



COLOMBIAN CAPITAL MARKETS EVOLUTION



TOTAL TRADED VOLUME (USD BILLIONS).

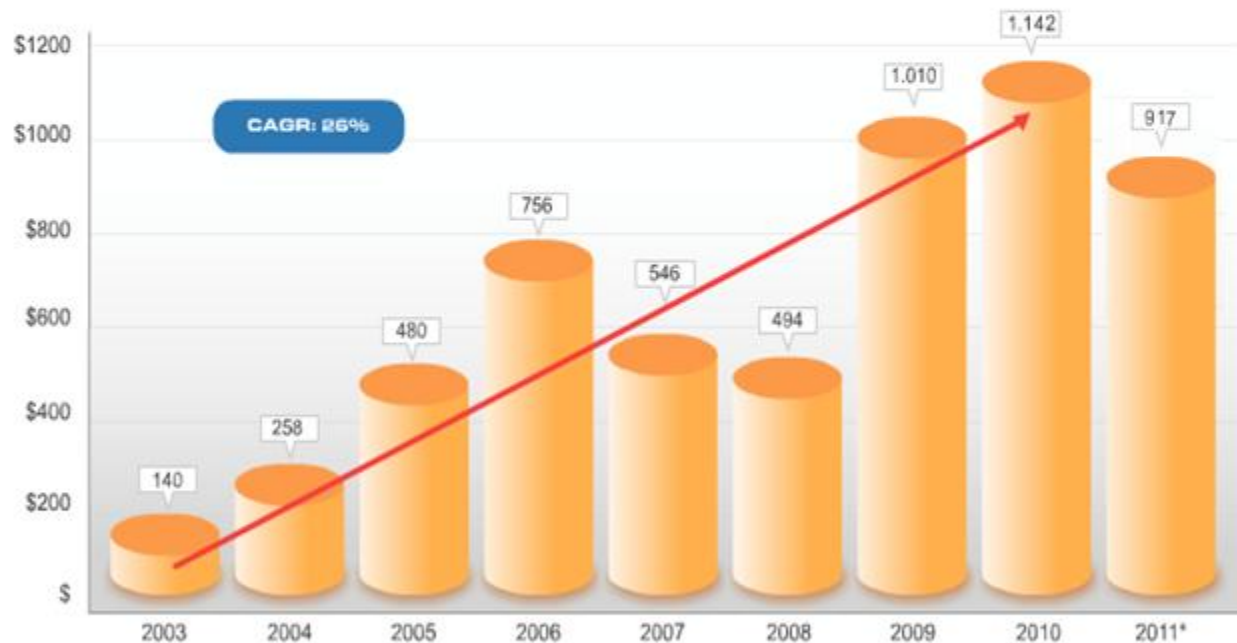
The CAGR of the total traded volume from 2003 to 2011 is 25%. YTD 2011 the total traded volume is USD\$1.2 trillion.



2011*: YTD Dec

FIXED INCOME MARKET (USD BILLIONS)

The CAGR of the Fixed Income Market traded at the BVC from 2003 to 2011 is **26%**. YTD 2011 the total traded volume is **USD\$ 917** billion with an average of **USD\$3.7** billion daily.



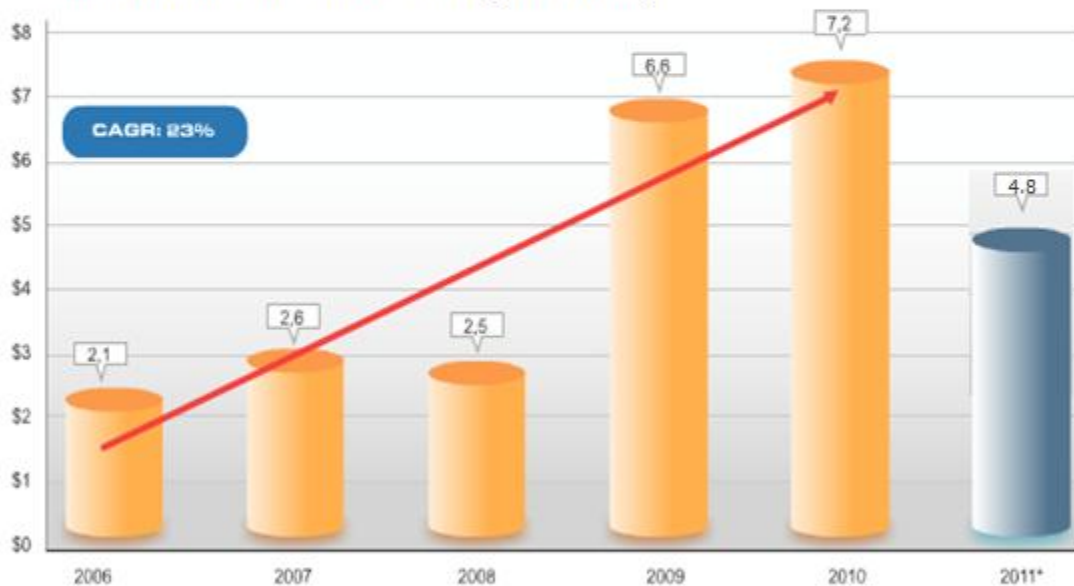
-The 70% of the Fixed Income Market trading are Gov. Bonds.
 -Today 60% of the trading volume is OTC and registered at the BVC
 -30% of the traded volume are corporate bonds.

2011*: YTD Dec



FIXED INCOME MARKET: BOND ISSUES

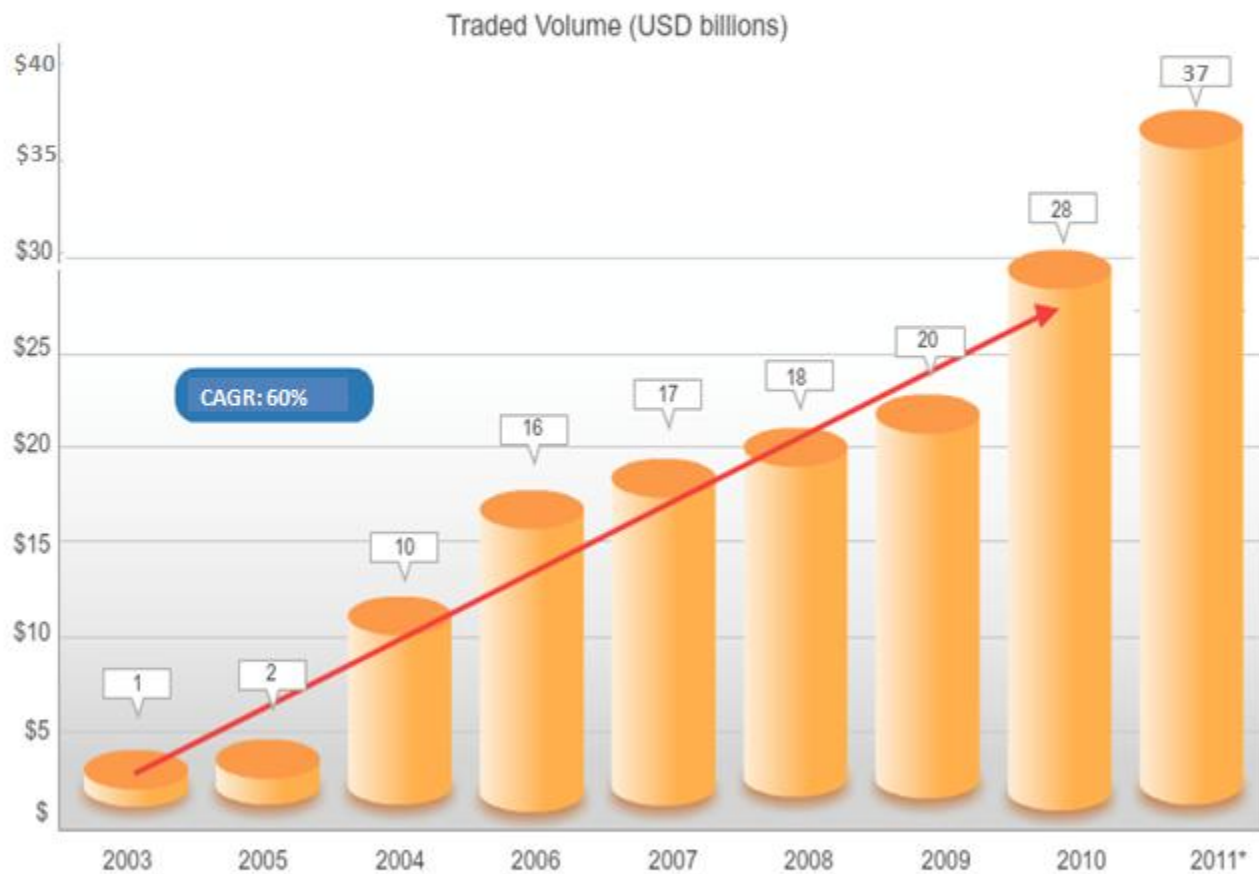
Fixed Income Issues 2006 – 2011 (USD Billions)



- In 2009 Grupo Sura issued bonds with maturities of 40 years.
- In 2009 Alpina issued bonds for the first time with maturities of 15 years.
- In 2010 Ecopetrol made its first bond issue for USD 560 million.

2011*: YTD Dec

EQUITY MARKET (USD Billions)



2011*: YTD Dec

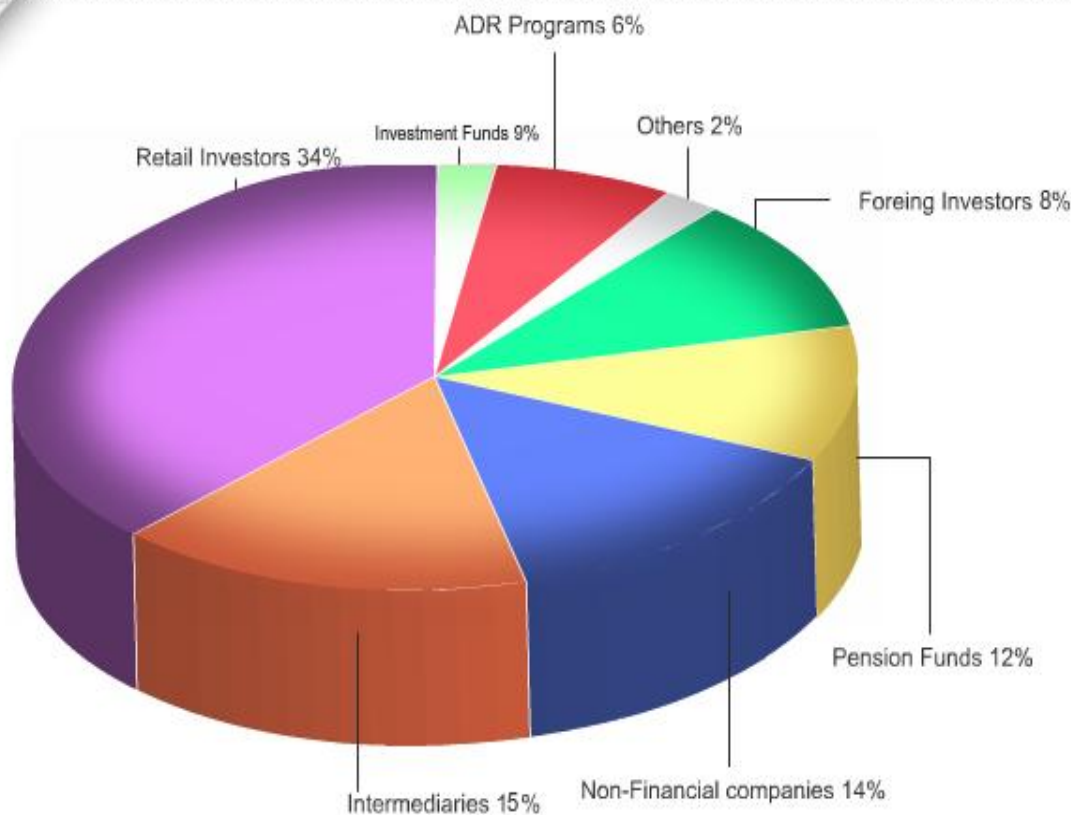
EQUITY MARKET (USD Billions)

Market Cap. (USD billions)



2011*: YTD Dec

EQUITY MARKET - PARTICIPANTS



-Foreign investor have doubled their participation from 4% to 8% in one year

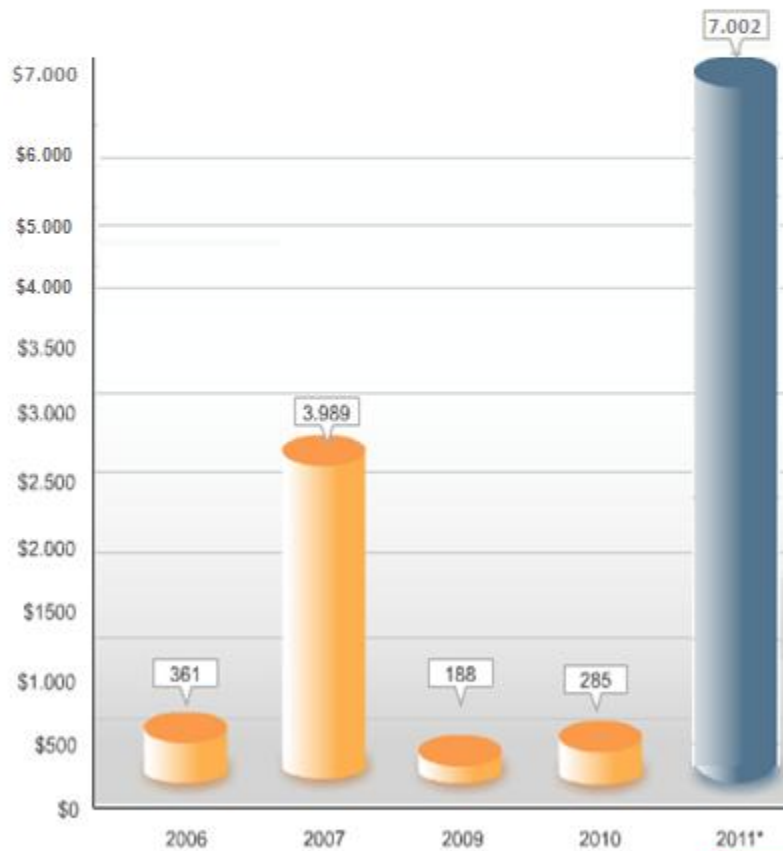
-More than **1.000.000** Retail investors represent 34% of the traded volume

2011*: YTD Dec

FOLLOW ON'S & IPO'S 2006 – 2011 (USD Millions)

INTEGRITY LEADERSHIP PASSION
 SYNERGY EXCELLENCE INTEGRITY
 LEADERSHIP PASSION SYNERGY
 EXCELLENCE INTEGRITY LEADERSHIP
 PASSION SYNERGY EXCELLENCE
 INTEGRITY LEADERSHIP PASSION
 SYNERGY EXCELLENCE INTEGRITY
 LEADERSHIP PASSION SYNERGY
 EXCELLENCE INTEGRITY LEADERSHIP

2011								
Stock Type	Preferred Shares	Preferred Shares	Common Shares	Common Shares	Common Shares	Common Shares	Preferred Shares	Preferred Shares
Demand	USD 1.605 million	USD 1.678 million	USD 4.819 million	USD 1.290 million	USD 2.330 million	USD 496 million	USD 388 million	USD 1.871 million
IPO size	USD 271 million	USD 1.126 million	USD 283 million	USD 1.290 million	USD 1.355 million	USD 418 million	USD 388 million	USD 1.871 million
Ratio (Demand/IPO size)	5.9x	1.5x	17.0x	1.0x	1.7x	1.2x	1.0x	1.0x
Total Issued	USD 7.002 million							
Total Demanded	USD 14.478 million							



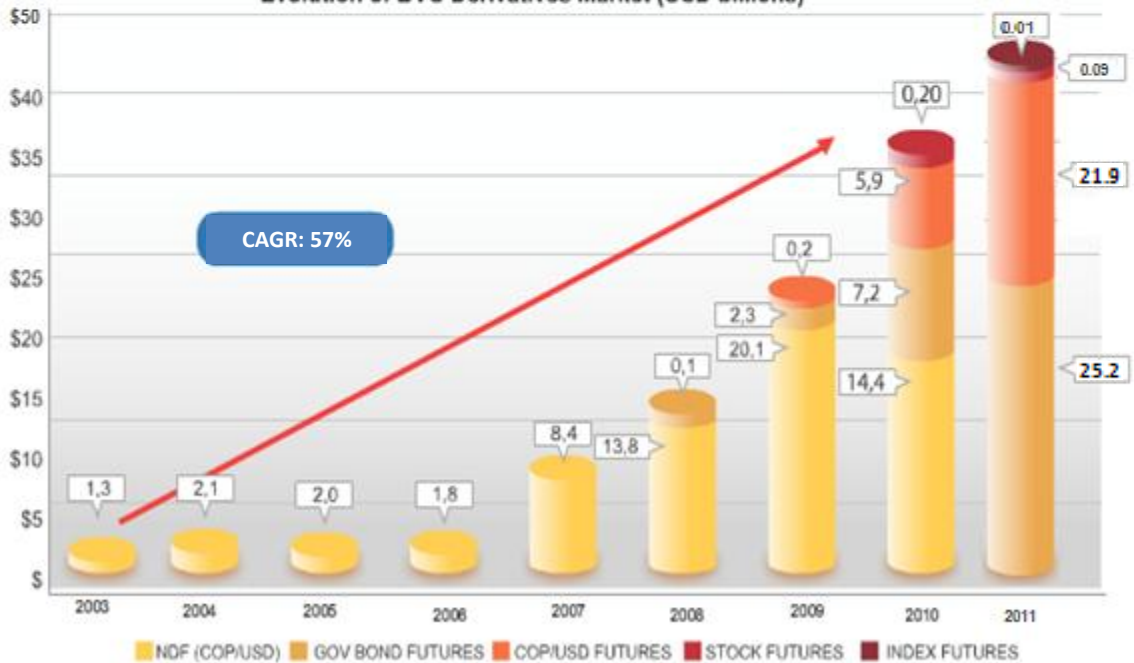
Listings 2011:

	Ordinary Shares	July 2011
ETF: iCOLCAP 	Participation Units	June 2011

DERIVATIVES MARKET

Current Products (Contracts)	GOVERNMENT BONDS FUTURES	USD/COP Futures	Single Stock Futures	COLCAP Index Futures
	Government Bonds ('TES') (2Y, 5Y, 10Y)	Market Exchange Rate ('TRM')	Equity : ECOPETROL, PFBCOLOM	Market Cap. Index
	COP 250.000.000 (~USD 138.000)	USD 50.000	1000 Shares	Cop 50.000*index points (~USD 28.000 *Index Points)

Evolution of BVC Derivatives Market (USD billions)



Next Steps Derivatives Market:

- IBR's Futures
- COP/USD options
- OTC Derivatives
- MILA Products Futures

-The Derivatives Market has traded USD\$47.4 billion in 2011 with an average of 3600 contracts and USD\$193 million daily

CURRENCY MARKET (USD BILLIONS)

The CAGR of the currency market from 2003 to 2011 is 17%. YTD 2011 Set-FX traded USD220 billion, in 2011 the average of the daily trading volume is USD\$1 billion.



Products
-USD/COP Spot
-Next day Dollar
-USD forwards

WHY MILA?

MILA's VIRTUOUS CYCLE



- Economies of scale.
- Streamlined access to MILA
- New product development.
- Regulatory changes (Colombia/ Peru).
- Joint marketing, positioning and visibility of our markets
- Thinking outside the box



HOW DOES THE EQUITY MARKET INTEGRATION WITH CHILE AND PERU LOOK LIKE?

1st Numbes of Issuers



The Integrated Market
Traded USD\$394
Million Daily in 2011

2nd Market cap



3rd Traded volume



Number of Shares

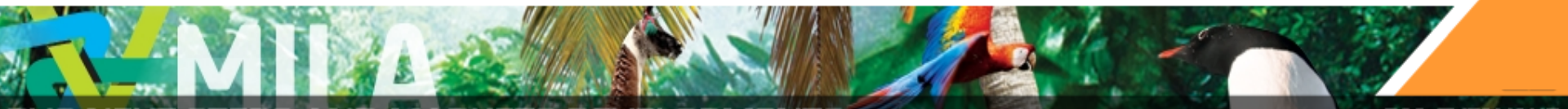
Average Daily Trading

	Chile	Colombia	Peru	MILA
>USD\$ 1 Million	38	23	11	72
>USD\$500.000	53	26	19	98
>USD\$100.000	85	35	45	165

USD\$ Billions / YTD Dec2011

Source: World Federation of Exchanges - WFE

Issuers: *mexico includes international quotation system.



HOW DOES THE MARKET INTEGRATION WITH CHILE AND PERU WORK?



SCB: COLOMBIAN BROKERS



CREDIT LIMIT CONTROL SYSTEM



Trading Technology Model
 - Independent technology platforms will operate in each exchange

Fix Gateway (Between Exchanges)
 - Market Data
 - Order Routing



CREDIT LIMIT CONTROL SYSTEM



SAB: PERUVIAN BROKERS



CREDIT LIMIT CONTROL SYSTEM



CB: CHILEAN BROKERS



HOW DOES THE MARKET INTEGRATION WITH CHILE AND PERU WORK?



TRADING

- Foreign market access from the local market, through an automated and intermediated routing model.
- Each exchange manages its own market.
- Trading operates under the market rules where the shares are listed.
- The integrated market will consider the cash equity market only.



CLEARING & SETTLEMENT

- The transactions will be cleared in local currency.
- The local intermediaries will manage the transaction risks.
- Mou's between Exchanges and custodians/CDS's of the integrated market.



CUSTODY

- Easy: 100% local.
- Reciprocal omnibus accounts opened between deposits, transparent for end users.
- The deposits will manage accounts according with the rules where the shares are listed.



HOW DOES THE MARKET INTEGRATION WITH CHILE AND PERU WORK?

REGULATORS

- Supervision and control agreement between regulators.
- Total information availability for supervisors and investors.

INVESTORS

- Eligible for any type of investor.
- Foreign investment treatment making it easier for capital flows between the markets.
- The Exchanges will allow access to market information through their web pages.

INTERMEDIARIES

- The access by foreign intermediaries requires a service agreement with local intermediaries.
- Risks and credit limits management between intermediaries of the different countries.

ISSUERS

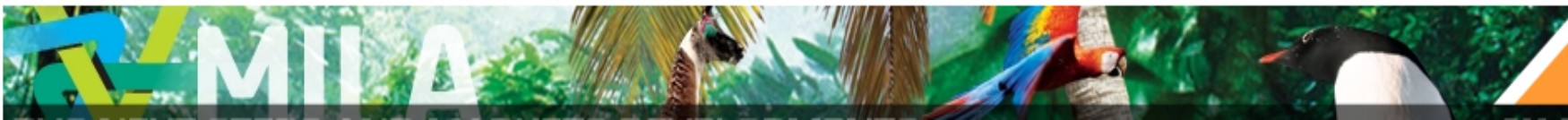
- Full Recognition of foreign shares / issuers (integrated market).
- These shares could be distributed to the clients expanding the product offering.



WHAT DOES IT MEAN FOR NON - REGIONAL INVESTORS?

- Single account opening to trade in MILA.
- Transactions in local currencies (Colombian pesos / Peruvian soles / Chilean pesos).
- Tax treatment:

	Colombian Shares	Peruvian Shares	Chilean Shares
Dividends	<ul style="list-style-type: none"> • 0% over the dividends that has paid taxes by the Issuer. • 33% over the dividends that has not paid taxes by the Issuer. 	<ul style="list-style-type: none"> • 4.1% for non residents. 	<ul style="list-style-type: none"> • 35% of the additional tax minus first category tax (credit) 17%, 20% or 18.5% (year 2010, 2011 and 2012 respectively).
Capital Gains	<ul style="list-style-type: none"> • 0% if the sale it is not higher than 10% of the Issuer's shares outstanding in the same fiscal year. 	<ul style="list-style-type: none"> • 5% over the net capital gains value. 	<ul style="list-style-type: none"> • 0% for shares with stock market presence.



NEW PRODUCTS



- Market Capitalization Index.
- Composed by the **40** most liquid and representative stocks of the market.
- Includes approximately the **85%** of the MILA market capitalization.
- More than **75%** of the stocks will have a daily liquidity over one million US dollars.
- Maximum country participation: **50%**

More New Products coming

- Indexes: by market cap, by sectors, etc.
- ETF's: Local and global distribution
- FX Futures
- Stock Futures

Next steps in regulation

- More harmonization
- Phase II



THANK YOU

For additional information please contact:

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