or any other underlying asset that may be agreed upon, which are then settled at a future date accorded between the parties.

The Company enters into hedging agreements to protect itself against the exchange rate. Hedging is not used for speculative purposes and these arrangements are conducted with banks and other counterparties.

### **(l) Valuation Gains and Losses**

In the case of permanent investments in non-controlling companies, the difference between their cost and corresponding intrinsic value or stock price as established by the Colombian Stock Exchange (Bolsa de Valores), is recorded as a valuation crediting the valuation surplus account. Should their intrinsic value be less than their book cost the difference is deducted from the valuation accounts specifically the valuation surplus account, and should there remain any amount left over this is considered as a loss affecting the aforementioned accounts as a lower value of these, regardless of the contrary nature of their net balances.

### **(m) Bonds and Commercial Paper**

These are amounts received by the economic entity as a result of issuing and selling bonds and commercial paper classifying as credit securities issued for the purpose of financing working capital.

### **(n) Taxes, Levies and Charges**

#### **Income Tax and Income Tax for Equality (\*)**

Income tax expense including that corresponding to the new Income Tax for Equality is determined based on taxable income, this being either taxable net income or presumptive income depending on whichever value is the highest. The effect of temporary differences that imply calculating higher or lower taxes to be paid for the current year, based on current tax rates, is posted as a deferred tax asset or liability, as applicable, providing said differences are reasonably expected to be reversed

**Wealth Tax**

Based on Concept No. 115-009819 issued on January 26, 2011 by the Colombian Superintendency of Companies, Senior Management decided to recognize its total wealth tax obligation against its equity valuation accounts based on Situation 1 (a) contained in said Concept.

**(o) Memorandum Accounts**

These accounts contain transactions, circumstances, agreements and contracts that may entail certain rights and obligations and in so doing affect the Company's financial structure. These include control accounts used for assets, liabilities, equity and management information or for controlling future financial situations and differences between accounting records and tax returns.

**(p) Recognition of Revenues, Costs and Expense**

Operating costs and expense are recognized on an accrual basis.

**(q) Net Earnings Per Share**

Net earnings per share for the years 2013 and 2012 were calculated based on 575,372,223 shares outstanding.

## NOTE 3

## BALANCES IN FOREIGN CURRENCY

The following is a breakdown of the balances in foreign currency held at December 31:

	2013		2012	
	USD	USD	USD	EURO
Cash and banks	74	6	-	-
Investments	74,383	74,383	378,673	-
Financial obligations	-	(999)	-	-
Accounts payable	-	(36)	-	-
<b>Net excess asset position</b>	<b>74,457</b>	73,029	378,673	-

## NOTE 4

## CASH AND BANKS

The following is a breakdown of the Cash and Banks account at December 31:

		2013	2012
Cash and due from banks	\$	300	300
Petty cash – foreign currency		3,080	2,504
Banks:			
Domestic		365,595	246,093
Foreign		140,343	8,232
Savings accounts(1)	\$	200,835,111	260,852
		<b>201,344,429</b>	<b>517,981</b>

The balance of the savings accounts held at year-end 2013 includes liquidity used to pay off financial obligations as well as operating and investment expense, whereas the amount corresponding to year-end 2012 corresponds to short-term funds used to pay off financial obligations.

The cash and due from banks account is free from any constraint or encumbrance.

## NOTE 5

### INVESTMENTS

The following is a breakdown of investments held at December 31:

	2013	2012
Negotiable (1)	\$ 10,133,717	88,033,067
Permanent (2):		
Non-controlling	3,459,548,785	3,633,238,200
Controlling	6,523,940,633	5,491,648,693
	9,983,489,418	9,124,886,893
Provision for permanent investments	(55,937,968)	(22,341,025)
	<b>\$ 9,927,551,450</b>	<b>9,102,545,868</b>

(1) The following is a breakdown of negotiable investments held at December 31 2013 and December 31, 2012 respectively:

### 2013

COMPANY	ECONOMIC ACTIVITY	BOOK BALANCE
Serfinco S.A. Comisionista de Bolsa	Finance	\$ 89,652
Corredores Asociados S.A.	Finance	5,027
Valores Bancolombia S.A - Renta liquidez	Finance	5,126,361
Convertible bonds	Finance	4,879,033
BTG Pactual S.A. Fondo Liquidez	Finance	33,644
		<b>\$ 10,133,717</b>

## 2012

COMPANY	ECONOMIC ACTIVITY	BOOK BALANCE
Celsia S.A. E.S.P	Finance	\$ 107,879
Serfinco S.A. Comisionista de Bolsa	Finance	122,464
Valores Bancolombia S.A. Brokerage	Finance	110
Corredores Asociados S.A.	Finance	4,843
Valores Bancolombia - Renta liquidez	Finance	20,651
Bolsa y Renta S.A.	Finance	5,031
Convertible bonds	Finance	87,747,126
Ultra bursátiles S.A.	Finance	24,963
		<b>\$ 88,033,067</b>

(2) The following is a breakdown of permanent investments held at December 31 2013 and December 31, 2012:

## Non-controlling:

## 2013

COMPANY	NO. SHARES	ECONOMIC ACTIVITY	BOOK BALANCE	% STAKE	NO. SHARES PLEDGED AS COLLATERAL
Fondo Ganadero – Fogansa	176,000	Livestock	\$ 352,000	0.29	-
Enka de Colombia S.A.	1,973,612,701	Manufacturing	24,050,142	16.76	-
Grupo Nutresa S.A.	161,807,155	Finance	741,337,170	35.17	1,092,757
Grupo Argos S.A.	230,501,123	Finance	1,478,365,721	29.14	904,661
Bancolombia S.A.	227,194,912	Finance	1,211,115,855	26.67	8,770,581
Fondo Escala Capital	-	Finance	3,129,467	-	-
Patrimonio Autónomo Progresía Capital Fiducolombia S.A.	-	Finance	1,074,590	-	-
Fondo Renta Capital	-	Finance	98,266	-	-
Country Clubs	-		25,576	-	-
			<b>\$ 3,459,548,785</b>		



## 2012

COMPANY	NO. SHARES	ECONOMIC ACTIVITY	BOOK BALANCE	% STAKE	NO. SHARES PLEDGED AS COLLATERAL
Fondo Ganadero – Fogansa	176,000	Livestock	\$ 352,000	0.29	-
Enka de Colombia S.A.	1,973,612,701	Manufacturing	24,050,143	16.76	-
Protección S.A. (1)	10,256,369	Social Security	185,163,696	48.35	-
Grupo Nutresa S.A.	162,785,860	Finance	731,227,556	35.08	-
Inversiones Argos S.A.	231,089,862	Finance	1,477,675,099	29.43	-
Bancolombia S.A.	227,194,911	Finance	1,211,115,855	26.67	28,115,070
Fondo Escala Capital	-	Finance	2,635,919	-	-
Patrimonio Autónomo Progresa Capital Fiducolombia	-	Finance	886,959	-	-
Fondo Renta Capital	-	Finance	105,397	-	-
Country Clubs	-		25,576	-	-
			<b>\$ 3,633,238,200</b>		

(1) At year-end 2013, Grupo Sura made a contribution in kind to its subsidiary Sura Asset Management S.A. consisting of 8,347,153 ordinary shares held in Administradora de Fondos de Pensiones y Cesantía, Protección S.A., which were exchanged at a value of COP 75,668 each, for

221.343 ordinary shares belonging to Sura Asset Management S.A, thereby increasing the stake held in the latter from 56.25% to 59.95%. This transaction has no effect on Grupo Sura's financial statements in terms of any gain or loss that could have been incurred with said contribution.

With this share swap, the Company completed the process of transferring the stake directly held in Protección S.A. (32.85%) to its subsidiary Sura Asset Management S.A., that specializes in the Latin American pension, savings and investment sectors.

## Controlling Investments:

### 2013

	NO. SHARES	ECONOMYC ACTIVITY	BOOK BALANCE	% STAKE	PROFIT (LOSS) EQUITY METHOD
Inversiones y Construcciones Estratégicas S.A.S	1,325,696	Construction	\$ 80,030,077	100.00	8,471,836
Sura Asset Management S.A.	1,568,632	Finance	4,676,791,191	59.95	250,239,376
Suramericana S.A.	55,530	Finance	1,721,289,381	81.13	213,295,218
Enlace Operativo S.A.	1,612	Services	157,751	5.74	(51,300)
Grupo Sura Finance S.A.	10,000	Finance	48,876	100.00	(1,356,234)
Compuredes S.A.	75,337	Services	874,268	5.43	71,016
Integradora de Servicios Tercerizados S.A.S	94,500	Technology	38,664,426	94.50	(1,002,261)
Grupo de Inversiones Suramericana Panamá S.A.	74,372,893	Finance	6,084,662	100.00	(32,235,041)
			<b>\$ 6,523,940,633</b>		<b>437,432,610</b>

### 2012

	NO. SHARES	ECONOMYC ACTIVITY	BOOK BALANCE	% STAKE	PROFIT (LOSS) EQUITY METHOD
Inversiones y Construcciones Estratégicas S.A.S	1,325,696	Construction	\$ 133,069,120	100.00	3,984,794
Sura Asset Management S.A.	989,986	Finance	2,754,108,566	78.87	58,540,556
Suramericana S.A.	55,530	Finance	1,559,318,006	81.13	200,386,095
Enlace Operativo S.A.	1,612	Services	209,051	5.74	(21,788)
Grupo Sura Finance S.A.	10,000	Finance	1,918,982	100.00	(1,049,816)
Sura Asset Management España S.A.	15,194	Finance	977,569,355	15.45	67,278,250
Compuredes S.A.	75,337	Services	832,651	5.43	29,069
Integradora de Servicios Tercerizados S.A.S	94,500	Technology	39,672,135	94.50	(1,553,876)
Grupo de Inversiones Suramericana Panamá	74,372,893	Finance	24,950,827	100.00	(4,495,838)
			<b>\$ 5,491,648,693</b>		<b>323,097,446</b>

## Provision for investments

Movements in the provision for investment accounts corresponding to the years ended December 31, 2013 and December 31, 2012 are broken down as follows

		2013	2012
Opening balance	\$	22,341,026	21,303,061
Reimbursed amounts on the income accounts		5,667	(11,851)
Movements – Equity Method (1)		33,591,275	1,049,816
<b>Closing balance</b>	<b>\$</b>	<b>55,937,968</b>	<b>22,341,026</b>

(1) Corresponding to having recognized the loss sustained by the subsidiary Grupo Sura Finance and Grupo de Inversiones Suramericana Panamá, over and above the corresponding cost.

The following is a breakdown of investments posted in books using the Equity Method:

## 2013

COMPANY	ASSETS	LIABILITIES	EQUITY	PROFIT OR LOSS
Grupo SURA Finance S.A.	\$ 558,456,993	581,985,514	(23,528,521)	(1,404,659)
Inversiones y Construcciones Estratégicas S.A.S	145,786,135	65,756,058	80,030,077	8,471,836
Suramericana S.A.	2,188,942,089	67,258,418	2,121,683,671	262,910,459
Enlace Operativo S.A.	7,725,471	4,976,905	2,748,566	(893,820)
Compuredes S.A.	45,683,806	29,576,382	16,107,424	1,308,397
Sura Asset Management S.A.	8,958,375,283	1,157,699,784	7,800,675,499	417,387,925
Integradora de Servicios Tercerizados S.A.S	45,091,981	4,177,245	40,914,736	(1,060,594)
Grupo Inversiones Suramericana Panamá S.A.	608,842,626	598,594,833	10,247,793	(23,398,831)
	<b>\$ 12,558,904,384</b>	<b>2,510,025,139</b>	<b>10,048,879,245</b>	<b>663,320,713</b>
Effect on the income accounts via the equity method, in terms of net profits				437,432,610
Effect on assets				1,032,291,940
Effect on the surplus account via the equity method				502,323,216
Adjustments for exchange differences				83,794,046
Effect on the surplus account via the equity method				586,117,262

## 2012

COMPANY		ASSETS	LIABILITIES	EQUITY	PROFIT OR LOSS
Grupo SURA Finance S.A.	\$	513,695,067	533,996,619	(20,301,552)	(1,049,816)
Inversiones y Construcciones Estratégicas S.A.S		141,757,394	8,687,974	133,069,420	3,984,802
Suramericana S.A.		1,965,566,094	43,530,447	1,922,035,647	246,998,506
Enlace Operativo S.A.		8,946,964	5,304,577	3,642,387	(379,621)
Compuredes S.A.		29,544,911	14,204,232	15,340,679	535,567
Sura Asset Management S.A.		3,543,168,841	51,327,089	3,491,841,752	215,036,553
Integradora de Servicios Tercerizados S.A.S.		46,987,412	5,006,317	41,981,095	(1,644,313)
Sura Asset Management España - Consolidado		12,982,626,930	6,548,710,534	6,433,916,396	442,794,845
Grupo Inversiones Suramericana Panamá S.A.		560,757,384	516,785,003	43,972,381	(21,862,008)
	<b>\$</b>	<b>19,793,050,997</b>	<b>7,727,552,792</b>	<b>12,065,498,205</b>	<b>884,414,515</b>
Effect on the income accounts via the equity method, in terms of net profits					323,097,446
Effect on assets					(602,010,688)
Effect on the surplus account via the equity method					(20,220,010)
Adjustments for exchange differences					(114,087,194)
Effect on the surplus account via the equity method					(134,307,204)

The following is a breakdown of the equity structure of all those companies that are recorded in books using the equity method:

## 2013

COMPANY	CAPITAL	RESERVES	SURPLUS	PROFIT OR LOSS FROM PRIOR YEAR	PROFIT OR LOSS FOR CURRENT YEAR	TOTAL EQUITY
Grupo SURA Finance S.A.	\$ 19,427	-	41,717	(22,232,803)	(1,356,234)	(23,527,893)
Inversiones y Construcciones Estratégicas S.A.S	2,359,739	23,338,273	45,860,230	-	8,471,836	80,030,077
Suramericana S.A.	34,223	1,067,865,104	790,873,884	-	262,910,459	2,121,683,671
Enlace Operativo S.A.	2,810,400	13,041	10,949,360	(10,130,414)	(893,820)	2,748,566
Compuredes S.A.	1,388,000	2,254,846	11,156,181	-	1,308,397	16,107,424
Sura Asset Management S.A.	2,616,407	21,503,655	7,359,167,512	-	417,387,925	7,800,675,499
Integradora de Servicios Tercerizados S.A.S	100,000	-	43,519,643	(1,644,313)	(1,060,594)	40,914,736
Grupo Inversiones Suramericana Panamá	144,330,394	-	31,824,478	(142,508,248)	(23,398,831)	10,247,793

## 2012

COMPANY	CAPITAL	RESERVES	SURPLUS	PROFIT OR LOSS FROM PRIOR YEAR	PROFIT OR LOSS FOR CURRENT YEAR	TOTAL EQUITY
Gruposura Finance	\$ 17,683	-	-	(19,269,419)	(1,049,816)	(20,301,552)
Inversiones y Construcciones Estratégicas S.A.S	2,359,738	79,353,472	47,371,408	-	3,984,802	133,069,420
Suramericana S.A.	34,223	920,730,771	754,272,147	-	246,998,506	1,922,035,647
Enlace Operativo S.A.	2,810,400	13,041	10,949,360	(9,750,793)	(379,621)	3,642,387
Compuredes S.A.	1,388,000	2,254,845	11,162,267	-	535,567	15,340,679
Integradora de Servicios Tercerizados	100,000	-	43,525,409	-	(1,644,313)	41,981,096
Sura Asset Management S.A.	1,255,170	-	3,277,838,388	(2,288,359)	215,036,553	3,491,841,752
Sura Asset Management España - Consolidado	228,757	29,483,708	5,961,409,086	-	442,794,845	6,433,916,396
Grupo Inversiones Suramericana Panamá	131,508,363	-	43,904,727	(109,578,701)	(21,862,008)	43,972,381

## NOTE 6

### ACCOUNTS RECEIVABLE

The following is a breakdown of Accounts Receivable at December 31:

	2013	2012
Related companies	\$ 57,033	-
Advance payments	90,096	15,900
Promissory bills of sale (See Note 20)	16,155,626	169,299
Dividends receivable (1)	72,098,964	66,954,866
Interest receivable (See Note 20)	447	920,379
Deposits on share subscriptions (See Note 20)	-	35,985,378
Prepaid tax	50,023,594	9,455,836
Stock brokerage firms	6	
Swaps (3)	2,222,173	3,177
	<b>\$ 140,647,939</b>	<b>113,504,835</b>

(1) The following is a breakdown of the Dividends Receivable account at December 31:

		2013	2012
Bancolombia S.A	\$	42,826,241	40,213,499
Grupo Nutresa S.A.		16,018,908	14,526,212
Celsia S.A. E.S.P		-	450
Inversiones Argos S.A.		13,253,815	12,214,705
	\$	<b>72,098,964</b>	<b>66,954,866</b>

(2) The following is a breakdown of the Pre-paid Tax account at December 31:

		2013	2012
Income and complementary tax	\$	7,248,595	-
Industry and Commerce Tax		4,869,892	4,331,485
Withholding tax		37,895,147	5,117,349
Withheld sales tax		9,959	7,002
	\$	<b>50,023,594</b>	<b>9,455,836</b>

(3) The nominal value of swaps at December 31, 2013 is broken down as follows:

TYPE		NOMINAL VALUE	EXPIRY DATE
Rights - Swaps with Citibank	\$	6,122,682	May 2021
Obligations – Swaps with Citibank		(3,900,509)	May 2021
	\$	<b>2,222,173</b>	

## NOTE 7

### EQUIPMENT

The following is a breakdown of the Equipment account at December 31:

	2013	2012
Furniture and fixtures	\$ 481,121	16,624
Data processing equipment	96,098	61,761
Others	194,854	8,019
Cars, pick-up trucks and 4-wheel drives	1,351,873	1,144,918
Accumulated depreciation	(899,210)	(609,096)
	<b>\$ 1,224,737</b>	<b>622,227</b>

## NOTE 8

### INTANGIBLES

The following is a breakdown of the Intangibles Account at December 31:

	2013	2012
Goodwill	1,766,713	1,766,713
Non-Competition Agreements	17,695	24,769
Contractual relations with clients (1)	204,802	273,074
	<b>\$ 1,989,210</b>	<b>2,064,556</b>

(1) The following is a breakdown of Contractual Relations with Clients at December 31:

## 2013

INTANGIBLE ASSET	VALUE	ESTIMATED LIFE IN YEARS	# INSTALLMENTS PENDING AMORTIZATION	AMOUNT AMORTIZED IN 2013	BOOK VALUE
Non-Competition Agreements	24,769	5.0	30	7,078	\$ 17,695
Contractual relations with clients	273,074	5.5	36	68,268	204,802
					<b>\$ 222,497</b>

## 2012

INTANGIBLE ASSET	VALUE	ESTIMATED LIFE IN YEARS	# INSTALLMENTS PENDING AMORTIZATION	AMOUNT AMORTIZED IN 2013	BOOK VALUE
Non-Competition Agreements		5.0	42	7,078	\$ 24,769
Contractual relations with clients	341,341	5.5	48	68,268	273,074
					<b>\$ 297,843</b>

## NOTE 9

### VALUATIONS

The following is a breakdown of the Valuations account at December 31:

	2013	2012
Permanent equity investments:	\$ 10,767,234,425	12,372,807,056



The companies recording valuation gains (losses ) at December 31 were as follows:

## 2013

COMPANY		ADJUSTED COST	COMMERCIAL VALUE	GAIN	LOSS
Enka de Colombia S.A.	\$	24,050,143	15,571,804	-	(8,478,338)
Bancolombia S.A.		1,211,115,855	5,384,046,849	4,172,930,994	-
Grupo Nutresa S.A.		741,337,170	4,287,391,241	3,546,054,072	-
Grupo Argos S.A.		1,478,365,721	4,534,111,525	3,055,745,804	-
Fiduciary Rights - PA Reacol		-	981,893	981,893	-
	<b>\$</b>	<b>3,454,868,889</b>	<b>14,222,103,312</b>	<b>10,775,712,763</b>	<b>(8,478,338)</b>

## 2012

COMPANY		ADJUSTED COST	COMMERCIAL VALUE	GAIN	LOSS
Enka de Colombia S.A.	\$	24,050,143	15,236,290	-	(8,813,853)
Protección S.A.		185,163,696	378,843,297	193,679,601	-
Bancolombia S.A.		1,211,115,855	6,670,551,670	5,459,435,815	-
Grupo Nutresa S.A.		731,227,556	4,088,300,619	3,357,073,063	-
Inversiones Argos S.A.		1,477,675,099	4,848,258,402	3,370,583,303	-
Fiduciary Rights - PA Reacol		-	849,126	849,126	-
	<b>\$</b>	<b>3,629,232,349</b>	<b>16,002,039,404</b>	<b>12,381,620,908</b>	<b>(8,813,853)</b>

## NOTE 10

## FINANCIAL OBLIGATIONS

The following is a breakdown of the Financial Obligations account at December 31:

## 2013

	RATE	TERM (DAYS)	VALUE	GUARANTEE	ACCRUED INTEREST
Bancolombia S.A.	IBR +1.8 M:V	33	\$ 10,000,000	Promissory note	38,609
Banco de Bogotá S.A.	IBR +1.75	108	90,000,000	Promissory note	898,279
Banco Av Villas S.A.	DTF+1.4EA	357	17,000,000	Promissory note	20,141
Banco BBVA S.A.	4.91%EA	106	42,863,799	Promissory note	396,390
Banco Popular S.A.	DTF+1.45TA	360	68,000,000	Promissory note	50,889
Repos - Correval S.A. (*)	4.85%EA	22	8,230,685		14,984
Repos - Valores Bancolombia S.A. (*)	5.01%EA	18	33,902,986	Shares	179,001
Repos - Corredores Asociados (*)	4.92%EA	26	9,784,236		40,356
Repos - BTG Pactual S.A. antes Bolsa y Renta (*)	5.01%	63	13,214,553	Shares	48,068
			<b>\$ 292,996,259</b>		<b>1,686,717</b>

(\*) Transactions carried out with Correval S,A, Valores Bancolombia S,A, Corredores Asociados S,A,, and BTG Pactual S,A consisted of equity repos on shares and buy/sell backs on fixed-income securities

## 2012

	RATE	TERM (DAYS)	VALUE	GUARANTEE	ACCRUED INTEREST
Bancolombia S,A	DTF +1.6	122	\$ 101,370,178	Promissory note	1,116,000
Banco de Bogotá S.A.	DTF +1	150	51,000,000	Promissory note	274,563
Banco de Bogotá S.A.	DTF +1.8	204	164,200,000	Promissory note	1,083,448
Banco Av Villas S.A.	DTF +1.4	134	25,000,000	Promissory note	211,000
Banco BBVA S.A.	6.50%	150	45,000,000	Promissory note	244,000
Banco Popular S.A.	DTF +1.4	139	18,000,000	Promissory note	131,000
Repos - Valores Bancolombia(1)	6.80%	90	34,808,934	Shares	175,961
Repos - Bolsa y Renta	6.70%	90	11,247,000	Shares	36,039
			<b>\$ 450,626,112</b>		<b>3,272,011</b>

(1) Transactions conducted with Valores Bancolombia consisted of equity repos and buy/sell backs on fixed-income securities.

## NOTE 11

### OTHER FINANCIAL OBLIGATIONS

The following is a breakdown of the Other Financial Obligations account at December 31:

## 2013

COMPANY	RATE	TERM (DAYS)	GUARANTEE	BOOK VALUE
Inversiones y Construcciones Estratégicas S.A.S.	Presumptive	Checking Account	Promissory note	\$ 20,008,780

## 2012

COMPANY	RATE	TERM (DAYS)	GUARANTEE		BOOK VALUE
Inversiones y Construcciones Estratégicas S.A.	Presumptive	Checking Account	Promissory note	\$	19,477,513
Grupo de Inversiones Sura Panamá S.A. (1)	Libor + 1.5	63	Promissory note	\$	1,765,754
				<b>\$</b>	<b>21,243,267</b>

**(1) Payment in kind:**

On August 31, 2012 Grupo de Inversiones Suramericana S.A. announced that it had transacted a payment in kind with its subsidiary Grupo de Inversiones Suramericana Panama S.A., based on the following terms and conditions:

- Debtor: Grupo de Inversiones Suramericana S,A,
- Creditor: Grupo de Inversiones Suramericana Panamá S,A,
- Current value of the obligation: Principal: SD 290,227,159 Interest: USD 1,085,991,48 .
- Assets surrendered: 185.992 shares in SURA Asset Management Colombia.
- Amount paid: USD 290,314,550,73 of which USD 289,228,559,25 corresponded to capital and USD 1,085,991,48 to interest.

Since this is a transaction between companies representing the same real beneficiary, this payment in kind was carried out at cost so as not to avoid reciprocal profits.

With the aforementioned payment in kind, Grupo de Inversiones Suramericana S.A. reduced its liabilities by 33,0% and its total assets by 2,6%.

The financial impact was felt on Grupo de Inversiones Suramericana S.A. 's individual financial statements only and not on its consolidated financial statements.

## NOTE 12

### ORDINARY BONDS

On November 25, 2009, Grupo de Inversiones Suramericana S.A. issued on the local bond markets a total of COP 250,000 million in CPI indexed senior notes divided up into three tranches: (i) a 10 year tranche for a total value of COP 54,500,000 bearing an interest rate of the CPI+ 4.40%; (ii) a 20 year tranche totaling COP 98,000,000 and bearing an interest rate of the CPI + 5.90%; and (iii) a 40 year tranche in the amount of COP 97,500,000 carrying an interest rate of the CPI + 6.98%.

## NOTE 13

### ACCOUNTS PAYABLE

The following is a breakdown of the Accounts Payable account at December 31:

	2013	2012
Suppliers	\$ 1,049,884	596,103
Costs and expense (1)	4,139,996	5,538,457
Dividends (2)	92,816,179	89,013,357
Withholding tax	331,272	163,893
Withheld sales tax	28,112	124,165
Withheld ICA tax in Bogotá	2,076	10,332
Withholdings and payroll contributions	400,318	170,509
Miscellaneous payables (3)	4,033,552	5,440,207
	<b>\$ 102,801,389</b>	<b>101,057,023</b>

(1) The following is a breakdown of Costs and Expense at December 31:

		2013	2012
Banco de Bogotá S.A.	\$	898,279	1,358,011
Bancolombia S.A.		38,609	1,116,250
Depósito Centralizado de Valores S.A.		-	2,201,811
Repos - Valores Bancolombia S.A.		179,001	175,522
Grupo de Inversiones Sura Panamá S.A.		-	63,782
Banco BBVA S.A.		396,390	244,488
Bolsa y Renta S.A.		-	36,039
Banco Popular S.A.		50,889	131,189
Banco Av Villas S.A.		20,141	211,365
Repos - Correval S,A,		14,984	-
Repos - Corredores Asociados S,A,		40,356	-
Repos - BTG Pactual S,A, formerly Bolsa y Renta S,A,		48,068	-
Obligation 04 -10-Year Bonds		332,196	-
Obligation 05 -20-Year Bonds		737,505	-
Obligation 06 - 30-Year Bonds		832,786	-
Inversiones y Construcciones Estratégicas S,A,S,		550,792	-
	\$	<b>4,139,996</b>	<b>5,538,457</b>

(2) The balance of the dividends payable account consists of COP 40,977,885 in dividends due on ordinary shares and another COP 51,838,294 due on preferred shares.

(3) The following is a breakdown of the Miscellaneous Payables account at December 31:

		2013	2012
Servicios Generales Suramericana S.A.	\$	14,983	41,487
Seguros Generales Suramericana S.A.		3,827	-
Suramericana de Seguros de Vida S.A.		7,412	7,694
Sustainability Program		2,178,015	2,219,105
Citibank – swap right (a)		(8,237,198)	(7,559,183)
Citibank – swap obligation USD 4,275		9,178,867	9,178,866
JP Morgan – swap right (b)		(8,237,198)	(7,559,183)
JP Morgan – swap obligation USD 4,275		9,111,375	9,111,375
Other minor payables		13,469	46
	\$	<b>4,033,552</b>	<b>5,440,207</b>

- a) A Non-Deliverable Swap was taken out with Citibank according to the following terms and conditions: swaption right to USD\$ 150.000, at fixed rate of interest of 5.70% with the principal of the obligation totaling \$267,000,000, at 6.8% payable on a half-yearly in arrears basis, maturing in May 2021.
- b) A Non-Deliverable Swap was taken out with JP Morgan according to the following terms and conditions: swaption right to USD\$ 150.000, at fixed rate of interest of 5.70% with the principal of the obligation totaling \$267,000,000, at 6.75% payable on a half-yearly in arrears basis, maturing in May 2021.

## NOTE 14

### LABOR LIABILITIES

The following is a breakdown of the Company's labor liabilities at December 31:

		2013	2012
Consolidated severance payments	\$	82,892	75,016
Interest on severance payments		9,663	8,659
Consolidated vacation payments		196,228	154,165
Accrued salaries and wages		-	3,115
Extralegal bonuses		168,727	149,617
	\$	<b>457,510</b>	<b>390,572</b>

## NOTE 15

### OTHER LIABILITIES

The following is a breakdown of the Other Liabilities Account at December 31:

		2013	2012
Grupo Nutresa S.A.	\$	16,018,908	14,526,212
Inversiones Argos S.A.		13,253,814	12,214,704
Celsia S.A. - E.S.P.		-	450
Deferred tax		165,060	165,060
	\$	<b>29,437,782</b>	<b>26,906,426</b>

(1) Corresponding to pending dividend payments to be collected in January, February and March of 2014 as well those due and payable from 2013.

## NOTE 16

### ESTIMATED LIABILITIES AND PROVISIONS

The following is a breakdown of the Estimated Liabilities and Provisions account at December 31:

		2013	2012
Income tax	\$	57,987,095	26,606,931
Industry and Commerce tax		6,843,161	7,060,002
Labor liabilities		-	27,271
For contingencies		100,000	100,000
	\$	<b>64,930,256</b>	<b>33,794,204</b>

The following is a breakdown of the Income Tax balance at December 31:

		2013	2012
Balance of estimated tax liabilities	\$	26,606,931	13,148,587
Tax return		(19,241,236)	(12,634,000)
Reversed provision for prior years		-	(514,587)
Value posted in books		50,621,400	26,606,931
<b>Balance of the income tax provision</b>	\$	<b>57,987,095</b>	<b>26,606,931</b>

The following is a breakdown of the Industry and Commerce Tax balance at December 31:

		2013	2012
Balance of Provision	\$	7,060,002	3,470,778
Plus expense incurred during the year		5,405,465	7,057,752
Prepayment		(752,414)	-
Tax return		(4,869,892)	(3,468,528)
<b>Balance of provision for Industry and Commerce Tax</b>	\$	<b>6,843,161</b>	<b>7,060,002</b>



## NOTE 17

### SUBSCRIBED AND PAID-IN CAPITAL

The Company's authorized capital consists of 600,000,000 shares each with a nominal value of 187.50 Colombian pesos. Its subscribed and paid-capital at December 31, 2013 and December 31, 2012 consisted of 575,372,223 shares.

## NOTE 18

### STATUTORY RESERVE

According to that provided by law, the Company must set up a statutory reserve, appropriating 10% of each year's net profits until 50% of the value of the Company's subscribed capital is reached. This reserve may be reduced to less than 50% of the total value of its subscribed capital, providing it is used to wipe out losses that exceed the amount of undistributed profits. This reserve may not be used to either pay dividends or cover expense or losses incurred during the entire time the Company remains in possession of undistributed profits.

Should the Company's Shareholders so decide at their Annual General Meeting, this reserve may be increased beyond fifty per cent (50%) of the Company's subscribed capital, in which case this may be used for any purpose that the Company's shareholders should so determine.

## NOTE 19

### OCCASIONAL RESERVES

The following is a breakdown of the Occasional Reserves at December 31:

		2013	2012
Decree No. 2336 of 1995 (unrealized gains on increased value of investments)	\$	332,247,870	332,335,944
For the protection of investments		3,185,027,266	2,905,519,908
	<b>\$</b>	<b>3,517,275,136</b>	<b>3,237,855,852</b>

## NOTE 20

## MEMORANDUM ACCOUNTS

The following is a breakdown of the Memorandum Accounts at December 31:

	2013	2012
Debit accounts:		
Tax receivable	\$ 2,302,368,427	1,460,290,751
Securities pledged as collateral	832,643,510	1,435,361,220
Adjustments for inflation on assets	250,749,388	264,662,654
Written-off assets	577,613	577,613
	3,386,338,938	3,160,892,239
Credit accounts		
Adjustments for inflation on equity	1,100,394,018	1,100,394,018
Tax payable	13,053,701,198	16,452,208,194
	\$ <b>14,154,095,216</b>	<b>17,552,602,213</b>

## NOTE 21

## RELATED PARTIES

## a) Related companies:

Seguros Generales Suramericana S.A.  
 Seguros de Vida Suramericana S.A.  
 Inversiones y Construcciones Estratégicas S.A.S.  
 Operaciones Generales Suramericana S.A.  
 EPS y Medicina Prepagada Suramericana S.A.  
 Consultoría en Gestión de Riesgos Suramericana S.A.S.  
 Servicios de Salud IPS Suramericana S.A.  
 Seguros de Riesgos Laborales Suramericana S.A.  
 Diagnóstico y Asistencia Médica S.A.  
 Grupo SURA Finance S.A.  
 Dinámica IPS Zona Franca S.A.S.  
 Sura Asset Management España S.L.  
 Enlace Operativo S.A.  
 Grupo de Inversiones Suramericana Panamá S.A.  
 Inversura Internacional Panamá S.A.  
 Compuredes S.A.  
 Seguros Suramericana S.A. (Panamá)

Suramericana S.A.  
Integradora de Servicios Tercerizados S.A.S.  
Servicios Generales Suramericana S.A.S.  
Grupo SURA Finance S.A.  
Habitat Adulto Mayor S.A.  
Planeco Panamá S.A.  
Sura Asset Management S.A.

**b) Members of the Board of Directors**

José Alberto Vélez Cadavid  
Carlos Enrique Piedrahíta Arocha  
Juan Guillermo Londoño Posada  
Jorge Mario Velásquez Jaramillo  
Hernando Yepes Arcila  
Armando Montenegro Trujillo  
Hernando José Gómez Restrepo  
Shareholders who are real beneficiaries of 10% or more of the total amount of shares outstanding.

**c) Legal Representatives:**

David Bojanini García  
Ignacio Calle Cuartas  
Mario López López  
Fernando Ojalvo Prieto

The following is a breakdown of the balances held and transactions performed with related parties at December 31:

	INTEREST RATE	TERM	GUARANTEE	2013	2012
<b>Assets</b>					
<b>Commercial checking account:</b>					
Sura Asset Management S,A,	7.5%	6 months	Promissory note	\$ 57,033	169,299
<b>Promissory bills of sale:(*)</b>					
Seguros de Vida S,A,	NA	NA	Promissory agreement	\$ 16,155,626	-
<b>Interest:</b>					
Inversiones y Construcciones Estratégicas SAS				-	385,975
Sura Asset Management S,A,				447	534,404
<b>Deposits for future capitalizations:</b>					
Sura Asset Management S,A,	NA	NA	NA	-	35,985,378
				16,213,106	37,075,055
<b>Liabilities</b>					
<b>Other financial obligations:</b>					
Grupo de Inv, Suramericana Panamá S.A.	2.61%	14 months	Promissory note	-	1,765,754
Inversiones y Construcciones Estratégicas S.A.S.	Presumptive	Cta. cte.	Promissory note	20,008,780	19,477,513
<b>Interest:</b>					
Grupo de Inv, Suramericana Panamá S.A.				-	63,782
Inversiones y Construcciones Estratégicas S.A.S.	Presumptive	Cta. cte.	Promissory note	550,792	-
<b>Miscellaneous creditors:</b>					
Servicios Generales Suramericana S.A.	Payroll deductions	1 month	NA	14,983	41,487
Seguros de Vida Suramericana S.A.				7,412	7,694
Seguros Generales Suramericana S.A.				3,827	-
				20,585,794	21,356,230

	2013	2012
<b>Operating Revenue:</b>		
<b>Interest:</b>		
Sura Asset Management S.A.	\$ 12,609	109,388
Grupo de Inversiones Suramericana Panama S.A.	18,152	-
Sura Asset Management España S.A.	-	1,566,989
Inversiones y Construcciones Estratégicas S.A.S.	-	109,254
	\$ 30,761	1,785,631
<b>Operating Expense</b>		
Inversiones y Construcciones Estratégicas S.A.S.	936,767	449,036
Grupo de Inversiones Sura Panamá	38,088	12,961,545
Servicios de Salud IPS	2,129	1,431
Suramericana S.A.	-	66,319
Servicios Generales S.A.	64,915	5,460
Enlace Operativo S.A.	-	-
Seguros de Vida Suramericana S.A.	48,926	49,507
Seguros Generales Suramericana S.A.		116,695
Seguros Generales Suramericana S.A.- Fees	1,808,588	1,113,600
	2,935,720	114,763,593

Transactions with related parties were carried out on an “arms-length” basis, that is to say, based on normal market terms and conditions. A breakdown of the fees paid to members of the Board of Directors is attached to the Balance Sheet, pursuant to Article 446 of the Code of Commerce.

At December 31, 2013 and December 31, 2012, the Company had not posted any transactions with legal representatives, senior management and shareholders who are real beneficiaries of 10% or more of the total amount of shares outstanding.

(\*) Corresponding to a bill of sale between Seguros de Vida Suramericana S.A, and Grupo de Inversiones Suramericana S,A regarding the purchase of the 8th and 9th floors of the Grupo Sura Tower building.

## NOTE 22

## DERIVATIVES

Expense recorded for 2012 corresponded to payments made on exercising European options with underlying securities consisting of Bancolombia ADRs, as shown below:

## 2012

TYPE OF OPERATION	COUNTERPARTY	DATE	SETTLEMENT PRICE (USD)	STRIKE PRICE (USD)	NO. OF OPTIONS	PAYMENT (IN USD 000S)	PAYMENT (IN COP 000S)
Call options sold	JP Morgan	January	59.26	42.23	158,986	2,707,81	5,020,744
Call options sold	JP Morgan	July	62.32	43.00	160,280	3,095,09	5,503,930
							<b>10,524,674</b>

## NOTE 23

### INCOME TAX

The following is the reconciliation between profits before income tax and Income Tax for Equality and estimated fiscal losses for the years ending December 31:

	2013		2012
	INCOME TAX	INCOME TAX FOR EQUALITY	INCOME TAX
Profits before income tax	\$ 832,415,305	832,415,305	572,706,436
Plus items that increase taxable earnings:	272,685,722	272,685,722	182,755,253
Non-deductible provisions consisting of temporary differences	5,405,465	5,405,465	7,057,753
Profits on sales of taxable investments	-	-	123,165,141
Other tax revenues	55,338,442	55,338,442	-
Non-deductible vehicle tax	18,166	18,166	19,300
Dividends on permanent controlling investments	175,603,220	175,603,220	42,792,931
Financial transaction tax	607,288	607,288	715,372
Other non-deductible tax	874,538	874,538	1,847,879
Losses incurred through equity method	34,644,836	34,644,836	7,121,318
Provision for investments	5,667	5,667	-
Miscellaneous expense	188,100	188,100	35,558
Less items that reduce taxable profits:	(957,276,882)	(953,276,882)	(808,674,740)
Industry and commerce tax payment	(6,160,713)	(6,160,713)	(5,498,989)
Profits from sales of investments	(99,439,092)	(99,439,092)	(74,559,899)
Profits – equity method	(472,077,446)	(472,077,446)	(330,218,764)
Donations	(4,000,000)	-	-
Reversed provision for investment tax	-	-	(11,851)
Reversed provision for income tax	-	-	(514,587)
Non-taxable dividends and participations	(375,599,631)	(375,599,631)	(283,774,661)
Adjustments for exchange differences on investments	-	-	(114,087,194)
Income from equity gains	-	-	(8,795)
<b>Total tax losses</b>	<b>\$ (147,824,145)</b>	<b>(151,824,145)</b>	<b>(53,213,052)</b>

	2013	2012
Income Tax:		
Presumptive income applicable on net equity	\$ 147,824,145	79,414,941
Provision for income tax at a nominal rate of 25% for 2013 and 33% for 2012.	36,956,036	26,606,931
Occasional Gains Tax:	1,191	-
Income Tax for Equality		
Taxable net income	151,824,145	-
Nominal tax rate: 9% for 2013	13,664,173	-
<b>Total provision for income and occasional gains tax as well as Income Tax for Equality</b>	<b>\$ 50,621,400</b>	<b>26,606,931</b>

The Company does not have any tax returns that remain subject to review on the part of the respective tax authorities.

The following is a breakdown of the tax memorandum accounts:

(a) Book equity at December 31 differs from taxable equity due to the following items :

	2013	2012
Book equity	\$ 20,287,518,248	20,791,859,933
Plus items that increase equity for tax purposes:		
Non-deductible provision that constitutes a temporary difference	6,843,161	7,060,002
Prepaid dividend income	72,098,964	26,741,367
Non-deductible provisions that constitute permanent differences	55,937,968	22,341,026
Income tax provision	7,365,695	-
Tax cost of equity investments	8,721,401,585	8,850,602,167
Book cost of equity investments	(9,979,161,520)	(9,121,340,922)
Valuations	(10,767,234,425)	(12,372,807,057)
Less non-callable dividends	(72,098,964)	(26,741,367)
<b>Taxable equity</b>	<b>\$ 8,332,670,712</b>	<b>8,177,715,149</b>



(b) The following is a breakdown of tax losses and surplus presumptive income adjusted for inflation at December 31:

			2013	2012
Tax losses				
Sustained in	2004	\$	-	44,744,853
	2006		24,282,981	30,374,922
	2008		447,615	4,869,475
	2009		313,981	5,612,110
	2010		63,262,746	59,933,912
	2011		502,919,584	493,847,017
<b>Total</b>			<b>591,226,584</b>	<b>639,382,288</b>
Surplus Presumptive				
Income:	2007	\$	-	13,357,073
	2008		11,908,376	44,648,807
	2009		17,877,002	16,936,329
	2010		24,705,521	23,405,536
	2011		43,839,328	43,048,476
	2012		52,457,729	-
<b>Total</b>			<b>150,787,956</b>	<b>141,396,221</b>

These losses, readjusted for tax purposes, may be offset with ordinary net income as follows: those produced between 2004 and 2006, within the following 8 years of having occurred, without exceeding 25% of their corresponding value per year, those occurring after 2007 do not carry any time restrictions as to their subsequent offsetting.

Surplus presumptive income versus ordinary income may be readjusted for tax purposes and offset using the ordinary income obtained within five years of having occurred.

100% of the total amounts paid in the form of Industry and Commerce, signage and billboard and land taxes may be deducted; whereas in the case of financial transaction tax a 50% deduction is permitted.

Presumptive income is calculated based on 3% of net equity for the immediately preceding year.

Law 1607 passed on December 26, 2013 introduced the following changes, amongst others, taking effect as of the tax year of 2013.

The income tax rate was reduced from 33% to 25% while at the same time a new Income Tax for Equality was created at a rate of 9% applicable from 2013 to 2015 and 8% from 2016 onwards; the purging performed on the corresponding tax basis in order to calculate the latter tax contains certain differences with that used to calculate income tax which is calculated based on ordinary income.

All those obliged to pay Income Tax for Equality no longer have to pay contributions to the SENA (Colombian Apprentice Institute) or the ICBF (the Colombian Family Welfare Institute) in the case of all those employees earning less than ten minimum monthly wages. This exemption shall be extended to healthcare contributions as of January 1, 2014.

### **Wealth Tax**

Law 1370 passed December 30, 2009 stipulated a wealth tax for the tax year of 2011 at a rate of 2,4% for all those taxpayers with net equities of more than COP 3.000 million and less than COP 5.000 million, and at a rate of 4,8% for all those taxpayers with net equities equal to or higher than COP 5.000 million. This tax accrued on the amount of equity held at January 1, 2011 and its payment consisted of eight equal installments scheduled between 2011 and 2014. Decree No. 4825 issued on December 29 2010 effectively extended the tax base for this tax and consequently all those taxpayers with equities of between COP 1.000 million and up to COP 2.000 million must pay wealth tax at a rate of 1% and all those taxpayers with equities of between COP 2.000 million and COP 3.000 million shall pay wealth tax at a rate of 1,4%. Furthermore a surtax of 25% was levied on all those taxpayers' equities of COP 3.000 million or more.

The Company posted and paid a total of COP 2.150.170 in wealth tax for 2012, which was charged to the equity revaluation account according to the interpretations given the respective regulatory authorities.

Wealth tax for the years 2013 and 2014, comes to COP 4,300,339.

## **NOTE 24**

### **CONTINGENCIES**

We are involved in a lawsuit brought by Mr. Jhonny Alejandro Betancur, seeking compensation for alleged damages for not having been opportunely registered as a shareholder. A ruling in the first instance was given in October 2013 in the Company's favor, which the plaintiff then proceeded to appeal. It is unlikely that this legal proceeding shall have any adverse effect on the operations or financial position of Grupo de Inversiones Suramericana S.A.

## NOTE 25

### SUBSEQUENT EVENTS

In January 2014, a total of 318,328 shares in Sura Asset Management S,A, were pledged to General Atlantic and International Finance Corporation, who are minority shareholders in said Company.

The Group 's Board of Directors at a meeting held on January 30, 2014 authorized a series of securities to be issued and placed on the local market up to a total value of COP 1,3 billion. Said securities may take the form of Ordinary Bonds, Ordinary Subordinated Notes and/or Commercial Paper.

In February 2014, Grupo SURA formalized its intention to subscribe to all those preferred, non-voting shares issued by Bancolombia, which as the market is well aware, have been structured based on the book building system, with the corresponding subscription price to be determined by the Bank 's Board of Directors. Consequently the bid placed by Grupo Sura for subscribing to these shares does not contain any specific price. On the contrary, it has been expressly determined that these shares be awarded at a subscription price. Also, and as recorded in minutes of a meeting held by Grupo Sura 's Executive Committee on February 11, 2014, in keeping with the corporate governance standards upheld by the Company, Mr. David Bojanini G., Grupo Sura 's Chief Executive Officer who is also Chairman of Bancolombia 's Board of Directors, has disqualified himself from participating in discussions relating to said subscription price.

## NOTE 26

### PRESENTATION

Certain figures in the financial statements corresponding to 2012 were reclassified to facilitate a basis for comparison with those of 2013.

## COMPARATIVE ANALYSIS OF RATIOS

31 DE DICIEMBRE DE 2013 Y 2012 (Expresados en miles de pesos)

RATIOS		2013	2012	ANALYSIS	
LIQUIDITY	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{352,126,085}{512,782,145} = 0.69$	$\frac{202,055,883}{638,317,943} = 0.32$	For every (\$1.00) that the Company owes in the short term, the company has \$0.69 in 2013, and \$0.32 in 2012, to back up this obligation.	
	Acid test for accounts receivable	$\frac{\text{Current assets less accounts receivable}}{\text{Current liabilities}} = \frac{211,478,146}{512,782,145} = 0.41$	$\frac{88,551,048}{638,317,943} = 0.14$	For every peso (\$1.00) that the company owes in the short term, the company has \$0.41 in 2013 and \$0.14 2012, in easy-to-sell current assets, without having to collect accounts receivable	
	Working capital	$\text{Current assets less accounts receivable} = (160,656,060)$	$(436,262,060)$	95.9	
	Soundness	$\frac{\text{Pasivo total}}{\text{Activo total}} = \frac{762,782,145}{21,050,300,393} = 3.62\%$	$\frac{888,317,943}{21,680,177,876} = 4.10\%$		Creditors own 3.62% in 2013, and 4.10% in 2012, which leaves the shareholders as owners of the difference: 96.38% in 2013 and 95.90% in 2012.

# COMPARATIVE ANALYSIS OF RATIOS

31 DE DICIEMBRE DE 2013 Y 2012 (Expresados en miles de pesos)

RATIOS		2013	2012	ANALYSIS
ENDEUDAMIENTO	Total indebtedness = $\frac{\text{Total liabilities}}{\text{Total assets}}$	$\frac{762,782,145}{21,050,300,393} = 3.62\%$	$\frac{888,317,943}{21,680,177,876} = 4.10\%$	Out of each peso that the company has invested in assets, 3.62% have been financed by creditors for 2013 and 4.10% for 2012.
	Short term indebtedness = $\frac{\text{Current liabilities}}{\text{Total liabilities}}$	$\frac{512,782,145}{762,782,145} = 67.23\%$	$\frac{638,317,943}{888,317,943} = 71.86\%$	Out of the total of the company's obligations 67.23% mature in 2013 and 71.86% in 2012.
	Cobertura de intereses = $\frac{\text{Operating profits}}{\text{Financial expenses}}$	$\frac{878,524,663}{36,602,169} = 2400.20\%$	$\frac{545,917,040}{70,291,428} = 776.65\%$	The company produced operating results for 2,400.20% of the interest paid in 2013 and 776.65% in 2012.
	<b>Interest coverage</b>			
	<b>Total</b>	$\frac{\text{Total third party liabilities}}{\text{Shareholders' Equity}} = \frac{762,782,145}{20,287,518,248} = 3.76\%$	$\frac{888,317,943}{20,791,859,933} = 4.27\%$	3.76% of each peso (\$1.00) of the company owners is committed in 2013, and 4.27% in 2012.
	<b>Short term</b>	$\frac{\text{Current liabilities}}{\text{Shareholders' Equity}} = \frac{512,782,145}{20,287,518,248} = 2.53\%$	$\frac{638,317,943}{20,791,859,933} = 3.07\%$	2.53% out of each peso (\$1.00) of the company owners is committed in the short term for 2013 and 3.07% for 2012.
<b>Total financial</b>	$\frac{\text{Total liabilities with financial institutions}}{\text{Shareholders' Equity}} = \frac{292,996,259}{20,287,518,248} = 1.44\%$	$\frac{450,626,112}{20,791,859,933} = 2.17\%$	For each peso in equity, there is a financial commitment of 1.44% in 2013 and 2.17% for 2012.	

RATIOS		2013	2012	ANALYSIS
ACTIVITY	$\frac{\text{Operating revenues}}{\text{Gross operating assets (Investments + accounts receivable + deferrals)}}$	$\frac{924,510,865}{10,078,333,106} = 0.09$	$\frac{668,364,135}{9,304,083,770} = 0.07$	Operating assets turned over 0.09 times in 2013 and 0.07 times in 2012.
	$\frac{\text{Operating revenues}}{\text{Total assets}}$	$\frac{924,510,865}{21,050,300,393} = 0.04$	$\frac{668,364,135}{21,680,177,876} = 0.03$	Total assets turned over 0.04 times in 2013 and 0.03 times in 2012.

## COMPARATIVE ANALYSIS OF RATIOS

31 DE DICIEMBRE DE 2013 Y 2012 (Expresados en miles de pesos)

RATIOS		2013		2012		ANALYSIS
YIELD	(Operating) Income margin	$= \frac{\text{Operating profits}}{\text{Ingresos netos}} = \frac{878,524,663}{924,510,865} = 95.03\%$		$= \frac{545,917,040}{668,364,135} = 81.68\%$		Operating income represent 95.03% of operating revenues in 2013 and 81.68% in 2012.
	Net income margin	$= \frac{\text{Net income}}{\text{Operating revenues}} = \frac{781,793,905}{924,510,865} = 84.56\%$		$= \frac{546,099,505}{668,364,135} = 81.71\%$		Net income represent 84.56% of operating revenues in 2013 and 81.71% in 2012.
	Shareholders' equity yield	$= \frac{\text{Net income}}{\text{Shareholders' equity less net income}} = \frac{781,793,905}{19,505,724,343} = 4.01\%$		$= \frac{546,099,505}{20,245,760,428} = 2.70\%$		Net income represent 4.01% of shareholders' equity in 2013 and 2.70% in 2012.
	Total assets yield	$= \frac{\text{Net income}}{\text{Total assets}} = \frac{781,793,905}{21,050,300,393} = 3.71\%$		$= \frac{546,099,505}{21,680,177,876} = 2.52\%$		Net income, compared to total assets, represent 3.71% in 2013 and 2.52% in 2012.
SISTEMA DUPONT	2013	$\frac{\text{Net income}}{\text{Total assets}} = \frac{781,793,905}{21,050,300,393} = 3.71\%$		$\frac{781,793,905}{924,510,865} \times \frac{924,510,865}{21,050,300,393} = 3.71\%$		
		Profitability of the total assets = 0.037		0.846	X 0.044	3.71%
	2012	$\frac{\text{Net income}}{\text{Total assets}} = \frac{546,099,505}{21,680,177,876} = 2.52\%$		$\frac{546,099,505}{668,364,135} \times \frac{668,364,135}{21,680,177,876} = 2.52\%$		
		Profitability of the Total assets = 0.025		0.817	X 0.031	2.52%







STATUTORY AUDITORS REPORT  
To the Shareholders of

GRUPO DE INVERSIONES SURAMERICANA S.A.

I have audited the consolidated financial statements of Grupo de Inversiones Suramericana S.A. and its subsidiaries, (hereinafter "the Group" ) at December 31, 2013 and December 31, 2012, these consisting of the Consolidated Statements of Income, Changes in Shareholders Equity, Changes to the Company's Financial Position and Statement of Cash Flows for the fiscal years ending on the aforementioned dates together with their respective notes, these including a summary of the main accounting policies as well as other explanatory notes.

Company Management is responsible for the proper preparation and presentation of these consolidated financial statements according to generally-accepted accounting principles in Colombia. This includes: designing, implementing and maintaining the corresponding internal controls required for preparing and presenting the consolidated financial statements, to ensure that these are free of any material misstatements due to fraud or error; selecting and applying the appropriate accounting policies as well as providing accounting estimates that are reasonable given the circumstances.

My responsibility is to express an opinion on these consolidated financial statements based on my audit work. I obtained all the information necessary in order to comply with my functions and carried out my work in accordance with generally accepted auditing principles in Colombia. These principles require that I adhere to all ethical requirements and plan and perform my audit work in order to obtain reasonable assurance that the consolidated financial statements do not contain any material misstatements. An audit includes carrying out procedures in order to obtain evidence of the values and disclosures included in the consolidated financial statements. The procedures thus selected depend on the judgment of the statutory auditor, including an examination of the risk of material errors in the consolidated financial statements. Upon auditing this risk, the statutory auditor considers the corresponding internal controls implemented by the Company for preparing and presenting its consolidated financial statements so as to design audit procedures that are appropriate under the circumstances. An audit also includes examining the use of appropriate accounting policies and the reasonableness of the accounting estimates made by Company Management; it also entails evaluating the presentation of the consolidated financial statements as a whole. I believe that the evidence obtained from the audits I performed provides a reasonable basis for issuing the opinion which I express below.

In my opinion the aforementioned consolidated financial statements that are duly attached to this report, reasonably reflect in all material aspects the Group's consolidated financial position for the years ended December 31, 2013 and December 31, 2012, along with the consolidated results of its operations, consolidated changes to its financial position and cash flows for said years, in accordance with generally-accepted accounting principles in Colombia, which were uniformly applied.

Original signed by:  
Gonzalo Alonso Ochoa Ruiz  
Statutory Auditor  
Grupo de Inversiones Suramericana S.A.  
Lic. No. 43668 - T  
Member of KPMG Ltda.

# CONSOLIDATED BALANCE SHEET

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in COP millions)

		2013	2012
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and banks (Note 3)	\$	1,114,872	533,999
Temporary investments (Notes 4 and 10)		2,135,431	3,368,843
Trade receivables (Note 5)		1,755,915	1,692,563
Account receivables, net (Note 6)		918,524	385,966
Inventories		26,201	25,708
Realizable assets and assets received as payment		746	1,680
Prepaid expense and deferred charges (Note 7)		60,123	253,726
<b>Total current assets</b>		<b>6,011,812</b>	<b>6,262,485</b>
<b>Long-term assets:</b>			
Permanent investments (Notes 4 and 10)		15,288,541	12,135,924
Accounts receivable (Note 6)		5,756	74,165
Property, plant and equipment, net (Notes 8 and 10)		848,782	690,197
Intangibles (Note 9)		6,195,944	5,447,639
Deferred charges (Note 7)		481,712	155,567
Other assets		140,018	92,247
Valuations (Note 10)		10,956,494	12,521,171
<b>Total long-term assets:</b>		<b>33,917,247</b>	<b>31,116,910</b>
<b>Total assets</b>		<b>39,929,059</b>	<b>37,379,395</b>
<b>Liabilities, minority interest and shareholders' equity</b>			
<b>Current liabilities:</b>			
Financial obligations (Note 11)		688,971	564,232
Trade payables (Note 12)		523,757	269,611
Suppliers		99,718	314,795
Accounts payable (Note 13)		426,362	357,842
Taxes, levies and rates (Note 14)		1,055,527	947,377
Labor liabilities		104,277	127,654
Current portion - retirement pensions (Note 15)		1,596	1,700
Technical insurance reserves (Note 16)		10,810,008	9,473,477
Estimated liabilities and provisions (Note 17)		760,622	224,894
Deferred income		88,094	73,826
Other liabilities		30,382	71,886
<b>Total current liabilities</b>		<b>14,589,314</b>	<b>12,427,294</b>
Financial obligations (Note 11)		1,203,913	462,847
Bonds and commercial paper (Note 18)		828,049	780,469
Retirement pensions (Note 15)		14,131	14,278
<b>Total liabilities</b>		<b>16,635,407</b>	<b>13,684,888</b>
Minority interest		3,086,575	2,837,955
<b>Total liabilities and minority interest</b>		<b>19,721,982</b>	<b>16,522,843</b>
<b>Shareholders' Equity:</b>			
Subscribed and paid-in capital (Note 19)		107,882	107,882
Capital surplus (Note 20)		3,769,548	3,053,542
Reserves (Note 21)		3,704,969	3,582,450
Revaluation of Shareholders' Equity (Note 22)		876,669	983,950
Translation differences		(1,915)	48,942
Losses from prior periods		41,557	(132,693)
Income for the period		782,666	691,288
Valuation surpluses		10,925,701	12,521,191
<b>Shareholder' equity, net</b>		<b>20,207,077</b>	<b>20,856,552</b>
<b>Total liabilities, minority interest and shareholders' equity</b>	<b>\$</b>	<b>39,929,059</b>	<b>37,379,395</b>
Memorandum Accounts (Note 23)		-	-
Debtor	\$	54,759,910	22,902,096
Creditor		631,541,102	919,449,875

Please refer to the notes accompanying these consolidated financial statements.

# CONSOLIDATED STATEMENT OF INCOME

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in COP millions)

	2013	2012
<b>Insurance</b>		
Issued premiums	\$ 5,253,750	4,065,985
Assigned premiums	(745,907)	(693,865)
Retained premiums	4,507,843	3,372,120
Technical and mathematical reserves	(961,769)	(455,462)
Earned premiums	3,546,074	2,916,658
Claims for the Company's account	(2,582,067)	(1,965,739)
Other revenues and/or expense, net	(10,516)	(24,229)
Administrative expense	(660,068)	(570,598)
Personnel expense	(309,306)	(258,044)
Commission expense	(423,708)	(367,964)
Interest	258,519	153,680
Investment properties	89,884	38,529
Market-based valuations, net	330,190	293,129
Other financial returns	44,793	32,937
<b>Total - insurance segment</b>	<b>283,796</b>	<b>248,358</b>
<b>Occupational risk</b>		
Earned premiums	658,334	577,029
Claims for the Company's account	(364,311)	(339,113)
Other revenues and/or expense, net	(84,818)	(72,120)
Administrative expense	(51,908)	(47,835)
Personnel expense	(55,429)	(52,863)
Commission expense	(33,607)	(28,448)
Market-based valuations, net	61,222	81,564
Other financial returns	9,678	8,325
<b>Total - occupation risk segment</b>	<b>139,161</b>	<b>126,539</b>
<b>Health care services</b>		
Total premiums	1,516,058	1,326,375
Total claims	(1,350,241)	(1,175,988)
Operating revenues	(18,126)	(18,416)
Financial returns	15,440	10,603
<b>Total - health care segment</b>	<b>163,131</b>	<b>142,574</b>
<b>Pension Funds</b>		
Investment margin	71,841	89,960
Commission income	1,288,372	1,039,986
Selling expense	(62,214)	(75,157)
Amortized Deferred Acquisition Costs (DAC)	(33,901)	50,515
Financial returns	36,612	3,079
<b>Total - pension fund segment</b>	<b>1,300,710</b>	<b>1,108,382</b>
<b>Business Process Outsourcing (BPO)</b>		
BPO -IR , Back Office income	100,485	87,073
BPO -IR , Back Office expense	(123,929)	(104,048)
Selling expense	(13,074)	(7,765)
Commissions	30,413	20,398
Other financial returns	112	208
<b>Total - Business Process Outsourcing (BPO)</b>	<b>(5,992)</b>	<b>(4,133)</b>
<b>Investments</b>		
Dividends and equity interests	426,246	289,067
Interest	42,220	46,507
Commissions	62,603	41,715
Earnings from sale of investments and other assets	111,612	100,109
Other financial returns	16,557	(3,729)
<b>Total - investment segment</b>	<b>659,239</b>	<b>473,669</b>
<b>Total technical result</b>	<b>2,540,045</b>	<b>2,095,389</b>

# CONSOLIDATED STATEMENT OF INCOME

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in COP millions)

	2013	2012
<b>Operating expense</b>		
Interest, monetary correction, amortized discounts	(77,282)	(145,381)
Taxes	(58,556)	(32,528)
Exchange	74,818	108,615
Fees	(65,869)	(87,824)
Personnel Expense	(437,804)	(370,927)
Leases	(32,403)	(21,065)
Maintenance and repairs	(26,003)	(21,315)
Temporary services, public and others	(23,674)	(20,476)
Advertising and publicity	(32,019)	(30,945)
Other commissions	(68,124)	(63,759)
Other administrative expense	(235,618)	(196,955)
<b>Total operating expense</b>	<b>(982,534)</b>	<b>(882,561)</b>
<b>Earnings before provisions, depreciation and amortization</b>		<b>1,212,828</b>
<b>Provisions</b>		
Provision for investments	(33,010)	(6,860)
Letters of credit	(35,530)	(37,433)
Accounts receivable	(2,879)	(2,409)
<b>Total provisions</b>	<b>(71,419)</b>	<b>(46,703)</b>
Depreciation	(19,401)	(12,308)
Amortizations	(144,839)	(177,075)
<b>Operating earnings, net</b>	<b>1,321,852</b>	<b>976,742</b>
<b>Other revenues and expense, net</b>		
Revenues	111,013	136,393
Expense	(117,944)	(31,534)
<b>Earnings before income tax and minority interest</b>	<b>1,314,921</b>	<b>1,081,601</b>
Income Tax	(336,837)	(179,726)
<b>Earnings before minority interest</b>	<b>978,085</b>	<b>901,875</b>
Minority interest	(195,419)	(210,587)
<b>Net income for the period</b>	<b>\$ 782,666</b>	<b>\$ 691,288</b>
<b>Net earnings per share in pesos</b>	<b>\$ 1,360,28</b>	<b>\$ 1,201,46</b>

Please refer to the notes that accompany these consolidated financial statements

# CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDER'S EQUITY

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in COP millions)

	Suscribed and paid-in capital	Capital surplus	Reserves	Revaluation of shareholders Equity	Translation differences	Losses from prior periods	Income for the period	Valutation Surplus	Total Shareholders Equity
Balance at December 31, 2011	107,882	3,376,773	3,355,626	986,639	(243)	(115,907)	339,846	10,759,995	18,810,611
Distribution of profits corresponding to 2011, based on Minutes No. 16 of Annual Shareholders Meeting held on March 29, 2012.									
Donations for the Suramericana Foundation	-	-	-	-	-	-	(4,000)	-	(4,000)
Amounts allocated to sustainability projects	-	-	-	-	-	-	(3,000)	-	(3,000)
Reserve for the protection of investments	-	-	77,595	-	-	-	(77,595)	-	-
Dividends paid out on a total of 469,037,260 shares at a rate of COP 308 each	-	-	-	-	-	-	(144,463)	-	(144,463)
Dividends paid out on a total of 106,334,963 shares at a rate of COP 975 each	-	-	-	-	-	-	(103,677)	-	(103,677)
Valuations	-	-	-	-	-	-	-	1,761,196	1,761,196
Results for the period	-	-	-	-	-	-	691,288	-	691,288
Net movement - consolidation	-	(323,231)	149,229	(2,689)	49,185	(16,786)	(7,111)	-	(151,403)
<b>Balance at December 31, 2012</b>	<b>107,882</b>	<b>3,053,542</b>	<b>3,582,450</b>	<b>983,950</b>	<b>48,942</b>	<b>(132,693)</b>	<b>691,288</b>	<b>12,521,191</b>	<b>20,856,552</b>
Distribution of profits corresponding to 2012, based on Minutes No. 18 of Annual Shareholders Meeting held on March 21, 2013.									
Donations for the Suramericana Foundation	-	-	-	-	-	-	(4,000)	-	(4,000)
Reserve for the protection of investments	-	-	279,419	-	-	-	(279,419)	-	-
Dividends paid out on a total of 469,037,260 shares at a rate of COP 308 each	-	-	-	-	-	-	(159,004)	-	(159,004)
Dividends paid out on a total of 106,334,963 shares at a rate of COP 975 each	-	-	-	-	-	-	(103,677)	-	(103,677)
Valuations	-	-	-	-	-	-	-	(1,595,490)	(1,595,490)
Results for the period	-	-	-	-	-	-	782,666	-	782,666
Net movement - consolidation	-	716,006	(156,900)	(107,281)	(50,857)	174,250	(145,188)	-	430,030
<b>Balance at December 31, 2013</b>	<b>\$ 107,882</b>	<b>3,769,548</b>	<b>3,704,969</b>	<b>876,669</b>	<b>(1,915)</b>	<b>41,557</b>	<b>782,666</b>	<b>10,925,701</b>	<b>20,207,077</b>

Please refer to the notes that accompany these consolidated financial statements

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in COP millions)

		2013	2012
<b>Sources of working capital:</b>			
Results for the period	\$	782,666	691,288
Items that do not use (provide) working capital:			
Depreciation		36,883	48,584
Amortization		198,248	193,715
Provisions		71,419	46,703
Amounts recovered from provisions		(69,985)	(10,292)
Earnings from sales of investments		(149,225)	(87,893)
Minority interest		195,419	210,587
<b>Working capital from operating activities</b>		<b>1,065,425</b>	<b>1,092,692</b>
Proceeds from sales of assets		1,299,716	95,919
Decrease in long-term accounts receivable		64,652	-
Decrease in other assets		61,511	7,835
Increase in financial obligations		741,066	313,144
Decrease in intangibles		-	213,669
Increase in bonds and commercial paper		47,580	-
Minority interest		53,201	1,611,852
		<b>3,333,151</b>	<b>3,335,111</b>
<b>Working capital applications:</b>			
Purchased permanent investments		3,867,142	2,517,043
Increase in long-term accounts receivable		-	69,884
Increase in property, plant and equipment		196,047	203,536
Increase in prepaid expense and deferred charges		524,393	171,540
Increase in intangibles		748,305	-
Decrease in retirement pensions, excluding current portion		147	837
Excess cost on reciprocal investments		59,411	2,177
Decrease in bonds and commercial paper		-	52,341
Declared cash dividends		350,399	258,092
<b>Decrease (increase) in working capital</b>	<b>\$</b>	<b>(2,412,693)</b>	<b>59,661</b>
<b>Changes in the components of working capital:</b>			
<b>Increase (decrease) in current assets</b>			
Cash and banks		580,873	(559,093)
Temporary investments		(1,233,412)	1,238,302
Trade receivables		63,352	1,692,560
Accounts receivable		532,558	(1,356,543)
Inventories		493	(464)
Realizable assets and assets received as payment		(934)	(229)
Prepaid expense and deferred charges		(193,603)	(5,162)
		<b>(250,673)</b>	<b>1,009,371</b>
<b>Increase (decrease) in current liabilities</b>			
Financial obligations		124,739	(1,483,470)
Trade payables		254,146	269,461
Suppliers		(215,077)	263,373
Accounts payable		68,520	(979,611)
Taxes, levies and rates		108,150	53,282
Labor liabilities		(23,377)	38,062
Current portion - retirement pensions		(104)	207
Technical insurance reserves		1,336,531	3,412,558
Estimated liabilities and provisions		535,728	(6,503)
Deferred income		14,268	(421,735)
Other liabilities		(41,504)	(195,914)
		2,162,020	949,710
<b>Decrease (increase) in working capital</b>	<b>\$</b>	<b>(2,412,693)</b>	<b>59,661</b>

Please refer to the notes that accompany these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in COP millions)

	2013	2012
<b>Cash flows from operating activities</b>		
Income for the period	\$ 782,666	691,288
Reconciliation between income for the period and net cash flows from (used for) operating activities		
Depreciation	36,883	48,584
Amortization	198,248	193,715
Provisions	71,419	46,703
Recovered amounts from provisions	(71,471)	(10,402)
Increase in technical insurance reserves	1,336,531	3,412,558
Earnings from sales of investments	(149,041)	(87,893)
Investment valuations, net	(394,147)	(536,928)
Derivative valuations, net	-	744
Minority interest	195,419	210,587
Changes in operating items:		
Accounts receivable	(597,210)	1,425,684
Trade receivables	(63,352)	(1,692,560)
Other assets	61,511	7,835
Intangibles	(748,305)	213,669
Realizable assets and assets received as payment	754	264
Prepaid expense and deferred charges	(330,790)	(166,378)
Inventories	(493)	464
Retirement Pensions	(251)	(630)
Accounts payable	66,203	(999,049)
Estimated liabilities and provisions	526,982	(26,885)
Suppliers	(215,077)	263,373
Other liabilities	(41,504)	(195,914)
Taxes, levies and rates	108,150	53,282
Deferred income	14,268	(421,735)
Labor liabilities	(23,377)	38,062
Minority interest	53,201	1,611,852
Proceeds from sales of assets	1,299,716	95,919
Investments acquired	(2,682,344)	(3,585,604)
Excess cost on reciprocal investments, net	59,411	2,177
Trade payables	254,146	269,461
<b>Net cash from (used for) operating activities</b>	<b>(251,855)</b>	<b>862,243</b>
<b>Cash flows from investing activities:</b>		
Acquisitions of property, plant and equipment	196,047	203,536
<b>Cash flows from financing activities:</b>		
Financial obligations	865,805	(1,483,470)
Bonds and commercial paper	47,580	(52,341)
Dividends paid	(346,596)	(238,654)
<b>Net cash used for (from) financing activities</b>	<b>566,789</b>	<b>(1,774,465)</b>
Net increase (net decrease) in cash and cash equivalents	510,981	(708,686)
Cash and cash equivalents at the beginning of the year	625,071	1,333,757
<b>Cash and cash equivalents at the end of the year.</b>	<b>\$ 1,136,052</b>	<b>625,071</b>

Please refer to the notes that accompany these consolidated financial statements





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012 (Stated in COP millions)

## NOTE 1

### ECONOMIC ENTITY

Grupo de Inversiones Suramericana S.A. was incorporated as a result of being spun off from Compañía Suramericana de Seguros S.A., by means of Public Deed No. 2295 drawn up December 24, 1997 before the Notary Public No. 14 of the Circuit of Medellin, with all the corresponding accounting formalities duly completed by January 1, 1998. Its main registered place of business is in Medellin, but it is entitled to set up branches, agencies, offices and representations in other parts of the country as well as abroad, should its Board of Directors so decide. The Company is legally authorized to carry on its business purpose until 2102. Its business purpose is to invest in personal and real estate property, and may do so by means of shares, participations or holdings in companies, entities, organizations, funds and any other legally-permitted mechanism that allows for the investment of funds. Likewise, it may invest in securities or instruments yielding either a fixed or variable income, regardless of whether they are listed on a public stock exchange. In any case, the corresponding issuers and/or investees may belong to either the public or private sectors, both at home or abroad.

The Company's reporting period shall follow that of the normal calendar year, ending on December 31.

The Company comes under the exclusive oversight of the Colombian Superintendency of Finance ("Superintendencia Financiera de Colombia"), since it is listed as an issuer of securities with the Colombian National Registry of Securities (Registro Nacional de Valores).

### CORPORATE PROFILE:

Grupo de Inversiones Suramericana S.A (hereinafter "Grupo Sura") is a Latin American company listed on the Colombian Stock Exchange and registered with the ADR- Level 1 program in the United States. . It is also the only Latin American corporation from the miscellaneous financial service sector to be admitted to the Dow Jones Sustainability Index (DJSI), which tracks companies who have become global benchmarks thanks to the best practices they have adopted from the economic, environmental and social standpoints. Grupo Sura divides its investments into two categories: its strategic investments– those pertaining to the financial,

insurance, pension, savings and investment sectors; and its portfolio investments – those found mainly in the processed food, cement and energy sectors.

In recent years, the companies that make up Grupo Sura's investment portfolio have expanded to other countries and regions in the Western Hemisphere, including Central America, the Caribbean, the United States, Peru, Chile, Uruguay and Mexico.

The Group's interests in the financial service sector include a 44.7% stake in the voting shares of Bancolombia (equal to 26.67% of its share capital), where Grupo Sura is the largest shareholder; as well as a 81.1% stake in Suramericana S.A., the Group's insurance holding. The remaining 18.9% of Suramericana is owned by the German insurer Münchener Rückversicherungs-Gesellschaft Munich Re, or "Munich Re." Also, Grupo Sura holds a direct stake of 59.95% in the share capital of Sura Asset Management Colombia S.A., and another 7.11% stake through Grupo de Inversiones Suramericana Panamá S.A. Both latter companies handle the Group's investments in the pension, savings and investment sectors throughout Latin America. The remaining 32.94% stake in Sura Asset Management's share capital belongs to other local and international shareholders.

The Group's investments in the processed food segment of the local industrial sector include a 35.2% stake in Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia where Grupo Sura is also the largest shareholder.

Its interests in the cement, concrete, energy, ports, coal-mining and real estate sectors include a 35.7% stake in the voting shares of Grupo Argos (equal to 29.1% of its share capital) where again GRUPO SURA is the majority shareholder. Grupo Argos is in turn the majority shareholder of Cementos Argos, S.A. and Celsia S.A. E.S.P.

Some of the above-mentioned companies also have cross holdings within the Group, which at December 31, 2013 consisted of the following: Bancolombia held a 20.6% stake in Protección; Grupo Nutresa S.A. held 10.3% of the total shares outstanding belonging to Grupo Sura and 12.7% of its voting shares along with 10.2% of the total shares outstanding belonging to Grupo Argos, accounting for 12.4% of the voting shares. Grupo Argos S.A. and subsidiaries, for their part, held 32.1% of the total shares outstanding belonging to Grupo Sura and 37.4% of its voting shares along with stakes of 4.5% in Bancolombia S.A. and 9.8% in Grupo Nutresa.S.A.

## OUR STRENGTHS

- 1) GRUPO SURA holds equity interests in several companies who in turn own leading companies in Colombia, Mexico, El Salvador, the Dominican Republic, Panama, Peru, Chile Guatemala and Uruguay. It has invested in well established companies mainly in the financial service, insurance, social security, pension fund and complementary service sectors, and to a lesser extent in several industrial sectors, including food processing, cement and ready-mix concrete, energy, ports, coal-mining and real estate.
- 2) Robust stream of well-diversified cash flows across different countries and sectors. GRUPOSURA derives most of its cash flows from dividends paid by a diversified group of companies from various industries and several countries in Latin America. In recent years, these companies have consistently paid dividends, which have been increasing by at least the rate of inflation as measured by the Consumer Price Index (CPI).
- 3) Strong balance sheet that supports the growth of our business. At December 31, 2013, Grupo Sura's shareholders' equity came to COP 20,207,077 million with a total debt-to-asset ratio of just 6.8%. Grupo Sura has historically financed its expansion primarily with operating cash flows and the proceeds from sales of non-strategic assets. Here it is important to add that at the end of last year, the Company's indebtedness was substantially low given the size of its portfolio of investments
- 4) Multi-product and multi-channel business model. Grupo Sura has increased its market share in the regional financial services sector by developing an integrated business model, allowing it to take full advantage of the synergies existing between its different banking, insurance and pension fund businesses while accessing a wider customer base and creating greater customer loyalty. All this has been carried out in strict compliance with all applicable regulations in each country and abiding by all legal restrictions. The Group's integrated business model represents a true competitive advantage for its different companies while creating a significant entry barrier that protects against the competition.
- 5) Commitment to best practices, corporate governance and sustainable development. The Group's Corporate Governance Code was first introduced in 2002 and it has been publishing annual corporate governance reports since 2005. The guiding principle behind its corporate governance policies is to champion a business policy governed by principles of fairness, respect, responsibility and transparency and a firm commitment to Colombia and its people. The Group's Corporate Governance Code follows international standards

governing relationships with regulatory entities, independent board members, board of directors' roles, Board of Directors' committees as well as controlling and disclosing information. Also, in upholding their commitment to sustainability and based on their corporate responsibility model, Grupo Sura and its Colombian subsidiaries take part in social outreach projects through the Group's own institutional contributions and the efforts of its own volunteer corps, all of which is channeled through the Suramericana Foundation. These initiatives are aimed at helping individuals to develop their own skills and improving the living standards of the more vulnerable social classes

- 6) Experienced management team. Grupo Sura has an experienced management team with a proven track record. Most of the members of its senior management have held executive positions across various industries in Colombia and elsewhere in Latin America.

#### **OUR CORPORATE STRATEGY:**

In 2013, the Company reviewed and adjusted its strategic road map and strengthened its internal structure so as to be able to better respond to the demands placed on Grupo Sura in its role with regard to all those companies that form part of its portfolio of investments, particularly those pertaining to the financial service sector.

Through the investments made over the years, Grupo Sura has expanded into other countries, making inroads on new types of business which has in turn broadened its corporate profile and extended its commercial relationships. Clearly as we are able to identify and harness existing synergies and work together in the spirit of our mutual interests, we shall be driving growth, creating added value for our strategic interests and guaranteeing the sustainability of our business into the long term.

Here, Grupo Sura's strategic focus, as defined for the next few years, centers on providing added value and building trust. Growth shall consequently be driven by innovation, creating greater synergies as well as expanding and developing the different markets. The Group's human talent, robust equity position, sound corporate reputation and brand image as well as a management model, firmly based on Corporate Governance principles, form the basis for this growth. Also, all these different facets of our strategic focus must be enshrined in a corporate culture and philosophy shared by all, while remaining firmly committed to enhancing our business sustainability

## PROGRESS MADE WITH OUR DIFFERENT BUSINESSES

- a) Our strategic investments. The main companies belonging to the Group's portfolio are leaders in their own respective markets. Grupo Bancolombia is not only the leading financial institution in Colombia and El Salvador but also has acquired the HSBC bank's operations in Panama; Suramericana is the holding company of the largest insurance firms in Colombia, El Salvador, the Dominican Republic and Panama; Sura Asset Management presides over a group of leading companies in Mexico, Peru, Chile and Uruguay. Grupo Nutresa is the largest food processing conglomerate in Colombia; and Grupo Argos has various holdings in the cement and ready-mix concrete, energy, coal-mining, port and real estate markets. It is also worth noting that Grupo Argos, through its cement subsidiary, holds an important position on the US market. We plan to maintain our leadership in these markets by employing highly-skilled individuals, offering superior products and solutions to our customers, investing in research and development for greater innovation, fostering customer loyalty by providing a combination of personalized attention and high-quality products and services at competitive prices while at the same time ensuring that our businesses continue to abide by our guiding principles of fairness, respect, responsibility and transparency.
- b) Expanding into selected international markets and driving the growth of all those companies that form part of our portfolio of strategic investments in the financial services, insurance, social security, pension fund and complementary services sectors. As far as corporate strategy is concerned and expanding our interests abroad, we adhere to the following key criteria of responsible investment: (i) the political, social and macroeconomic stability of the countries in question; (ii) countries offering growth potential; (iii) companies that are leaders in their respective markets; (iv) acquiring controlling stakes; (v) companies providing positive levels of economic, environmental and social performance; (vi) good corporate governance practices; and (vii) sound corporate reputation. Based on these criteria we carried out the following acquisitions in 2013: through our subsidiary, Sura Asset Management we increased the stake held in Invita, today known as Seguros Sura en Peru, and also obtained a 50% stake in the AFP Horizonte pension fund in Peru as well as the Primero Seguros Vida life insurance firm in México.
- c) Maintaining and enhancing a strong, diversified and ever-increasing stream of cash flows. By expanding our presence within the region, we seek to maintain and enhance the financial strength of our companies while diversifying our sources of revenues. In so doing, we aim to ensure that our stream of dividend income continues to be well diversified across various industries and countries, rising at similar or faster rates than in recent years. Also and to ensure that our growth

will not hamper our strong credit position, we intend to continue with our long-term policy of maintaining conservative leverage levels.

## SENIOR MANAGEMENT

Our Board of Directors, in keeping with our by-laws, consists of seven directors who are appointed at annual ordinary shareholders' meetings.

The current members of the Board of Directors were elected by the shareholders at an ordinary shareholder's meeting held on March 21, 2013. Members of the Board of Directors are elected for two-year terms, and may be appointed for additional terms without limitation.

The following table sets forth certain information about our current directors:

NAME	TITLE
Armando Montenegro Trujillo(1)	Chairman
Hernando Yepes Arcila (1)	Vice-Chairman
José Alberto Vélez Cadavid	Principal member
Carlos Enrique Piedrahita Arocha	Principal member
Juan Guillermo Londoño Posada	Principal member
Carlos Antonio Espinosa Soto (1)	Principal member
Jaime Bermúdez Merizalde (1)	Principal member

(1) Independent Member, in accordance with Colombian legislation.

## SENIOR MANAGEMENT

Our current executive officers are as follows:

NAME	TITLE
David Bojanini García	Chief Executive Officer
Ignacio Calle Cuartas	Chief Financial and Investment Officer
Mario López López	Chief Audit Officer
Fernando Ojalvo Prieto	Chief Corporate Affairs Officer

## BOARD COMMITTEES

### **Corporate Governance Committee**

Made up of three members of the Board of Directors, one of whom must be the Chairman of the Board of Directors who presides over the meetings of this committee. The Group's Chief Executive Officer attends these meetings by invitation. This Committee is responsible for issues regarding the Board of Directors, Senior Management, the Company's Good Corporate Governance and its sustainability performance.

### **Investment Committee**

The Investment Committee consists of four members, three of whom must be members of the Board of Directors, one being its Chairman who presides over the meetings of this committee, together with Grupo Sura's Chief Executive Officer. This Committee is responsible for the Group's investments and, as such, must define the corresponding investment policies and criteria, study new business opportunities and the possibility of new strategic investments, periodically evaluate the Group's current investments and decide on whether these are to continue as part of the Group's portfolio. It is also responsible for advising the Group's subsidiaries as to their own investments, as well as seeking and evaluating possible strategic partners and analyzing portfolio risk

### **Finance and Audit Committee**

This Committee is responsible for promoting a culture of control within the Company, following up on the application of its Code of Ethics, and evaluating all aspects of the Company's finances and accounting, including contingency planning, internal risk identification and management processes ensuring that the Company's Internal Control System is firmly implemented, as well as any other functions that may fall under their responsibility pursuant to applicable legislation. This Committee is also in charge of reviewing the Company's annual and interim financial statements. It is made up of three members of the Board of Directors all of whom must have an independent status.

### **Compensation and Development Committee**

The Compensation and Development Committee is made up of three members appointed by the Board of Directors, and is responsible for the strategic handling of the Company's human talent, ensuring the availability of critical human talent in being able to attract and retain such, as well as drawing up the corresponding succession plan. It is also in charge of formally evaluating Senior Management performance, making any recommendations required with regard to their performance-based remuneration, which shall be approved by the Company's Board of Directors and these shall strictly relate to the performance of each individual and the Company as a whole, while ensuring full compliance with Senior Management's remuneration policy.

## MAIN SHAREHOLDERS

The following table contains certain information regarding the ownership of our ordinary shares as of December 31, 2013 listing all those holders with a minimum stake of 1%.

SHAREHOLDER	NUMBER OF SHARES HELD	% STAKE
Grupo Argos S.A.	145,839,723	25.35%
Grupo Nutresa S.A.	59,387,803	10.32%
Fondo de Pensiones Obligatorias Protección	46,715,922	8.12%
Fondo de Pensiones Obligatorias Porvenir	36,867,557	6.41%
Cementos Argos S.A.	28,183,262	4.90%
Fondo de Pensiones Horizonte	22,929,152	3.99%
Fondo de Pensiones Obligatorias Colfondos Moderado	18,085,843	3.14%
Celsia S.A. E.S.P.	10,424,971	1.81%
Fondo Bursátil Shares Colcap	10,259,312	1.78%
Colombiana de Comercio S.A.	9,451,033	1.64%
UBS AG London Branch	7,244,874	1.26%
Skandia Fondo de Pensiones Obligatorias	6,849,945	1.19%
Vanguard Emerging Markets Stock Index Fund	6,045,701	1.05%
Other shareholders with stakes of less than 1.0% (1)	167,087,125	29.04%
	<b>575,372,223</b>	<b>100.00%</b>

(1) Including 19,840 shareholders, who individually hold less than 1.0% of our common and preferred stock

Our common shares are traded on the BVC (ticker symbol: "GRUPOSURA"), and our Level 1 American Depositary Receipts ("ADRs") are traded on the Over-the-Counter-Market ("OTC Market") in the United States (ticker symbol: "GIVSY"). Our ordinary shares also trade on the Mercado de Valores Latinoamericanos en Euros ("LATIBEX") (ticker symbol: "XGSUR"). Our preferred shares, on the other hand, trade on both the Colombian Stock Exchange (ticker symbol: "PFGRUPSURA") as well as on the OTC market in the United States in the form of ADRs Level 1 (ticker symbol: "GIVPY").

## IMPLEMENTING INTERNATIONAL FINANCIAL REPORTING STANDARDS - IFRS

In accordance with that stipulated in Law 1314 of 2009 as well as the subsequent Regulatory Decrees No. 2784 issued in December 2012 and No 3023 in December, 2013, Grupo de Inversiones Suramericana S.A,



is obliged to migrate from Generally Accepted Accounting Principles in Colombia (COLGAAP) to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board – IASB. Bearing in mind that this shall have an effect on Colombian companies, the Colombian Public Accounting Technical Committee (Consejo Técnico de la Contaduría Pública) divided these up into three groups in order to proceed with this transition. Grupo de Inversiones Suramericana S.A., belongs to Group 1 whose obligatory transition period shall begin on January 1, 2014 so that IFRS- based comparative financial statements can begin to be issued as of December 31, 2015.

Consequently, the Company in conjunction with the consulting firm Ernst and Young, drew up a schedule of activities for this transition to the new accounting standards. The part of the schedule that was initially approved by the Board of Directors has been duly completed and the following activities were carried out by year-end 2013.

- Diagnosis of the overall financial and technological impact as well as the effect on the Company's processes..
- Preliminary opening balance sheet
- Defining the main accounting policies and practices
- Initial stage of the customization work to be performed on the Company's information systems.

The Board of Directors, through its Audit Committee, has continued to follow-up on the progress made with implementing the new IFRS so as to ensure that the transition schedule is duly complied with based on applicable legislation.

It is important to note that the Company opportunely remitted the information requested by the Colombian Superintendency of Finance, by means of Circular Letter No. 112 as to the progress made with the migration towards said standards.

## **FINANCIAL RISK MANAGEMENT**

In actively managing credit risk in GRUPO SURA, last year we continued to deploy methodologies to limit our exposure to third parties. We performed an exhaustive qualitative assessment of our counter parties so as to obtain more in-depth information regarding aspects of their corporate governance, shareholder quality, fines, sanctions and so on, this in order to obtain additional points of reference regarding the sustainability and moral solvency of these companies. Based on this assessment we made adjustments to the entities we deal with.

With regard to our handling of market risk, we continued to provide support to our Cash Management Department in analyzing and monitoring the structuring of new investments.

## INTERNAL CONTROL AND CORPORATE GOVERNANCE

Grupo Sura's Corporate Governance continues to be a key driver for investor confidence since it contains clearly-defined rules and regulations governing the relationships existing between its Board of Directors, Senior Management, shareholders, suppliers, service providers and other stakeholders. This frame of reference is also based on the Company's corporate principles (transparency, respect, responsibility and fairness), as contained in our Code of Good Governance and which take precedence over any particular interest that our Organization or its Board of Directors or Senior Management may have.

In 2013, we continued to enhance our Internal Control environment with specific measures such as having a new independent member join its Board of Directors, reorganizing the Board's Committees, as was the case of the new Corporate Governance Committee, which met for the first time ever in June of last year, as well as revising the Company's structure in keeping with its new corporate role.

Our internal controls are considered to be an indispensable aid in attaining our goals. For this reason, and as part of our organizational culture, we take pains for these controls to be deployed by all those companies where we hold controlling stakes. Here we have disseminated a culture of self-management at subsidiary level, this based on our good corporate governance guidelines, which, in conjunction with our previously mentioned corporate principles, govern everything we do.

The Company identifies, analyzes and manages its risk exposures and sets out the conditions for handling such risk. Our IT systems are subject to a good level of control, and have been designed to ensure optimal operating performance. Communications with our stakeholders are fluid, and our internal auditing staff conduct independent monitorings together with an interdisciplinary team, whose work is permanently evaluated by the Auditing Committee, which periodically submits its reports to the Board of Directors.

Strict controls and duty segregation policies are applied to conducting and recording transactions. Also sufficient information is made available for decision-making purposes. Here, Senior Management conducts permanent follow-ups on key performance and process indicators and maintains the Board of Directors fully informed as to the progress made with investee companies both at home and abroad. Also, pursuant to Law 1676 of 2013, the Company hereby declares that it did not impede the free flow of invoices issued by sellers or suppliers.

To conclude, we would like to highlight the most important awards and certifications received by our Organization in 2013: Firstly, we were pleased to obtain from the Institute of Internal Auditors, international

certification of our internal auditing processes, which were found to be in full compliance with international auditing standards. This distinction, awarded both to Grupo SURA as well as Suramericana and its subsidiaries in Colombia, enables us to join a group of 12 Latin American companies that have been awarded this certification that the aforementioned institute grants on a world-wide level. We are therefore proud that our control and governance system is sufficiently robust to have earned such global recognition

## OUR CONSOLIDATED COMPANIES

The following is a breakdown of the companies included in this consolidation and the corresponding stakes held:

## OUR CONSOLIDATED COMPANIES

DESCRIPTION		% STAKE	ASSETS		LIABILITIES		EQUITY		PROFIT (LOSS)	
			2013	2012	2013	2012	2013	2012	2013	2012
Name	Suramericana S.A.									
Activity	Investing									
Registered Place of Business	Medellin	81.13%	2,188,942	1,965,566	67,258	43,530	2,121,684	1,922,036	262,910	246,999
Country	Colombia									
Incorporated	May 25, 1999									
Name	Operaciones Generales Suramericana S.A.S.									
Activity	Investing in personal property and real estate									
Registered Place of Business	Medellin	81.13%	8,232	8,722	217	433	8,015	8,289	-274	141
Country	Colombia									
Incorporated	July 24, 1964									
Name	Seguros Generales Suramericana S.A.									
Activity	Property And Casualty Insurance									
Registered Place of Business	Medellin	81.13%	1,768,037	1,606,557	1,261,910	1,151,747	506,127	454,810	39,548	38,285
Country	Colombia									
Incorporated	December 12, 1944									
Name	Seguros de Vida Suramericana S.A.									
Activity	Personal insurance									
Registered Place of Business	Medellin	81.13%	4,770,426	4,104,212	3,767,157	3,217,234	1,003,268	886,978	172,812	135,200
Country	Colombia									
Incorporated	August 04, 1947									
Name	Seguros de Riesgos Laborales Suramericana S.A.									
Activity	Labor risk management									
Registered Place of Business	Medellin	81.13%	1,354,196	1,190,233	1,061,647	922,239	292,550	267,994	105,506	100,906
Country	Colombia									
Incorporated	November 09, 1995									
Name	Inversura Panamá Internacional S.A.									
Activity	Investing									
Registered Place of Business	Panama	81.13%	226,363	221,679	0	0	226,363	221,679	26	982
Country	Panama									
Incorporated	December 23, 2002									



DESCRIPTION		% STAKE	ASSETS		LIABILITIES		EQUITY		PROFIT (LOSS)	
			2013	2012	2013	2012	2013	2012	2013	2012
Name	International SURA Perú S.A.									
Activity	Company dedicated to investing in shares, securities and other instruments as well as buying and selling personal and real estate property.									
Registered Place of Business	Lima	67.06%	450	2,019	56	1,520	394	499	-105	-
Country	Peru									
Incorporated	March 11, 1994									
Name	Servicios Sura S.A.C.									
Activity	Company dedicated to providing business consultancy services.									
Registered Place of Business	Lima	67.06%	5	5	1	1	4	5	-1	-2
Country	Peru									
Incorporated	September 09, 2008									
Name	Afore Sura, S.A. de C.V.									
Activity	Company dedicated to management firms specializing in retirement savings funds (Siefiores in Spanish)									
Registered Place of Business	Mexico D.F.	67.06%	1,323,445	451,780	169,685	82,972	1,153,760	368,808	181,846	187,188
Country	Mexico									
Incorporated	December 17, 1996									
Name	Pensiones Sura S.A. de C.V.									
Activity	Company dedicated to entering into life insurance agreements for the exclusive handling of pension insurance.									
Registered Place of Business	Mexico D.F.	67.06%	970,797	1,015,703	844,726	793,731	126,071	221,972	10,673	5,540
Country	Mexico									
Incorporated	May 12, 1997									
Name	Asesores Sura, S.A. de C.V.									
Activity	Company dedicated to providing its marketing and advertising services for both products as well as financial services, as well as recruiting and training personal, managing payrolls and handling labor relations together with any other administrative service.									
Registered Place of Business	Mexico D.F.	67.06%	2,907	4,205	2,860	3,524	47	681	-692	215
Country	Mexico									
Incorporated	October 17, 2000									
Name	Inverconsa, S.A. de C.V.									
Activity	Company dedicated to funding claim settlements, but is not operating at the present time.									
Registered Place of Business	Mexico D.F.	67.06%	11	23	4	155	7	-131	157	-33
Country	Mexico									
Incorporated	September 11, 2003									
Name	Sura Investment Management México, S.A. de C.V.									
Activity	Company dedicated to managing investment management firms.									
Registered Place of Business	Mexico D.F.	67.06%	46,922	44,904	13,208	11,283	33,714	33,621	-1,958	-8,303
Country	Mexico									
Incorporated	February 13, 1998									



DESCRIPTION		% STAKE	ASSETS		LIABILITIES		EQUITY		PROFIT (LOSS)	
			2013	2012	2013	2012	2013	2012	2013	2012
Name	Sura Data Chile S.A.									
Activity	Company dedicated to providing data processing services and leasing computer equipment.									
Registered Place of Business	Santiago	67.06%	4,934	3,139	2,088	786	2,846	2,353	564	402
Country	Chile									
Incorporated	August 01, 2002									
Name	Corredores de Bolsa S.A.									
Activity	Company dedicated to providing its stock brokerage services									
Registered Place of Business	Santiago	67.06%	48,372	46,045	26,627	20,336	21,746	25,708	-23,200	-2,354
Country	Chile									
Incorporated	February 04, 2008									
Name	Administradora General de Fondos Sura S.A.									
Activity	Company dedicated to managing mutual and investment funds.									
Registered Place of Business	Santiago	67.06%	21,550	16,359	12,230	14,571	9,320	1,787	242	-9,293
Country	Chile									
Incorporated	July 09, 2008									
Name	Seguros de Vida Sura S.A.									
Activity	Company dedicated to the life insurance and annuity business.									
Registered Place of Business	Santiago	67.06%	2,833,559	2,063,992	2,357,567	1,641,082	475,992	422,910	58,847	49,751
Country	Chile									
Incorporated	January 12, 1989									
Name	AFP Capital S.A.									
Activity	Company dedicated to managing retirement funds.									
Registered Place of Business	Santiago	66.82%	2,016,456	1,852,805	306,652	243,832	1,709,804	1,608,973	257,583	171,309
Country	Chile									
Incorporated	January 16, 1981									
Name	Santa María Internacional S.A.									
Activity	Company dedicated to managing mutual and investment funds.									
Registered Place of Business	Santiago	67.06%	35,265	37,296	2,676	7	32,588	37,289	9,523	166
Country	Chile									
Incorporated	October 17, 1994									
Name	Compañía de Inversión y Servicios Sura LTDA.									
Activity	Company dedicated to investing in different financial instruments and investment vehicles.									
Registered Place of Business	Santiago	67.06%	988,948	977,772	1,103	1,199	987,845	976,573	122,884	1,521
Country	Chile									
Incorporated	October 20, 1986									





DESCRIPTION		% STAKE	ASSETS		LIABILITIES		EQUITY		PROFIT (LOSS)	
			2013	2012	2013	2012	2013	2012	2013	2012
Name	Negocios Financieros									
Activity	Investing in or conducting transactions in real estate									
Registered Place of Business	Peru									
Country	Peru	67.06%	14,357	-	1,957	-	12,401	-	662	-
Incorporated	First set up as a closed corporation on October 14, 2006 under the name DIRAN CONSULTORES INMOBILIARIOS S.A.C. it changed to a joint-stock company on November 23, 2009 under its new name of <i>Negocios Financieros</i> .									
Name	Promotora SUAM AM, S.A. de C.V.									
Activity	Company dedicated to providing its product marketing and advertising services.									
Registered Place of Business	Mexico	67.06%	65	-	58	-	7	-	-	-
Country	Mexico									
Incorporated	October 23, 2013									
Name	Sura Asset Management Perú S.A.									
Activity	Company dedicated to investing in other companies and generally speaking in shares, quotas and securities issued by corporate entities incorporated and existing in Peru or abroad. It may also take part in setting up companies and other legal entities.									
Registered Place of Business	Lima	67.06%	39,590	-	25	-	39,565	-	-26	-
Country	Peru									
Incorporated	July 04, 2013									
Name	Promotora de Servicios Financieros Sura S.A.									
Activity										
Registered Place of Business	This Company was taken over by SURA S.A.	0.00%	-	40	-	-	-	40	-	-2
Country	Santiago									
Incorporated	Chile									
Name	Asset Management Sura S.A.C.									
Activity	Company dedicated to providing its investment consultancy services.									
Registered Place of Business	This Company was wound up.	0.00%	-	1	-	-	-	1	-	-4
Country	Lima									
Incorporated	Peru									



DESCRIPTION		% STAKE	ASSETS		LIABILITIES		EQUITY		PROFIT (LOSS)	
			2013	2012	2013	2012	2013	2012	2013	2012
Name	Planeco Panamá S.A.									
Activity	Company dedicated to the purchase and disposal of personal property and real estate.									
Registered place of business	Panama	100.00%	2,215	-	-	-	2,215	-	-1,438	-
Country	Panama									
Incorporated	December 12, 2012									
Name	GrupoSura Finance S.A.									
Activity	Company dedicated to any activity permitted by law in the Cayman Islands.									
Registered place of business	Cayman Islands	100.00%	558,457	513,695	581,985	533,997	-23,528	-20,302	-1,356	-1,050
Country	Cayman Islands									
Incorporated	March 18, 2011									
Name	Habitat Adulto Mayor S.A.									
Activity	Company dedicated to providing living accommodation services for the elderly.									
Registered place of business	La Estrella	68.61%	18,266	-	3,026	-	15,239	-	-101	-
Country	Colombia									
Incorporated	July 24, 2007									

## ACQUISITIONS IN 2013

In 2013, our subsidiary Sura Asset Management purchased a 50% stake in AFP Horizonte through its Peruvian subsidiary AFP Integra which proceeded to take over the former company. In this same year Compañía Promotora S.A. merged with SURA S.A., with the latter taking over the former. Other companies were purchased and/or incorporated namely Tublyr in Uruguay, Negocios Financieros in Peru, SURA Asset Management and SURA Asset Management Corredora de Seguros both in Mexico, Mexamlux in Luxembourg and Promotora SURA AM S.A. in Mexico.

Also our subsidiary Suramericana S.A. set up Compañía Dinámica IPS Zonas Francas S.A.S., dedicated to providing diagnostic healthcare services, such as lab and pathology tests, endoscopies, ultrasounds, imaging and mammographies, among others, in the Free Trade Zone of Uraba.

Also in 2013, Inversiones y Construcciones Estratégicas purchased an additional 80,817,201 shares in Hábitat Adulto Mayor S.A., a firm specialized in caring for the elderly, bringing the total number of shares held to 81,442,200, that is a 68,61% stake in its share capital.

## SHARE SWAPS IN 2013

In June, 2013, Sura Asset Management purchased 49.000 shares in the firm, Sura Asset Management España, corresponding to an additional 49% stake in its share capital. With this Sura Asset Management now holds a 100% stake.

This was performed by means of payments- in- kind consisting of the shares held Grupo de Inversiones Suramericana S.A., General Atlantic España S.L, International Finance Corporation, Sociedades Bolívar S.A., Compañía de Seguros Bolívar S.A., Banagricola S.A., Blue Rapids Invest S.L and JP Morgan SIG Holdings in the Spanish firm in exchange for shares in Sura Asset Management S.A.; this based on the terms and conditions of the offer made to each of the aforementioned shareholders.

## BREAKDOWN OF THE CONSOLIDATED EFFECT ON FINANCIAL STATEMENTS

The Parent Company's financial statements versus its consolidated statements at December 31, 2013 are broken down as follows:

### 2013

		PARENT COMPANY STATEMENTS	CONSOLIDATED STATEMENTS	CONSOLIDATION EFFECT
Total assets	\$	21,050,300	39,929,059	18,878,759
Total liabilities		762,782	16,635,407	15,872,625
Results for the period		781,794	782,666	872
Shareholders' Equity		20,287,518	20,207,077	(80,441)
Minority interest		-	3,086,575	3,086,575

The Parent Company's financial statements versus its consolidated statements at December 31, 2012 are broken down as follows:

## 2012

	PARENT COMPANY STATEMENTS	CONSOLIDATED STATEMENTS	CONSOLIDATION EFFECT
Total assets	\$ 21,680,178	37,379,395	15,699,129
Total liabilities	888,318	13,684,888	12,797,578
Results for the period	546,100	691,288	147,514
Shareholders' Equity	20,791,860	20,856,552	63,596
Minority interest	-	2,837,955	2,837,955

The following is a reconciliation of the Parent Company's net profits with consolidated net profits for the following years ended December 31:

	2013	2012
Parent company's net profits	\$ 781,794	546,100
Net subsidiary profits	659,153	1,147,880
	1,440,947	1,693,980
Eliminations that affected the consolidated results:		
Equity method:	(437,892)	(823,524)
Business Combination- Grupo Sura España, S.L	-	32,584
Minority interest	(195,419)	(210,587)
Balance net of eliminations, income and expense	(24,971)	(1,163)
<b>Consolidated net profits</b>	<b>\$ 782,666</b>	<b>691,288</b>

The following is a breakdown of the balances held and transactions performed with related parties at December 31:

	2013	2012
<b>Assets</b>		
	\$	
Intercompany funds - assets	6,260	6,208
Loan portfolio	3,049	3,755
Trade receivables	747,303	693,868
Accounts receivable and derivative operations	51,639	28,328
Property and equipment	1,648	6,305
Other assets	3	31,348
	<b>809,901</b>	<b>769,812</b>
<b>Liabilities</b>		
Borrowings - money market and related operations	6,260	6,208
Trade payables	14,800	7,301
Bank loans and other financial obligations	567,773	517,333
Accounts payable	47,903	193,073
Other liabilities	198,136	44,735
	<b>834,872</b>	<b>768,650</b>
<b>Income</b>		
Operating	375,169	314,573
Non-operating	17,110	16,693
	<b>392,279</b>	<b>331,266</b>
<b>Costs and expense</b>		
Operating	191,858	156,061
Non-operating	1,196	890
Costs	224,196	173,153
	<b>\$ 417,250</b>	<b>330,104</b>

Note: All the aforementioned transactions were carried out on an «arm's length» basis, that is to say under normal market terms and conditions.

Grupo Sura S.A. has not performed any transactions either with its shareholders or members of its Board of Directors.

The following is a breakdown of the Consolidated Headcount at December 31:

	2013	2012
<b>Management personnel</b>	21,838	17,060
Suramericana S.A. and Subsidiaries	9,491	8,517
Integradora de Servicios Tercerizados S.A.S. and Subsidiaries	2,397	2,138
Sura Asset Management Colombia S.A. and Subsidiaries	9,822	6,360
Grupo de Inversiones Suramericana S.A. and its other Subsidiaries	128	45
<b>Total Number of Employees</b>	<b>21,838</b>	<b>17,060</b>
<b>Personnel Expense</b>		
<b>Management personnel</b>	<b>\$ 758,993</b>	<b>697,627</b>

## NOTE 2

### SUMMARY OF MAIN ACCOUNTING POLICIES

#### (a) Consolidation Principles

The consolidated financial statements include the statements for subsidiary companies (where the Parent Company holds more than a 50% of their respective share capital or over which it has full control), applying the global integration method which consists of incorporating subsidiary assets, liabilities, shareholders' equity and results into the Parent Company's financial statements, after eliminating any existing reciprocal investments, shareholders' equity, transactions and balances. All significant reciprocal balances and transactions between the companies were eliminated during the consolidation.

#### (b) Business combinations

The accounting method used for business combination purposes is the acquisition method as stipulated in IFRS 3 - Business Combinations. The payment made in acquiring a subsidiary is equal to the fair value of the assets thus transferred, the liabilities incurred and the equity issued by the Company. This includes the fair value of any asset or liability resulting from a contingent payment agreement. All identifiable assets acquired along with liabilities and contingent liabilities assumed with a business combination are initially measured at their fair value on the date of their acquisition. The costs relating to such acquisitions are charged to the income accounts as and when these are incurred.

The Company recognizes any non-controlling interest in the acquired entity based on the corresponding portion of such interest in the net identifiable assets of the acquired company. All acquisition costs and expense are posted as and when they occur.

Goodwill is initially measured as the surplus between the payment made and the fair value of non-controlling interest on identifiable net assets and liabilities acquired. If the payment made is lower than the fair value of the net assets of the subsidiary thus acquired, in the case of a bargain purchase price, this difference is directly charged to the Consolidated Statement of Income.

Goodwill is not amortized but subject to impairment tests, when there are indications of such. Based on current legislation, the buyer has a term of 12 months in order to make any adjustments to the recording in books of the entity over which control is obtained.

The methodology applied in the case of business combinations was reviewed by the Colombian Superintendency of Finance who considered this accounting treatment reasonable based on an official statement dated December 26, 2012 and filed under No. 2012072089-003-000.

#### **(c) Conversión de estados financieros**

The financial statements of all those entities belonging to the Company were drawn up in the functional currency of their respective jurisdiction. The consolidated financial statements were reported in Colombian pesos, this being the currency in which the Company prepares and presents its financial statements.

The financial situation and results of all those entities whose functional currency is different from the Company's reporting currency and whose economies are not classified as hyperinflationary are converted as follows:

- Assets and liabilities are converted using the exchange rate applicable for the period.
- Shareholders' Equity is converted using the exchange rate applicable on each of the dates on which the corresponding transactions were carried out.
- Income and expense were converted using the average exchange rate.
- The exchange differences resulting from this conversion are posted in a separate Financial Statement Translation account.

#### **(d) Basis for Preparing and Presenting the Financial Statements**

The consolidated financial statements have been drawn up and presented pursuant to Article 122 of Decree 2641 issued in 1994 as well as the consolidation rules and regulations contained in External Circular No. 002 of 1998 issued by the Colombian Superintendency of Finance, plus the effect of the business combination as described in (b) of the Summary of Main Accounting Policies and Principles



#### **(e) Functional currency**

The consolidated financial statements are presented in Colombian pesos, which is the reporting currency of Grupo Sura S.A.

#### **(f) Cash equivalents.**

For cash flow purposes, fiduciary rights on ordinary mutual funds, as well as bank overdrafts, negotiable shares and certificates of deposit were considered as cash equivalents.

#### **(g) Investments**

Security-issuing entities:

For valuation purposes, investments are classified according to the following criteria:

- Their intent and purpose: negotiable and permanent.
- Their corresponding yield: fixed, variable or a combination thereof.
- Control held over the issuer: controlling and non-controlling stakes
- The reason behind the investment: voluntary or mandatory
- The rights granted by the security: participating and non-participating

Investments are appraised and posted as follows:

- **Negotiable investments:** at their market value, and all changes with regard to their latest book values are recorded in the income accounts alongside each investment.
- **Permanent investments (non- controlling):** should their selling price be higher than their book cost, the difference represents a gain for the period and this is posted in the valuation offset accounts (as a valuation against valuation surplus). Should their selling price be lower than their book cost, the difference is charged first to the valuation account and then to the revaluation surplus account, up to the amount contained in said accounts with any amounts left over constitutes a loss in the value of the investment which is charged to the aforementioned accounts as a lower value of these same, regardless of the contrary nature of their net balances.
- **Valuation procedure for entities coming under the oversight of the Colombian Superintendency of Finance:**  
Investments are appraised in keeping with the guidelines, criteria and methodologies stipulated in Chapter 1 of the Basic Accounting and Finance Circular issued by the Colombian Superintendency of Finance.

Based on the corresponding purposes and strategies of the investment in question, securities may be classified as negotiable investments, investments held-to-maturity or investments held-for-sale.

Any security or instrument and, generally-speaking any investment in general that has been purchased for the prime purpose of obtaining gains on short-term price fluctuations are classified as negotiable investments. Held-to-maturity investments consist of those purchased with the intention of maintaining these until they mature. Held-for-sale investments are those made for the purpose of keeping for at least one (1) year as of the date on which they were duly classified in this category, after which they are either reclassified as negotiable or held-to-maturity or continue as investments held for sale.

Investments are appraised according to the following provisions:

### DEBT SECURITIES

These are securities that grant creditor status to their holders with regard to the issuer in question. These investments are appraised on a daily basis bearing in mind that these are classified as negotiable, held-to-maturity or held-for-sale.

Negotiable investments or those held for sale are posted according to a price, reference rate or margin which is calculated based on representative market transactions.

In the absence of a price, the corresponding market value is estimated by calculating the sum of the present value of future flows of yields and principal, using a Discount Factor (DF) consisting of a benchmark rate and a margin that is published daily by INFOVAL (the Colombian Stock Exchange's information service) or any other agent that the Colombian Superintendency of Finance should authorize for this purpose.

$$DF = [(1+BR)*(1+M)] ^ (n/365)$$

Where:

**DF:** Discount Factor

**BR:** Annual benchmark rate as calculated on the valuation date.

**M:** Margin for the respective category of security as calculated on the valuation date.

**N:** Number of days between the valuation date and the due date for the flow in question, this calculated on a basis of a 365-day year.

Should neither a price nor a margin be available on the valuation date, the corresponding margin must be calculated based on valuations of similar securities. All those securities that cannot be appraised based on their price, reference rate or margin, must be valued exponentially based on their internal rate of return.

In the case of securities classified as held-to-maturity investments, these are appraised exponentially based on their internal rate of return calculated on the date of purchase.

## EQUITY SECURITIES

These are securities according to the corresponding holder with the status of co-owner of the issuer in question.

Equity securities that are registered with the Colombian Registry of Securities and Issuers and listed with the Colombian Stock Exchange are appraised based on the prices published by the agents authorized by the Colombian Superintendency of Finance for this purpose. These prices are based on information sourced from the different regional exchanges where these are traded. In the event of there being no trades setting a price on the secondary market, as of their date of issue, these must be appraised considering the subsequent changes to the issuer's equity, this based on the purchase price or the price published by an agent authorized for this purpose by the Colombian Superintendency of Finance Interests in collective portfolios as well as securities issued as part of securitizations are appraised based on the unit value calculated by the firm managing such on the date immediately preceding the valuation date even when these are listed on the Colombian Stock Exchange.

Equity securities listed on foreign stock exchanges are appraised based on the closing prices made available on the stock exchange in question on the valuation date, or failing that the closing price most recently reported by said exchange. Should no closing price be available for the period in question, these must be appraised based on the simple average of closing prices reported during the previous thirty (30) trading days including the valuation date.

Equity securities issued and traded in Colombia but not listed on the Colombian Stock Exchange.

These investments must be appraised using any one of the following procedures:

- The purchase price must be increased or reduced according to the investor's percentage of any subsequent changes to the issuer's equity.

For this purpose, changes to the issuer's equity are calculated based on duly-certified financial statements, at June 30 and December 31 of each year. However, in the event of more recent certified financial statements being made available, these should be used for appraising the corresponding investment. Entities are given a maximum term of three (3) months, subsequent to the cut-off date of their financial statements, to make the following changes:

- Based on the price determined by an agent specialized in appraising personal assets.

- Based on a method that adequately reflects the economic value of the investment in question, which must be previously authorized by the Colombian Superintendency of Finance .

Securities in foreign currency, pegged to units of real value (UVR in Spanish) or other units. Firstly the present or market value of the security or instrument is calculated in its respective denominated currency . The value thus obtained must be multiplied by the local exchange rate applicable on the date the security is appraised and duly certified by the Colombian Superintendency of Finance on said date, or by the value officially recorded for the unit on this same day, as applicable.

## DERIVATIVES

### Investments in currency forwards

Currency forwards are appraised on a daily basis in accordance with that stipulated in Chapter XVIII of the Basic Accounting and Finance Circular issued by the Colombian Superintendency of Finance; this based on their fair exchange prices following the guidelines and criteria that must be used by all those entities coming under the oversight of this Superintendency

Peso-dollar forward transactions are appraised using the forward points (PIPS) recorded at the daily closing of the forward market, as published by authorized agents.

In order to calculate the gains or losses obtained on this type of contract, the difference between the forward rate agreed upon and the forward rate applicable on the valuation date is calculated, which must correspond to the remaining term of the derivative in question, and this is converted to its present value using the zero coupon interest rate. For this the following formula is used:

$$\frac{\text{NUSD} * [ \text{FER} - (\text{MMR}_{\text{spot}} + \text{PIPSK} ) ]}{1 + (\text{rk} * \text{k}/360)}$$

Where:

**NUSD:** Nominal value of the contract stated in US dollars

**FER:** Peso-US dollar forward exchange rate stipulated in the contract and stated in pesos per dollar

**k :** Number of days between the valuation date and the stipulated delivery date.

**PIPSk:** Forward mid-points on the peso-US dollar forward market on the valuation date for a term of k days. This is stated in pesos per US dollar. This is stated in pesos per US dollar.

**MRRspot:** Market representative rate on the date of appraisal stated in pesos per US dollar

**rk:** Zero coupon interest rate for a term of k days, according to the guidelines governing discount rates as set out in sub-sections a), b) and c) of Section 7.2. of the aforementioned Chapter.

### **General policies governing derivative operations**

The derivatives held by the Company correspond mainly to hedging operations performed to protect its portfolios, and to a lesser extent to speculative transactions conducted within a time frame of up to one (1) year. Structured Products are not limited to this same time horizon and must consist of wholly-protected (100%) capital.

Based on the derivative and structured products permitted both by law and the Company's Investment and Risk Committee, the Company is considered to have a MEDIUM risk profile, and therefore its risk tolerance level is set at MEDIUM

Any transactions involving new structured products, derivatives or operations performed on new underlyings must be authorized by the Investment and Risk Committee after the Investment Department has presented its strategy and this has been duly analyzed by the Risk Department.

Hedging arrangements were conducted in 2012, for the purpose of mitigating the amount of volatility affecting the Companies' financial statements in the short term as well as to fulfill the targeted goals. Charges, constraints and encumbrances

Operations with derivatives reported to date are free of any encumbrance as well as legal and financial constraints.

### **(h) Related parties**

Related parties are companies under Grupo Sura's direct or indirect control, as well as members of its Board of Directors and Senior Management.

Colombian legislation sets forth certain restrictions and limitations on transactions carried out with related parties, such as the directors and senior management of a company, as well as its subsidiaries.

Restricted or prohibited transactions are duly stipulated in the Colombian Code of Commerce, as amended by Law 222 of 1995. This law establishes, among other things, the following: (i) all subsidiaries must carry out their activities independently and with sufficient administrative autonomy; (ii) transactions between the parent company and its subsidiaries or affiliates must be of a real nature and may not differ considerably from standard market conditions, nor be to the detriment of the Colombian government, stockholders or third parties

and (iii) subsidiaries may not acquire shares issued by their parent company.

Furthermore, all transactions between companies and their shareholders, directors and senior executives must be carried out on an arm's length basis and with the utmost transparency, fairness and impartiality.

#### (i) Accounts receivable

The provision for this account is based on the estimated collectability of the balances outstanding, according to their particular nature, the following being the most relevant:

- In the case of all those subsidiaries pertaining to the finance sector, provisions for loan portfolios and amounts to be collected are set up based on that stipulated by the Colombian Superintendency of Finance.
- In the case of the Group's insurance subsidiaries, accounts receivable that are more than 6 months past due, require that a provision for 100% of the value of these be set up and charged to the income accounts.
- Provisions are charged against the income accounts should there be any doubt concerning the collection of the amounts outstanding. The Colombian Superintendency of Health, by means of Resolution 1424 of 2008, requires a provision to be set up covering eventual losses on revenues due from pre-paid healthcare services and/or complementary healthcare plans that have remained outstanding for more than 90 days, this equivalent to 100% of the value of the payments owing. As for amounts outstanding corresponding to injunctions and CTC orders, maternity leaves, private individuals, and workers' compensation, the Company sets up a provision for 5% of the amounts that have remained between 90 and 180 days outstanding, 10% for between 181 and 360 days outstanding, and 100% for amounts more than 360 days outstanding.

The general provision set up on accounts receivable, based on the amount of days outstanding, is broken down as follows:

PROVISION %	DAYS OUTSTANDING
5	Between 90 and 180 days
10	Between 181 and 360 days
15	More than 360 days

- Our other subsidiaries record provisions based on management estimates regarding their collectability.

#### **(j) Transactions and balances in foreign currencies**

Transactions in foreign currency included in the consolidation are converted to Colombian pesos using the market representative rate as certified by the Colombian Superintendency of Finance on the date these are conducted. Balances in foreign currency are adjusted using the market dollar rate applicable on the last day of the month, which at December 31, 2013 and December 31, 2012 came to COP \$1,926.83 and COP \$1,768.23 respectively. Exchange differences are posted in the income accounts.

According to Decree No. 4918 issued December 26, 2007 by the Colombian Ministry for Commerce, Industry and Tourism, exchange differences resulting from equity investments in foreign subsidiaries must be posted as a higher or lower value of the Company's equity; and when the investment in question is sold off, this value is posted on the income accounts.

#### **(k) Inventories**

Inventories are managed using the permanent inventory system. These are appraised using the average inventory method and their depletion is recognized by charging the respective cost account for the service provided.

Inventories of real estate held for sale and plots of land for subsequent development, whether wholly or partly owned (both land and construction in progress together with buildings), are recorded at cost, which shall not exceed their corresponding market value.

#### **(l) Realizable assets and assets received as payment**

Assets received in the form of payment are posted at the value paid in kind, this based on technical appraisals.

Based on that stipulated in External Circular 043 issued in 2011, technical appraisals may not date back more than three years from the date on which the books are closed for the period for which said appraisals are used.

Should there be a difference in favor of the debtor between the value for which the asset is received and the value of the obligation to be paid, this is posted as an account payable. Should the value of the asset not be enough to cover the amount owing on unpaid obligations, a provision is set up on the difference.

For the purpose of setting up individual provisions on all kinds of assets received in the form of payment, the instructions set out in

Chapter III of the Basic Accounting and Finance Circular are duly followed.

All realizable assets are posted at their purchase or production cost, which includes all direct and indirect costs and expense that are incurred until they are ready to be used or sold.

Interest, monetary correction, foreign exchange adjustments, as well as any other financial expense incurred in acquiring, building or assembling assets constitute a higher value of the asset in question, until these are started up or ready to be used or sold. From then onwards these are considered as an expense.

#### **(m) Prepaid expense and deferred charges**

These correspond to prepaid expense such as insurance and non-proportional contractual costs (amortized during the life of the policy) as well as interest, commissions paid to brokers on pending premiums and deferred charges relating to remodellings, computer programs, office stationery and supplies, improvements to leased assets, organization and pre-operating expense, advertising and publicity, contributions and membership fees.

Prepaid expense is amortized during the period in which the corresponding benefit is obtained.

Deferred charges are amortized as follows:

- Software programs up to a maximum of 3 years
- Office stationery and suppliers, as these are depleted.
- Organization and pre-operating expense up to a maximum of 5 years.
- Projects, during the time it takes for their completion.

Deferred acquisition costs (DAC) represent an asset consisting of acquisition costs of insurance contracts which are deferred and amortized over time. Deferred costs, which vary as new contracts arise or existing contracts are renewed, consist mainly of commissions, certain expense incurred with signing and issuing contracts and certain brokerage or agency expense.

In the case of traditional and flexible life insurance together with non-life insurance contracts, DAC are amortized during the period the premiums are paid in proportion to the income to be received on recognized premiums.

For other types of traditional life insurance, DAC are amortized during the life of the policies with respect to the materialization of estimated gross profits. In the case of DAC corresponding to flexible insurance contracts, a lineal amortization approach is used during the estimated term of the policy in question. Once a year, in conjunction with the



adequacy tests performed on reserves, an implicit adequacy test is carried out on DAC (to verify that net reserves of DAC are sufficient).

- Premiums for more than one year are amortized based on the term of the policy
- Those corresponding to leased assets are amortized over whichever is the shortest period between the term of the respective contract and their probable useful life.
- Advertising, publicity, contributions, membership fees, organizational and pre-operating expense are amortized over a 12-month period.

#### **(n) Property, plant and equipment**

Property, plant and equipment are recorded at their adjusted cost, including costs and expenses accruing up to the moment the asset is ready for use.

Any extensions, improvements and extraordinary repairs that significantly increase the useful life of the asset in question are recorded as an added cost, and maintenance and repair costs are charged to expenses as these accrue.

With regard to performing maintenance on furniture and fixtures, there exists a maintenance program and a team of subcontractors in charge of carrying out repairs and attending incidents as these arise. Visits are scheduled on a regional level each year, and a general check is performed on all our premises.

In the case of both operating and non-operating property on a nationwide level, when these are occupied, maintenance and repairs are performed upon request, and once the initial evaluation is completed and depending on the extent of the damage or malfunction, the corresponding repair or maintenance work must be completed within four days of having been reported. In the case of unoccupied property a person has been assigned (not for this exclusive purpose) in every city in order to conduct periodic inspections and resolve all issues regarding such property.

Both real estate and personal property are duly insured against fire, low voltage and theft, as applicable. Real estate is insured against earthquake and fire for its commercial value. Works of art are insured for their appraised commercial value however, it is the Company's policy not to move furniture or fixtures (including works of art) outside its premises without having obtained the corresponding coverage.

At December 31, 2013, all the Company's real estate property remained free of any encumbrance, mortgage or pledge.

Depreciation is recorded using the straight-line method based on the asset's estimated useful life in years. The annual depreciation rates for each type of asset are as follows:

	ANNUAL % RATE
Buildings	2 to 5
Equipment, furniture and office fixtures	10
Computer equipment	20
Vehicles	20
Medical and dental equipment	10

#### (o) Intangibles

Intangible items consist of acquired goodwill, trademarks, non-competition agreements, contractual relations with clients, goodwill, goods received as part of financial leasing arrangements, software, trusts and licenses.

- **Acquired goodwill**

Based on that stipulated by the IFRS 3, the acquiring company shall recognize goodwill separately from the intangible assets acquired in a business combination. An intangible asset is identifiable if it meets the legal contractual or separability criterion.

Under IAS 38 - Intangible Assets, an intangible asset must be recognized separately from goodwill if it meets the recognition criteria therein prescribed.

- **Contractual relations with clients and trademarks**

These are relations that the companies maintain with individuals and institutions that invest money in the different types of mutual funds offered. There are three types of clients, those entitled to tax benefits, those who are not entitled to tax benefits and institutional clients. Clients entitled to tax benefits are natural persons or private individuals (dependent or independent) who pay a single, second-category tax and/or complementary global tax (persons who are liable for tax) and who are members of mutual funds covered by that stipulated by Article 57 bis of Chile's Income Tax Law.

Intangible assets, contractual client relations and trademarks were purchased as part of a business combination. The estimated useful life of contractual client relations is between 4 and 22 years, whereas trademarks have an indefinite duration.

## Valuation Methodology

Grupo de Inversiones Suramericana S.A., used the Multi-Period Excess Earnings Method (MEEM) to determine the fair value of all those intangible assets relating to contractual relations with clients. This methodology forms part of the income approach pursuant to the IFRS 13 – Fair Value Measurement and is based on the principle that the value of a specific asset may be obtained from the present value of future cash flow surpluses, after deducting the tax attributable to said asset during the rest of its useful life.

Cash flow surpluses are estimated as the difference between:

- Operating cash flows after deducting the amount of tax attributable to the asset in question; and
- The cost of capital invested relating to other net operating assets (both tangible and intangible and other than the asset in question) that are required to provide the cash flows attributable to the asset itself.

It is important to note that in order to apply this methodology, all those assets that make up the cost of capital invested should have been adequately identified and appraised prior to estimating the asset's market value. Finally the cash flow surpluses attributable to the asset in question, are discounted at an appropriate rate, according to their respective risk profiles, so as to be able to estimate the present value of said flows.

- **Leasing**

Rights and obligations relating to leased assets are posted in keeping with the nature of the respective lease contract or agreement, as described below:

### **I) Financial Leasing Arrangements**

The present value of lease rentals and the purchase option is calculated on the date the corresponding contract is signed, this being the cost of the asset which is recognized as a fixed asset, which is credited to a financial obligation. During the term of the lease contract, the portion of the lease rentals corresponding to payments of principal on the asset in question is applied as a lower value of the respective liability and the portion corresponding to interest is posted as a financial expense on the income accounts.

Depreciation is calculated by applying the straight-line method during the asset's useful life and this is posted as an amortization on the income accounts.

**II) Operating leasing arrangements**

With this type of contract, no asset or liability is recognized on the assets received. The total value of lease rentals is posted on the income statements as leasing expense.

The terms, conditions and requirements for operating leasing contracts to be recognized as such are found in subsection 1 of paragraph 3 of Article 127-1 of the Colombian Tax Code (the only persons entitled to this form of treatment are lessees reporting total assets for up to the maximum limit for a medium-sized company as stipulated in Article 2 of Law 905 of 2004 , which is equivalent to 610.000 Units of Tax Value).

**(p) Taxes, Levies and Charges**

Income Tax and Equality Income Tax (known as CREE in Spanish)

Income tax expense including equality income tax is determined based on taxable income, this being either taxable net income or presumptive income depending on whichever value is the highest. The effect of temporary differences that imply calculating higher or lower taxes to be paid for the current year, based on current tax rates, is posted as a deferred tax asset or liability, as applicable, providing said differences are reasonably expected to be reversed

**(q) Trust rights**

Real estate and administrative trusts received as part of liquidation and merger proceedings are recorded based on their liquidation cost multiplied by the percentage stake held.

**(r) Valuations**

The accounting policies applicable to recognizing gains and losses are presented as follows:

**Property, plant and equipment**

These are recorded by comparing their technical appraisals with their corresponding net book values. When their technically appraised value is greater than their book value the difference is posted as a gain on the balance sheet accounts, otherwise it is posted as a loss, initially charging the valuation accounts until their value is depleted and then any amount left over is charged to the income accounts.

Appraisals are performed at least every three years. In the interim these are updated based on either official indicators or on the CPI as applicable to the middle-income brackets, which is published by the Colombian Statistics Bureau (DANE)

**Investments in non-controlling companies**

Valuations of permanent investments in non-controlling companies correspond to the higher value obtained from comparing their intrinsic value with their book cost which is then recorded firstly in the valuation

account and then the valuation surplus account up to the total value of such. Should their intrinsic value be less than their book cost the difference is posted firstly in the valuation account and any amounts left over are then recorded in the valuation surplus account. If their intrinsic value is higher this represents a loss which is then charged to the aforementioned valuation accounts, regardless of the contrary nature of their net balances.

### **Trusts**

Trust valuations are posted according to the difference between the value appearing on the corresponding statement and their book cost.

### **(s) Deferred income**

This consists of deferred and prepaid income which is amortized during the period it accrues or when the services are provided.

### **(t) Estimated liabilities and provisions**

The preparation of financial statements according to generally-accepted accounting principles requires that Company Management records estimates and provisions that affect the reported values of the Company's assets and liabilities as well as disclose assets and liabilities of a contingent nature on the date on which the financial statements are drawn up. The real results could therefore differ from the figures thus estimated.

### **(u) Retirement Pensions**

Retirement pension liabilities are calculated based on actuarial studies, which are drawn up as required by law. Retirement pensions are amortized according to the percentages stipulated by law. The current portion is calculated on the estimated payments to be made during the following year.

For years ended December 31, 2013 and December 31, 2012, the Company amortized the total value of its retirement pensions. The payments made to retired personnel were charged to the provision for such.

### **(v) Memorandum accounts**

These accounts contain events, circumstances, agreements and contracts that may entail certain rights and obligations which could consequently affect the Company's financial structure. These also include control accounts used for assets, liabilities, equity and management information or for future financial situations and differences between accounting records and tax returns.

**(w) Insurance business****Provision for premiums pending collection**

The Companies set up a provision for premiums pending collection on earned premiums and policy-issuing expense that have remained outstanding for more than 75 calendar days beginning on the date on which the technical term of the policy, together with the certificates and annexes issued based on such, begin. For this, the policy-to-policy method of recognized technical value is used as required by the Colombian Superintendency of Finance, except in the case of premiums to be collected from the State or Central Bank, providing there is a duly executed agreement with the State, a certificate of budgetary availability has been obtained or the respective budget record has been made to proceed with its corresponding payment.

As for accounts receivable and other related assets within the insurance business, that are more than 6 months past due, a provision for 100% of the value of these is set up and charged to the income accounts.

Provisions for premiums receivable are set up in accordance with that stipulated by the Colombian Superintendency of Finance in External Circulars Nos. 100 of 1995 and 036 of 2004, and charged to the income accounts.

The Occupational Risk Management Companies must set up a provision equivalent to one hundred per cent (100%) of the amounts due and payable as of the first month in which the employer defaults on payment, charging this to the income accounts.

ARP Sura S.A. sets up the corresponding provisions for its accounts receivable that have remained outstanding up to a term of one year, this based on applicable legal and regulatory case law. It is worthwhile noting that Article 96 of Decree 1295 of 1994, subsequently amended by Article 18 of Law 776 of 2002, stipulates a statute of limitations of one year for all those benefits established by the Occupational Risk Management System, which is why it is not appropriate to set up a provision for said accounts for a longer period of time, since the right to claim such benefits expire within a maximum term of one year, beginning on the date the employer defaults on the payment of these installments.

**Recognition of revenues, costs and expense**

Revenues, costs and expense are recorded on the income accounts as they accrue.

Revenues on premiums issued are recognized when the respective policies are issued. These revenues are distributed throughout the period using the technical reserve. Revenues on premiums issued are

reduced when the policies are either canceled and/or revoked. In the case of the former, the value recorded corresponds to the total value of the premium earned up to the moment it is canceled due to its payment term having expired.

Savings with respect to life insurance policies are recorded both as revenues as well as expense against the reserve. The difference between the corresponding revenue and expense plus returns is posted on the income accounts.

In the case of each employer, the Occupational Risk Management firm must estimate the value of all mandatory contributions bearing in mind the number of workers that were affiliated during all or part of the period (incoming and outgoing), the wage base on which contributions are calculated and the type of risk, as reported on the last payment settlement or affiliation form. Should the employer not report any incident, the estimated value of the corresponding contributions cannot be lower than that contained on the last payment settlement form.

#### **Breakdown of contributions received**

- Contingency and other coverages.  
Ninety-four per cent (94%) of the contributions received are assigned to cover Occupational Risk contingencies or to pay the corresponding economic or health benefits, design and provide occupational risk and comprehensive rehabilitation programs as well as to manage the system itself.
- The Research and Prevention Program Fund – work-related accidents and occupational disease  
Five per cent (5%) of the contributions received are assigned to drawing up programs, campaigns, educational initiatives and conducting research into work-related accidents and occupational disease, pursuant to Article 19 of Decree 1295 of 1994.
- Occupational Risk Fund  
This fund is allotted one per cent (1%) of the contributions received, pursuant to Article 19 of Decree 1295 of 1994. This sum is transferred on a monthly basis to the Fiduciaria la Previsora.  
In the case of Compañía Seguros Sura S.A., premium income and commissions received on insurance contracts, as well as reinsurance and co-insurance operations, claims and commission expense are posted using the accrual method, while at the same time taking into account that stipulated in Law 146-02 governing insurance and sureties. Deferred premium subscription costs are initially presented as pre-paid expense on the statement of financial position and these are amortized using the straight-line method during the term of the respective contracts.

## Technical insurance reserves:

### Technical Reserve for Ongoing Risk

Pursuant to Law 45 of 1990, and Decree No. 839 of 1991, subsidiary companies must calculate their respective technical reserves for ongoing risks based on 80% of the premiums retained during the year, this based on the "eighths" method, except for the following types of insurance:

BRANCH OF INSURANCE	% DE RETAINED	RESERVE	FREQUENCY
Aviation, shipping, mining and oil production	100	10	Annual
Global banking management and fidelity as well as financial risk	100	20	Annual
Transport	100	50	Trimestral

In the case of insurance for terms of less than one year, the technical reserve is calculated proportionately to the life of the insurance.

As of January 2007, Seguros de Vida Suramericana S.A., has calculated its technical reserves for ongoing risk using the policy-to-policy method, as authorized by the Colombian Superintendency of Finance, taking 80% as a basis for its calculation for the first year, 90% for the second and 100% from the third year onwards. At the Company's request, the Colombian Superintendency of Finance, by means of Filing N° 2007 000886-001-00 dated February 08, 2007, authorized the Company to continue using 80% as the basis for this calculation.

As of January 2005, the Company had calculated its technical reserve for ongoing risk using the policy-to-policy method on 100% of the premiums retained. Subsequently the Colombian Superintendency of Finance, by means of Filing N° 2007 000886-001-00 dated February 08, 2007, authorized the Company to continue using 80% as the basis for this calculation.

At the request of Seguros Generales Suramericana S.A., the Colombian Superintendency of Finance by means of Filing No. 2007073701- 001-000 dated December 31, 2007, authorized the setting up of this reserve using as a basis for its calculation 80% of all those policies entering into full force and effect as of December 1, 2007, except in the case of transport insurance which is governed by a special system regulated by Decree 839 of 1991.

Seguros de Vida Suramericana S.A., pursuant to that stipulated in Article 3 of Resolution 1555 dated July 30, 2010 with regard to calculating pension



products belonging to the General Pension System (including pension commutations), the General Occupational Risk System as well as for other products, for which mortality tables for policy holders are used and the corresponding reserves were set up at September 30, 2010, entities may perform gradual adjustments to said reserve for a period of up to 20 years. In the case of Compañía Seguros Sura S.A., ongoing risk reserves on property and casualty insurance are calculated based on specific percentages of retained premiums, net of cancellations or discharges, depending on the branch of insurance in question. These percentages are stipulated in Article 141 of Law No. 146-02, as follows:

- 15% in the case of cargo transport insurance
- 40% for all other types of insurance and sureties

Reserves for catastrophic risks are set up between a minimum of 0.50% and a maximum of 5% of net retained premiums on the coverages provided by the branch of insurance in question, including Fire and Allied Lines exposed to catastrophic losses. These reserves are considered as being cumulative liability reserves to be used exclusively to pay for any catastrophic losses sustained.

The ongoing risk reserve for collective life, personal accident and health care insurance, provided the corresponding premiums are collected on a monthly basis, are calculated based on 5% of the subscribed premiums. In the case of policies with terms of one or more years, the «twenty-fourths» method is used. In the case of policies with terms of less than one year, these are calculated proportionally on a policy-by-policy basis. As for carrier-certificated transport insurance, the corresponding reserve corresponds to fifty percent of the premiums outstanding on the date this is calculated.

#### **Technical reserve for EPS Sura**

As of 2007 and pursuant to Decree N° 574 of 2007, subsequently amended by Decrees Nos. 1698 of 2007 and 2353 of 2008 the Colombian Superintendency of Health required that technical reserves be calculated, set up and maintained for service authorizations, technical reserves for services charged and IBNR reserves (for losses incurred but not reported).

Technical reserves for service authorizations are equal to 100% of all authorized health services pending collection, up to a maximum term of 12 months or until, a minimum of four months have elapsed since authorization was given without the service having been provided. Once this term has elapsed, without the corresponding invoice having been received, the reserve is duly freed up. This reserve is set up based on the entire amount of components that make up the authorized healthcare service, taking into account the historic average for the previous year of the total amount paid for the service(s) included in the authorization issued. In the case of capitalization agreements, a reserve must be set up

within the first five days of each month for an amount equal to a month of the term of the contract. Payments are made charging the reserve thus set up.

**In the case of deposits retained from overseas reinsurers:**

The reserve for deposits for premiums assigned as part of overseas reinsurance arrangements is determined based on the following percentages: aviation, shipping, and mining and oil production - 10%; global banking management and fidelity together with financial risk - 10%; and transport and other types of insurance - 20%. It is possible to set up, for the Company's own account, retained deposits that would otherwise be for the account of the reinsurer with regard to aviation, navigation, mining, and oil production, as well as global banking management insurance, in the case of the parties agreeing not to do so, or using a lower percentage

In the case of Compañía Seguros Sura S.A., premium income and commissions received on insurance contracts, as well as reinsurance and co-insurance, claims and commission expense are posted using the accrual method, while at the same time taking into account that stipulated in Law 146-02 governing insurance and sureties. Deferred premium subscription costs are initially presented as pre-paid expense on the statement of financial position and these are amortized using the straight-line method during the term of the respective contracts

**In the case of reported claims pending settlement:**

The reserve for reported claims pending settlement is set up and charged to the income accounts for the estimated amount of individual reported claims, both for those retained by the Company and for those accepted as part of reinsurance arrangements.

For reported disability and survivorship claims, the estimated amount of the settlement to be paid by the Company is recorded for each reported claim pending settlement.

Reserves for reported claims on disability and survivorship insurance policies in the case of Seguros Sura S.A., are calculated using an actuarial formula consisting of the current value of future payments at a technical interest rate of 5%, plus discounts based on the life expectations of the policy holders themselves, using the mortality tables for both active and disability commutations as issued by the Specialized Technical Department of the Superintendency for Pensions (SIPEN in Spanish) for the Dominican Pension System.

**In the case of claims incurred but not reported**

An IBNR reserve is set up for claims incurred and not reported, for the sum resulting from the average amount paid out on unreported claims

over the previous three-year period and the retained portion, in real terms, based on the CPI corresponding to the previous year.

In the case of Occupational Risk insurance, the reserve for claims incurred but not reported is set up on a quarterly basis based on the difference between 94% of the 50% of the payments accruing (net retained premiums) during this same period, and the total amount of claims paid out, increases in the mathematical reserve and reported claims pending settlement recorded during that quarter.

In any event, this reserve cannot be less than 5% of the payments accruing during the quarter, nor greater than 25% of the payments accruing over the previous 12-month period

The balance of the reserve set up until November 1998 may not be reduced nor freed up. Pursuant to Decree 4310 issued December 21, 2004 by the Colombian Ministry of Finance and Public Credit, which amended Decree 231 of 2002: «beginning on January 1, 2010, the IBNR reserve (for claims incurred but not reported) with regard to occupational risk insurance shall be subject to the general framework stipulated in Article 7, Decree, 839 of 1991, or any other regulatory decree that should amend, extend or replace such”.

The IBNR reserve for claims from previous periods with respect to disability and survivorship insurance is adjusted on a quarterly basis and calculated for each policy on the earned portion of the risk, as stipulated in Decree 2345 of 1995.

Seguros Sura S.A., records in the form of specific reserves all those amounts that are pending settlement or payment at year-end, as well as a provision for IBNR claims after December 31 and before the date of the independent auditor report.

For all those companies that do not qualify for the treatment contained in the aforementioned decrees, reserves for claims are calculated on a case-by-case basis, or using approximations based on experience. Provisions may be set up on IBNR claims or on handling expense for future claims. These provisions are checked each year using standard actuarial methods. Furthermore, the costs of losses sustained and so far unreported are recognized in the reserves for IBNR claims.

#### **For deviations with the claims rate**

This reserve is set up on 40% of the net retained premiums in the case of earthquake risk which may accrue until reaching twice the maximum probable loss from the cumulative amount retained by the Company within the seismic area with the greatest exposure.

The reserve for deviations with the claims rate in the case of occupational risk insurance is cumulative and is increased on a quarterly basis in

an amount equal to 4% of the premiums earned during that period, on the retained portion of the risk without the accumulated balance of the reserve exceeding 25% of the payments received over the last 12 months, less one-half of the insured amount in excess of the catastrophic losses that cover these risks.

Pursuant to Decree 2347 of 1995, this reserve may be used to pay claims that, due to their amount or nature, can reasonably be considered as being catastrophic.

### **Mathematical reserve**

In the case of the life insurance companies, a mathematical reserve is set up on a policy-to-policy basis, this according to actuarial calculations that are adjusted based on the technical note submitted to the Colombian Superintendency of Finance, using the same technical interest and mortality table for calculating the premiums for each type of insurance. The mathematical reserves for individual life insurance on the part of Seguros Sura S.A., consist of the equivalent of the difference existing between the current value of the Company's obligations with its policy-holders and the current value of amounts owed by policy-holders to the Company. These are calculated on the basis of net premiums corresponding to individual life insurance as well as survival probabilities on pension plans, this according to the interest rates and mortality tables used by the Company. Mathematical reserves are calculated on the basis of net premiums, however, modified reserves may be calculated providing their method of computation has been authorized by the Superintendency of Insurance.

In the case of occupational risk insurance, an individual reserve must be set up on beginning on the date on which the obligation to recognize the disability or survivorship pension is determined. The total amount of this reserve is the expected current value of the monthly outlays on the part of the occupational risk management firm.

This reserve is calculated using the system of fractionated annuities in arrears, pursuant to Resolutions 585 and 610 of 1994 issued by the Colombian Superintendency of Finance, or any new rules and regulations that should supersede these.

In the case of the mathematical reserve corresponding to the savings fund, this is calculated based on the net balance available per client, and includes amounts added and withdrawn on the part of each holder, in addition to the interest payable to each.

The value of the savings fund unit is calculated on a daily basis, this serving as a daily adjustment for the savings fund.

- Law 100 pensions
- Pensions subject to the Pension Commutations

- Voluntary pensions
- Pension annuities
- Education annuities

The mathematical reserve corresponds to the present actuarial value of the obligation acquired by the insurance company, calculated based on a real technical interest rate of 4%, as stipulated by the Colombian Superintendency of Finance in Resolution 0610 issued April 14, 1994 for companies that do not come under the oversight of said Superintendency. The life insurance reserve is calculated based on a prudent forecast using the actuarial method, considering the current conditions of the insurance contracts. Specific methodologies may be used between business units in accordance with local regulations and local practices for specific products with local market characteristics, these reserves are calculated based on assumptions with regard to mortality and morbidity rates, expense, return on investments and assignments. These assumptions are drawn up on the date the policy is issued and are constantly reviewed throughout the term of the policy, except in the case of recognizing losses.

#### **Special Reserves – Occupational Risk Insurance**

External Circular No. 052 of 2002 issued by the Colombian Superintendency of Finance stipulates a gradual framework for setting up an occupational risk reserve, which can only be used to cover the sums transferred by the Company to other occupational risk management firms claiming economic benefits for occupational sickness. This reserve is cumulative and represents two per cent (2%) of the monthly payments earned.

#### **(x) Materiality**

All economic events are recognized and presented according to their relative importance. Upon preparing the financial statements, materiality was determined based on total current assets and liabilities, total assets and liabilities, working capital, shareholders' equity or results for the year, as appropriate

As a general rule we applied a materiality threshold of 5% of the total value of assets and operating revenues.

#### **(y) Bonds and commercial paper**

These are securities received by the economic entity as a result of issuing and selling bonds and commercial paper in the form of credit securities for the purpose of financing working capital.

#### **(z) Net earnings per share in pesos**

Net earnings per share for the years 2013 and 2012 were calculated based on 575,372,223 shares outstanding. de 575.372.223.

## NOTE 3

## CASH AND BANKS

The following is a breakdown of the Cash and Banks account at December 31:

		2013	2012
Cash	\$	32,748	12,285
Banks and other financial institutions		1,082,124	521,714
	<b>\$</b>	<b>1,114,872</b>	<b>533,999</b>

The cash and due from banks account is free from any constraint or encumbrance, except for an embargo affecting five bank accounts belonging to Seguros Generales Suramericana S.A. , one belonging to Seguros de Vida Suramericana S.A. (a subsidiary of Suramericana S.A) and one belonging to Seguros Sura Perú and Afore Sura S.A. (subsidiaries of Sura Asset Management S.A.)

## NOTE 4

### INVESTMENTS

The following is a breakdown of investments held at December 31:

	2013	2012
<b>Negotiable investments in the form of debt securities:</b>		
Internal Government debt securities	\$ 590,597	830,498
External Government debt securities	-	1,034
Other public debt securities	14,434	135,270
Securities issued by the Colombian Central Bank	1,927	-
Credit securities - securitization, mortgage-backed	5,666	23,080
Credit securities (inc. mandatory bonds) issued by entities subject to	258,318	-
Credit securities (inc. mandatory bonds) issued by entities not subject to oversight	140,553	-
Securities issued, backed or guaranteed by foreign governments	328	-
Securities issued, backed, guaranteed or accepted by foreign banks	271,747	-
Multilateral credit securities	29,042	-
Other negotiable securities	97,748	1,148,900
	<b>\$ 1,410,360</b>	<b>2,138,782</b>

	2013	2012
<b>Investments held for sale in the form of debt securities:</b>		
International Public Debt Securities Issued and Guaranteed by State Pension Bonds	\$ -	174,432
International Public Debt Bonds Issued and Guaranteed by Govt. TES bonds	-	3,244
Other Govt. securities, Stock Company Bonds	-	3,300
Securities issued by credit establishments	-	56,950
Securities Issued and Guaranteed by by Fin. Inst. Subj. to Oversight IFI CDs	-	63,007
Securities Issued and Guaranteed by Fin. Inst. Subj. to Oversight Stock Company Bonds	-	39,904
Securities Issued and Guaranteed by by Fin. Inst. Not Subj. to Oversight Stock Company	-	5,682
Others	-	3,628
	<b>\$ -</b>	<b>350,147</b>

		2013	2012
<b>Negotiable investments in the form of equity securities:</b>			
Shares with high liquidity	\$	243,955	146,528
Shares with medium degree of liquidity		39,515	348,511
Equity securities originating in securitization operations		20,846	8,857
Mixed securities obtained from securitizations		3,831	37,533
Participations in international equity funds		12,956	-
Participations in international variable income funds		85,199	124,575
Participations in Pension/Severance Funds		35,858	-
Participations in investment funds		162,295	14,192
Participations in security funds # 6		-	3,798
Participations in mutual funds # 2		78,616	18,929
Participations in special mutual funds		-	16,296
Other Securities		180	154,703
Certificates of Deposit		11,596	-
Others		-	9,533
Convertible bonds		4,879	-
Investment trusts in L/C		25,302	-
Shares		103	-
Less provision		(60)	(3,540)
	\$	725,071	879,915
<b>Total temporary investments:</b>	<b>\$</b>	<b>2,135,431</b>	<b>3,368,843</b>



	2013	2012
<b>Investments held-to-maturity in the form of debt securities:</b>		
Internal Government debt securities	\$ 3,293,878	5,466,950
External Government debt securities	19,257	1,842,883
Other public debt securities	67,832	965,540
Mortgage-backed securities	26,443	-
Credit securities - securitization, mortgage-backed	52,049	137,143
Securities Issued and Guaranteed by Fin. Inst. Subj. to Oversight (including mandatory bonds)	1,775,948	32,482
Securities Issued and Guaranteed by by Fin. Inst. Not Subj. to Oversight (including mandatory bonds)	1,278,059	-
Securities issued, backed, guaranteed or accepted by foreign banks	334,936	-
Credit securities - multilateral	31,056	-
Other securities	2,260,611	-
	<b>\$ 9,140,069</b>	<b>8,444,998</b>
<b>Investments held for sale in the form of equity securities</b>		
Shares with low or minimum liquidity	1,838	-
Other securities	322,642	-
Equity securities held-for-sale	30,167	-
Equity investments	4,108,075	3,699,883
Other investments	93	-
Obligatory investments - technical reserves	103,842	-
Financial assets at fair value through profit or loss	1,624,227	-
Less provision	(42,412)	(8,957)
	<b>\$ 6,148,472</b>	<b>3,690,926</b>
<b>Total permanent investments</b>	<b>\$ 15,288,541</b>	<b>12,135,924</b>
<b>Total investments</b>	<b>\$ 17,423,972</b>	<b>15,504,767</b>

### Provision for investments

Movements in the provision for investment accounts corresponding to the years ended December 31, 2013 and December 31, 2012 are broken down as follows

		2013	2012
Opening balance		12,497	11,781
Provision charged to expenses	\$	33,010	6,859
Reversed provisions		(3,035)	(1,136)
Cancellation of provision for sales		-	(5,007)
<b>Provisions</b>	<b>\$</b>	<b>42,472</b>	<b>12,497</b>
Current portion		(60)	(3,540)
Non-current portion		(42,412)	(8,957)
	<b>\$</b>	<b>(42,472)</b>	<b>(12,497)</b>

The following is a breakdown of the Company's equity investments at December 31:

COMPANY	2013		2012	
	NO.SHARES	% STAKE	NO.SHARES	% STAKE
<b>Finance</b>				
Bancolombia	227,920,258	26.8%	227,920,258	26.8%
<b>Pension Fund Management Firms</b>				
Protección - AFP	12,541,088	49.4%	10,830,799	56.9%
Administradora de Fondos de Cesantías	276	22.6%	61,401	22.2%
DCV Vida S.A.	1,356	10.0%	1,356	10.0%
Inversiones DCV S.A.	3,431	34.8%	3,431	34.8%
Servicios de administración Previsional S.A.	168,807	22.6%	168,807	22.6%
<b>Food</b>				
Grupo Nutresa	161,807,155	35.2%	161,402,353	35.1%
<b>Cement</b>				
Grupo Argos	230,501,123	29.1%	230,466,132	29.4%
<b>Insurance and Social Security</b>				
La Positiva - Perú	12,216,412	4.9%	12,216,412	4.9%
ARS Palic	247,665	30.0%	247,665	30.0%
<b>Services</b>				
Sodexo Soluciones de Motivación	261,342	49.0%	261,342	49.0%
Sodexo	1,604,015	35.0%	1,604,015	35.0%
Promotora de Proyectos	3,409,024	45.5%	3,409,024	45.5%
Tripel	18,216,104	41.4%	18,216,104	41.4%
Brinks	3,377,445	18.6%	3,377,445	18.6%
Zona Franca	85,447,040	22.5%	85,475,563	22.5%
<b>TextilesReal Estate</b>				
Enka	2,402,709,374	20.4%	2,250,383,109	19.1%
<b>Others</b>				
Pizano	699,310,857	10.0%	699,310,857	10.0%
Holding Concorde	1,650,000	4.9%	1,650,000	4.9%
Fogansa	663,704	1.1%	663,704	1.1%
Altos M de Y S.A.S	1,706,447	15.0%	1,706,447	15.0%

## NOTE 5

## TRADE RECEIVABLES

The following is a breakdown of the trade receivables account at December 31:

		2013	2012
Domestic assignor companies' current account	\$	21,144	147
Foreign assignor current accounts		284	2,620
Accepted co-insurer current accounts		10,266	14,899
Assigned co-insurer current accounts		2,912	1,172
Domestic reinsurer current accounts		49,551	2,676
Foreign reinsurer current accounts		38,245	14,645
Claims pending reinsurance portion		276,204	235,647
Reserve deposits corresponding to foreign reinsurers:		506	326
Insurance brokers		6,177	6,105
Premiums pending collection		901,278	878,194
General occupational risk system		64,429	58,189
Health Care System Receivables		147,283	119,506
National Institute of Health Receivables		24,100	20,651
Loans to private individuals		208,272	179,528
Board of Directors		5	1
Miscellaneous		1,325	3,598
Accounts receivable - Past Installments		6,348	5,417
Loan portfolio		94,619	230,948
General provision		(763)	-
Other provisions - loan portfolio		(2,001)	-
Provision for trade receivables		(94,269)	(81,706)
<b>Total trade receivables</b>	<b>\$</b>	<b>1,755,915</b>	<b>1,692,563</b>

## NOTE 6

### ACCOUNTS RECEIVABLE

The following is a breakdown of Accounts Receivable at December 31:

		2013	2012
Prepaid taxes	\$	260,538	115,829
Favorable Experience Dividends (FED)		2,252	-
Interest		5,063	26,483
Dividends and shares		72,308	-
Lease rentals		404	-
Payments due from third parties		-	8,233
Committed sellers		4,196	-
Advanced contractual and supplier payments		8,382	9,545
Fees and services		38,111	-
Advanced employee payments		3,962	5,369
Forward hedging agreements		13,614	-
Brokerage		8,282	-
Cash shortfalls		19,483	-
Credit cards		236	414
Deposits		8,323	2,775
Miscellaneous receivables		504,600	295,099
Provision for other accounts receivable		(25,474)	(3,616)
<b>Total Accounts Receivable</b>	<b>\$</b>	<b>924,280</b>	<b>460,131</b>
Less: long-term portion		5,756	74,165
<b>Short-term receivables</b>	<b>\$</b>	<b>918,524</b>	<b>385,966</b>

#### Provision for Accounts and Trade Receivables

Movements in the provision for accounts receivable at December 31 are broken down as follows:

		2013	2012
Opening balance	\$	85,322	66,046
Provision charged to expenses		38,409	39,845
Reversed amounts		(1,224)	(20,569)
<b>Provisions</b>	<b>\$</b>	<b>122,507</b>	<b>85,322</b>

## NOTE 7

### PREPAID EXPENSE AND DEFERRED CHARGES

The following is a breakdown of the Prepaid Expense and Deferred Charges Account at December 31:

		2013	2012
Organizational and pre-operating expense	\$	19,341	32,530
Software		20	375
Office stationery and supplies		157	88
Improvements to leased properties		5,204	939
Advertising and publicity		456	145
Insurance and sureties		85	70
Interest		3,969	-
Insurance		1,575	-
Lease rentals		1,269	-
Non proportional contract costs		15,416	13,598
Others		12,632	27,445
Deferred debit income tax on temporary differences		32,627	39,001
Brokerage commissions - DAC		449,084	295,102
		541,835	409,293
Less: long-term portion		(481,712)	(155,567)
<b>short-term portion</b>	<b>\$</b>	<b>60,123</b>	<b>253,726</b>

## NOTE 8

### PROPERTY, PLANT AND EQUIPMENT

The following is a breakdown of the Property, Plant and Equipment account at December 31:

	2013	2012
Land, buildings and construction in progress	\$ 436,115	639,037
Equipment, furniture and office fixtures	80,569	64,177
Computer equipment	183,238	71,787
Transport fleet and equipment	14,978	7,549
Machinery and medical equipment	11,138	7,884
Others	384,619	943
	\$ 1,110,657	791,377
Depreciation	(261,181)	(101,065)
Provision	(694)	(115)
	\$ <b>848,782</b>	<b>690,197</b>

## NOTE 9

### INTANGIBLES

The following is a breakdown of the Intangibles account at December 31:

	2013	2012
Acquired goodwill	\$ 3,595,823	3,196,628
Contractual relations with clients	2,450,215	2,139,614
Non-Competition Agreements	3,413	25
Trademarks	108,343	92,843
Software and licenses	24,309	7,466
Others	13,841	11,063
	\$ <b>6,195,944</b>	<b>5,447,639</b>

Movements for the Intangible Asset Account are shown in the table below:

	MARCAS	RELACIONES CON CLIENTES	ACUERDOS DE NO COMPETENCIA	LICENCIAS SOFTWARE	CRÉDITO MERCANTIL	OTROS	TOTAL
Saldo inicial	92,843	2,139,614	25	7,466	3,196,628	11,063	5,447,639
Altas (1)	7,414	281,239	3,332	40,889	194,409	1,690	528,973
Bajas	-	-	-	(13,222)	(106,180)	-	(119,402)
Amortización	(49)	(115,913)	(242)	(10,366)	(6,258)	(1,780)	(134,608)
Bajas amortización	-	-	-	31	43,548	2,868	46,447
Efecto por conversión	8,134	145,274	299	(489)	273,677	-	426,895
<b>Saldo final</b>	<b>108,343</b>	<b>2,450,215</b>	<b>3,413</b>	<b>24,309</b>	<b>3,595,823</b>	<b>13,841</b>	<b>6,195,944</b>

(1) In 2013, our subsidiary AFP Integra purchased a 50% stake of the membership base and funds managed by AFP Horizonte. After AFP Integra took over the latter firm, this purchase was recorded pursuant to IFRS 3 - Business Combinations, using the acquisition method in which the assets and liabilities acquired were posted at their estimated market values (fair values) (including the intangible assets that had not been recorded in books by AFP Horizonte on the date of said acquisition), in addition to the respective goodwill and bearing in mind the effect of deferred income tax on recognizing their fair values.

## NOTE 10

### VALUATIONS

The following is a breakdown of the Valuation account at December 31:

	2013	2012
Investment appraisals	\$ 10,829,680	12,436,140
Property, plant and equipment	117,811	76,921
Appraisals of other assets	9,003	8,110
	<b>\$ 10,956,494</b>	<b>12,521,171</b>



## NOTE 11

### FINANCIAL OBLIGATIONS

The following is a breakdown of the Financial Obligations account at December 31:

		2013	2012
Checking account overdrafts	\$	291	649
Loans from banks and financial institutions (1)		1,099,669	496,292
Foreign banks (2)		655,156	457,660
Leasing obligations		15,562	20,981
Hedging operations		10,479	-
Repos		65,132	46,056
Other entities		46,595	5,441
		1,892,884	1,027,079
Less: non-current portion		1,203,913	462,847
<b>Current portion</b>	<b>\$</b>	<b>688,971</b>	<b>564,232</b>

(1) The following is a breakdown of Loans from Banks and Financial Institutions at December 31:

## 2013

COMPANY	RATE	MATURITY	CURRENT PORTION	NON - CURRENT PORTION	TOTAL OBLIGATION
Banco Av. Villas	5.18% E.A.	More than one year	-	24,000	24,000
Banco de Bogotá	5.34% E.A.	More than one year	-	2,500	2,500
Banco de Bogotá S.A.	5.34% E.A.	More than one year	-	35,879	35,879
Banco AV. Villas S.A.	5.32% E.A.	More than one year	-	11,000	11,000
Banco de Bogotá S.A.	5.34% E.A.	Less than one year	18,327	-	18,327
Bancolombia	DTF+1.73%	Less than one year	30,000	-	30,000
Banco de Bogotá	Libor6M + 2.15	Less than one year	112,810	-	112,810
Davivienda	Libor + 2.00	Less than one year	35,646	-	35,646
Banco de Bogotá	DTF+1.8%	Less than one year	10,000	-	10,000
Banco de Bogotá	DTF+1.8%	Less than one year	4,000	-	4,000
Davivienda	Libor+2.5	More than one year	-	120,426	120,426
Bancolombia	Libor +2.65%	More than one year	-	3,083	3,083
Banco de Bogotá	Libor6M + 2.65	More than one year	-	96,341	96,341
Banco de Bogotá	DTF +2.4	More than one year	-	13,000	13,000
Helm Bank	Libor6M + 2	More than one year	-	26,976	26,976
Helm Bank	Libor6M + 2	More than one year	-	79,000	79,000
BBVA	7,7	More than one year	-	174,151	174,151
Bancolombia S.A.	IBR +1.8 M:V	Less than one year	10,000	-	10,000
Banco de Bogotá S.A.	IBR +1.75	Less than one year	90,000	-	90,000
Banco AV Villas S.A.	DTF+1,4EA	Less than one year	17,000	-	17,000
Banco BBVA S.A.	4,91%EA	Less than one year	42,864	-	42,864
Banco Popular S.A.	DTF+1,45TA	Less than one year	68,000	-	68,000
Bancolombia S.A.	4.88%	More than one year	-	1,000	1,000
Bancolombia S.A.	6.54%	More than one year	-	1,000	1,000
Bancolombia S.A.	8.21%	More than one year	-	1,166	1,166
BBVA Colombia S.A.	5,57%	More than one year	-	2,444	2,444
Bancolombia S.A.	6,59%	More than one year	-	3,049	3,049
Coltefinanciera S.A.		Less than one year	1,094	-	1,094
Factoring Bancolombia		Less than one year	196	-	196
Domestic banks	7.57%	More than one year	2,500	1,667	4,167
Banco de Bogotá	DTF + 1.7%	Less than one year	58,000	-	58,000
Bancolombia	IBR + 4.4%	More than one year	-	2,550	2,550
			<b>\$ 500,437</b>	<b>\$ 599,232</b>	<b>\$ 1,099,669</b>

These loans have been secured by means of promissory notes.

## 2012

COMPANY	RATE	MATURITY	CURRENT PORTION	NON - CURRENT PORTION	TOTAL OBLIGATION
Banco Av. Villas	5.18% E.A.	Less than one year	8,624	-	8,624
Banco Popular		Less than one year	16,500	-	16,500
Banco de Bogotá	5.34% E.A.	Less than one year	2,500	-	2,500
Banco de Bogota S.A. (1)	5.34% E.A.	Less than one year	33,172	-	33,172
Banco de Bogotá S.A.		Less than one year	13,097	-	13,097
Banco de Bogotá	DTF+1.8	Less than one year	10,000	-	10,000
Bancolombia	Libor + 2.65	Less than one year	2,829	-	2,829
Domestic banks - interest paid	7.57% E.A.	Less than one year	-	5,000	5,000
Bancolombia S.A	DTF +1.6	Less than one year	101,370	-	101,370
Banco de Bogotá S.A.	DTF +1	Less than one year	51,000	-	51,000
Banco de Bogotá S.A.	DTF +1,8	Less than one year	164,200	-	164,200
Banco AV Villas S.A.	DTF +1,4	Less than one year	25,000	-	25,000
Banco BBVA S.A.	6,50%	Less than one year	45,000	-	45,000
Banco Popular S.A.	DTF +1,4	Less than one year	18,000	-	18,000
			<b>\$ 491,292</b>	<b>\$ 5,000</b>	<b>\$ 496,292</b>

(2) The following is a breakdown of Foreign Bank Loans at December 31:

## 2013

COMPANY	RATE	MATURITY	CURRENT PORTION	NON - CURRENT PORTION	TOTAL OBLIGATION
Banco Agrícola	4.5% EA	Less than one year	9,085	-	9,085
Banco de Bogotá Miami	Libor6M + 2.15	Less than one year	48,171	-	48,171
Banco de Bogotá NY	Libor6M + 2.15	Less than one year	48,171	-	48,171
Banco de Bogotá Miami	Libor6M + 2.65	Less than one year	-	96,342	96,342
Banco de Bogotá NY	Libor6M + 2.65	Less than one year	-	96,342	96,342
Davivienda Miami	Libor +2.5	Less than one year	-	43,353	43,353
Bancolombia	Libor + 2.5%	Less than one year	-	5,395	5,395
Bancolombia	Libor + 2.5%	Less than one year	-	269,756	269,756
Bancolombia Panamá	Libor + 1.6	Less than one year	-	38,541	38,541
			<b>\$ 105,427</b>	<b>\$ 549,729</b>	<b>\$ 655,156</b>

These loans have been secured by means of promissory notes.

## 2012

COMPANY	RATE	MATURITY	CURRENT PORTION	NON - CURRENT PORTION	TOTAL OBLIGATION
Banco Agrícola	4.5% EA	Less than one year	11,882	-	11,882
Bancolombia S.A.	LIBOR + 2.5%	More than one year	-	4,951	4,951
Bancolombia S.A.	LIBOR + 2.5%	More than one year	-	247,552	247,552
Debt securities issued	0.1	More than one year	-	30,596	30,596
State-owned Entity (COFIDE)	7,60%	More than one year	-	162,679	162,679
			<b>\$ 11,882</b>	<b>\$ 445,778</b>	<b>\$ 457,660</b>

## NOTE 12

### TRADE PAYABLES

The following is a breakdown of the Trade Payable Account at December 31:

	2013	2012
Domestic assignor companies' current account	\$ 287	159
Accepted co-insurer current accounts	1,064	73
Assigned co-insurer current accounts	4,119	2,626
Obligations to holders of life insurance policies	26,373	-
Deposits for issuing policies	3,750	3,749
Domestic reinsurer current accounts	641	484
Deposits retained from domestic reinsurers	4,168	6,004
Foreign reinsurer current accounts	176,757	105,040
Settled claims pending payment	209,830	72,576
General occupational risk system	23,134	18,607
Amounts owing to brokers	31,057	22,674
Amounts owing to FOSYGA	25,365	23,689
Miscellaneous trade payables	17,212	13,930
	<b>\$ 523,757</b>	<b>269,611</b>

## NOTE 13

### ACCOUNTS PAYABLE

The following is a breakdown of the Accounts Payable account at December 31:

	2013	2012
Interest	\$ 13,830	11,779
Fees and commissions	1,609	543
Dividends and surpluses	93,562	89,158
Contributions, membership fees and transfers	30,411	24,025
Employee deductions and contributions	30,508	18,245
Miscellaneous accounts payable	220,609	181,467
Purchase of goods, other tariffs	35,745	32,596
Other taxes, levies and rates	88	29
	<b>\$ 426,362</b>	<b>357,842</b>

## NOTE 14

### TAXES, LEVIES AND RATES

The following is a breakdown of Tax, Levies and Rates Account at December 31:

	2013	2012
Income and complementary tax	\$ 42,918	65,359
Surtaxes and others	21,538	31,178
Industry and commerce tax	164	114
Withholding tax	45,824	29,302
Sales tax payable	500	915
Deferred income tax	944,583	820,509
	<b>\$ 1,055,527</b>	<b>947,377</b>

## NOTE 15

## RETIREMENT PENSIONS

The following is a breakdown of the accumulated value of the Company's retirement pensions at December 31:

		2013	2012
Actuarial calculations	\$	15,727	15,978
Current portion		(1,596)	(1,700)
	\$	<b>14,131</b>	<b>14,278</b>

Actuarial liabilities corresponding to retirement pensions were drawn up according to the parameters contained in Article 2 of Decree 02984 dated August 12, 2009, with the new mortality tables for policy-holders, as approved by the Superintendency of Finance by means of Resolution 1555 issued July 30, 2010, which provided the technical basis for such.

Bases:

1. Legal - those applicable on the date the corresponding evaluation is performed. The methodology applied included the additional monthly payments payable in June and December of each year, as well as the actuarial value of the funeral subsidy due on all those former employees who were directly pensioned off by the Company, according to Section b) of Article 2 of Decree 1517 dated August 4, 1998.
2. Technical - those used for this study included:
  - a) Mortality tables: Corresponding to male and female policy-holders for 2005-2008 as approved by the Colombian Superintendency of Finance according to Resolution N° 1555 issued July 30, 2010. In the case of all those groups that included invalids, the tables stipulated in Resolution 0585 issued on April 11, 1994 were used.
  - b) Pension Adjustment Rate: 3.53% This was based on the average inflation rates for the years 2008, 2009 and 2010 weighted as follows: 3 points for 2010, 2 points for 2009 and 1 point for 2008, pursuant to Article 2 of Decree 02984 dated August 12, 2009 as well as Section 1 of Article 1 of Decree 2783 dated December 20 2001.
  - c) Tasa de interés técnico. 4.80%. Según el artículo 1° Decreto 02984 del 12 de agosto de 2009 y el numeral 2° del artículo 1° del Decreto 2783 del 20 de diciembre de 2001.
  - c) Technical interest rate 4.80% Based on Article 1 of Decree 02984 dated August 12, 2009 as well as Section 2 of Article 1 of Decree 2783 dated December 20 2001.

## NOTE 16

### TECHNICAL INSURANCE RESERVES:

The following is a breakdown of the Technical Insurance Reserves at December 31:

		2013	2012
Ongoing risk	\$	776,146	698,374
Mathematical reserve		6,417,704	5,853,041
Life insurance savings plan w/participation		121,151	116,694
Reserve deposits corresponding to foreign reinsurers:		87,696	84,958
Reserve for deviations with the claims rate		177,126	166,257
Reserve for reported claims		905,207	744,033
Reserve for non-reported claims		630,605	410,116
Reserve for the reinsurers' portion of pending claims		276,204	235,647
Special reserves		1,418,169	1,164,357
	\$	<b>10,810,008</b>	<b>9,473,477</b>

## NOTE 17

### ESTIMATED LIABILITIES AND PROVISIONS

The following is a breakdown of the Estimated Liabilities and Provisions account at December 31:

		2013	2012
Labor liabilities	\$	51,361	3,453
Taxes		278,363	74,979
Contributions and membership fees		86	-
Other provisions (1)		151,829	-
Amounts owing to brokers		132,315	103,147
Miscellaneous liabilities and provisions		146,668	43,315
	\$	<b>760,622</b>	<b>224,894</b>

## NOTE 18

**BONDS AND COMMERCIAL PAPER**

The following table lists the companies holding issues of outstanding bonds and commercial paper at December 31:

On November 25, 2009, GRUPOSURA issued on the local bond market a total of COP 250,000 million in CPI- indexed senior notes divided up into three tranches: (i) a 10-year tranche for a total value of COP 54,500 million bearing an interest rate equal to the CPI + 4.40%; (ii) a 20-year tranche totaling COP 98,000 million and bearing an interest rate equal to the CPI + 5.90%; and (iii) a 40-year tranche in the amount of COP 97,500 million carrying an interest rate equal to the CPI + 6.98%.

On May 11, 2011, our subsidiary, Grupo Sura Finance placed on the international capital markets an issue of ordinary bonds worth USD 300 million, or COP 578.049, for a term of ten (10) years. This issue was guaranteed in its entirety by Grupo de Inversiones Suramericana S.A, in its capacity as Parent Company.

## NOTE 19

**SUBSCRIBED AND PAID-IN CAPITAL**

The Company's authorized capital consists of 600,000,000 shares each with a nominal value of COP 187.50 (Colombian pesos). Its subscribed and paid-capital at December 31, 2013 and December 31, 2012 consisted of 575,372,223 shares.

## NOTE 20

**CAPITAL SURPLUS**

The following is a breakdown of the Capital Surplus account at December 31:

		2013	2012
Share premium	\$	3,769,548	3,769,548
Accumulated unrealized gains or losses		-	(716,006)
	<b>\$</b>	<b>3,769,548</b>	<b>3,053,542</b>



## NOTE 21

### RESERVES

The following is a breakdown of Reserves held at December 31:

		2013	2012
Mandatory	\$	154,511	705,957
Statutory		-	8,021
Occasional		3,550,458	2,868,472
	\$	<b>3,704,969</b>	<b>3,582,450</b>

## NOTE 22

### EQUITY REVALUATION

The Equity Revaluation account cannot be distributed in the form of profits but may be capitalized on a tax-exempt basis. Pursuant to Law 1111 of 2006, the book value of this account as of January 1, 2007 is not subject to the aforementioned tax benefit given the elimination of inflation adjustments for tax purposes.

As stipulated in the paragraph contained in Article 25 Chapter II of Law 1111 passed December 27, 2006, taxpayers may offset wealth tax against the equity revaluation account without affecting the results for the period.

## NOTE 23

## MEMORANDUM ACCOUNTS

The following is a breakdown of the Memorandum Accounts at December 31:

	2013	2012
<b>Debtor:</b>		
Contingent rights	\$ 2,573,874	2,544,212
Tax receivable	8,103,648	8,774,751
Debtor control account	44,082,387	11,583,133
	<b>\$ 54,759,910</b>	<b>22,902,096</b>
<b>Creditor</b>		
Contingent liabilities	582,024,442	526,275,326
Tax payable	1,795,015	18,216,956
Creditor control account	47,721,646	374,957,593
	<b>\$ 631,541,102</b>	<b>919,449,875</b>

## NOTE 24

## INCOME TAX

Income tax expense totaling COP 336,837 and COP 171,083 for the years 2013 and 2012 respectively correspond to the calculations made individually by each company included in the consolidation.

The Colombian Congress passed Law 1607 on December 26, 2012 which introduced important reforms to the Colombian tax code, the most salient of which are as follows:

- The income tax rate was reduced from 33% to 25% while at the same time a new Income Tax for Equality was created at a rate of 9% applicable from 2013 to 2015 and 8% from 2016 onwards; the purging performed on the corresponding tax basis in order to calculate the latter tax contains certain differences with that used to calculate income tax which is calculated based on ordinary income.
- All those obliged to pay Income Tax for Equality no longer have to pay contributions to the SENA (Colombian Apprentice Institute) or the ICBF (the Colombian Family Welfare Institute) in the case of all those employees earning less than ten minimum monthly wages. This exemption shall be extended to healthcare contributions as of January 1, 2014.

Law 1370 passed December 30, 2009 stipulated a wealth tax for the tax year of 2011 at a rate of 2.4% for all those taxpayers with net equities of more than COP 3.000 million and less than COP 5.000 million, and at a rate of 4.8% for all those taxpayers with net equities equal to or higher than COP 5.000 million. This tax accrued on the amount of equity held at January 1, 2011 and its payment consisted of eight equal installments scheduled between 2011 and 2014

Decree 4825 issued December 29, 2010 effectively extended the base for this tax and consequently all those taxpayers with equities of between COP 1.000 million and COP 2.000 million must pay wealth tax at a rate of 1% and all those taxpayers with equities of between COP 2.000 million and COP 3.000 million are liable for wealth tax at a rate of 1.4%. Furthermore a surtax of 25% was levied on taxpayer equities of COP 3.000 million or more.

For the purposes of this tax, all debt owed by the taxpayer to its foreign-based parent company, agencies, branches or subsidiaries is considered to form part of its equity, except for debt giving rise to costs and deductions which are duly stipulated in sections a and b of Article 124-1 of the Colombian Tax Code.

### **Wealth Tax**

The consolidated companies took advantage of the different options contained in Concept No. 115-009819 issued on January 26, 2011 by the Colombian Superintendency for Companies.

The liability corresponding to wealth tax is recognized by each Company based on one of the options provided by the corresponding oversight authorities.

## NOTE 25

**CONTINGENCIAS**

The following are the most representative contingencies existing:

**Grupo de Inversiones Suramericana S.A.**

The Company is involved in a lawsuit brought by Mr. Jhonny Alejandro Betancur, alleging damages for not having been opportunely registered as a Company shareholder. A ruling in the first instance was given in October 2013 in the Company's favor, which the plaintiff then proceeded to appeal.

It is unlikely that this legal proceeding shall have any adverse effect on the operations or financial position of Grupo de Inversiones Suramericana S.A.

**Servicios de Salud IPS Suramericana S.A.**

This Company is currently defending 47 legal actions, 15 of these being contractual and extra-contractual civil liability suits based on alleged damages caused by services provided by medical personnel where the amounts being claimed have been reasonably estimated at COP 1,213.. The other 32 legal proceedings are labor suits filed by former employees claiming compensation due to dismissal without just cause which have been reasonably estimated at a total of COP 4,758.

Servicios de Salud IPS Suramericana S.A. has civil liability insurance which covers this type of risk.

**EPS y Medicina Prepagada Suramericana S.A.**

A total of 226 contractual and extra-contractual civil liability lawsuits have been filed against the Company nationwide, notably in Medellín with 160 lawsuits. followed by Barranquilla with 22, Cali with 21, Bogotá with 18 and lastly the central coffee-growing region with 5. Compared with the 191 lawsuits filed in 2011 this shows an increase of 5. Compared with the 207 lawsuits filed in 2012 this shows an increase of 19.

Claims corresponding to the processes being heard come to a total of COP 102.685, however the claims estimated and/or assessed by the Company in the hypothetical event of losing these cases comes to COP 10.439. The majority (69%) of these lawsuits correspond to civil liability claims on the grounds of diagnostic errors, lack of timeliness and medical negligence. The Company has a civil liability insurance policy which covers these risks, as required from all Healthcare Service Provider Institutions along with their respective professionals as well as other employees. In 2013 rulings were given on 40 lawsuits where claims came to COP 483.017 however, the total amount paid out by the Company came to just \$142

In 2013, the Company continued with legal proceedings seeking compensation for damages caused by unlawful conduct on the part of the State with regard to recovering the benefits stipulated by injunctions and the Scientific Technical Committees as well as invalidity and reinstatement proceedings against Agreements and Resolutions and appeals against the unconstitutionality of articles contained in Law 1122 of 2007. Also in 2013, lawsuits were brought against the State and the Ministry of Health and Social Protection seeking payment of services, medicine and supplies not covered by the Colombian Obligatory Healthcare Plan (POS in Spanish) as itemized by the FOSYGA (Echocardiograms, Re-synchronizers, ABA Therapy and Plastic Surgery), for which a total of COP 5,500 thousand is being claimed.

Furthermore an administrative lawsuit was brought against the State and the Ministry of Health claiming default interest accruing on late payments for services previously authorized by the Ministry's Auditing Department. The Company also brought a lawsuit seeking redress and costs against the Colombian Ministry of Health and Social Protección for amounts owing on services authorized but not included in the Obligatory Healthcare Plan (POS in Spanish) for a total of COP 624

#### **Servicios Generales Suramericana S.A.S,**

This Company is defending various extra-contractual civil liability suits claiming a total of COP 1.392. The probability of losing such cases is unlikely but nevertheless the amount provisioned for 2013 and 2012 comes to COP 459.

#### **Inversiones y Construcciones Estratégicas S.A.S**

This Company is defending two lawsuits brought by Ms. María Doris Berrio Mejía, who is seeking the restitution of two separate common areas which were closed off given the construction of the Residential Estate "Cerros del Escorial" and by Mr. Jesús Germán Piedrahita Coronado, who is claiming the division of a property in which Inversiones y Construcciones Estratégicas S.A.S forms part of the community. . No significant progress was made in 2013 with regard to both these cases, and it is worth noting that they are not likely to have any adverse material effect on the Company's operations or financial position

#### **Sura Asset Management S.A. Colombia**

As stated in Minutes No. 14 the Board of Directors at a meeting held on July 3, 2013, approved the setting up of a bank guarantee was set up for a total of COP 62,143 along with a provision in books for the same value, both in favor of Protección S.A. for the purpose of covering possible liabilities that said Company could incur.

The aforementioned bank guarantee covers the possible liabilities that Protección S.A. could incur over the ING Colombia assets. This latter company was acquired in 2011 by Sura Asset Management and given over as a payment-in-kind to Protección S.A. which subsequently took over

said company. The purpose of this guarantee is to provide compensation to its members should Colombia's Comptroller General find ING fiscally or administratively responsible for its actions with Interbolsa S.A., a firm that was seized by the Colombian Superintendency of Finance at the end of 2012.

The provision set up is supported by the bank guarantee with Bancolombia.

## NOTE 26

### PRESENTATION

For presentation and comparative purposes, some figures contained in the financial statements for the previous year were reclassified.

## NOTE 27

### SUBSEQUENT EVENTS

In January 2014, a total of 318,328 shares in Sura Asset Management S,A, were pledged to General Atlantic and International Finance Corporation, who are minority shareholders in said Company.

The Group's Board of Directors at a meeting held on January 30, 2014 authorized a series of securities to be issued and placed on the local market up to a total value of COP 1,3 billion. Said securities may take the form of Ordinary Bonds, Ordinary Subordinated Notes and/or Commercial Paper.

In February 2014, Grupo SURA formalized its intention to subscribe to all those preferred, non-voting shares issued by Bancolombia, which as the market is well aware, have been structured based on the book building system, with the corresponding subscription price to be determined by the Bank's Board of Directors. Consequently the bid placed by Grupo Sura for subscribing these shares does not contain any specific price. On the contrary, it has been expressly determined that these shares be awarded at a subscription price. Also, and as recorded in minutes of a meeting held by Grupo Sura's Executive Committee on February 11, 2014, in keeping with the corporate governance standards upheld by the Company, Mr. David Bojanini G., Grupo Sura's Chief Executive Officer who is also Chairman of Bancolombia's Board of Directors, has disqualified himself from participating in discussions relating to said subscription price







CHAPTER

11

ANNEX



# PROPUESTA DE PAGO DE DIVIDENDOS

GRUPO SURA

Proposición sobre distribución de Utilidades

Teniendo en cuenta el saldo que arroja la cuenta de ganancias y pérdidas que figura en el Balance General del año 2013, se propone el siguiente reparto de utilidades:

Utilidad bruta	\$	832,415,304,812.00
Menos: Apropiações para impuestos		50,621,400,000.00
Utilidad líquida		781,793,904,812.00

## DISTRIBUCIÓN DE LA UTILIDAD LÍQUIDA

### ACCIÓN ORDINARIA

Para un dividendo de \$ 390.00 por acción sobre 469,037,260 acciones ordinarias, el cual se causará inmediatamente sea decretado por la Asamblea de Accionistas y será pagado en dinero efectivo en 4 cuotas de \$ 97.50 por acción así: Abril de 2014, julio de 2014, octubre de 2014 y enero de 2015.

En abril de 2014 se pagará entre los días 7 y 16 del mes, y en julio, octubre de 2014 y enero de 2015, del 1 al 15 del respectivo mes.

**182,924,531,400.00**

### ACCIÓN PREFERENCIAL

Para un dividendo de \$ 682.50 por acción sobre 106,334,963 acciones preferenciales, el cual se causará inmediatamente sea decretado por la Asamblea de Accionistas y será pagado en dinero efectivo así: Dos cuotas de \$ 243.75 por acción pagaderas en julio y octubre de 2014.

51,838,294,462.50

Una cuota de \$195.00 por acción que será pagada en enero de 2015 que corresponde a:

(i) \$162.50 para finalizar el compromiso del dividendo preferencial que vence en noviembre de 2014 según el prospecto de emisión y colocación de acciones preferenciales del 2011, (ii) y \$32.50 por acción correspondientes a un mes de dividendo de la acción ordinaria.

Los pagos se realizarán entre el 1 y el 15 del respectivo mes.

20,735,317,785.00

Donación para proyectos sociales

4,500,000,000.00

Reserva para protección de inversiones

521,795,761,164.50

### SUMAS IGUALES.

\$ **781,793,904,812.00** **781,793,904,812.00**

Según lo establecido en el Decreto 4766 del 14 de diciembre de 2011, y la modificación al reglamento de la Bolsa de Valores de Colombia, publicado el 1 de marzo de 2012, toda compraventa de acciones que sea realizada entre el primer día hábil de pago de dividendos de las respectivas acciones y los cuatro (4) días hábiles bursátiles inmediatamente anteriores a la mencionada fecha, será necesariamente sin dividendo, y en consecuencia los dividendos causados en este período y que se encuentren pendientes, se mantendrán invariablemente en cabeza del vendedor.

Medellín, febrero de 2014

# ANNEX - BALANCE SHEET DECEMBER 31, 2013

ARTICLE 446 OF THE COLOMBIAN CODE OF COMMERCE (STATED IN THOUSANDS OF COLOMBIAN PESOS)

## 1. Amounts disbursed to Board of Directors and Senior Management

Fees paid to Members of the Board of Directors	468,950
Salaries and employment benefits paid to Senior Management	4,669,138

Travelling and representation expense, bonuses, transport and other remunerations paid to Senior Management

These payments were not directly paid to said officers, but rather the Company directly handles all the

expense corresponding to these items in carrying out their functions and duties

### Notes

1. In the case of trips made by executives to different offices as part of their duties and functions, the Company pays hotel and transport bills besides other necessary expense.
2. In attending visitors from both home and abroad, the Company pays the value of the corresponding bills

<b>2. Technical and professional consultancy fees</b>	8,135,714
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<b>3. Statutory and External Auditing Fees</b>	254,929
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<b>4. Assets and obligations abroad</b>	
Cash and banks USD 74,4	143,423
Investments in other local or foreign companies	
For more detailed information, see Notes to the Financial Statements	10,209,247,582

<b>5. Transfers of money and other goods free of charge</b>	4,000,000
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<b>6. Advertising expense</b>	1,765,472
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<b>7. Representation expense</b>	511,522
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# CALENDARIO 2014

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Período de pago de dividendos\*

## ACCIÓN ORDINARIA

**7-16**  
ABRIL

**1-15**  
JULIO

**1-15**  
OCTUBRE

**1-15**  
ENERO 2015

Período de pago de dividendos\*

## ACCIÓN PREFERENCIAL

**1-15**  
ABRIL

**1-15**  
JULIO

**1-15**  
OCTUBRE

**1-15**  
ENERO 2015

\*Los períodos de pago de dividendos se ponen a consideración de la Asamblea de Accionistas 2014, para su aprobación.

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Publicación de resultados  
en la Superintendencia  
Financiera

**24**  
ABRIL

**24**  
JULIO

**30**  
OCTUBRE

Presentación  
de resultados  
trimestrales al mercado

**25**  
ABRIL

**25**  
JULIO

**31**  
OCTUBRE

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# INDICADORES GRI

Ind.	Contenido del GRI	Comentario de aplicabilidad	Status
<b>1. Estrategia y análisis</b>			
1.1	Declaración del máximo responsable de la toma de decisiones de la organización	Informe de gestión (Pág.33-47)	Total
1.2	Descripción de los principales impactos, riesgos y oportunidades	Informe de gestión (Pág.33-47) Información corporativa (Pág.28)	Total
<b>2. Perfil de la Organización</b>			
2.1	Nombre de la organización	Información corporativa (Pág.23)	Total
2.2	Principales marcas, productos y/o servicios	Información corporativa (Pág.24)	Total
2.3	Estructura operativa de la organización, incluyendo las principales divisiones, entidades operativas, filiales y empresas conjuntas	Información corporativa (Pág.24)	Total
2.4	Dirección de la sede principal	La dirección de la sede principal es Calle 49 # 63- 146 en Medellín, Colombia	Total
2.5	Número de países donde opera la organización y los nombres de los países ya sea con operaciones significativas o ya sea las que sean relevantes específicamente con respecto a los aspectos de sostenibilidad tratados en el informe	Sobre nuestro Informe Anual (Pág.7)	Total
2.6	Naturaleza de la propiedad y forma jurídica	Información corporativa (Pág.23)	Total
2.7	Mercados servidos (incluyendo el desglose geográfico, los sectores que abastece y los tipos de clientes/beneficiarios)	Sobre nuestro Informe Anual (Pág.7)	Total
2.8	Escala de la organización informante	Grupo Sura en Cifras (Pág.72-74)	Total
2.9	Cambios significativos durante el período del informe sobre el tamaño, estructura y propiedad	No se presentan cambios significativos en la estructura de la organización en 2013.	Total
2.10	Reconocimientos recibidos durante el período del informe	Reconocimientos (Pág.110-118)	Total
<b>3. Parámetros del informe</b>			
3.1	Período del informe (por ejemplo, año fiscal/ calendario) para la información suministrada	Sobre nuestro Informe Anual (Pág.7)	Total
3.2	Fecha del informe anterior	El ultimo informe anual fue elaborado en 2012.	Total
3.3	Ciclo del informe (anual, bienal)	Sobre nuestro Informe Anual (Pág.7)	Total
3.4	Punto de contacto para cuestiones relacionadas con el informe o su contenido	Relación con Inversionistas Luis Eduardo Martínez - Director Relación con Inversionistas Correo lemartinez@gruposura.com.co Teléfono (574) 4355628 Dirección Cra 64 b nro 49 a 30 Medellín - Colombia Gerencia de Responsabilidad Corporativa Luz Marina Velásquez Vallejo - Gerente Responsabilidad Corporativa Correo lvelasquezv@sura.com.co Teléfono (574) 4355753 Dirección: Calle 49B 63-21 Medellín, Colombia.	Total
3.5	Proceso para definir el contenido del informe	Gestión sostenible (Pág.52-55)	Total
3.6	Cobertura del informe (Por ejemplo países, divisiones, filiales, instalaciones arrendadas, empresas conjuntas, proveedores)	Sobre nuestro Informe Anual (Pág.8)	Total
3.7	Indicar la existencia de limitaciones específicas sobre el alcance o cobertura del informe	Sobre nuestro Informe Anual (Pág.8)	Total



3.8	Bases para la presentación de informes sobre empresas conjuntas, filiales, instalaciones arrendadas, actividades subcontratadas, y otras entidades que puedan afectar significativamente la comparabilidad entre períodos y/o entre organizaciones	Sobre nuestro Informe Anual (Pág.8)	Total
3.9	Técnicas de medición de los datos y bases para realizar los cálculos, incluyendo las hipótesis y técnicas subyacentes a las estimaciones aplicadas en la recopilación de indicadores y otras informaciones contenidas en el informe.	Sobre nuestro Informe Anual (Pág.4)	Total
3.10	Explicación del efecto que puede tener la re-expresión de información perteneciente a informes anteriores, y las razones de dicha re-expresión	Las reexpresiones realizadas son explicadas en cada indicador	Total
3.11	Cambios significativos relativos a los períodos anteriores en el alcance, la cobertura o los métodos de medición aplicados en el informe	No hay cambios significativos en el alcance del informe frente a años anteriores.	Total
3.12	Tabla que identifica la localización de los Contenidos Básicos (Standard Disclosures) en el informe	Tabla de indicadores GRI (Pág. 292 - 302)	Total
3.13	Política y práctica actual en relación con la solicitud de verificación externa del informe	Sobre nuestro Informe Anual (Pág.9)	Total
4. Gobierno, Compromisos y Participación			
4.1	Estructura de gobierno de la organización, incluyendo los comités del máximo órgano de gobierno responsables de tareas específicas, como la definición de la estrategia o la supervisión de la organización	Gobierno corporativo (Pág.127-130)	Total
4.2	Indicar si el presidente del máximo órgano de gobierno ocupa también un cargo ejecutivo	Gobierno corporativo (Pág.127-130)	Total
4.3	Para las organizaciones que tengan una estructura directiva unitaria, indicar el número y género de los miembros del máximo órgano de gobierno que sean miembros independientes y/o no ejecutivos	Gobierno corporativo (Pág.127-130)	Total

4.4	Mecanismo de accionistas y empleados para comunicar recomendaciones o indicaciones al máximo órgano de gobierno	Gestión sostenible (Pág.61-62)	Total
4.5	Vínculos entre la retribución de los miembros del máximo órgano de gobierno, altos directivos y ejecutivos (Incluyendo los acuerdos de abandono del cargo) y el desempeño de la organización (incluyendo su desempeño social y ambiental)	Gobierno corporativo (Pág.127-130)	Total
4.6	Procedimientos implementados para que el máximo órgano de gobierno garantice que se eviten los conflictos de interés	Se cuenta con Código de Buen Gobierno y de Ética que dan los lineamientos para garantizar el manejo de las relaciones de la sociedad con sus grupos de interés.	Total
4.7	Procedimientos para determinar la composición, calificaciones y experiencia de los miembros del máximo órgano de gobierno y sus comités, incluyendo cualquier consideración de género y otros indicadores de diversidad	Gobierno corporativo (Pág.127-130)	Total
4.8	Declaraciones de misión o valores, códigos de conducta o principios relevantes al desempeño económico, ambiental y social que hayan sido desarrollados dentro de la compañía, y el estado de su implementación	Información corporativa (Pág.27)	Total
4.9	Procedimientos del máximo órgano de gobierno para supervisar la identificación y gestión del desempeño económico, ambiental y social de la organización. Incluyendo los riesgos y oportunidades relevantes, así como la adherencia o cumplimiento de los estándares, códigos de conducta y principios acordados a nivel internacional	La Junta Directiva de GRUPO SURA se reúne cada mes para revisar el desarrollo de la estrategia y asuntos relevantes de las inversiones en las que participa.	Total
4.10	Procedimiento para evaluar el desempeño propio del máximo órgano de gobierno, particularmente con respecto al desempeño económico, social y ambiental	Gestión sostenible (Pág.56)	Parcial
4.11	Explicación sobre si y como el enfoque o principio de precaución es tratado por la organización	Gestión sostenible (Pág.68-69)	Total
4.12	Principios o programas sociales, ambientales y económicos desarrollados externamente, que la organización suscriba o apruebe	Grupo SURA en cifras (Pág.78)	Total
4.13	Membrecía/participación en asociaciones (tales como asociaciones sectoriales) y/o organizaciones de defensa nacionales/internacionales en las que la organización: *Tiene posiciones en los órganos de gobierno. *Participa en proyectos o comités; *Proporcione una financiación importante que exceda las obligaciones de los socios o miembros; o *Considera la membrecía como estratégico	América Latina Consejo Empresarial de América Latina –CEAL– Colombia Asociación Nacional de Empresarios –ANDI– Consejo Privado de Competitividad Fundación Empresarios por la Educación Transparencia por Colombia Proantioquia Red del Pacto Global en Colombia Comité Universidad-Empresa-Estado Corporación Excelencia en al Justicia	Total
4.14	Relación de grupos de interés que ha incluido la organización	Gestión sostenible (Pág.58-60)	Total
4.15	Base para la selección e identificación de los grupos de interés	Gestión sostenible (Pág.58-60)	Total
4.16	Enfoque utilizado para la inclusión de los grupos de interés	Gestión sostenible (Pág.58-60)	Total
4.17	Principales preocupaciones y aspectos de interés que hayan surgido de la participación de los grupos de interés, y la forma en que ha respondido la organización	Gestión sostenible (Pág.52-55)	Total

Enfoque de Gestión			
Económico	Desempeño Económico	Parcial	* Ingresos: COP 924.511 millones * Remuneración de empleados: COP 9.382 millones * Comunidad: COP 4.000 millones * Proveedores: COP 24.048 millones * Impuestos: COP 32.153 millones * Dividendos pagados: COP 258.877 millones * Fundación SURA: COP 15.398 millones
	Presencia de mercado	Total	Grupo SURA en cifras (Pág.77)
	Impacto económico indirecto	Total	Grupo SURA en cifras (Pág.78)
Medio Ambiente	Materiales	Total	Grupo SURA en cifras (Pág.80)
	Energía	Total	Grupo SURA en cifras (Pág.80)
	Agua	Total	Grupo SURA en cifras (Pág.80)
	Biodiversidad	No	
	Emisiones y desechos	Total	Grupo SURA en cifras (Pág.80)
	Productos y servicios	No	
	Cumplimiento	Total	En los sistemas formales con los que cuenta la Compañía no se recibieron multas o sanciones no monetarias relacionadas con temas ambientales durante 2013
	Transporte	Total	Grupo SURA en cifras (Pág.80)
Laboral	General	No	No se reporta
	Empleo	Total	Grupo SURA en cifras (Pág.75)
	Manejo de relaciones laborales	Total	GRUPO SURA no cuenta con un Sindicato de trabajadores.
	Salud y seguridad ocupacional	Total	Grupo SURA en cifras (Pág.76)
	Formación	Parcial	Grupo SURA en cifras (Pág.77)
	Diversidad e igualdad en las oportunidades	Total	* Conformación Junta Directiva: GRUPO SURA: 100% hombres Suramericana: 100% hombres SURA Asset Management: 100% hombres Protección: 100% hombres Bancolombia: 100% hombres
Igualdad en la remuneración	Total	Gestión social - Talento Humano (Pág. 75 - 77)	

Dimensión económica			
EC1	Valor económico directo generado y distribuido, incluyendo ingresos, costos de operación, retribución a los empleados, donaciones y otras inversiones comunitarias, ingresos no distribuidos, y pagos a proveedores de capital y a gobiernos.	* Ingresos: COP 924.511 millones * Remuneración de empleados: COP 9.382 millones * Comunidad: COP 4.000 millones * Proveedores: COP 24.048 millones * Impuestos: COP 32.153 millones * Dividendos pagados: COP 258.877 millones * Fundación SURA: COP 15.398 millones	Parcial
EC3	Cobertura de las obligaciones definidas del plan de beneficios de la organización	Al 31 de diciembre de 2013 y 2012, la Compañía ha amortizado en su totalidad el valor de sus pensiones de jubilación. Los pagos a los pensionados se realizan con cargo a la provisión.	Total
EC4	Ayuda financiera significativa recibida del gobierno	No se recibió ningún tipo de ayuda financiera por parte del Gobierno.	Total
EC5	Rango de proporciones del salario inicial estándar por género comparado con el salario mínimo local en lugares donde se desarrollen operaciones significativas	El salario mínimo pagado en Grupo SURA es 231% mayor al salario mensual vigente para Colombia en 2013, es decir, COP 1.365.000 Solo una persona recibe actualmente este salario y corresponde a una empleada del género femenino. Todos los colaboradores de la compañía están ubicados en Colombia.	Total
EC6	Política, prácticas y proporción del gasto correspondiente a proveedores locales en lugares donde se desarrollen operaciones significativas	Grupo SURA en cifras (Pág.77)	Total

EC7	Procedimientos para la contratación local y proporción de altos directivos contratados en la comunidad local en lugares donde se desarrollen operaciones significativas.	Grupo SURA en cifras (Pág.76)	Total
EC8	Desarrollo e impacto de inversiones en infraestructura y los servicios prestados principalmente para el beneficio público, mediante compromisos comerciales, en especie o pro bono	Grupo SURA en cifras (Pág.78)	Total
EC9	Entendimiento y descripción de los impactos económicos indirectos significativos, incluyendo el alcance de dichos impactos	Grupo SURA en cifras (Pág.78)	Total
Dimensión ambiental			
EN1	Materiales utilizados por peso o volumen	Grupo SURA en cifras (Pág.80)	Total
EN2	Porcentaje de materiales utilizados con materiales reciclados	El 100% del papel utilizado en las operaciones de Grupo Sura es fabricado a partir de la caña de azúcar, considerado como una fibra responsable con el medio ambiente por tener como fuente residuos agroindustriales.	Total
EN3	Consumo directo de energía por fuente primaria de energía	Grupo SURA en cifras (Pág.80)	Parcial
EN4	Consumo indirecto de energía por fuentes primarias	Grupo SURA en cifras (Pág.80)	Parcial
EN8	Captación total de agua por fuentes	Grupo SURA en cifras (Pág.80)	Parcial
EN16	Emisiones totales de gases de efecto invernadero, directas e indirectas, por peso	Grupo SURA en cifras (Pág.80)	Total
EN17	Otras emisiones indirectas relevantes de gases de efecto invernadero, por peso	Grupo SURA en cifras (Pág.80)	Total
EN22	Peso total de los desechos, por tipo y método de eliminación	Grupo SURA en cifras (Pág.80)	Total



EN26	Iniciativas para mitigar los impactos ambientales de productos y servicios, y la magnitud de la mitigación de dichos impactos	Grupo SURA en cifras (Pág.80)	Parcial
EN28	Valor monetario de multas significativas y número total de sanciones no monetarias debidas al incumplimiento de leyes y normas ambientales	En los sistemas formales con los que cuenta la Compañía no se recibieron multas o sanciones no monetarias relacionadas con temas ambientales durante 2013	Total
EN29	Impactos ambientales significativos del transporte de productos y otros bienes y materiales utilizados para las operaciones de la organización, y del transporte de personal	Grupo SURA en cifras (Pág.80)	Total
Prácticas laborales			
LA1	Desglose del colectivo de trabajadores por tipo de empleo, por contrato, región y género	Grupo SURA en cifras (Pág.75)	Parcial
LA2	Número total y tasa de rotación de los empleados, desglosado por grupo etario, género y región.	Grupo SURA en cifras (Pág.75)	Parcial
LA3	Beneficios brindados a los empleados de tiempo Total que no son otorgados a los empleados de medio tiempo o temporarios, por operaciones importantes	Grupo SURA en cifras (Pág.75-76)	Total
LA15	Retorno al trabajo después de licencias de maternidad/paternidad	No se reporta	Total
LA4	Porcentaje de empleados cubiertos por contratos colectivos de trabajo	GRUPO SURA no cuenta con un Sindicato de trabajadores.	Total
LA5	Período(s) mínimo(s) de notificación respecto de cambios operativos, incluyendo si están especificados en los contratos colectivos de trabajo	GRUPO SURA no cuenta con un Sindicato de trabajadores.	Total
LA6	Porcentaje de la dotación de personal total representada por comités formales de salud y seguridad formados conjuntamente por la gerencia y los trabajadores, que ayuden a supervisar y brinden asesoramiento sobre programas de seguridad e higiene en el trabajo.	Grupo SURA en cifras (Pág.76)	Total
LA7	Índices de lesiones, enfermedades laborales, días perdidos y ausentismo, y número total de víctimas fatales relacionadas con el trabajo, por región y por género	Grupo SURA en cifras (Pág.76)	Total
LA8	Programas vigentes de educación, capacitación, orientación, prevención y control de riesgo para asistir al personal, sus familias, o a miembros de la comunidad respecto de enfermedades graves	No se reporta	Parcial
LA9	Temas de salud y seguridad cubiertos en contratos formales con los sindicatos	GRUPO SURA no cuenta con un Sindicato de trabajadores.	Total
LA10	Horas promedio de entrenamiento por año, por empleado, por género y por categoría de empleados	Grupo SURA en cifras (Pág.77)	Parcial
LA11	Programas de gestión de habilidades y aprendizaje permanente que fomenten la empleabilidad de los empleados y los ayudan cuando sus carreras llegan a su fin	Mediante el programa Preparación para la Jubilación coordinado por la Dirección de Salud y Bienestar se realizan actividades de acompañamiento y formación en temas relevantes como proyecto de vida, manejo del tiempo libre, manejo de las finanzas, relaciones familiares, trámites ante las entidades de seguridad social, hábitos saludables, acompañamiento sicosocial, entre otras.	Total
LA12	Porcentaje de empleados sometidos a evaluaciones periódicas de desempeño y desarrollo de sus carreras por género	En Grupo SURA se realiza evaluación de desempeño para el 100% de los empleados anualmente	Total
LA13	Conformación de los cuerpos de gobierno y desglose de empleados por categoría según género, grupo etario, pertenencia a un grupo minoritario, y otros indicadores de diversidad	*Conformación Junta Directiva: Grupo SURA 100% hombres Suramericana 100% hombres Sura Asset Management 100% hombres Proteccion 100% hombres Bancolombia 100% hombres	Total

LA14	Tasa del salario básico y remuneración de mujeres a hombres por categoría de empleados, por ubicaciones significativas de operación	En el nivel de Gerentes la relación de salarios de mujeres a hombres es 0.99 * En el nivel de Directores la relación de salarios de mujeres a hombres es 0.79 * En el nivel de Coordinadores la relación de salarios de mujeres a hombres es de 0.77 * En el nivel de Analistas la relación de salarios de mujeres a hombres es de 0.74 * En el nivel de Auxiliares la relación la relación de salarios de mujeres a hombres es de 1.03	Total
Derechos humanos			
HR1	Porcentaje y número total de acuerdos de inversión de importancia que incluyen cláusulas sobre derechos humanos o que fueron sujetos a revisión en términos de derechos humanos	Se está avanzando en la formalización e implementación de criterios sociales, ambientales y de gobierno corporativo para los análisis de proyectos de inversión	Parcial
HR3	Horas totales de capacitación de empleados en políticas y procedimientos en relación con aspectos de derechos humanos que son pertinentes a las operaciones, incluido el porcentaje de empleados capacitados	Participación en el Octavo Encuentro RSE de la ANDI - Empresa y Derechos Humanos.	Parcial
HR4	Número total de incidentes de discriminación y medidas correctivas tomadas	A través de los sistemas formales que la organización tiene establecidos no se registraron incidentes de discriminación.	Total
HR5	Operaciones en donde se identifique que el derecho a ejercer la libertad de asociación y a celebrar contratos colectivos de trabajo presenta un riesgo significativo, y acciones para respaldar estos derechos	A través de los sistemas formales que la organización tiene establecidos no se identificaron riesgos para ejercer la libertad de asociación.	Total
HR6	Operaciones y proveedores importantes identificados de tener un riesgo significativo de incidentes de explotación infantil y las medidas tomadas para contribuir a la abolición efectiva del trabajo infantil	A través de los sistemas formales que la organización tiene establecidos no se registraron incidentes de explotación infantil asociados a nuestros proveedores y a nuestras operaciones.	Total
HR7	Operaciones y proveedores en donde se identifique que existe riesgo significativo de incidentes de trabajo forzado u obligatorio y medidas para contribuir a eliminar esta forma de trabajo	A través de los sistemas formales que la organización tiene establecidos no se registraron riesgos de incidentes de trabajo forzoso.	Total
HR8	Porcentaje de personal de seguridad capacitado en las políticas o procedimientos de la empresa en relación con aspectos de los Derechos Humanos pertinentes a las operaciones.	El servicio de seguridad se presta a través de un tercero. En 2013 realizó formación a su personal en materia de Derechos Humanos durante 12 horas a 68 personas.	Total
HR9	Número total de incidentes de violaciones de los derechos de indígenas y acciones tomadas	A través de los sistemas formales que la organización tiene establecidos no se registraron incidentes de violación de los derechos de los indígenas.	Total

HR11	Número de quejas relacionadas con la violación de Derechos Humanos presentadas, abordadas y resueltas mediante los mecanismos formales de quejas	A través de los sistemas formales que la organización tiene establecidos no se registraron quejas relacionadas con la violación de Derechos Humanos.	Total
Sociedad			
S01	Porcentaje de operaciones donde se ha implementado compromiso con las comunidades, valoración de impacto y programas de desarrollo.	Grupo SURA en cifras (Pág.78)	Total
S02	Porcentaje y número total de unidades de negocio analizadas en cuanto a riesgos de corrupción	GRUPO SURA y Suramericana S.A. cuentan con un programa de prevención y detección de actividades o transacciones relacionadas con el riesgo de Lavado de Activos y Financiación del Terrorismo, el cual cubre el 100% de 14 unidades de negocio.	Total
S03	Porcentaje de empleados capacitados en las políticas y procedimientos anticorrupción de la organización	El 100% de los empleados nuevos ha sido formado en políticas y procedimientos anticorrupción a través de la inducción corporativa.	Total
S04	Acciones tomadas en respuesta a incidentes de corrupción	A través de los sistemas formales que la organización tiene establecidos no se registraron denuncias por temas de corrupción.	Total
S05	Postura frente a políticas públicas y participación en el desarrollo de las mismas y actividades de cabildeo (lobbying)	Modelo de Responsabilidad Corporativa (Pág 50)	Total
S06	Valor total de contribuciones financieras y en especie a políticos, partidos políticos e instituciones relacionadas, por país.	Durante 2013 no se realizaron aportes a la democracia.	Total
S07	Número total de acciones legales por conductas anticompetitivas, antimonopolio, y prácticas monopólicas y sus resultados.	En los sistemas formales con los que cuenta la Compañía no se recibieron multas o sanciones no monetarias relacionadas con prácticas antimonopolio o no respeto a la competencia durante 2013	Total
S08	Valor monetario de multas significativas y número total de sanciones no monetarias por incumplimiento de leyes.	En los sistemas formales con los que cuenta la Compañía no se recibieron multas o sanciones por incumplimiento de leyes y regulaciones durante 2013	Total
Responsabilidad sobre productos			
PR5	Prácticas relacionadas con la satisfacción del cliente, incluidos los resultados de encuestas que miden este aspecto	Encuesta anual para evaluar la satisfacción de los accionistas con la información entregada en el informe anual y en la Asamblea General de Accionistas.	Total
PR6	Programas de adhesión a leyes, normas y códigos voluntarios relacionados con comunicaciones de comercialización, incluidas publicidad, promoción y auspicios	Gestión sostenible (Pág.63)	Total
PR7	Número total de incidentes de incumplimiento de reglamentos y códigos voluntarios relacionados con comunicaciones de comercialización, incluidas publicidad, promoción y auspicios, por tipo de resultados	En los sistemas formales con los que cuenta la Compañía no se recibieron multas o sanciones no monetarias relacionadas con temas de publicidad durante 2013	Total

No reportado: EC2, EN5, EN6, EN7, EN10, EN11, EN12, EN13, EN14, EN15, EN18, EN19, EN20, EN21, EN22, EN 23, EN24, EN25, EN27, EN30, LA8, LA15, HR2, HR10, SO9, SO10, PR1, PR2, PR3, PR4, PR8, PR9.



## Independent Assurance Statement

Independent assurance statement of Grupo Inversiones Suramericana S.A (Grupo Sura) 2013 Annual Report.

## Scope of Our Work

We performed the review of the adaptation of the contents of the 2013 Annual Report to the G3.1 Global Reporting Initiative Sustainability Reporting Guidelines ("the GRI guidelines"). Therefore, our review did not include any verification of data from previous years that have been included for comparison purposes.

## Standards and Verification Processes

We carried out our work in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accounts (IFAC).

Our key procedures consisted in questioning various Grupo Sura units that participated in the elaboration of the Annual Report and in the application of certain revision procedures and review testings described below:

- Interviews with the Grupo Sura's personnel to know the principles, systems and management approaches used.
- Analysis of the processes to collect and validate the data presented in the 2013 Annual Report.
- Analysis of the adaptation of the contents of the Annual Report to the ones recommended in the G3.1 GRI Guidelines.
- Performing analytical tests based on the selection of a sample of quantitative and qualitative information corresponding to the GRI indicators included in the 2013 Annual Report and its proper compilation from the data supplied by the information sources of Grupo Sura.

## Conclusions

As a result of our review, nothing came to our attention to suggest that Grupo Sura 2013 Annual Report has not been prepared in accordance with the G3.1 GRI Guidelines. According to our review of indicators and contents, we consider that the report meets the requirements of level B+ rating according to GRI standards.

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