

MANAGEMENT ANNUAL REPORT 2014

VIGILADO
SUPERINTENDENCIA FINANCIERA
DE COLOMBIA



*El crecimiento
de todo un país*



BVC MANAGEMENT REPORT 2014

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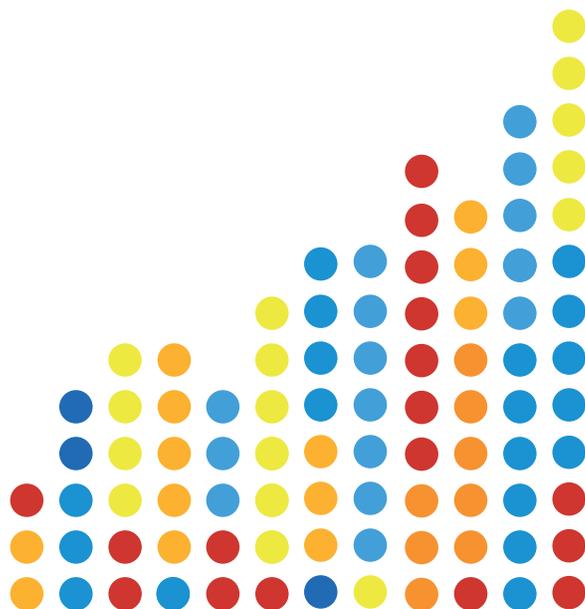
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MANAGEMENT ANNUAL REPORT 2014



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LETTER TO THE SHAREHOLDERS

Dear Shareholders,

2014 was a year of significant achievements for the BVC and for the Colombian securities market, because we achieved most of our strategic objectives as a Company and we showed that, as an industry, we are one of the main sources of corporate financing and a driving force of the development of the Colombian economy, even in the midst of the adverse international context that affected the investment dynamics around the world.

Colombia was no stranger to the situation abroad or the impact generated by events such as the slow recovery of the global economy and the sharp drop in oil prices during the last quarter of 2014, which led investors to prefer to take their portfolios to markets such as the United States and withdraw a high percentage of their investment in regions such as Latin America.

In this context, our country was one of the most affected, particularly by the drop in oil prices, which led to an overall decrease in the share prices of the oil companies and the devaluation of the COLCAP stock index, which ended 5.81% below its closing value of 2013. Along with the drop in the price of oil, there was the accelerated depreciation of the Colombian peso of about 25% at the end of the year. However, on the domestic front, the Colombian economy showed good performance with respect to its peers in the region, and the upturn in domestic consumption and construction led investors to focus their interest on some of the securities of the financial sector and infrastructure, which ended the year with outstanding valuations compared to other instruments of this market.

The BVC had significant achievements in the growth of new products such as derivatives and the Colombian Global Market, as well as in the initial public offerings of fixed and equity



market securities and on the regulatory front, thus achieving the approval of several key rules to streamline our capital market development agenda.

The trading of standardized derivatives in the BVC grew 37% in the number of contracts negotiated in 2014, making it the year with the most trading since its launch in 2008 with COP 95 trillion traded. The main products are still on treasury security futures (TES in Spanish) and the representative exchange rate futures (TRM in Spanish), but in the latter, the standardized futures of the specific references introduced recently have aroused great interest among investors. Similarly, while the trading of specific stock futures still represents a small percentage of the total, it has been



growing at an average rate of 54.4% per year during the 2012-2014 period.

Foreign investors continued to play a leading role in our market, as their involvement by traded volume amounted to 26% on the stock market (while five years ago it was no more than 7%) and they increased their holding of treasury securities during the year to 15.36% (COP 29.6 trillion).

In addition, the year ended with a satisfactory balance for products such as the Colombian Global Market, through which stocks listed in other countries are traded, whose volume grew six times compared to the previous year. There, investors have found an alternative for diversifying their portfolios and accessing assets of foreign companies from multiple sectors of the international economy, without having to rely on brokers abroad.

The dynamic of financing the companies on the market was also important during the year, because the private sector obtained COP 16.6 trillion through stock and bond issuances to foster its growth, which makes this period the second highest in issues following 2011 when the figure was greater than COP 20 trillion.

In retrospect, the balance for the Colombian securities market during the year was positive in the midst of an adverse international context that has continued to impact trading dynamics, especially in the fixed income market.

On our part, with regard the management of the pillars of our strategy, in 2014, we made substantial progress on all fronts and fulfilled several of the objectives that we had set. In Market Quality, for instance, in coordination with the National Government, we promoted the approval of the regulatory framework relating to the modernization of stock issuance

BVC advanced significantly in all the objectives proposed in the strategic pillars of 2014

processes, while with the industry, we moved forward in the professionalization of its actors and created the first recognition for the areas of economic research.

At the same time, we carried out the operational integration of the measures taken by the Government against the money market system and we included the new limits for this type of transactions; we started up the money makers program in the equity market and formalized the full adoption of International Financial Reporting Standards IFRS in the Company with the Financial Superintendence, two years ahead of the deadline set by the regulator for securities issuers.

As far as the promotion of the Derivatives market, we launched the OIS Futures with the underlying IBR that will complement the BVC's product offering on this market.

In the globalization pillar, we carried out the promotional event, Colombia Inside Out, for the third consecutive year in New York and London, and as a very important achievement, we were elected to chair the Board of Directors of the World Federation of Exchanges (WFE), a position that brings enormous benefits by placing Colombia at the head of the discussions on the future of the industry in the world.

Another outstanding event was the admission of the Mexican market to the MILA, thus bringing the first stage of regional integration to a close, which has proven to be a good idea that

LETTER TO THE SHAREHOLDERS



was widely accepted; however, it now has the duty of setting more ambitious goals as a base platform for the consolidation of true financial integration in the Pacific Alliance. On this front, the step we took as a market in the preparation of the local model was also relevant, and it will make the participation of global custodians possible as of 2015, thus enabling us to provide foreign investors greater security and reliability.

In the infrastructure pillar, in 2014, the BVC upgraded its main trading platform and implemented the FIX 4.4 communication protocol, which operates extensively in the international arena, allowing the use of tools such as the DMA (Direct Market Access) to provide further access to both domestic and foreign investors as well as to allow new forms of trading, consistent with the trends observed on the global level.

Considering all the above, we believe that 2014 was also positive due to corporate management, in an adverse scenario for markets that had a negative influence on the revenues due to lower fixed income and equity market trading volumes, which was offset by the effort made in 2013 to reduce costs and increase the diversification of revenues, and due to the great performance of the investments that the BVC has made in other companies of the value chain. That was how we ended the year with a consolidated net profit of COP 27,464 million at the BVC, a 8.7% increase compared to 2013. In addition, the 2014 EBITDA amounted to COP 34,151 million, 11.5% higher than 2013.

For 2015, the BVC intends to carry out projects that will continue contributing to these three strategic pillars, aware that it is the best way for the market to gain liquidity and open more opportunities for both local and foreign investors, issuers and brokers.



As regards quality, we will continue to assist the Government in the creation of a regulatory framework capable of facing the challenges that come with globalization, that will particularly protect investors and ensure their rights as clients.

In terms of internationalization, the BVC will carry on with its strategy to present the country as a relevant destination of investment and get the MILA to move on to the next level by incorporating new assets in regional trading and increase financial integration among the countries of the Pacific Alliance.

In terms of infrastructure, we will carry on with the operational inclusion of custodians, we will consolidate a solution to introduce the central counterparty in the equity market, and we will extend our offering of information services, providing them with better access channels and greater portability.

This provides both the Board of Directors and Management with the confidence that the Company's future will still continue to be promising, as we have taken the necessary path to implement a business vision consistent the reality of the securities industry in the world, with a long-term perspective to meet the expectations of our shareholders and clients.

This roadmap, which we have called the MEGA 2025, considers new horizons for the BVC, focusing on internationalization, the eligibility of the market, the entry in the OTC market and the expansion of our regional presence. This should lead not only to continue on the path of developing the local capital market, but also to support the diversification of the Company's revenue by developing post-transaction services and creating enabling services that allow greater technological connectivity across the industry's entire value chain.

This vision will renew the one set forth in the MEGA 2015, which we built a decade ago, based on the needs of the BVC and the securities industry in the current scenario. We have made progress with most of these objectives and we will prepare a statement at the end of this year.

Finally, I would like to thank the BVC Board of Directors and employees once again, whose support has been critical in ensuring that the Exchange can move forward decisively in its objectives. I would also like to thank those who build the soundness of the Colombian securities market with their effort, in particular the investors, issuers and brokers.

To all of them and to you, our shareholders, thank you very much.

Juan Pablo Córdoba Garcés
CEO

Index



CHAPTER 1
Company Profile

Page 11



CHAPTER 2
BVC Strategy

Page 23



CHAPTER 3
Corporate Governance

Page 32



CHAPTER 4
**Internal Control
and Quality**

Page 55



CHAPTER 5
Sustainability

Page 65



CHAPTER 6
**Commitment to
Shareholders**

Page 79



CHAPTER 7
**Commitment to
Clients and the Market**

Page 91



CHAPTER 8
**Commitment to our
Employees**

Page 123



CHAPTER 9
**Commitment to our
Suppliers**

Page 141



CHAPTER 10
Detailed Index

Page 145





CHAPTER **1**

Company Profile



1 COMPANY PROFILE

1.1 BVC: The Colombian Securities Exchange

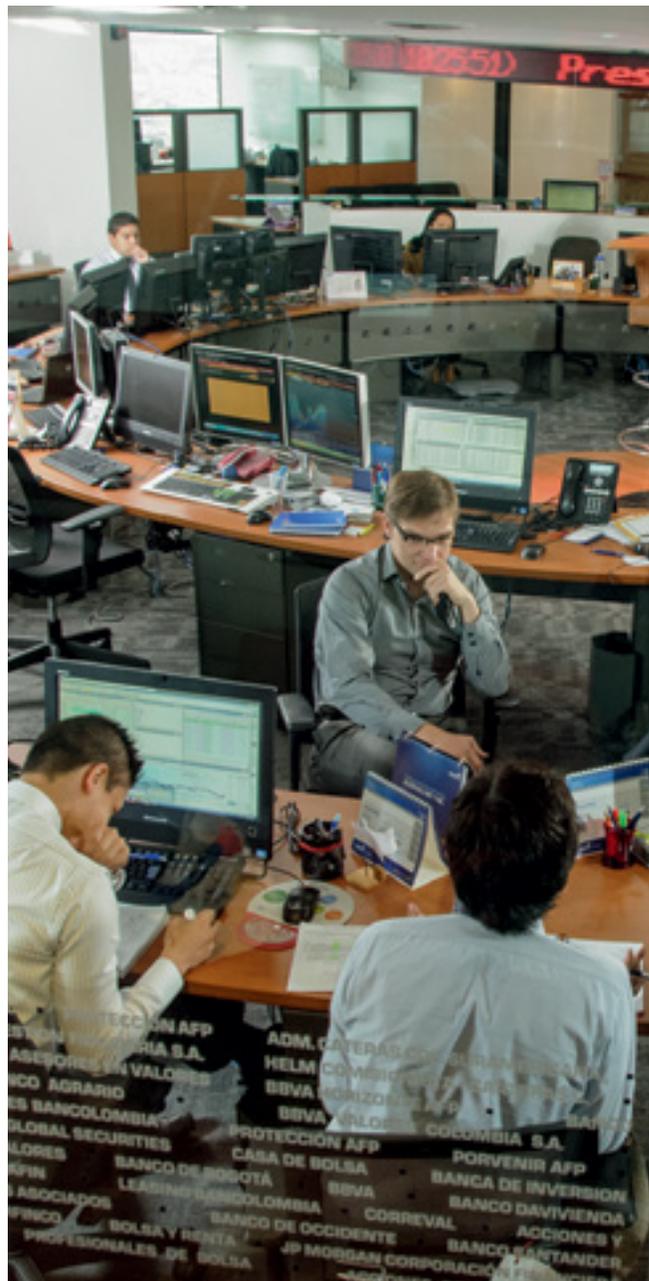
Bolsa de Valores de Colombia S.A. is a private company listed on the securities market based in Bogotá, Colombia. Its stocks are traded under the Ticker Symbol BVC and it is part of the COLCAP, COLEQTY, COLSC and COLIR indexes. The Exchange manages security trading platforms for the Equity, Fixed Income and Standardized Derivatives markets. Also, through its subsidiaries, it operates the Energy Commodities and Foreign Exchange Spot Markets and pricing services.

In terms of international leadership, the Exchange plays an active role as a member of the main forums of the securities industry at the global level, the World Federation of Exchanges (WFE) and the Ibero-American Federation of Stock Exchanges (FIAB), of which it is currently the President.

In addition, the BVC is part of the Latin American Integrated Market -MILA, together with the Santiago Stock Exchange (BCS), the Lima Stock Exchange (BVL), the Mexican Stock Exchange (BMV) and the Central Securities Depositories of the four countries.

Furthermore, as part of its commitment to sustainability, the BVC voluntarily participates in the UN initiatives, such as Sustainable Stock Exchanges (SSE) and the Global Compact, and works on initiatives of the Global Reporting Initiative (GRI).

Finally, in 2014, the BVC renewed the IR Quality Issuer standard, wherein it voluntarily agreed to continue complying with best international practices of investor relations and those pertaining to disclosure of sufficient and timely market information for its different stakeholders in Spanish as well as English.





1.2 BVC Brands

In 2014, the Company worked on the consolidation and implementation of the differential values of the BVC brand (prosperous, visionary, close, Colombian, reputable and integral) to establish a basis for launching the new positioning in 2015: The Growth of an Entire Country.

In addition, since 2013 we have been working to achieve a monolithic brand structure to promote the institutional brand as well as the Fixed Income, Equity Market, Derivatives, Education, Issuer and Information and Electronic Media products under the same umbrella. However, the Company still has endorsed brands, such as IEmisor IR, Emisor BVC, Afiliado BVC, Premios BVC y Punto BVC and four independent brands: Bolsa

Millonaria, Arquitectos del Mercado de Capitales, Colombia Inside Out y Colombia Capital.

1.3 Top Products & Services

The Colombian Securities Exchange manages the Equity, Fixed Income and Standardized Derivatives markets in Colombia, distributes information on stock trading in those markets, facilitates mechanisms for connecting to transaction systems and provides educational services to investors and professionals in the securities industry in general. The operation serves more than 100 brokers and investors from the Colombian financial, public and insurance sectors, and operates nationwide through its main office in Bogotá, its regional offices in Medellín and Cali, and more than 30 BVC Points in

BVC Brand



Independent Brands



Endorsed Brands



1 COMPANY PROFILE

During 2014 BVC worked in the implementation of a new communication protocol called FIX 4.4 adopting international standards

16 cities in Colombia. In addition, it distributes information on a daily basis to the markets managed through 32 information providers (vendors), reaching more than 20 countries.

The BVC also offers services to current and potential issuers of the securities market so they can finance their capital needs through debt instruments or stock issuance.

Equity Market: This market trades equities whose profitability depends on the variations in the market price of the securities and their dividends. Stocks and ETFs (Exchange Traded Funds) listed on the local market can be traded through the BVC, along with those listed on securities exchanges that are part of the MILA (Integrated Latin American Market: Chile, Mexico and Peru), and stocks and ETFs listed on foreign exchanges through the Colombian Global Market (MGC in Spanish). Repo transactions and Securities Lending on equity assets can also be carried out through the equity market. In line with international standards, the BVC has the Market Maker figure, which reduces the price spreads and increases the liquidity of the different instruments listed on the market. The transactional system for trading these instruments is the NasdaqOMX X-Stream trading platform.

Fixed Income: Public debt securities and debt instruments of the finance and real sector companies are traded and listed on the secondary market in this tier. In addition, the issuance of finance company CDs can be listed or carried out using a transactional system. The transactional system for trading and listing these instruments is the Colombian Electronic Market (MEC Plus) trading platform.

Standardized Derivatives: The BVC Standardized Derivatives market trades Futures, which are agreements for the purchase or sale of an underlying asset in specific units and for delivery on a specific future date. The BVC currently offers Futures on the following underlying assets: Interest Rates (TES of a specific reference, OIS - composition of the IBR overnight and Government Bond rates - short, medium and long term TES baskets), inflation, dollar-peso, Stocks, and Indices. The transactional system for trading these instruments is the NasdaqOMX X-Stream trading and listing platform. In addition, the BVC has provided its affiliates with the listing of OTC derivatives.

Data and Electronic Media: The BVC offers a specialized information system to manage, supply and license information regarding the transactions negotiated or listed on the securities market it manages. It also provides electronic access services for users to automate the receipt of information, route fixed income, equity and derivative orders, and carry out the operational processes required for each transaction. In order to strengthen these services, the BVC worked on the implementation of a new communication protocol known as FIX 4.4 in 2014, through which international standards are adopted to improve the efficiency of



electronic routing and information services of the equity and derivative markets.

Listing Services: Companies can finance their capital needs through the BVC by means of stock issuance and debt security auctions, or perform other types of listing services such as firm demands, tender offers (OPAs in Spanish) and public auctions, among others.

Educational Services: The BVC carries out a wide range of educational programs aimed at increasing awareness as regards the Fixed Income, Equity, Derivatives and Foreign Currency markets, through courses aimed at individuals, specialized training for market traders, virtual courses and agreements with academic institutions, among others. It also conducts semi-annual competitions on stock market investment aimed at students of Schools and Universities, to promote financial education in the country.

1.4 BVC's Scale

Chart 1. Consolidated Financial Information

	2010	2011	2012	2013	2014	CAGR 14-10	VAR 14 / 13
Ingresos Operacionales / <i>Operating Revenues</i>	\$ 66.079	\$ 73.642	\$ 81.906	\$ 82.970	\$ 85.129	7%	3%
EBITDA*	\$ 32.393	\$ 32.316	\$ 42.315	\$ 30.996	\$ 34.150	1%	10%
Utilidad Neta / <i>Net Profit</i>	\$ 23.944	\$ 28.332	\$ 28.655	\$ 25.279	\$ 27.804	4%	10%
Activos / <i>Assets</i>	\$ 124.769	\$ 138.910	\$ 135.887	\$ 138.559	\$ 136.204	2%	-2%
Pasivos / <i>Liabilities</i>	\$ 21.645	\$ 26.486	\$ 25.652	\$ 28.085	\$ 26.420	5%	-6%
Patrimonio / <i>Shareholder's Equity</i>	\$ 103.123	\$ 112.424	\$ 110.235	\$ 110.475	\$ 109.784	2%	-1%
Margen Neto / <i>Net Margin</i>	36%	38%	35%	30%	33%		
Margen EBITDA / <i>EBITDA Margin</i>	49%	44%	52%	37%	40%		
RoE	23%	25%	26%	23%	25%		
RoA	19%	20%	21%	18%	20%		

COP Millions

*As of 2012, the financial information is reported in IFRS. / *The financial information for 2010 and 2011 is reported in COLGAAP.

*EBITDA: Operating Profit + Depreciations + Amortizations + Provisions.

1 COMPANY PROFILE

Chart 2. BVC Shareholders

No.	Accionistas Shareholders	% Acciones % Share
1	Fondo de Pensiones Obligatorias Porvenir Moderado	9,5759%
2	Universidad de Medellín	6,7084%
3	Kuroto Fund LP	4,6181%
4	Inversiones CFNS S.A.S.	4,3200%
5	Bancard International Investment Inc.	3,9450%
6	Fondo de Pensiones Obligatorias Colfondos Moderado	3,5464%
7	Fdo. Fidelity Inv.Trust Latin America Fund	3,4323%
8	Corporación Financiera Colombiana S.A.	3,3634%
9	BMO Investments II (Ireland) Pcl	3,3096%
10	Fdo. de Pensiones Obligatorias Protección Moderado	2,9973%
11	Valores Bancolombia S.A. Comisionista de Bolsa	2,9091%
12	Fundación FDI - GIP Pacífico	2,1524%
13	Findlay Park Latin American Fund	2,1422%
14	Fondo Bursátil Ishares Colcap	1,7797%
15	Banca de Inversión Bancolombia S.A. Corp Financiera	1,7793%
16	Londoño y Restrepo S.A.	1,6824%
17	Credicorp Capital Colombia S.A.	1,4435%
18	BBVA Valores Colombia S.A. Comisionista de Bolsa	1,4143%
19	Citivalores S.A. Comisionista de Bolsa	1,4143%
20	Fondo de Cesantías Porvenir	1,3637%

BVC Shareholders

At the end of 2014, the Exchange had 1,494 shareholders, with a total of 18,672,822,217 ordinary shares with the right to vote.

The twenty (20) major shareholders of the Bolsa de Valores de Colombia S.A. at the end of 2014 are indicated in chart 2.

By stock ranking, the BVC shareholders were distributed as follows at the end of 2014 (chart 3).

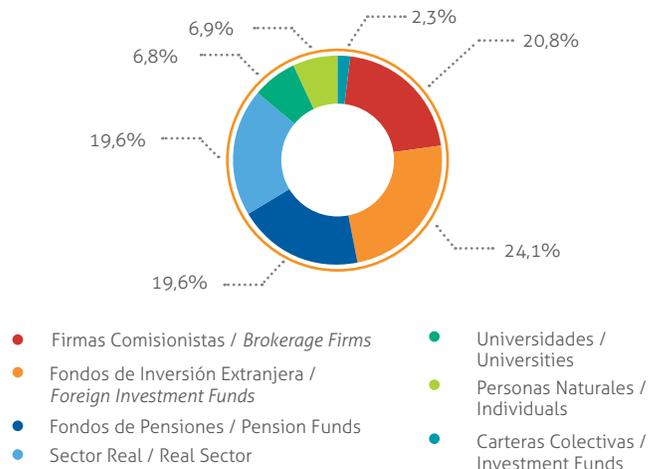
By type of shareholder, foreign investors, brokerage firms and pension funds were the three shareholder groups with the greatest share in the BVC at the end of 2014.

Chart 3. BVC Shareholders' Distribution

BVC Distribución de accionistas / Shareholders' Distribution		
Dec 2014	No. de Accionistas / Shareholders	% Acciones / Shares
Menos de / Less Than: 1%	1.472	37,73%
Entre / Between: 1% - 5%	20	45,95%
Entre / Between: 5% - 10%	2	16,31%
Total	1.494	100,00%

Por disposición legal (Ley 510 de 1999), ningún accionista puede ser beneficiario real de más del 10% de las acciones en circulación de la BVC.

Graph 1. By Shareholder Type





1.5 Material Aspects and Coverage

The BVC's annual management report contains the requirements and guidelines required by Colombian regulations through the Financial Superintendence of Colombia, those considered in the BVC Code of Good Governance, as well as those suggested by the Global Reporting Initiative – GRI version G4 and the UN Global Compact.

The different areas of the Exchange responsible for various topics reported herein were involved in the preparation of this report, in which they explain their management during 2014, including material aspects, which largely reflect the issues of greatest relevance to the stakeholders of the Exchange.

Below is a description of the process followed to determine the content of the management report and the coverage thereof (chart 4).

Chart 4. Process to determine the content of the management report

1. Identification of issues relevant to stakeholders	identification of the requirements in virtue of Colombian regulations.
	Identification of the contents required by the BVC Code of Good Governance.
	Identification of the contents suggested by the Global Reporting Initiative and the Global Compact.
	Identification of the Company's stakeholders.
2. Definition and prioritization of the topics to be reported	Assessment with the different areas involved in the valuation of the relevance, in terms of materiality, of the topics included in the management report.
	Definition of the content of the report.
	Definition of the coverage of the topics included in the management report.
3. Preparation, validation and presentation of the topics to be reported	Collecting information on: the markets managed, financial statements, risk management, corporate governance, sustainability, and human resource management, among others.
	Selecting, compiling and reporting the information.
	Detailed review on the part of management on the information reported by the different areas involved in the process.
	Review and approval of the management report by the BVC Board of Directors.
	Independent Audit by the statutory auditor of the financial statements with the accompanying notes to ensure accuracy, reliability and transparency.
	Submission and approval of the management report and financial statements by the BVC General Shareholders' Meeting.
Publication and reporting of the management report to the Financial Superintendence and on the BVC website.	

1 COMPANY PROFILE



Material Aspects According to their Level of Impact on the Stakeholders

The material aspects defined are evaluated for the market and for the Company by means of the reputation survey conducted by the BVC through a polling firm, where the different stakeholders rate each aspect on a scale of 1 to 5. To measure the work environment, the BVC uses the survey of the Great Place to Work Institute – GPTW, administered to all Company employees.

The reputation and Great Place to Work - GPTW surveys were conducted only for the BVC and did not include information on its subsidiaries and long-term investments. The BVC hopes in the future to be able to include the stakeholders that were not covered on this occasion and consider the material aspects that have not yet been evaluated. So far, there have been no reformulations or significant changes in the scope and coverage of the material aspects presented in this management report with regard to previous management reports, since the description of the material aspects regarding scope and coverage were included for the first time this year.

1.6 Report Profile

This annual management report presents the corporate and financial performance of the Bolsa de Valores de Colombia S.A. and its subsidiaries during the period from January 1 to December 31, 2014 at the head office in the city of Bogotá, Colombia, corresponding to the Company's fiscal year. The previous report was published following approval by the General Shareholders Meeting on March 31, 2014, corresponding to the Company's performance in 2013.



Chart 5. Material Aspects According to their Level of Impact on the Stakeholders

Aspectos materiales de acuerdo a su nivel de impacto en los grupos de interés / <i>Material aspects according to the level of impact on stakeholders</i>	Grupos de Interés / Stakeholders										
	BVC										
	Accionistas / Shareholders	Colaboradores / Employees	Emisores / Issuers	Intermediarios / Intermediaries	Inversionistas / Investors	Medios de Comunicación / Media	Persona natural / Retail Investors	Comunidades / Communities	Estudiantes / Students	Gobierno / Government	Proveedores / Suppliers
A Nivel del Mercado de Valores / Marketplace											
Administración de productos y servicios / Management of Products and Services	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Cumplimiento de la regulación / Compliance with Laws and Regulation	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Desarrollo del Mercado de Valores / Market Development	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Disponibilidad de los sistemas / System Availability	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Evolución y actualización tecnológica / Evolution and update	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Internacionalización / Internationalization	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Política pública / Public Policy	x	x	x	x	x	x	x	x	x	x	x
Seguridad de las operaciones en el mercado / Market transaction Security	✓	x	✓	✓	✓	✓	✓	x	x	x	x
A Nivel de la Compañía / Company											
Desempeño y crecimiento económico sostenido y diversificado / Sustainable and Diversified Economic Development and Growth	x	x	x	x	x	x	x	x	x	x	x
Gobierno Corporativo / Corporate Governance	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Imagen y reconocimiento / Image and Recognition	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Servicio al cliente / Customer service	✓	x	✓	✓	✓	✓	✓	x	x	x	x
A Nivel del Ambiente Laboral de la Compañía / Workplace											
Camaradería / Camaraderie	x	✓	x	x	x	x	x	x	x	x	x
Credibilidad / Credibility	x	✓	x	x	x	x	x	x	x	x	x
Imparcialidad / Impartiality	x	✓	x	x	x	x	x	x	x	x	x
Orgullo / Pride	x	✓	x	x	x	x	x	x	x	x	x
Respeto / Respect	x	✓	x	x	x	x	x	x	x	x	x

Criterio evaluado / Assessed Criteria: ✓



4 - 5



3 - 4



0 - 3

1 COMPANY PROFILE

The BVC prepared its financial statements based on two accounting standards: the Colombian accounting standard - COLGAAP, both for individual financial statements (only BVC) and for the consolidated financial statements (BVC and its subsidiaries), and the international accounting standard - IFRS, also in individual and consolidated versions.

They also include information on the BVC's permanent investments in companies that are part of the value chain of the Colombian capital market such as: the Depósito Centralizado de Valores S.A. – DECEVAL, the Cámara de Riesgo Central de Contraparte S.A. - CRCC and the Cámara de Compensación de Divisas de Colombia S.A. – CCDC. Finally, they are also reported to XM Expertos en Mercados S.A. as an investment classified as a financial instrument.

The financial statements reported in the two accounting standards contain comparative information of the previous year. No changes have been made to the information reported in 2013 that could in any way influence the comparison with the information reported in previous periods, nor have there been significant changes in the size and structure of the BVC or its capital structure.

This is the third annual management report, which includes a sustainability report in line with the standards and indicators set forth by the Global Reporting Initiative (GRI) in its G4 guide. This third report has not been audited yet. However, it provides key quantitative and qualitative information of all areas of the Company with sustainability guidelines and its relationship with BVC stakeholders: shareholders, investors,

market participants, employees, suppliers, regulators and the government, among others.

The financial statements reported in the two accounting standards contain comparative information of the previous year. No changes have been made to the information reported in 2013 that could in any way influence the comparison with the information reported in previous periods, nor have there been significant changes in the size and structure of the BVC or its capital structure.

The Statutory Auditor, appointed by the General Shareholders Meeting, is responsible for reviewing the management report, including the financial statements with the respective notes and disclosures.

The scope of the Management Report is to validate that it contains, as required by Article 47 of Law 222, as amended by Law 603 / 2000, at least "(...) an accurate statement on the evolution of business and the Company's economic, administrative and legal situation". In this context, the Statutory Auditor verifies that it contains information on:

1. Any important events occurring after the period.
2. The company's foreseeable development.
3. Transactions carried out with partners and managers.
4. The Company's compliance with the regulations on intellectual property and copyright.

In reference to the report on the financial statements, the Statutory Auditor validates or corroborate that the figures are consistent with the financial information that it has on the Company, as contained in its financial statements, and provides an



opinion in accordance with Article 38 of Law 222 / 1995, which indicates: "that the certified financial statements attached to the statutory auditor's professional opinion or, in the absence thereof, that of the independent public accountant, have been audited based on the examination thereof in accordance with generally accepted auditing standards".

When the financial statements are presented together with the managers' Management Report, the Statutory Auditor must include in his report an opinion on whether they are consistent with each other.

The Management Report 2014 is available on the BVC website: www.bvc.com.co in PDF format, and the hard copy is provided during the General Shareholders Meeting.

The GRI index is on page 145.

For further information on the report, please contact the BVC's Department of Investors' Relations and Corporate Social Responsibility at email: cbarrios@bvc.com.co







CHAPTER 2

BVC Strategy



2 BVC STRATEGY

2.1 Strategic Orientation

In 2014, The Colombian Securities Exchange made progress in fulfilling the strategic objectives contained in the MEGA 2015:

- Increasing the eligibility of the Colombian market: by attracting more and better issuers, working together with market players to increase reliability through the adoption of international standards, continuously developing new products and tools, promoting the liquidity and depth of the listed securities.
- Strengthening its internationalization process: by working on the promotion of the Colombian capital market abroad, implementing the global custodians model, developing and strengthening MILA, exploring options and alternatives of interconnection with other markets, continuously seeking and implementing cutting edge technologies to facilitate market access.
- Penetrate the OTC market: by developing the Set Icap business plan, identifying and developing new products, using the OTC network for distribution of current BVC products.
- Increasing the reliability and security of the markets operated by the BVC: by constantly strengthening the monitoring of financial risks, adopting strict corporate governance standards, placing emphasis on market discipline together with our affiliates, working with regulators and supervisors to implement a regulatory framework with a long-term vision.
- Providing its shareholders with the best profitability.

Vision

By 2015, the BVC will be one of the top three trading venues in Latin America, while maintaining its position as Colombia's top trading venue. The BVC will be recognized by companies as a real option to finance their own growth and by shareholders as a profitable company.

Mission

Contribute to capital market growth and development while positioning the BVC and its subsidiaries as the top exchange and financial center in the region, providing complete solutions. The BVC is trustworthy, transparent, efficient and admired for our innovation, our relationship to the clients and ability to learn.

2.2 Forecasts, Vision Toward the Future

In 2015, the BVC will work on improving the quality of the market, by making progress with the Government in the incorporation of new policy adjustments for the country to become a full member of the MILA regional market, as well as in including tools for international use that will open more opportunities for local players of the industry.

It will also promote those initiatives aimed to help position the country as an eligible alternative for foreign investors and as an attractive scenario for issuers and brokers to have greater participation in order to take advantage of the benefits of regional integration with the countries of the Pacific Alliance.

In addition, as regards improving infrastructure, the BVC will work to ensure the best availability of its technology



platforms, while working on the full incorporation of the global custodians model in the value chain of the Colombian market, as well as a central counterparty risk clearing house for the equity market. It will also carry out the tasks necessary for the consolidation of certain products, particularly those related to the distribution of information through electronic channels, with the temporary lending of securities and with the Derivatives Market.

2.3 Monitoring the Strategy in 2014

The BVC uses the Balanced Scorecard tool to measure effectiveness in the development of its strategic objectives, which monitors four management perspectives: Financial, Clients, Internal Processes and Talent Management.

The company set 13 objectives for 2014 on these fronts, of which 77% (10 objectives) were fulfilled successfully, mostly related to the perspectives of Clients, Internal Processes and Talent Management. The other three, relating to the Financial Perspective, ended below the target set at the beginning of the year.

In the Financial Perspective, the BVC was affected by the performance of the markets and the international situation. These factors reduced investors' interest in trading assets in the country dramatically. The Company's operating revenue ended the year at COP 85,129 million, and the EBITDA closed at COP 34,151 million, which is below the figures forecasted by Management and the Board of Directors.

However, it is important to point out that the process of diversifying revenue sources, which currently keeps non-transac-

tional revenue at a 60% share of the total, and the positive behavior of the investments made by the BVC in other entities of the value chain, have offset the impact of the market situation on the year's consolidated results.

In the Client Perspective, the BVC set three specific goals in 2014. The first was to increase the number of stock transactions. This objective exceeded the expectations due to the six transactions carried out with issuers. The second was to achieve better quality regarding Brokers. This task also exceeded expectations because work was done to strengthen the areas of economic research and relations with the brokers' commercial divisions after arranging several sessions of training and market promotion, which are discussed in detail later on in this report.

The third objective was to improve the Client Experience. This indicator establishes the degree of user satisfaction in relation to BVC services, which increased according to a survey conducted in 2014, thus placing this objective on the level of exceeding expectations, scoring 77 points on the NPS indicator.

As regards the Internal Processes Perspective, which had four specific objectives, the BVC fulfilled all of the tasks proposed and in the end, three of the four goals exceeded expectations. Therefore, it is important to point out the work carried out in terms of the Effectiveness of Regulatory Initiatives, on which six key policy adjustments were made for the development of corporate strategy. In addition, the work as far as Project Management was also successful. This objective involves compliance with the timetables and the effectiveness of the initiatives in the Company. During

2 BVC STRATEGY

Chart 6. Strategy Follow Up

Strategic Pillar	Indicator	Unit	IV-Q 2014	Execution 2014	2014 Goal December	%	Traffic Light					Points
							I	II	III	IV	Annual	
Financial	Operating Revenues	Millions	15,729	62.286	MA 64.732 G 67.130 EE 68.710	10	●	●	●	●	●	11,4
	BVC EBITDA	Millions	Annual Ratio	25.230	MA 28.723 G 31.121 EE 32.701	10					●	0
	BVC Operating EVA	Millions	Annual Ratio	13.576	MA 15.500 G 17.162 EE 18.257	5					●	0
Clients	Issuers Quality	No.	6	6	MA 4 G 5 EE 6	7,5					●	140
	Intermediaries Quality	Milestones	Annual Ratio	100% Deliverables	100% Deliverables	7,5					●	140
	Customer Experience	%	Annual Ratio	77	MA 59 G 62 EE 65	10					●	140
Internal Processes	Regulatory Initiative Effectiveness	No.	5	6	MA 4 G 5 EE 6	5					●	140
	Project Management	%	90.64	92,53	MA 70 G 80 EE 90	10	●	●	●	●	●	138,6
	Continuous Improvement	%	97.29	96,38	MA 85 G 90 EE 95	5	●	●	●	●	●	140
	System Availability	%	99.72	99,87	MA 99,7 G 99,8 EE 99,9	5	●	●	●	●	●	124,9
Strategic Capital	Growth Initiatives MEGA 2025	Milestones	Annual Ratio	Deliverables	100% Deliverables	10					●	120
	GPTW (I.A.L.)	%	84.1	84,1	MA 80,9 G 83,7 GE 86,5	7,5					●	105,7
	Corporate Capabilities	Milestones	Annual Ratio	100% Deliverables	100% Deliverables	7,5					●	140

● Exceeding Expectations ● Goal ● Minimum Acceptable ● Below Minimum Acceptable

BVC Matrix 100.67



The BVC has defined a strategic vision MEGA 2015, with the purpose of becoming the leading stock exchange in regional stock market management

the period, this factor stood at 92.53%. Furthermore, the goals related to Continuous Improvement also exceeded expectations. These goals evaluate the Organization's ability to adopt improvements in its processes, and achieved a compliance of 96.38%. Moreover, the systems availability indicator achieved the goal with a compliance of 99.87%.

Finally, in the Talent Management Perspective, the BVC achieved the goals set in the MEGA 2025 Growth Initiative design indicators, and reported progress in the measurement of the Work Environment Index, through the methodology of the Great Place to Work Institute, where the Company received a score of 84.1%. Last but not least, the organizational skills indicator exceeded expectations, achieving a fulfillment of 100% as regards to the performance management and BVC leadership brand indicators.

According to the monitoring matrix used by the BVC to measure management progress, the final result for 2014 was highly satisfactory, particularly with regards to the goals whose result depended directly on the Company.

The organization's long-term aim is to strengthen and continue working on these objectives, by setting increasingly ambitious goals to sustain the development and profitability of the business.

2.4 Strategic Objectives for 2015 and Future Prospects

In 2015, the BVC will carry on with its work to promote the securities market as an asset of the national economy, while generating opportunities for all stakeholders of the securities industry, especially the companies and investors who turn to this scenario to meet their respective financing and profitability needs.

Therefore, the Company will focus its efforts on improving the quality of the market, increasing its internationalization and incorporating the best infrastructure throughout the year. These pillars served as a platform in previous years to move toward the consolidation of the objectives outlined in its long-term vision.

In terms of its medium-term perspective, the BVC has identified opportunities for growth in the internationalization process underway with the Latin American Integrated Market (MILA), whose development in the future as a regional financial integration platform has become an objective of the governments of Chile, Colombia, Mexico and Peru.

To this effect, the Exchange has defined a strategic vision, MEGA 2025, in which it has set out to play a leading role in the management of capital markets at the regional level, providing access to capital, investment opportunities and enabling services for the entire value chain of the Latin American securities industry.

2 BVC STRATEGY

In order to achieve this result, the BVC will rely on its experience on the capital market, the reputation of its brand and the quality of its products and services. These inputs will help it build an attractive scenario for the financing of companies of all sizes, and the creation of new products, services and solutions, to meet all the needs of its clients, both in the negotiation and the post-negotiation process.

This is how the Company expects to become a top-level player in the creation of tools that generate added value, with competitive advantages based on attributes such as efficiency and quality, but above all to enable integration with the globalized markets.

At the same time, the BVC will carry on with the process of diversifying its revenue sources and work to increase profitability through post-transactional and enabling services, as well as through internationalization processes underway with other exchanges.

The projects carried out by the Company to achieve a greater share on OTC markets will also be important in this sense, along with the increased integration achieved with other entities of the value chain and other exchanges, depositories and clearing houses in Latin America.

Finally, the BVC has set out to take on the regional leadership to assist in the regulatory transformation required for the soundest development of the securities industry through the financial integration of the countries that make up the Pacific Alliance.







CHAPTER 3

Corporate Governance



3 CORPORATE GOVERNANCE

3.1 Report on corporate governance practices

In 2014, as an entity in charge of managing the country's securities markets (equity, fixed income and derivatives) and promoting the development thereof, the BVC has continued to work on the continuous improvement of its corporate governance practices. It does so in the understanding that this is achieved by implementing practices that will reflect the highest corporate governance standards at the international level, generating value for the Company and its shareholders, achieving the proper management of the Company, conflicts of interest and relations with all other stakeholders.

Therefore, in 2014, in view of the results of the corporate governance assessment conducted in 2013 by Governance Consultants, the entity identified opportunities for improvement in order to strengthen the BVC's Corporate Governance, and divided them into three major groups: (i) time optimization strategies, (ii) the control environment and (iii) conflicts of interest, some of which were implemented throughout 2014:

- Approval of the annual agenda of topics for the Board of Directors' 2014-2015 period, incorporating a distribution by family of topics.
- New rules for interaction between the Board and its committees, thus leading to better support by the committees for the work to be carried out by the Board of Directors.
- Recommendations related to the presentation of topics discussed by BVC Management.

In addition to the above and based on the same conviction, the BVC took part in the discussion process to update the Code of Best Corporate Practices 2007 led by the Financial Superintendence of Colombia, through its active role and contribution at the roundtable created for this purpose by said Superintendence.

The roundtable achieved the consensuses required for the Financial Superintendence of Colombia to publish the New Code of Best Corporate Practices of Colombia in External Circular 028 / 2014, which is in line with the advances defined on the matter at the international level.

As a result, the BVC management will constantly work to implement, update and strengthen the new Governance practices recommended by the Financial Superintendence, in line with its purpose for the BVC to continue to stand out as a company that adopts standards that exceed local requirements, making the BVC exclusively comparable with leading international entities.

Finally, in accordance with the results published by the Financial Superintendence in 2014 through its seventh annual report on the degree of acceptance of the recommendations of the Code of Best Corporate Practices for Colombian Issuers, the BVC was the entity that adopted all the recommendations of Código País in 2013.



Chart 7. Board of Directors

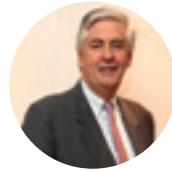
Independientes / Independents **No independientes / Not Independent**



Sergio Clavijo Vergara
ANIF



Julián Domínguez Rivera
Confecámaras



Rafael Aparicio Escallón
Acciones y Valores S.A.
Chairman of BVC



Juan Luis Franco Arroyave
BTG Pactual S.A.



Carlos Eduardo Jaimes Jaimes
Independent



Javier Jaramillo Velásquez
Independent



Mauricio Rosillo Rojas
Bancolombia S.A.



Aura Marleny Arcila Giraldo
Universidad de Medellín



Roberto Junguito Bonnet
Independent



Santiago Montenegro Trujillo
Asofondos



Diego Jiménez Posada
Credicorp Capital Colombia S.A.



Germán Salazar Castro
Banco de Bogotá



Juan Camilo Vallejo Arango
Fiducor

3 CORPORATE GOVERNANCE



3.2 Board of Directors and Management

In compliance with the corporate governance standards, the BVC Board of Directors is comprised of thirteen main members without alternates, seven of which are independent members¹.

The General Shareholders Meeting, at a meeting held on March 31, 2014, appointed the members that can be seen in chart 7.

It must be highlighted that the members of the BVC Board of Directors are recognized executives with an excellent reputation. In order to guarantee impartiality and independence, none of them have labor or commercial relationships with the BVC or its affiliates.

From this perspective, and in compliance with the Company's Code of Good Governance, the activities of the Board of Directors and its Committees are evaluated based on the following criteria:

- i) Compliance with meeting schedule.
- ii) Number of meetings that met the required quorum.
- iii) Each member's attendance of meetings.
- iv) Compliance with the agenda.
- v) Approval of the corresponding minutes.

These are the results for the April - December 2014 period (chart 8).

¹ According to Article 2.10.1.1.1 of Decree 2555 of 2010 and paragraph three of Article 47 of the BVC Statutes, the capacity of independent member implies that the member cannot have any relationship with the BVC or its "shareholders entities of the Colombian Stock Exchange, [...] partners, shareholders or capital contributors for the shareholders entities of the Colombian Stock Exchange [...], entities or natural persons that supply goods or services to the Stock Exchange or its subordinates [...], just as with an employee, administrator, empowered person, manager, agent, advisor, consultant, contractor or supplier of goods or services for the Stock Exchange or its subordinates [...], or with public entities that receive donations or contributions from the Stock Exchange [...], or with public entities that have supervision and regulation functions from the public market of the stock exchange".



Chart 8. Results for the April - December 2014 period

Miembros / Members	Consejo Directivo / Executive Committee	Comité de Regulación / Regulation Committee	Comité de Gobierno Corporativo / Corporate Governance Committee	Comité Admin. y Financiero / Finance & Administration Committee	Comité de Auditoría / Audit Committee	% de Cumplimiento / % of Attendance
RAFAEL APARICIO ESCALLÓN	10 / 10	7 / 7	4 / 6			91%
AURA MARLENY ARCILA GIRALDO	6 / 10			1 / 5		47%
JUAN LUIS FRANCO ARROYAVE	7 / 10		3 / 6			63%
DIEGO JIMÉNEZ POSADA	8 / 10	7 / 7				88%
MAURICIO ROSILLO ROJAS	10 / 10			3 / 5		87%
GERMÁN SALAZAR CASTRO	10 / 10	6 / 7		4 / 5		91%
SERGIO CLAVIJO VERGARA	5 / 10	7 / 7				71%
JULIÁN DOMÍNGUEZ RIVERA	8 / 10				3 / 3	85%
CARLOS EDUARDO JAIMES JAIMES	9 / 10	7 / 7			3 / 3	94%
JAVIER JARAMILLO VELÁSQUEZ	10 / 10		6 / 6	3 / 5		90%
ROBERTO JUNGUITO BONNET	8 / 10		6 / 6			88%
SANTIAGO MONTENEGRO TRUJILLO	8 / 10		5 / 6		3 / 3	84%
JUAN CAMILO VALLEJO ARANGO	5 / 10	4 / 7		4 / 5		59%
% de asistencia / % attendance	80%	90%	67%	67%	100%	
% cumplimiento del calendario / % Fullfillment of scheduled meetings	100%	86%	100%	80%	100%	
No. de reuniones con quorum deliberatorio / No. of meetings with mandatory cuórum	10	6	6	4	3	
Cumplimiento de la agenda / Completion of the agenda	96%	100%	100%	86%	100%	
% aprobación de las actas / % approval of minutes	100%	100%	100%	100%	100%	

3 CORPORATE GOVERNANCE

Below are the Board of Directors periods in which each of the current members have taken part:

BOARD OF DIRECTORS

INDEPENDENT MEMBERS

- **SERGIO CLAVIJO VERGARA**
2008 to date
- **JULIÁN DOMÍNGUEZ RIVERA**
2003-2005 external member
2005-2007 external member
2012 to date
- **CARLOS EDUARDO JAIMES JAIMES**
2008 to date
- **JAVIER JARAMILLO VELÁSQUEZ**
2007-2008
2009 to date
- **ROBERTO JUNGUITO BONNET**
2005-2007 external member
2006 to date
- **SANTIAGO MONTENEGRO TRUJILLO**
Desde 2010 a la fecha
- **JUAN CAMILO VALLEJO ARANGO**
2001-2003 external member
2003 -2005 external member
2006 to date

NON INDEPENDENT MEMBERS

- **RAFAEL APARICIO ESCALLÓN**
2001 to date
- **AURA MARLENY ARCILA GIRALDO**
2013 to date
- **JUAN LUIS FRANCO ARROYAVE**
2013 to date
- **DIEGO JIMÉNEZ POSADA**
2008-2009
2009-2010
2010-2011
2013-2014
2014-2015
- **MAURICIO ROSILLO ROJAS**
2014 to date
- **GERMÁN SALAZAR CASTRO**
2003-2005 external member
2005-2007 external member
2006-2007 non independent member
2007 to date

In addition, the BVC has high-level Management consisting of a CEO. They assist in the development and fulfillment of the Company's objectives and obligations.



Juan Pablo Córdoba Garcés
Presidente de La Bolsa
CEO of BVC



Alberto Velandia Rodríguez
VP. Jurídico- Secretario General
Chief Legal Officer & General Counsel



Ángela Valderrama Guzmán
VP. Mercadeo y Producto
Chief Marketing & Product Officer



Jitendra Puri
VP. Tecnología
Chief Information Officer



Mauricio Mosseri
VP. Corporativo
Chief Corporate Officer



Javier Díaz
VP. Comercial
Chief Commercial Officer

3 CORPORATE GOVERNANCE

3.3 BVC Governance Structure

a. Main Amendments to the Code of Good Governance

The Code of Good Governance was amended on two occasions in 2014, updating the means and mechanisms to evaluate the management of the Board of Directors, its Committees and members. The restriction included in the Code of Good Governance preventing Board members from belonging to more than two Committees was lifted, and the list of the primary obligations to be fulfilled by the shareholders of the BVC was included. This was done to ensure the proper functioning of the Committees and to maintain the corporate code in constant evolution and at the forefront of corporate governance recommendations and practices at the international level.

b. The Board of Directors and its Committees

To facilitate the development of the functions of the Board of Directors, the achievement of its objectives and to ensure that there is prior preparation of certain materials and analysis of the topics for its revision in the established areas, there are Regulation, Administration and Finance, Audit and Corporate Governance Committees made up of members of this body. These Committees report and submit proposals or recommendations to the Board of Directors for the approval thereof.

In addition, given that the BVC's stakeholders are made up of its shareholders and members, among others, these stakeholders are represented on the Board of Directors through non-independent members.

c. Process of Appointment and Selection of the Board of Directors and Committees

In accordance with Article 47 of the By-laws and Article 4.1.2.3 of the Code of Good Governance, it is the responsibility of the General Shareholders Meeting to elect the Board of Directors. In a General Meeting, the shareholders can register the lists for the election of the Board members with the Secretary. These individuals must be eligible in accordance with the concept of the BVC Corporate Governance Committee, which is the body in charge of verifying compliance with the general qualifications for all candidates to become members of the Board of Directors of the BVC, as well as the conditions to be considered an independent member, established in Paragraphs 2 and 3 of Article 47 of the by-laws, respectively.

To this effect, at least twenty (20) business days prior to the date on which the Assembly will meet to elect members of the Board of Directors, the General Secretary will inform shareholders of the election through the Company website, or through a written communication, so they may nominate candidates to be members to the Board of Directors. After that, shareholders will nominate candidates with the General Secretary of the BVC at least ten (10) business days prior to the Meeting to elect the Board of Directors.

In turn, during the first meeting, the new Board of Directors defines the composition of the four committees established for the corresponding period.



d. Duties of the Board of Directors and Senior Management

The duties of the Board of Directors are aimed at the fulfillment of the Company's strategic and organizational tasks, the establishment of the policies for the management of the risks inherent to the Company, and the development and operation of ordered, transparent and secure markets with a proper pricing. Similarly, the Board of Directors is responsible for defining policies to verify the existence, independence and effectiveness of internal controls for the appropriate monitoring of the Company's operation, a list of which can be referred to in Article 50 of the by-laws. In turn, the Company's senior management is responsible for generating results in line with the strategy approved by the Board of Directors, achieving goals and economic results, through the coordination and management of resources, as well as complying with the orders and following the instructions of the Board of Directors for the proper operation of the Company.

To this effect, the General Shareholders Meeting is the Company's highest authority, the governing body that approves the management report presented by the managers of the BVC at the end of each fiscal year.

e. Board of Directors Self-Assessment

The Board of Directors of the BVC is evaluated every year by individual and collective self-evaluations developed in 2014 by an independent consultant. However, to this end, the means and mechanisms determined by the Board of Directors will be employed for each period to be evaluated. The self-evaluation is conducted with the aim to establish the levels of efficiency and effectiveness in

performing their duties and functions, the achievement of their goals, the members' observance of the principles and responsibilities established for them in the Code of Good Governance, as well as to identify measures for improvement. The individual and collective self-evaluation of the Board of Directors is completed anonymously by each of its members.

To this effect, based on the results of the evaluation, mechanisms were implemented for the definition and discussion of the most important topics to the BVC by approving an annual agenda of topics for the Board of Directors to discuss in the 2014-2015 period, incorporating a distribution by family of topics, improvements in the delivery and preparation of materials by BVC management and, in addition, the members of the Board will reach agreements of behavior for the preparation and development of each of the meetings.

f. Remuneration Policies for the Board of Directors and BVC CEO

The Code of Good Governance provides that the duties of the Corporate Governance Committee include studying the policies for the remuneration of the Board of Directors. Notwithstanding the above, it is the duty of the General Shareholders Meeting to set the fees or allowances for the members of the Board of Directors. For the period from April 2014 to March 2015, it agreed to maintain the fixed amount approved by the General Shareholders Meeting held on March 29, 2012 of four minimum monthly salaries (4 MMS), per session of the Board of Directors and its Committees.

3 CORPORATE GOVERNANCE

In turn, the Company By-laws provide that it is the duty of the Board of Directors to set the remuneration of the BVC CEO. In addition, the Code of Good Governance prohibits the payment of the CEO's remuneration in stocks or other securities issued by the Company. Compensation or incentives for the CEO through shares, share options or other securities issued by the BVC are also forbidden.

g. Mechanisms for the Management of Conflicts of Interest

These mechanisms are described in Article 77 of the By-laws, Articles 7.1.1.1, 7.1.1.2, 7.1.1.3 and 7.1.1.4 of the BVC Code of Good Governance (CBGC), whose adoption is established in Article 83 of the Company by-laws, and Article 3.8 of the BVC Ethics and Conduct Manual, Annex 2 of the Code of Good Governance.

In this respect, Article 77 - Conflicts of Interest - of the by-laws provide that all individuals working with the Company shall act with due diligence and loyalty, and establishes the procedure to be followed when faced with a conflict of interest or uncertainty regarding the existence thereof.

In furtherance of the above, the Code of Good Governance has developed good governance principles and ethics policies, including an entire section covering conflicts of interest, which establishes that all Company employees and managers must avoid incurring in situations that involve a conflict of interest, reason for which anyone working with the Company that is or believes they may be involved in a situation of conflict of interest, must abstain from partic-

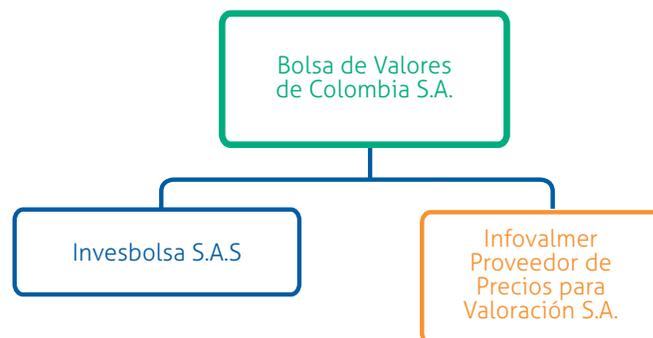
ipating directly or indirectly in any deliberation, decision or any other activities in the area of their duties, with respect to the situation of conflict of interest that has been identified.

In order to ensure compliance with the corporate regulations, the BVC has provided in the Rules of Procedure (RIT in Spanish) that these regulations are mandatory for all employees and failing to comply with them will involve the imposition of the disciplinary sanctions established in the section "Scale of Offenses and Disciplinary Sanctions" of the RIT for BVC Employees, Articles 46 to 52.

In 2014, the BVC did not enter into any contracts with directors, managers, senior executives or legal representatives, including relatives, partners and other related individuals, except for those of a labor nature. Furthermore, commercial relationships with partners remained within the context of market terms and conditions.

h. Corporate Group

Graph 2.





i. Judicial Actions

Chart 9.

Proceso	Abogado responsable	Fecha notificación	Datos abogado	Pretensiones	Calificación probabilidad pérdida	Valor en contabilidad
Norman Alexander Aldana - Juzgado 7° Civil del Cto. de Bogotá	Julián Solorza Martínez (abogado externo)	8 / 11 / 2007	Dirección: Carrera 7 No. 71-21 Of.602 T-B Teléfono: 3174485 Fax: 3173032 Ciudad: Bogotá D.C.	\$684.950.000 + perjuicios y daños morales	Remota	\$ 753.473.851
Sarasti y Cía. S. en C. y Rodrigo Sarasti - Juzgado 37 Civil del Cto. de Bogotá	Juan Pablo Cárdenas (abogado externo)	5 / 08 / 10	Dirección: Calle 72 No. 6 - 30 Piso 11 Teléfono: 5432808 - 5434264 Ciudad: Bogotá D.C.	\$1.280.000.000 + lucro cesante	Remota	\$ 1.414.409.834,00
José Ignacio Uribe - Juzgado 21 Administrativo del Cto. de Medellín	Ángela Cristina Silva (abogado interno)	24 / 01 / 14	Dirección: Carrera 7 No. 71-21 Piso 12 T-B Teléfono: 3139800 Fax: 6068949 Ciudad: Bogotá D.C.	\$10.000.000 + variaciones en el dividendo de la especie Ecopetrol	Remota	\$ 10.000.000
					Total	\$ 2.177.883.685

3.4 Basic activities of the directors and management of the BVC

a. The Board of Directors, as advises the CEO and other Company executives, and orders and instructs them to require the proper performance of the Company's activities. This duty is carried out through the meetings of the Board of Directors and its Committees, which are the proper venues for the Board of Directors to give instructions to senior management, who in turn will present the progress and results of its efforts.

b. General Shareholders Meeting

The topics presented for discussion and approved by the General Shareholders Meeting at meetings held in 2014 are indicated in chart 10..

c. Assessment of the BVC CEO

The Corporate Governance Committee of the Board of Directors evaluates the activity of the CEO on a periodic basis based on the fulfillment of the goals and indicators provided on the Balanced Scorecard. For the year 2014, the Committee found that Mr. Córdoba's performance was optimal for the benefit of the organization.

3 CORPORATE GOVERNANCE

Chart 10. Shareholders' Meeting / Topics Presented to the Assembly

Reuniones Asambleas Generales de Accionistas 2014 / The BVC's Shareholders Meetings 2014			
Ordinaria Ordinary	31 de marzo de 2014	Cuórum	13.311.888.139 acciones equivalentes al 71.2902% de las acciones en circulación. <i>Shares equivalent to 71,2902% outstanding shares</i>

Asuntos sometidos a consideración de la Asamblea General de Accionistas <i>Topics presented to the Shareholders' General Meeting</i>
Informes del Consejo Directivo, del Presidente de la Bolsa y del Revisor Fiscal correspondientes a la gestión desarrollada por ellos durante el 2013 / <i>Reports of the Board of Directors, the President of the Stock Exchange and the Statutory Auditor, corresponding to their performance during 2013</i>
El proyecto de distribución de utilidades del ejercicio con corte a 31 de diciembre de 2013 / <i>Proposal for the distribution of the year ended on December 31, 2013</i>
Aprobación de estados financieros correspondientes al año 2013 / <i>Approval of the Financial Statements of year end 2013</i>
Elección de miembros independientes del Consejo Directivo para el período Abril 2014- Marzo 2015 / <i>Election of Independent Members of the Board of Directors for the period April 2014 to March 2015</i>
Elección de miembros que no tienen la calidad de independientes del Consejo Directivo para el período Abril 2014 - Marzo 2015 / <i>Election of Non-Independent Members of the Board of Directors for the period April 2014 to March 2015</i>
Fijación de honorarios del Consejo Directivo / <i>Definition of the Board of Directors remuneration</i>
Elección de Revisor Fiscal para el periodo estatutario y aprobación de la apropiación presupuestal para su gestión para dicho periodo / <i>Election of the External Auditor and approval of the budget appropriation for their activities</i>
Aprobación de la modificación del reglamento de la Asamblea General de Accionistas / <i>Approval of the modification of General Shareholders' Meeting regulations</i>
Informe cronograma de implementación Normas Internacionales de Información Financiera (NIIF) / <i>Schedule Report for the implementation of the International Financial Reporting Standards (IFRS)</i>



It is important to clarify that the CEO of the BVC, who is the Company's legal representative, will have the powers and attributions conferred by the by-laws and those determined by the Board of Directors. Also, the person holding this position cannot be the Chairman of the Board of Directors, because the latter represents said body and the Committees on a permanent basis and has the main duty of presiding over and directing the Board meetings, as well as the deliberations that arise therein, ensuring compliance with the by-laws and the Code of Good Governance.

3.5 The Audit Committee's Annual Report to the Board of Directors

Bogotá D.C., February 18, 2015

Dear Sirs

BOARD OF DIRECTORS

Bolsa de Valores de Colombia S.A.

Bogotá

Reference: The Audit Committee's Annual Report to the Board of Directors

To the directors,

As the Chairman of the Board of Directors Audit Committee, I would like to submit the report on the activities carried out and results obtained by the Committee during the year it was in force: April 2014 to February 2015. The above is based on the provisions established in Chapter IX (2.3.10) and (2.2.32) of the Fundamental Accounting and

Financial Bulletin, and Chapter IV, Title I, Part I (6.1.2.1), of the Fundamental Legal Bulletin, both issued by the Financial Superintendence of Colombia; as well as the provisions established in Article 4.1.4.18 (7) of the BVC Code of Good Governance.

I. Composition of the Audit Committee

In accordance with Article 50 paragraph f. of the BVC By-laws, the Audit Committee is made up of three members from the Board of Directors who act independently. For the period from April 2014 to March 2015, **Julián Domínguez Rivera, Santiago Montenegro Trujillo** were elected along with the undersigned, **Carlos Eduardo Jaimes Jaimes**, who was appointed as the Chairman of the Committee.

Furthermore, in response to the Board of Directors' decision to adopt the alternate member mechanism when creating the Committees, Sergio Clavijo Vergara was chosen as alternate member for the Audit Committee. This means that committees can meet without being affected when the required quorum is not met. He was appointed in compliance with the Committee creation rules as an independent member as required by the BVC Code of Good Governance.

II. Duties and Powers

As established in Article 4.1.4.14 of the BVC Code of Good Governance, the Audit Committee is a unit that supports the operation of the Board of Directors with respect to monitoring the performance and effectiveness of the Company's Internal Control System, including risk management and verifying the function of the controlling bodies.

3 CORPORATE GOVERNANCE

Its duties are contained in Article 4.1.4.15 of the BVC Code of Good Governance, adhering strictly to the requirements set out in Title I, Chapter IV, Part I (6.1.2.1) of the Fundamental Legal Bulletin.

III. Assessment of the Committee's Functioning

The following criteria are taken into account in accordance with the BVC's Corporate Governance policies and in order to evaluate the activities of the Board of Directors' Audit Committee: i) compliance with the scheduled meetings, ii) the number of meetings that had the required quorum, iii) attendance of each member at the meetings, iv) fulfillment of the programmed agenda, and v) approval of the corresponding minutes.

During the term in question the Board of Directors' Audit Committee met four (4) times, including the meeting in which this report was presented for approval. All the meetings had the required quorum to hold discussions and make decisions. The agenda for every one of the meetings, along with the presentations used during the meetings, were posted for all committee members on the BVC website. The 23 topics scheduled for discussion in previous meetings were discussed, which means that 100% of the initially proposed topics were examined.

Furthermore, the Committee approved 100% of the minutes with a 100% attendance record by the members at the meetings.

IV. Institutional Internal Control System

IV. 1 4.1. Internal Control Policy

The internal control policies approved by the Board of Directors for the BVC were not modified in 2014, and therefore remained in full effect. Notwithstanding the above, in the framework of the proposals for improvement being structured by the Corporate Governance Committee with the support of a consultant, the body asked Management in the extraordinary meeting held on October 21, 2014, to define specific guidelines and instructions with respect to internal control for the subsidiaries of the BVC, to be submitted for consideration thereby and, if applicable, for consideration by the Board of Directors. The proposal will be presented in the first quarter of 2015 and, if approved, it will complement the current internal control policies for the BVC.

IV. 2 4.2. Assessment of the Effectiveness of the Internal Control System

In order to see the big picture when evaluating the institutional internal control system, in the 2014-2015 period, the committee addressed several matters within each of the system's elements.

Control Environment

In this regard, the following main activities were carried out:

- 1. Ordinary meeting held on May 27, 2014 (Minutes 033, Item IX).** During this session, the proposal for the amendment of the BVC's Internal Control Manual presented by Management was reviewed. It contained a general update of the version that was originally approved on April 28, 2010.

The committee authorized Management to submit the document to the Board of Directors for approval.



al (which was given at the meeting held on July 23, 2014).

- 2. Ordinary meeting held on August 26, 2014 (Minutes 034, Item VI).** A follow-up on the progress of the risk awareness plan was carried out in the context of the discussion relating to the Operative Risk Management System - ORMS.

Risk Management

For the period covering the current report, the committee analyzed the following risk management issues:

- 3. Ordinary meeting held on May 27, 2014 (Minutes 033, Item VIII).** The topics discussed included the quarterly management report of the Compliance Officer for the System for the Prevention of Money Laundering and Terrorism Financing (SIPLAFT in Spanish), and the market risk report.

The Compliance Officer's report included the main activities carried out, particularly the notice of the delivery of the new SIPLAFT Manual to the Financial Superintendence of Colombia, the update of the warning parameters, subsidiary assistance activities for the adoption of their procedures with respect to money laundering and terrorism financing, training, the inventory of risks related to the matter to be included in the BVC's operational maps and, of course, the monitoring and reporting of suspicious transactions.

The market risk report included the monitoring of Repo stock transactions, simultaneous fixed income trades and the verification of compliance with risk limits.

The committee stated that it was informed of the information provided.

- 4. Ordinary meeting held on August 26, 2014 (Minutes 034, Items VI, VII y VIII).** Below are the topics presented by Management with regard to risk management discussed in the Committee:

- Operative Risk Management System Report, including the evolution of operational risk events and the risk profile (operational and fraud), operational risk event management strategies, the evolution of the awareness plan, the residual risk ratio and the follow-up on the business continuity plan (Item VI).

The committee stated that it was informed of the analyses provided.

- Market risk report, which included the analysis of the Repo stock transactions and the follow-up on the risk limits (Item VII).
- It also covered the analysis of the Management Report in response to an alert generated by the Board of Directors in its meeting held in July. At this point, the committee instructed Management to present a summary of the analysis to the Board of Directors.
- Quarterly report of the Compliance Officer, which included the progress of the subsidiary assistance activities for the adoption of their procedures with respect to money laundering and terrorism financing, the update status of the BVC's operational risk maps in relation to money laundering and terrorism financing and the result of the activities of monitoring and reporting suspicious transactions (Item VIII).

It also included a summary of the main forms of ML/TF for the securities sector and the mechanisms of control provided in the regulations, as well as the details of the scope of the alert system for the BVC.

The committee stated that it was informed of the analyses provided.

3 CORPORATE GOVERNANCE

5. Ordinary Meeting held on November 25, 2014 (Minutes 035, Item VII). The following matters were discussed:

- Quarterly report of the Compliance Officer covering the progress of the main activities during the quarter and the result of the activities of monitoring and reporting suspicious transactions.
- Market risk report describing the result of the monitoring of Repo stock transactions, simultaneous fixed income trades and risk limits.

The committee stated that it was informed of the above topics and requested as much detail as possible from now on in the discussion of the topics of the market risk report.

In addition to the above information, the Internal Auditor presented the following for consideration by the members of the Committee:

- The conclusion of compliance with the provisions of the Financial Superintendence of Colombia in relation to the Operative Risk Management System - ORMS for the year 2014 (based on the evaluation of the requirements in Chapter 23 of the Fundamental Accounting and Financial Bulletin).
- The results of mapping IT risks, which will be used from now on for Audit assessments. The mapping was carried out by PricewaterhouseCoopers, which provides Internal Auditing Services in the form of *co-sourcing*.

The committee stated that it was informed of the above matters.

6. Current Meeting held on February 17, 2015 (Item VIII). In this meeting the following matters were discussed, and the report was also approved:

- ORMS Report.
- Compliance Officer's Report.

Control Activities

In the framework of this component, the committee carried out activities for the review and analysis of the following reports:

1. **Ordinary meetings held on August 26, 2014 (Minutes 034, Item VI) and the current meeting (Item VIII).** Evolution of the fraud and operational risk profile defined by the Board of Directors. This review included the verification of the behavior of the risks of critical processes on the residual level (which includes an examination of the effectiveness of the controls), as well as a follow-up on the progress of the action plans defined to prevent the recurrence of the risk events that have taken place.

The committee stated that it was informed of the analyses presented in the meeting in August.

2. **Ordinary meeting held on November 25, 2014 (Minutes 035, Item VI).** Assessment by internal auditing of the compliance with procedures and the effectiveness of the controls for inherent risks rated as high in the Acquisitions Management subprocess - Financial and Administrative Management process. The committee stated that it was informed of the above.

Information and Communication

For the period covered by this report, the committee managed the following information and communication matters:

1. **Sesiones ordinarias del 27 de mayo de 2014 (acta 033, Numeral X) y del 26 de agosto de 2014 (acta 034, numeral IX).** Report and analysis of the individual Financial Statements according to COLGAAP and



management indicators as at April 30, 2014 and July 31, 2014. The committee stated it was informed in the two meetings.

NOTE: Although the Individual Financial Statements according to COLGAAP and the management indicators as at October 31, 2014 were also made available to the members of the Committee for their information in the meeting held on November 25, 2014, they were not discussed.

2. **Ordinary meeting held on August 26, 2014 (Minutes 034, Item IX).** Audit report on the consolidated financial statements of the BVC according to IFRS as at September 30, prepared by the Statutory Auditor. The Audit Committee stated that it was informed of the matter.
3. **Ordinary meeting held on November 25, 2014 (Minutes 035, Item VI).** Assessment of the main resulted of the review by Internal Auditing of the BVC's compliance with internal policies and information security management requirements established in Chapter 23 of the Fundamental Accounting and Financial Bulletin of the Financial Superintendence of Colombia (in the current meeting). The committee stated it was informed.
4. **Current Meeting held on February 17, 2015 (Item V).** The Committee performed the following tasks with respect to the annual closure of the BVC's financial statements:
 - Review of the individual and consolidated financial statements as at December 31, 2014 according to COLGAAP and IFRS, with their respective notes.
 - Review of the opinions issued by the Statutory Auditor on the financial statements according to COLGAAP and IFRS.
 - Review of the current Statutory Auditor's management assessment, as well as the results of the pre-se-

lection process for the new annual period and the proposal of fees.

Monitoring and Independent Assessment

1. **At all ordinary meetings.** Presentation of the "Management Report" to report significant internal control system events during the specific period. The report gives a precise indication of the permanent supervision of the plans, programs and projects undertaken by Management on all levels.
2. **Current meeting held on February 17, 2015 (Item VIII).** Review of Internal Auditing's annual management report, including the results of the independent assessment on the status of the internal control system as at December 31, 2014, conducted by said controlling body.

Conclusions on the Effectiveness

Based on the reviews conducted on the information presented by Management and the controlling bodies, the committee considers that the Company's internal control system has been satisfactory over the past year, as it provides for reasonable compliance with the following objectives:

1. Improve operational efficiency and effectiveness.
2. Prevent and mitigate the occurrence of fraud.
3. Adequately manage risks.
4. Increase reliability and timeliness of the information produced.
5. Fully comply with applicable procedures and regulations.

3 CORPORATE GOVERNANCE

In order to improve system effectiveness, the Committee believes it is important to continue monitoring the relevant risks and, in the case of materialization (risk events), timely measures be taken to prevent their recurrence or mitigate the effects thereof, particularly in the cases affecting the availability of services to clients. It urges the controlling bodies to continue their assessments of processes and critical risks and, in relation to the events caused by human failure and processes, it encourages employees from all areas and levels to conduct ongoing reviews of its working practices in order to review and update them and even to improve them for error-free performance.

Timely and efficient closure of action plans defined to correct weaknesses detected is also considered necessary.

IV.3 Principal Measures Adopted

No material deficiencies were detected. Nevertheless, as a result of analyzing the aforementioned information, the observations made by the controlling bodies and management's opinions, it was possible to take measures in the following areas::

1. Optimize operational, accounting and tax controls.
2. Improve the corporate risk management process:
 - Operative Risk Management System (ORMS).
 - Information security management.
 - Market risks.
 - Strategic risks.

3. Improvements in the internal auditing process, particularly as regards information technology and the interaction thereof with financial and performance auditing.
4. Improvement of technology processes, specifically with regard to administration and governance.

V. Sanctions or Observations from Regulatory Authorities

Management reported that no fines were imposed by the regulatory authorities during this period.

VI. Management by the Controlling Bodies

Internal Auditing and the Statutory Auditor participated in all meetings, and they reported the progress in their corresponding action plans, presenting their significant findings and recommendations where relevant. The Committee monitored the activities of said bodies, verifying their effectiveness, independence and the extent to which their work responds to the Company's control needs.

VI. 1 Issues Assessed

Internal Auditing

With regard to Internal Auditing, the Committee addressed the following main points:

1. Review and approval of the annual Internal Audit plan for the 2015 term and the budget required to execute the activities. Said tasks were undertaken at the Committee meeting on November 25, 2014, in compliance with the provisions set out by the Financial Superintendence of Colombia.



The internal audit work plan for 2014 was approved in the meeting held on November 26, 2013, which is not within the scope of the calendar period covered by this report.

2. Review of the proposal to update the Auditing By-laws in the meeting held on May 27. This proposal was finally taken to the Board of Directors in July, where it was approved.
3. Review of the proposal presented in relation to the new model for the internal auditing of information technology - IT, through co-sourcing with a specialized international firm. The model was approved in the meeting held on May 27 and the firm began working on July 1, 2014.
4. Revisión y aprobación del plan anual de actividades de la Auditoría Interna de TI. Dicho plan, una vez aprobado en la sesión de agosto 26, fue integrado al de la Auditoría Interna operativa y financiera.
5. Quarterly review of the main findings and recommendations, as well as progress on the execution of its work plan.
6. Examination of Management's progress with respect to the closing of the main findings or observations on internal control (in meeting held on November 25, 2014).

Statutory Auditor

The following activities were carried out with respect to this controlling body:

1. Review and approval of the annual Statutory Auditor activity plan for the 2014-2015 term. It was approved in the meeting held on May 27, 2014.

2. Quarterly review of the main findings and recommendations, as well as progress on the execution of its work plan.

VI.2 Performance of Internal Auditing

With respect to Internal Auditing, based on the review of the above issues, the Committee concluded that the audit plan covered the main business risks, that its auditing tasks met the requirements and that the results satisfy the Company's control needs. Furthermore, the Committee was able to determine that the Internal Auditor performed its tasks independently, impartially, with resources and information and no limitations that might hinder the integrity of the audit.

In addition, the Committee believes that the emphasis given to Internal Auditing of IT is relevant and considers that, based on the approach taken (co-sourcing), the integration of the Audit in the other areas is correct. It also found that the implementation of the new specialized IT audit component is satisfactory.

6.3. Performance of the Statutory Auditor

With regard to the Statutory Auditor appointed by the General Shareholders Meeting in March 2014, the Committee concluded that it has performed its duties in accordance with the provisions set out in the procedures and by-laws.

VII. Framework of the Committee's Relations

Once the Annual Report has been approved by the Audit Committee, it shall be presented to the Board of Directors

3 CORPORATE GOVERNANCE

in accordance with the provisions established in Article 4.1.4.18 (7) of the Corporate Governance Code in order to report its content and conclusions, and obtain relevant feedback from said body.

Similarly, when approved, the report shall be made available to shareholders for their inspection, in accordance with the provisions of Article 447 of the Code of Commerce and Article 43 of the BVC By-laws and it shall also be presented for the consideration of the General Shareholders Meeting.

The BVC CEO, the Vice-President and Secretary, and the Internal Auditor attended all meetings held by the committee, thus making it possible to present various issues, to obtain timely responses to questions raised, and for the Committee to immediately assign responsibilities to Management. The Statutory Auditor that audited the BVC systems also attended several ordinary committee meetings.

Sincerely yours,



CARLOS EDUARDO JAIMES JAIMES
Chair of the Audit Committee

3.6 Values, Principles, Standards and Regulations of the Organization

The BVC has an extensive list of corporate regulations that govern the Company's operation. To this effect, the Organization's main regulations are the by-laws, which establish the general provisions and regulate the Company's governance structure.

In addition, the BVC has a Code of Good Governance whose objective is to establish the parameters that complement the applicable legal and statutory regulations, and provide guidance for BVC Management regarding its role as a commercial company, as an entity that carries out an activity in the public interest, and as an entity that promotes the development of the capital, securities, derivatives, structured products and currency markets. The Code includes principles and regulations designed to ensure shareholders' rights, the proper management of the Company and the appropriate handling of stakeholder relations, the detection, prevention and control of conflicts of interest, and the existence of a safe, transparent market, with proper price setting in the systems managed by the Company or its subsidiaries.

Now, in order to reinforce the BVC's commitment to act in accordance with ethics and comply with the applicable legal and regulatory provisions, specifically the guiding principles and the rules of conduct applicable in these matters, the BVC has an Ethics and Conduct Manual approved by the Board of Directors, which is a mandatory tool of reference and consultation for its recipients.

Similarly, in addition to the corporate regulations mentioned above, there are the General Shareholders Meeting



Regulations, the Rules of Procedure of the Board of Directors and the internal control policies of the Bolsa de Valores de Colombia S.A.

These corporate regulations are permanently posted on the Company website in Spanish as well as in English.

3.7 Shareholders' Rights

The Code of Good Governance of the BVC, in addition to the stipulations of the Law and the Bylaws, incorporates the rights of the Company's shareholders.

Shareholders will always be treated equally by Company management and employees, who will ensure they are allowed to exercise their rights and will see to it that the questions, complaints and suggestions they file with the Company are heard, regardless of the number of shares they hold.

Shareholders' rights are mainly related to:

- Topics to be included in the agenda of the General Shareholders Meetings.
- Information made available to Shareholders, as well as timely and sufficient access to said information.
- The possibility of requesting specialized audits and making recommendations to the Corporate Governance Committee.
- Resolution of conflicts and channeling of petitions, claims or proposals to the Company.

To this effect, the BVC has established channels for its communication with shareholders. The information on the channels of communication is updated on a permanent

basis and posted on the BVC website. The Legal Vice-Presidency of the BVC, or the corresponding Vice-presidency will provide a reasoned written response to the requests, complaints or proposals mentioned above, within fifteen (15) business days following submittal of the request, complaint or proposal.

When in the Company's opinion, the response to a shareholder's requests, complaints or proposals can place them at an advantage, the BVC will ensure that the other shareholders will immediately have access to said response, according to the mechanisms established for that purpose, and in the same economic conditions.

In 2014, in response to the procedure established to do so, the Corporate Governance Committee studied the proposal to amend the BVC By-laws presented by a BVC shareholder at the General Shareholders Meeting held on March 31, 2014, whose decision was reported to said shareholder in due time in a reasoned written document.

3.8 Compliance with the Authorities

The BVC is an entity controlled and supervised by the Financial Superintendence of Colombia (SFC) and therefore it must faithfully observe and follow the rules that regulate it. Therefore, the BVC must meet the requirements that this supervisory authority issues in the exercise of its legal functions.

Likewise, it should be noted that the BVC has fully met the terms established by the SFC for implementation of all the rules and provisions in the requirements it issues as a control, inspection and supervisory entity.

3 CORPORATE GOVERNANCE

3.9 Compliance with Regulations on intellectual Property and Copyright, Tax Compliance of Foreign Accounts and Processing of Personal Data By the Company

I. Compliance With Regulations on Intellectual Property and Copyright

The BVC has "General and Specific Policies of the Information Security Management System", which is the document that establishes the guidelines and requirements for the management and use of the BVC's Information Assets, in order to ensure the integrity, confidentiality and availability of the information in accordance with the Company's strategies and regulatory requirements. These Policies establish that the information security management process is in compliance with the applicable legal and regulatory requirements, including Law 1266 / 2008 - Habeas Data, External Bulletin 048 / 2006, External Bulletin 052 / 2007, External Bulletin 038 / 2009, issued by the SFC and Statutory Law 1581 / 2012 - Personal Data Protection.

This document also contains policies for the management of software, intellectual property and copyright in the BVC, all in accordance with the legislation in effect.

In compliance with its internal policies, the BVC conducts a periodic review of the licensing of all the programs used by the Company. In turn, the BVC requires its contractors to ensure that they own any software they may use to provide a service or it has been licensed by the software owners in the name of the respective contractor. This is done in order to avoid unauthorized use or damages to third parties.

The BVC also has a procedure for software and media management, whose purpose is to establish the different steps required to manage the inventory of software, media and version licenses of the applications developed and/or acquired by the BVC.

In relation to intellectual capital, in addition to the permanent use of the registered commercial brands, the BVC constantly verifies the validity of all the brands granted (at the end of the year, the Company had 62 registered brands), in order to analyze the viability of applying for the respective renewal within the legal term to do so.

In 2014, the BVC began to apply for the registration of six brands that identify new products and/or services. In addition, it carried on with the permanent monitoring of the steps taken with the Superintendence of Industry and Commerce, by virtue of which the BVC brought opposition against proceedings filed by third parties for the registration of two brands that are similar to those owned by the Company.

II. Compliance with the Provisions of the Foreign Account Tax Compliance Act (FATCA)

In 2014, the BVC analyzed the scope of the FATCA and its application to the Company. The objective of the FATCA consists of preventing tax evasion by individuals who for tax effects are considered US persons. For this purpose, it imposes obligations on US taxpayers and financial institutions, as well as Foreign Financial Institutions (FFIs). In compliance with this law, the BVC registered with the Internal Revenue Service (IRS) as a participating FFI with a Model 1 IGA.



III. Compliance with Regulations Relating to the Processing of Personal Databases

On occasion of the issue of Regulatory Decree 1377 / 2013 of Law 1581 / 2012, by which the General Personal Data Protection System was issued, the BVC published the Personal Data Processing Policy, which is part of the General and Specific Policies of the Information Security Management System. In 2014, the Company complied with the provisions established in its policies and regulations mentioned above.

3.10 Code of Good Governance Reports

a. Petitions, Claims or Proposals Submitted by Shareholders and Other Stakeholders

Pursuant to articles 8.1.1.1 and 8.1.1.2 of the Code of Good Governance, petitions, claims or proposals presented by shareholders and other stakeholders must be provided with a reasoned written response within fifteen (15) business days following the filing of the petition, claim or proposal.

In compliance with said standard and according to information found in the Company's Centralized Claim System, 145

complaints, 3,937 queries and 9,088 service requests were filed with the BVC by its different stakeholders in relation to the Company in 2014. The average response time was 2 days for complaints and 0.25 days for requests and queries.

There were two (2) cases in which response time exceeded 15 days (term provided by the Code of Good Governance). These cases are associated with technological requests that, given their complexity, took longer than established.

b. Claims Regarding Compliance with the Code of Good Governance

No claims concerning compliance with the BVC's Code of Good Governance were filed in 2014.

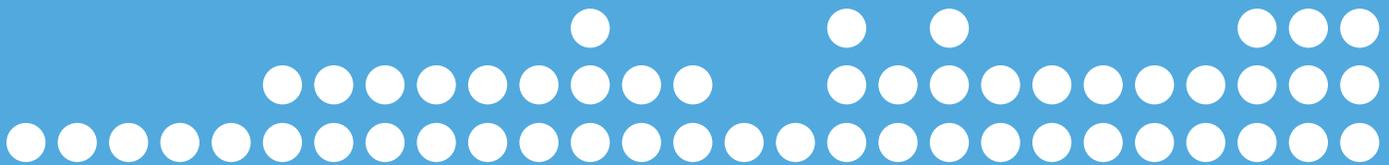
c. Unlawful or Unethical Actions

In 2014, The Legal Vice President of the BVC did not receive any information from managers or employees of the Company or its subsidiaries regarding facts that they are aware of and that, in their opinion, would imply a violation of ethical principles or rules of conduct contained in the Manual of Ethics and Conduct.



CHAPTER 4

Internal Control and Quality



4 INTERNAL CONTROL AND QUALITY

4.1 Internal Control and Control Environment

During the year, the BVC carried out activities aimed at consolidating the Internal Control principles established by the Financial Superintendence in Part I, Title I, Chapter IV of the Fundamental Legal Bulletin by designing and implementing new policies, procedures and controls, as well the continuous improvement of existing policies.

Below are the main advances and achievements on each of the components thereof:

Control Environment

In order to ensure that the human resources have the level of skills required to do their jobs, the Company consolidated the model to assess positions and remuneration, as well as for the management of employee performance, by aligning them with the Company's strategic objectives, process objectives and their own objectives as individuals.

This methodology was implemented at all levels of the organization and its understanding and application was monitored on an ongoing basis in order to raise employee awareness based on the fulfillment of objectives aligned with the Companies needs.

In addition, the BVC focused process management as its main tool on minimizing risks and complying with the levels of quality required in the services offered to the different stakeholders, in accordance with the current organizational structure.

4.2 Quality and Information Management

As part of its internal control, the BVC constantly consolidates the continuous improvement policy as an essential tool for risk management and to meet client expectations in relation to the services provided.

Accordingly, the quality process was focused on defining methodologies for the construction of efficient processes to strengthen knowledge management in the organization and encourage a work culture based on quality processes.

The Company is fully aware that operational efficiencies are achieved through continuous improvement and increase customer satisfaction, so it has strengthened the policies, procedures and tools to manage control gaps in order to minimize the materialization of risks and non-compliant products. Thanks to these improvements, the BVC's continuous improvement indicator for 2014 was 96.38%, thus exceeding the proposed goal of 90%.

Furthermore, in November, the BVC was recertified by ICONTEC, the certification agency, which pointed out the organization's level of maturity as regards its Quality Management System.

For 2015, it has set the main objectives of (1) consolidating agile and efficient process documentation methodologies, and (2) strengthening the structure for the documentation and measurement of costs associated with the lack of quality.

It is essential for the BVC to safeguard the criteria of information security and quality. Therefore, in 2014, it implemented initiatives focused on improving the levels of protection



through the Information Security Management System, the most notable being:

- Employee training on existing procedures and controls.
- Strengthening of information security processes related to perimeter security, vulnerability management and access control in applications.
- Updating of detailed information flows of all Company processes, including the related sources, destinations, responsible parties and information asset and type.
- Updating of the classification of the information and defining new controls in accordance with the confidentiality levels.
- Identification of information security risks for each of the critical processes and definition of action plans to handle them.
- Design of procedures for information processing and control, related to the labeling, custody, destruction and levels of authorization in accordance with the confidentiality and criticality thereof for the Company.

Additionally, a review of the existing controls was carried out, specifically those pertaining to minimum security and quality requirements in processing information of products and services through the media and distribution channels to ensure that security levels are maintained at all times.

Communication

As part of proper communication management, during the year, the mechanisms of information with stakeholders were consolidated in order for it to flow effectively in all directions. These mechanisms include the Expanded Presidency Committee, the "Results Meeting" with all employees, the Primary Committees by processes, and the general state-

ments, which are used to inform all employees and the market in general of the level of fulfillment of the objectives, strategic decisions and the new challenges of the business.

4.3 Risk Management

According to the nature of the Exchange, its strategic objectives and the external and internal context, the BVC is exposed to risks inherently legal, reputational, financial and operational strategic impacts associated to meeting business objectives and its own operational activity.

Of these, 93% are rated within acceptable levels and will be monitored during 2015. For other treatment measures will be implemented to improve their rating.

In order to strengthen the corporate risk map, the risk methodologies of the System for the Prevention of Money Laundering and Terrorism Financing (SIPLAFT in Spanish) and the Operative Risk Management System (ORMS) were unified in 2014 to facilitate the comprehensive management of risks and contribute to decision-making on the part of the processes.

In addition, cross-cutting strategies were defined and implemented to optimize mitigation actions and controls, based on the comprehensive risk management methodology, the most notable being:

- Inclusion of new sources for the identification of operational risks.
- Implementation of controls including the strengthening of IT infrastructure and processes.
- Automation of activities in critical processes exposed to high risk of human error.

4 INTERNAL CONTROL AND QUALITY

As a result of the above, risk levels associated with business critical processes were reduced by 14.37%, thus exceeding the proposed goal of 12% for 2014.

In addition, the generation of periodic reports was implemented to facilitate the quick detection and correction of deficiencies in risk management through more effective monitoring on the part of processes.

Furthermore, the Risk and Quality Awareness Plan was developed based on awareness and training campaigns aimed at all the levels of the Company and third parties involved, to raise awareness regarding the importance of internal control and its role in the prevention, detection and handling of the risks and impacts they have on the Company and the general public.

In Business Continuity, the annual test plan was executed, whose main focus is to verify the effectiveness of the strategies defined and implemented in response to disaster events with an impact on business critical processes.

Among the tests conducted, it is important to emphasize those carried out for the Fixed Income Market and business critical services for subsidiaries. Both tests generated satisfactory results.

The execution of contingency tests has been planned for 2015, including other market participants and the implementation of improvements in the contingency strategies in effect on the technological as well as the operational level.

In compliance with the regulations for the prevention and control of money laundering and terrorism financing - ML/TF, activities were carried out aimed at implementing and strengthening controls to mitigate associated risks.

As regards the Know-Your-Customer process, in 2014, client enrollment controls were strengthened and a campaign was carried out to update client information.

In order to strengthen the compliance model in subsidiaries and controlled companies, activities were carried out to standardize policies and processes.

Throughout the year, the regulatory reports were sent to the Financial Analysis and Information Unit - FAIU, and the requirements related to ML/TF of supervisory agencies were satisfied.

In relation to annual employee training, activities included the dissemination of policies and procedures for the prevention of ML/TF with BVC employees, the Risk and Quality Training Week, induction of new employees on these topics and training for specific processes.

For 2015, the Risk and Quality Management Unit intends to continue strengthening the monitoring and control mechanisms that raise alert signals to identify unusual operations, therefore strengthening the procedures and controls for the prevention and control of ML/TF.

Control Activities

In order to comply with the guidelines provided by management through the policies and procedures related to the Internal Control System, the BVC developed initiatives, the most notable being:

- Consolidation of International Financial Reporting Standards - IFRS, aligning the accounting process to the needs of stakeholders, international standards



and enabling compliance with safety standards for the information required to ensure the reliability of financial statements of the Company, to reflect their actual situation according to the principle of disclosure and control of financial information.

- Implementation of the training plan for BVC providers in shopping, international accounting standards, risk management, fraud prevention and money laundering and quality management.
- Strengthening of the Corporate Governance model, reflecting the commitment of and importance to Management of generating trust for the market through management with integrity and transparency.
- Optimization and automation of activities that decreased risks associated with human error and improved the segregation of duties in accordance with the roles and responsibilities of each employee in business critical processes.
- Strengthening of procedures for physical security management, particularly in monitoring mechanisms, thus providing better control to safeguard the Company's goods and information.

Monitoring

As part of the activities defined to verify the performance of internal controls, all their components were monitored on a permanent basis through the Balanced Scorecard and process management indicators, which are monitored by bodies such as the Company's Board of Directors and the Risk Committee.

In addition, in order to measure employees' perception of internal control management at the BVC, the "Annual Internal Control Survey" was administered, scoring 86.70 points, which is equivalent to a satisfactory level.

Furthermore, the monitoring was complemented with independent assessments conducted by internal and external supervisory agencies, which gave their positive opinion with regards to the levels of compliance with regulatory requirements.

The recommendations provided by the supervisory agencies and the improvements proposed by management were included in the work plans for the processes for the respective steps to be taken.

4.4 Auditor's Report

4.4.1 Independent Assessment of the Internal Control System - ICS

Pursuant to Title I, Chapter 9, (7.5.2.) of the Legal Basic Bulletin of the Financial superintendence, in addition to the permanent monitoring of senior management and the self-evaluation of each area, a periodical independent assessment of the Internal Control System (ICS) must be carried out by the Internal Auditor, designated by the BVC for this purpose. In 2014, said evaluation was conducted pursuant to the scope and coverage defined in the Bulletin and the results were delivered to Management at the end of the year.

The independent assessment encompasses the results of reviews performed as part of the audit plan and the status

4 INTERNAL CONTROL AND QUALITY

thereof at the end of the year. The main conclusion of the Auditor's report was that the elements of the ICS, namely, control environment, risk management, control activities, information and communication and monitoring, showed an average effectiveness level 83.19% in 2014.

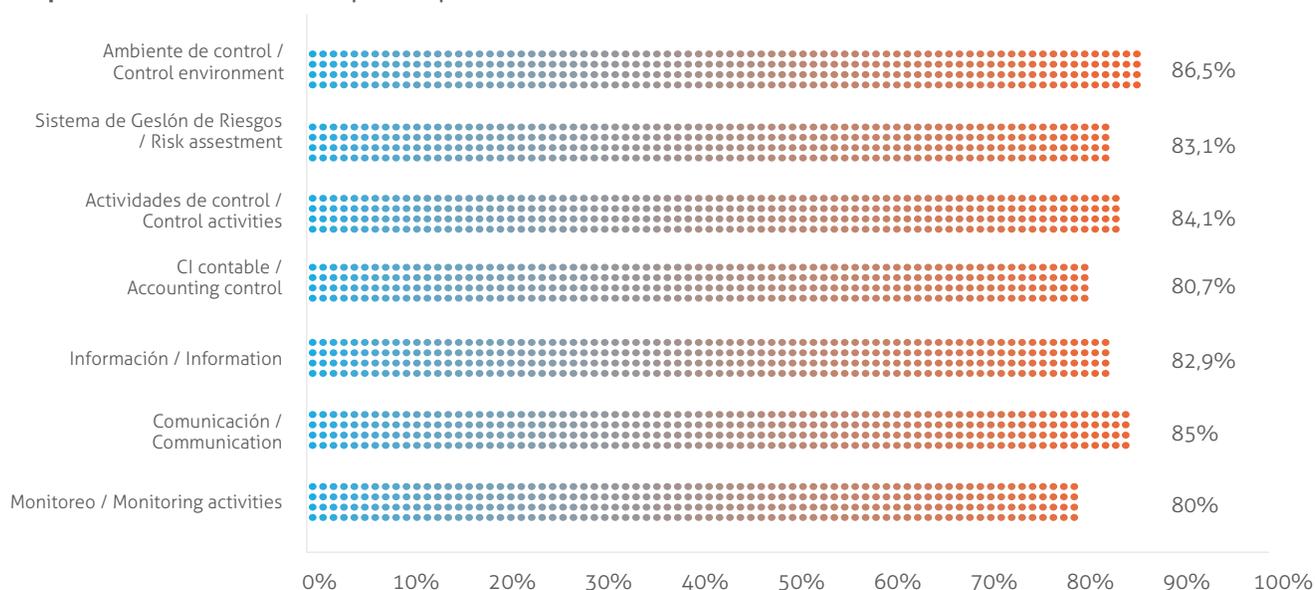
4.4.2 Internal Auditing Management

In 2014, Internal Auditing developed a work plan focused on risks, the use work models aligned with international standard and considerable support from Enterprise Risk Assessor (ERA) tool, used for the comprehensive management and documentation of work, and the ACL tool used for data analysis.

This plan, approved by the Audit Committee of the Board of Directors, developed the following actions and obtained the following results:

- a) **Evaluation of Management Systems:** Review of the effectiveness of the BVC's risk and corporate governance systems, and an independent assessment of the Internal Control System.
- b) **Auditing of Critical Processes:** Evaluation of the effectiveness of the most relevant risk controls in core processes.
- c) **Quality Audits-Compliance:** Evaluation of the BVC's processes to establish their effectiveness and conformity with planned provisions, ISO 9001:2008 requirements and the requirements established by the organization itself.

Graph 3. Internal control status per component





- d) Other special evaluations upon request of Senior Management for relevant matters.

As a result of the auditory tasks, the reports were generated and delivered with findings and recommendations, and the closing plans were coordinated with those responsible for each department. The progress of the plans was reviewed periodically. According to all the auditors' reports (at least 90 days since issued), as at December 31 the average percentage of progress attained in each area with respect to said closing plans was 94.76%.

The Auditor presented quarterly reports to the Board of Directors and the Audit Committee to monitor the progress of the plan and provide feedback on the most significant results.

Finally, it is important to stress that Management procured the resources and information required to carry out the audit independently and without limitations.

4.4.3 New Model for the Information Technology (IT) Audit

In response to recommendations made on the first independent external assessment conducted by an international firm in 2013, the BVC adopted a co-sourcing model as of July 2014, which it prevents to complement the in-house team of auditors with specialists in the area of IT Auditing, which facilitates the in-depth intervention of the technology issues that so require, and is also articulated with the current internal auditing activities in the operational and financial areas.

The work plan that has been developed, which has been duly approved by the Audit Committee, includes compliance reviews conducted with the in-house team of auditors to assess regulatory compliance in relation to information security and internal technological control, and specialized reviews fo-

cused on complementing the first and providing an in-depth perspective in fundamental aspects such as governance, IT management and security.

4.5 Ethics Hotline and Anti-Corruption Principle

As far as the anti-fraud program, in accordance with the 10 principles promoted by the UN Global Compact, the BVC prohibits any violation of the laws and regulations, and any illegal, unethical or dishonest conduct on the part of its executives, managers and employees is also strictly prohibited.

To do so, the BVC has a Code of Good Governance, an Ethics and Conduct Manual, and an internal control system that provides the tools necessary to minimize and control any risk of fraud and corruption, which are included in the BVC's corporate risk management.

In 2014, no claims were received related to any of the conducts mentioned above through the Ethics Hotline, which is the mechanism provided to do so in the procedure for reporting unethical conduct.

Affiliates and Subsidiaries

The BVC supervised how its affiliates and subsidiaries managed the implementation and maintenance of the internal control system, and concluded that INFOVALMER S.A has an effective system that meets the regulatory requirements established by the Financial Superintendence.

Additionally, INVESBOLSA S.A.S., an entity that is not supervised by the Financial Superintendence, adopted the policies and practices that are applicable according to its corporate purpose and the development of the activity.









CHAPTER 5

Sustainability



5 SUSTAINABILITY

5.1 Sustainability Focus and Vision

In order to increase the quality and competitiveness, and create long-term value for the Colombian capital market, the BVC has recognized the importance of sustainability and responsible investment with environmental, social and governance (ESG) criteria. In doing so, the BVC has been working on initiatives over the last few years aimed at promoting aspects such as: corporate governance, investor relations, disclosure standards, sustainability and responsible investment.

The Company has played an active role in its commitment to sustainability and therefore, has included the sustainability report in its management report since 2012 based on the standard of the *Global Reporting Initiative – GRI*, a network that establishes recommendations and standards for reporting sustainability at the international level.

In line with the initiatives that it has developed, the BVC is a signatory of the UN *Global Compact* since 2012, in which it has reaffirmed its commitment to the principles of the initiative. As regards labor rights, the BVC has focused on the development of its employees as strategic capital, and in relation to environmental principles, it has carried out impact investments through the Fondo Inversor, in an attempt to resolve social and environmental challenges through sustainable and economically profitable business models.

Finally, as for the anti-corruption principle, the Company has a Code of Good Governance, an Ethics and Conduct Manual, and a tough internal control system that provides the tools necessary to minimize and control any risk of fraud and corruption.

In 2014, the first annual progress report of 2013 was sent, describing the actions of continuous improvement for the integration of the BVC's business strategy with the Global Compact and its principles.

Also, in July 2014, the BVC adhered to the *Sustainable Stock Exchanges – SSE* initiative, becoming the second Latin American Exchange to be a part of this UN initiative, which serves as a collaborative platform for exchanges to work together with investors, listed companies and regulators in order to raise the standards related to Environmental, Social and Governance factors, based on the long-term responsible investment approach.

In the interest of articulating the topics of sustainability at the local and regional levels, the BVC has been working on the LatinSIF initiative (Sustainable Investment Forum) since 2011, together with the Netherlands Embassy and the Sustainability consulting firm, precisely to generate knowledge and the networks necessary to adapt the topics to the reality and context of Colombia. So in 2014, training was provided to journalists from 12 Colombia media, in which they had the chance to get to know the perspective of companies and investors on the importance of incorporating sustainability policies in their organizations. On this occasion, the event was attended by representatives of Bancolombia, Grupo Nutresa, IFC, GRI and Fondo Inversor as lecturers. In addition, with the support of the attending experts, the journalists were able to clarify doubts as regards how to understand the sustainability reports submitted by securities issuers and companies in general, which will be very helpful for them to be able to analyze and convey relevant information on these aspects.



Chart 11. Valor económico generado y distribuido (Millones de pesos) / Generated and Distributed Economic Value (COP Millions)

Valor Económico Generado y Distribuido / Generated and Distributed Economic Value	2014*	2013*
Valor Económico Generado / <i>Generated Economic Value</i>		
Ingresos Operacionales / <i>Operating Revenues</i>	62.286	63.242
Otros Ingresos / <i>Other Revenues</i>	13.088	11.481
Valor Económico Generado / <i>Generated Economic Value</i>	75.374	74.723
Valor Económico Distribuido / <i>Distributed Economic Value</i>		
Total Remuneraciones a Empleados / <i>Total Employees Remuneration</i>	19.025	22.725
Total Pagos al Gobierno / <i>Total Payments to Government</i>	12.965	11.184
Pagos a Proveedores / <i>Payments to Suppliers</i>	15.585	14.377
Inversiones en Comunidad y Medio Ambiente / <i>Community and Environment Investments</i>	194	364
Costos Operacionales / <i>Operating Costs</i>	3.950	5.262
Valor Económico Distribuido / <i>Distributed Economic Value</i>	51.718	53.912
Valor Económico Retenido / <i>Retained Economic Value</i>		
Diferencia entre Valor Económico Generado y Distribuido / <i>Difference Between Generated and Distributed Economic Value</i>	23.656	20.811

*Data is derived from BVC's individual financial statements according to COLGAAP.

5 SUSTAINABILITY

In 2014, the BVC reached a Generated and Distributed Economic Value for COP 23,656 million, which reflected a 13.7% increase compared to 2013.

5.2 Social Responsibility

5.2.1 Inversor Fund



Fondo Inversor is the first Colombian fund to adopt the GIIRS (Global Impact Investing Rating System) since 2012 for its 3 main impact investments, which are: Waya Guajira, Gaia Vitare and Groncol. The GIIRS is the highest social and environmental impact measurement standard for Impact Investment Funds, which enables Fondo Inversor to increase its positioning at the global level.

In 2014, Fondo Inversor completed the GIIRS assessment process, obtaining a grade 27.4% higher than the average of similar Funds (investment stage - emerging markets). The total score (on a scale of 200 points) consists of a weighting of the Professional Manager's assessment (10%), which rates the approach, criteria and management of the portfolio. The investment assessment (90%) grades corporate governance and the impact on employees, communities and the environment. The results of 2014 were as follows:

Chart 12. 2014 Results

Calificación / Grade	Inversor	Promedio / Average(1)
Gestor / Fund Manager	130,0	108,5
Portfolio	141,0	110,0
Total	139,9	109,8

(1) The Fund Manager is compared to the average Active Funds and the Portfolio is compared to the average companies in emerging countries.

On the general level, Fondo Inversor's social and environmental results in 2014 were the indicated in chart 12.

Hotel Waya Guajira:



The social strategy of the hotel in which Fondo Inversor holds 47.7% of the shares underwent significant progress in terms of development of the supply chain, as well as employee well-being activities. In 2014, the hotel created 16 new jobs, rising from 71 in 2013 to 87 in 2014, where 76% of the workers are natives of the region and 74% are from socioeconomic levels 1 and 2. In 2014, there were several delays in the information requirements for the Leed certification. However, work is being done to create a timetable of deliveries and commitments to obtain the certification around March 2015.



As for the GIIIRS rating, Waya was not only the best company of the portfolio, but also the best in Colombia and is in the Top 10 of all the other segments compared, scoring 153.7 points (on a scale of 200). In its industry (Hotel and Catering), it ranked first place among 25 companies in the world.

Gaia Vitare:



This is a company dedicated to the comprehensive management of waste electrical and electronic equipment, in which Fondo Inversor holds 45% of the shares. It generates an impact due to the management of WEEE in Colombia and creates direct jobs for persons in different conditions of vulnerability. It ended the year 2014 with 62 employees, 73% of which are from socioeconomic levels 1 and 2. In 2014, Gaia managed a larger quantity of waste, thus generating a higher positive impact on the environmental level by collecting 1,728 tons of waste during the year, representing a 43% increase compared to 2013. As regards the material managed, 815 tons were returned to the market and 710 tons were disposed of responsibly, for a total of 1,525.

With respect to GIIIRS rating, Gaia ranked third place among 11 companies in its industry (Waste Management and Recycling), scoring 134.4 points (on a scale of 200).

Groncol:



This company designs, builds and maintains green walls and roofs, in which Fondo Inversor holds 29.1% of the shares. It has strengthened its social indicators, and at the end of 2014, it had 87 employees, of which 68% are from socioeconomic levels 1 and 2. On the environmental level, it has generated positive impacts, based on the fact that in 2014, it retained and/or captured 1,074,182 liters of water, which represents a 150% increase compared to 2013. As regards CO2 emissions, Groncol products captured 10,191 tons in 2014, which is a 130% increase compared to 2013. In particulate matter, the green walls and roofs captured 207 kg, representing an increase of 121% compared to 2013; and as regards reprocessed garbage, it had a decrease of 46% compared to 2013 for a total of 172 tons.

Groncol got a grade of 111.2 points (on a scale of 200) on the GIIIRS rating in its industry (Real Estate, Design and Construction) ranking 17 among 65 companies.

5 SUSTAINABILITY

Indutrade:

is a recycling plant located in Albania, Guajira, that disposes of used tires from the mining operation in the area, transforming them into steel, rubber powder and textile fibers. Fondo Inversor holds 36.5% of the shares in Indutrade, which is still in the project stage. Its impact will be mainly on account of the decrease in contamination caused by burying tires and the use of raw materials by returning them to the production chain. By the end of 2014, it had 10 employees.



Waya Guajira



Gaira Vitare



Groncol



Indutrade



5.2.2 Corporate Social Responsibility

Since 2010, the BVC has delivered a total of COP 1,206,957,000 in different types of donations to several foundations as listed below. The largest amount was delivered to Corporación Inversor.

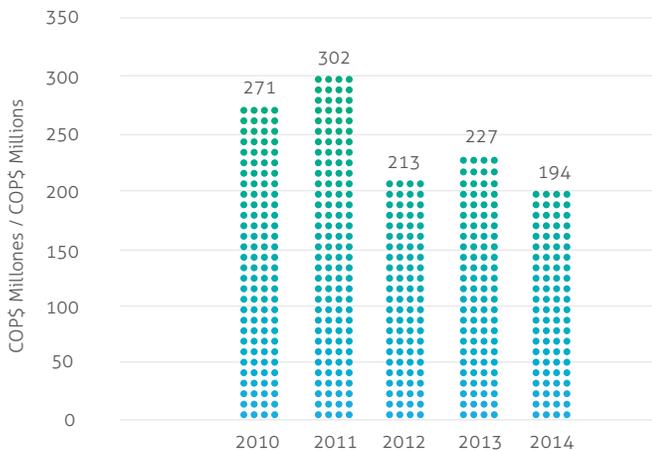
The following is the evolution of the donations made from 2010 to 2014 (graph 4).

In 2014, the BVC made donations for a total of COP 193,956,000, to entities such as:

- Asociación Mutual Bursátil (Asobursatil): A private-law, non-profit mutual association, incorporated by individuals working in the securities industry. The total amount donated by the BVC in 2014 was COP 15,000,000.

- Casa de la Madre y el Niño: A non-profit foundation dedicated to providing a home for abandoned children and pregnant women, where they find wellbeing, specialized care, guidance and training. The total amount donated by the BVC in 2014 was COP 3,000,000.
- Corporación Inversor: An Impact Investment Fund that creates, supports and strengthens companies that transform the social and environmental problems of the country through its business models. The total amount donated by the BVC in 2014 was COP 150,000,000.
- Fundación Canguro: This foundation has the mission of humanizing neonatology, assessment, research, improvement and dissemination of the kangaroo mother method. The total amount donated by the BVC in 2014 was COP 3,830,000.
- Fundación Dividendo Por Colombia: This is a multi-company Foundation that promotes corporate and individual social responsibility by contributing to the development of educational programs aimed at vulnerable children and adolescents. The total amount donated by the BVC in 2014 was COP 1,176,000.
- Fundación Ellen Reigner de Casas: This foundation supports the needs of the National Cancer Institute and other institutions that care for low-income cancer patients. The total amount donated by the BVC in 2014 was COP 3,000,000.
- Fundación Monseñor Emilio: This foundation works to give the community a chance to have a better quality of life by providing healthcare and educational services to strengthen the wellbeing of children, adolescents and their families. The total amount donated by the BVC in 2014 was COP 10,000,000.
- Fundación Social Color Esperanza: This is a non-profit entity dedicated to promoting and carrying out

Graph 4. Donaciones / Donations



5 SUSTAINABILITY

social programs for human potential, development and the defense of Colombian children, families and communities. The total amount donated by the BVC in 2014 was COP 3,000,000.

- **Fundación Cardio Infantil:** This foundation has a space dedicated to treating low-income children with heart disease. The total amount donated by the BVC in 2014 was COP 1,950,000.
- **Fundación Formemos:** This foundation has a program that enrolls companies in order for them to carry out their social responsibility by investing in educational, nutritional and construction projects for low-income children. The total amount donated by the BVC in 2014 was COP 3,000,000

5.2.3 Environmental Management

In line with the environmental principles of the Global Compact and the UN Initiative, Sustainable Stock Exchanges, of which the BVC is a member, the BVC is working on the development and application of environmental sustainability policies that complement its philosophy as a socially responsible company.

Thus, in 2014, the BVC continued contributing to the impact investment projects of the INVERSOR fund mentioned in the section above, with a view to promoting the social, environmental and economic development of the communities in its area of influence.

In addition, the Company has voluntarily implemented the initiatives described below, related to saving resources and the continuous pursuit of better energy efficiency in its main facilities in Bogotá.

Measuring the Carbon Footprint

In 2010, we began measuring the carbon footprint generated by the two main direct sources of emissions, which are the consumption of electricity and air travel.

In regards to energy consumption in 2014, the BVC achieved a reduction of 34.16%, going from consuming 50.32 kVA in 2013 to 33.13 kVA in 2014.

Chart 13. Consumo de energía 2012 -2014 kVA / Energy consumption 2012- 2014 kVA

2012	2013	2014
75,53	50,32	33,13

This decrease in energy consumption was achieved thanks to the replacement of the lighting at the BVC offices, which are LED bulbs since 2013.

As regards the carbon footprint generated by air travel, the BVC achieved a reduction of 1.28% between 2013 and 2014 due to the decrease in the number of trips made by employees in the year, as they began to use a video-conferencing system to hold meetings and avoid commuting to other cities.

Chart 14. Emisiones de CO2 Ton. / CO2 Emissions Ton.

2010	2011	2012	2013	2014
110,48	114,16	103,53	103,24	101,92



Thanks to this teleconferencing service, we avoided generating an additional 242.2 Tn of CO₂, as reported by the firm T1, the provider of the tool. The following are the details:

Chart 15. Generation of Carbon Footprint

Numero de Sesiones / Number of sessions	Numero de Usuarios / Number of users	Total Tiempo / Total time	Impacto Ambiental Ton CO ₂ / Environmental impact Ton CO ₂
352	853	1.732	242

5.3 Financial Education Program

The objective of the BVC's Education department is to bring the Colombian capital market to the masses, by generating content, tools and opportunities to expand knowledge and bring closer to the local securities market.

The strategy is developed through two pillars:

1. **Academic Program:** classroom-based and virtual academic programs for individuals, financial market professionals, academic programs in agreements with Colombian and foreign universities, and a free conference program for education in and the promotion of the local securities market.
2. **Contests and Simulators:** Practical tools for investment simulation or the involvement of academia in the research of local market problems.

The initiatives carried out in both pillars were implemented in spaces called BVC Training Centers, along with strategies in social networks, which improved interaction with different audiences. The BVC currently has 33 centers in 16 cities in the country, carrying out ongoing activities to promote the securities market.

Major results

Academic Program:

- a. **Academic Program - Individuals:** The BVC has various training options for individuals through its BVC Training Centers. Among the contents offered in 2014, individuals found 12 programs to learn about financial concepts and investment in the equity, derivatives and fixed income markets, as well as basic financial concepts. In 2014, a total of 1,112 Colombians took part in this initiative, including professors, professionals, students, homemakers, pensioners and the self-employed, with an overall satisfaction level of 4.70 out of 5.
- b. **Specialized Market Training Programs:** This initiative includes a proposal of academic programs for financial and stock market professionals. Thus, in 2014, 234 Colombians took part in this initiative, with an overall satisfaction level of 4.69 out of 5.
- c. **Academic Programs Under Agreements:** The BVC offers specialized subjects on the securities market through agreements with universities and carries out outreach programs in investment and the market. In 2014, 63 students took part in the programs provided by universities based on this system.
- d. **Virtual Programs:** Through the website www.bvcvirtual.com, anyone interested can access academic programs related to the principles of investment and the

5 SUSTAINABILITY

fundamental concepts of the local securities market. In 2014, the BVC offered 10 programs in which 521 individuals participated.

- e. International Agreements:** In 2014, the BVC offered four programs in an agreement with the University of Illinois (USA) on topics of risks and derivatives. Professionals from three universities and six Colombian financial entities attended these programs, which were aimed at professionals of the financial system and stock market, as well as university professors.
- f. Financial Education Conferences Program:** In addition to the courses, the BVC complements its coverage with conferences on the capital market, whose objective is to provide information on the entities' role and financial consumers' rights, duties and protection plans, among others. The program is also provided virtually on YouTube channel "Conozca la BVC" (Get to Know the BVC).

In 2014, 3,252 individuals took part in the program, expressing an overall satisfaction of 4.73 out of 5. In addition, 30,371 more individuals participated in other activities carried out at the centers on the national level, such as film forums, seminars, academic conferences, and introductory talks on the market and its products.

Contests and Simulators:

- a. Simulators:** In 2014, the BVC launched the first simulator connected to the BVC's stock trading system on its website, www.conozcalabvc.com. The simulator allows those interested to create investment accounts with a virtual amount on an *e-trading* platform that shows real information on stock market offerings and closings, with a 20-minute delay, simulating the platforms offered by current brokerage firms. This allowed people with little knowledge or experience in this type of investment vehicles to gain real experience in decision-making regarding investments, without the risk since the amounts are simulated. In 2014, a total of 3,833 individuals opened demo accounts on the simulator.
- b. Millionaire Exchange Contest - Universities:** The Millionaire Exchange Contest, which has been around for thirteen years, is an event that helps undergraduate and graduate students to invest virtual money in real time in the Colombia derivatives and stock market through an *e-trading* platform provided by the BVC. A total of 7,888 students from 119 universities in 141 Colombian cities participated.
- c. Millionaire Exchange Contest - Schools:** In 2014, the BVC carried out the first two editions of the contest or school. Unlike the edition for universities, this contest is aimed only at students in 10th and 11th grades (last two grades of high school), to invest in the stock that is a part of the COLCAP index. A total of 5,843 students from 111 schools in 48 Colombian cities participated. In addition, the BVC trained 184 schoolteachers in basic concepts of the market and the contest.
- d. Market Architects Contest:** In an agreement with the Securities Market Self-Regulatory Authority, the BVC held the fifth edition of the Market Architects contest, engaging undergraduate and graduate students in a research project to expand their knowledge on the Colombian capital market, and enabling teachers and professionals to show the studies or research conducted on market. During this edition, a total of 36 projects were submitted.



5 SUSTAINABILITY

Market Promotion through the Digital Strategy: In 2014, we continued working on interaction with individuals through social networks. With this channel of communication, the BVC promotes academic content, addresses the main concerns people have about stock market products and services, promotes academic programs, conferences and contests, and generates fun activities to bring Colombians closer to basic, interesting concepts about the Colombian securities market.

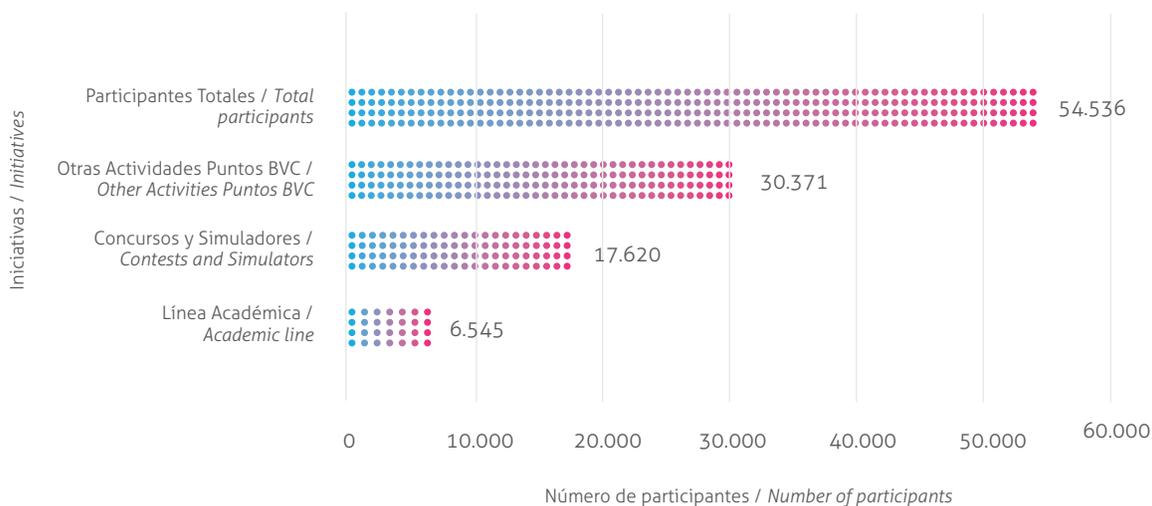
Below is a list of social networks and their reach in 2014:

Twitter: "@BVCColombia"; 110,000 followers - "@ConozcalaBVC"; 8,973 followers.

Facebook: "Conozca la BVC"; 32.071 followers.

YouTube: "ConozcalaBVC"; 1,942 subscribers.

Graph 5. Participantes por Iniciativa Educación BVC / BVC Education Participants per Initiative

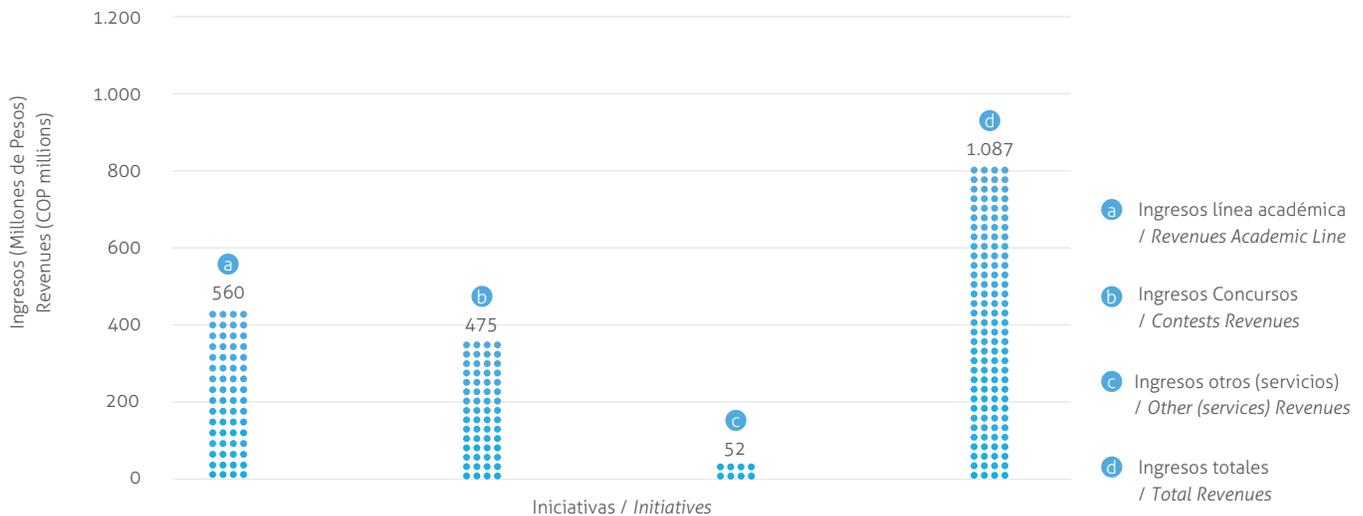




Moreover, the education program's website www.conozcalabvc.com was visited by over 420,000 Colombians in 2014.

The education front represented COP 1,087 million in revenues for the BVC.

Graph 6. Distribución Ingresos Educación / Education Revenues Distribution 2014







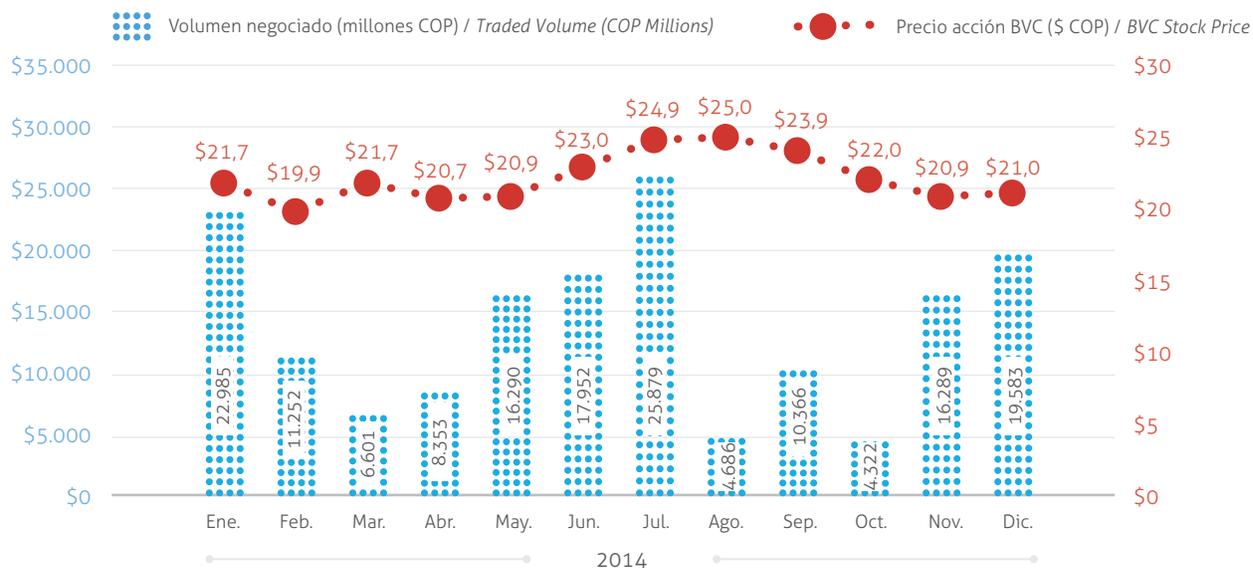
CHAPTER 6

Commitment to Shareholders



6 COMMITMENT TO SHAREHOLDERS

Graph 7. Volumen negociado vs. Precio acción / Traded Volume vs. VC Stock Price



6.1 BVC Stock Evolution

In 2014, the BVC share price varied over the year, primarily due to local and external factors related to the performance of the markets managed by the Company, such as the valuation of the dollar in Colombia and the drop in oil prices around the world that affected the local market in general.

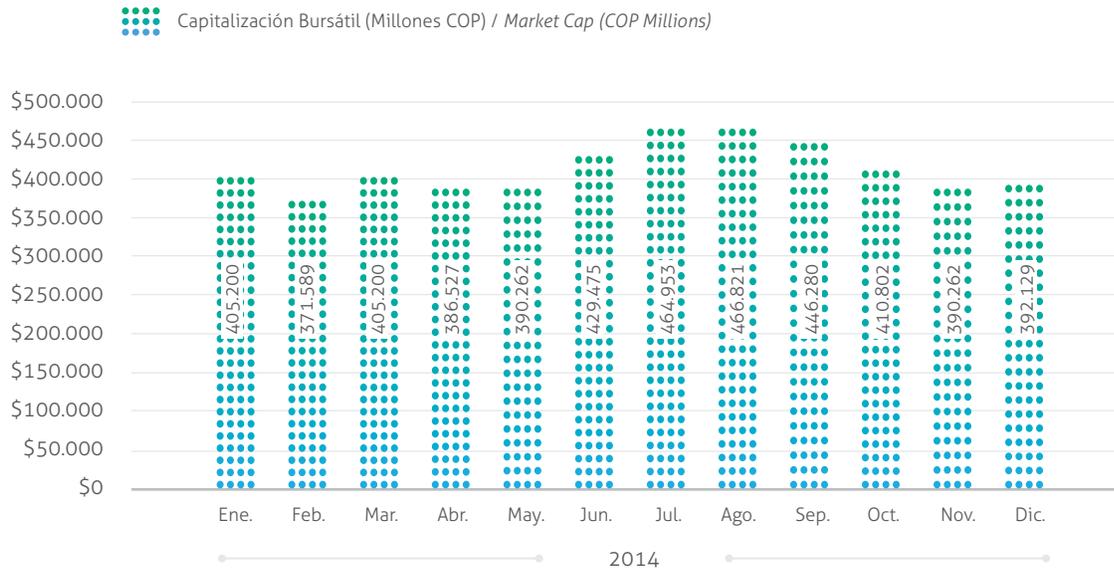
In light of this scenario, the BVC share price dropped 6.2%, going from COP 22.4 in 2013 to COP 21.0 by the end of 2014. Moreover, the Company's market capitalization showed a proportional decrease and ended the period at COP 392,129 million.

In turn, in 2014, the BVC's stock trading volume increased 11.3% compared to 2013, as the traded volume in 2014 was COP 164,557 million, with a daily average of COP 674 million. In 2014, the BVC's stock continued to form a part of its main indices, such as the COLCAP, COLIR, COLEQTY and COLSC.





Graph 8. Captación bursátil / Market Cap



Also, as of November 11, 2014, the BVC's stock became the first on the Colombian market to have a market maker, which in the case of the BVC was brokerage firm Credicorp Capital.

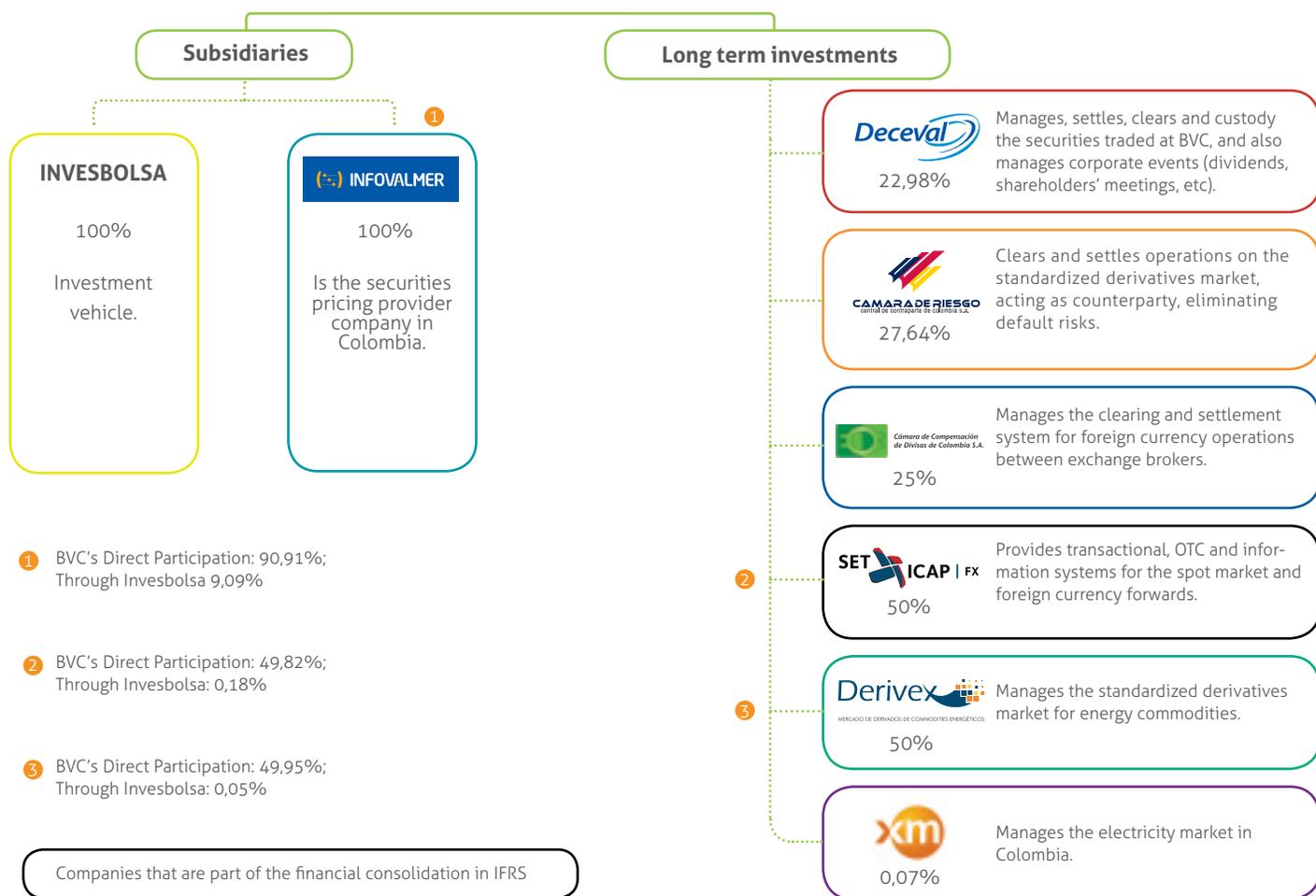
The market maker is meant to improve the trading and price setting of the BVC stock by generating more stability and a better spread between the points of purchase and sale, in accordance with the applicable regulations and the provisions established in the agreement signed between the BVC and CREDICORP, which is being carried out with the funds of the market maker based on the incentive system.

6.2 Subsidiaries And Long-Term Investments

In 2014, as a key participant of the Colombian securities market, the BVC carried on with its strategy to develop, strengthen and integrate the Colombian capital market infrastructure through its subsidiaries and strategic investments, which are part of the value chain. The following is a summary of the BVC's subsidiaries and long-term investments (graph 9).

6 COMMITMENT TO SHAREHOLDERS

Graph 9. Subsidiaries and Long term investments





6.2.1 Subsidiaries and Joint Control

Chart 16. Subsidiaries and Joint Control

Financial Ratios												
	2014	2013	VAR %	2014	2013	VAR %	2014	2013	VAR %	2014	2013	VAR %
Revenues	14.483	13.130	10%	4.101	3.690	11%	213	356	-40%	-	-	
EBITDA	6.613	5.888	12%	623	1.267	-51%	-870	-688	-27%	-2	-2	-23%
Net Profit	4.244	4.058	5%	1.292	980	32%	-1.101	-1.001	-10%	45	0,4	12059%
Assets	7.763	7.566	3%	2.573	2.728	-6%	998	1.312	-24%	203	143	42%
Liabilities	2.775	2.765	0%	920	1.228	-25%	300	108	177%	0	0,3	-1%
Equity	4.988	4.801	4%	1.653	1.500	10%	698	1.203	-42%	202	143	42%
EBITDA Margin	46%	45%	2%	15%	34%	-56%	-408%	-193%	-111%	-	-	
Net Margin	29%	31%	-5%	32%	27%	19%	-517%	-282%	-84%	-	-	
RoE	85%	85%	1%	78%	65%	20%	-158%	-83%	-90%	22%	0%	8479%
RoA	55%	54%	2%	50%	36%	40%	-110%	-76%	-45%	22%	0%	8485%
Evolution 2014	<p>During 2014, 327.121 operations were carried out through ICAP SET-FX in the amount of USD \$ 222 billion which represents an increase of 6.2% and 1.4% compared to the number of operations and the trading volume in 2013 respectively.</p>			<p>Infovalmer: provides securities pricing services for local and international securities, standardized and OTC for the markets of fixed income, equities, derivatives and structured products.</p>			<p>In 2014 the traded volume totaled COP\$ 743 million which represents an fall in 96% compared with 2013, in 11 contracts with 3,96 Gwh energy volume.</p>			<p>Invesbolsa: is an investment vehicle that can invest in the capital stock of companies in which BVC is allowed to invest according to its legal regime both local and abroad.</p>		

Source: Financial Statements in COLGAAP reported by each company.

6 COMMITMENT TO SHAREHOLDERS

6.2.2 Long-term Investments

Chart 17. Long-term Investments

Financial Ratios												
	2014	2013	VAR %	2014	2013	VAR %	2014	2013	VAR %	2014	2013	VAR %
Revenues	72.273	69.969	3%	8.695	7.780	12%	7.075	6.424	10%	110.093	90.750	21%
EBITDA	41.927	40.266	4%	2.494	2.088	19%	1.879	1.703	10%	34.228	20.582	66%
Net Profit	25.140	25.226	0%	1.980	648	205%	1.247	1.167	7%	10.293	2.466	317%
Assets	90.814	91.369	-1%	32.869	31.664	4%	5.520	4.897	13%	300.746	73.302	310%
Liabilities	22.612	24.356	-7%	566	1.180	-52%	714	576	24%	280.148	47.634	488%
Equity	68.202	66.813	2%	32.303	30.483	6%	4.806	4.322	11%	27.598	25.667	8%
EBITDA Margin	58%	59%	-1%	29%	27%	7%	27%	27%	0%	31%	23%	37%
Net Margin	35%	35%	0%	23%	8%	173%	18%	18%	-3%	9%	3%	244%
RoE	37%	38%	-2%	6%	2%	188%	26%	27%	-4%	37%	10%	288%
RoA	28%	28%	1%	6%	2%	194%	23%	24%	-5%	3%	3%	2%
Evolution 2014	<p>During 2014 Deceval had securities for COP \$ 421.7 billion under custody with an increase of 9% regarding to 2013. Also at the end of 2014 it reported a dematerialized issuances of COP \$ 400.2 billion and managed securities for COP \$ 105.7 billion, which represented increases compared to 2013 of 16.5% and 15% respectively. Also had 181,127 DVP Transactions totaling COP \$ 170.4 billion.</p>			<p>In 2014 the CRCC cleared and settled a total of 931,641 contracts in standardized derivatives, 37.5% higher compared to 2013, the value of the open position closed at COP \$ 8 billion, 11.1% higher than in 2013, by 38 members Derivatives market. On the side of non-standardized derivatives (OTC), the CRCC cleared and settled in nominal USD \$ 39.1 billion 6.8% higher than 2013.</p>			<p>During 2014 CCDC settled a volume of USD \$ 279 billion, 4.1% higher compared to 2013. The operations showed an increase of 6.2% with 350,630 operations and liquidity</p>			<p>XM operates the national grid system and the energy market in Colombia. In 2014 Colombia reached its highest growth in energy demand over the last 10 years (4.4%) and consumption of 63.571 GWh. The main reason for the growth was due to the increase of 5% of the energy demand of the regulated market (residential and small business) and a 3% increase in energy demand of large consumers (companies)</p>		

Source: Financial Statements in COLGAAP reported by each company.



6.3 Dividend Distribution Policy

In the meeting held on March 31, 2014, the BVC's General Shareholders Meeting approved the profit distribution

project for FY2013 under the terms that are displayed in chart 18.

Chart 18. Divided Distribution Policy

Bolsa de Valores de Colombia S. A. Profits Distribution Project as of December 31, 2013		\$ COP
Operating Profits before Income Tax		29.605.228.574
Minus		
Income Tax and Complementaries		6.589.977.114
Income Tax for Fairness - CREE		2.204.698.713
Net Profits of the Year		20.810.552.747
Plus		
Reserves Release Decree 2336 of 1995 -		1.255.962.118
Correspond to the profits generated by the application of market price valuation system according with the Article 1° of the Decree 2336 of 1995.		
Reserves Release		4.495.186.157
Profits before Obligatory Reserves		26.561.701.022
Minus		
Legal Reserves	0	
(The Company has 50% of the capital in reserves)		
Reserve Decree of 1995		46.293.474
Profits before Occasional Reserves		26.515.407.548
Total Profits to Distribute		26.515.407.548
Ordinary Dividend	0,78	14.567.386.923
Extraordinary Dividend	0,64	11.948.020.625
Total Profits to Distribute in Cash		26.515.407.548
		127,41%
Shares Outstanding		18.672.822.217
Dividends per Share		1,42

NOTES:

It is proposed that cash dividends will be paid in three payments: ordinary dividend (\$0,78 per share) on April 30th, 2014, extraordinary dividend (\$0,32 per share) on June 27th, 2014 and extraordinary dividend (\$0,32 per share) on October 31st, 2014.

Dividends will be paid to whoever has the quality of shareholder at the time to be claimable to pay, in accordance with Article 455 of the Commercial Code.

The dividends of 2013 are considered for shareholders, incomes with no income tax nor windfall profits.

Considering that it will be proposed to the Assembly that dividends will be paid in three (3) payments, the "ex-dividend" period will happen the four (4) trading days preceding the date of the dividend payment:

Between April 24th, 2014 to April 30th, 2014 - ex-dividend date for the dividend payment on (April 30th, 2014).

Between June 20th, 2014 to June 27th, 2014 - ex-dividend date for the dividend payment on (June 27th, 2014).

Between October 27th, 2014 to October 31st, 2014 - ex-dividend date for the dividend payment on (October 31st, 2014).

6 COMMITMENT TO SHAREHOLDERS

6.4 Special Report under Article 29, Law 222 of 1995 (charts 19, 20 and 21)

Most important transactions completed during the FY2014 period between Bolsa de Valores de Colombia S.A. and its Subsidiaries.

Chart 19. Derivex S.A. (COP\$ millions)

Description	Value	Description	Valor
Accounts receivable and payable			
Accounts receivable to DERIVEX	155.281	Accounts payable to BVC	155.281
Total accounts receivable	155.281	Total accounts payable	155.281
Revenues		Expenses	
Subsidiaries (IT support)	246.588	IT consulting	246.588
Furniture lease	12.198	Specialized services	30.955
Administrative services	30.499	Professional service fees	29.329
Legal services	31.995	Tax consulting	2.666
Expenses repayment	3.033	Comunication and computing equipment	4.840
		Alternate datacenter	7.358
		Taxis	572
		Stationery	2.005
Total revenues	324.313	Total expenses	324.313

Chart 20. SET ICAP S.A. (COP\$ millions)

Description	Value	Description	Value
Revenues		Expenses	
Subsidiaries (IT support)	105.066	Buildings	24.000
On site courses	639	Other leases	639
Furniture lease	24.000	Technical support	21.378
Expenses repayment	911	IT support	53.590
Administrative services	1.746	Special comunication services	31.009
		Other sundries	1.746
Total revenues	132.362	Total expenses	132.362
Dividends revenues	2.025.226	Dividends distribution	2.025.226
Total	2.157.588	Total	2.157.588



Chart 21. Infovalmer S.A. (COP\$ millions)

Description	Value	Description	Value
Accounts receivable and payable			
Accounts receivable to Infovalmer S.A.	2.340	Accounts payable to BVC	2.340
Total accounts receivable	2.340	Total accounts payable	2.340
Accounts payable to Infovalmer S.A.	933	Accounts receivable to BVC	933
Total accounts payable	933	Total accounts receivable	933
Revenues		Expenses	
Subsidiaries (IT support)	76.589	Administrative fees	173.994
On site courses	2.130	Technical consultancy	76.589
Furniture lease	24.000	Data system providers	159.120
Databases & reports	159.120	Public relations	2.130
Expenses repayment	4.747		
Administrative services	145.247		
Total revenues	411.833	Total expenses	411.833
Dividends revenues	427.273	Dividends distribution	427.273
Total	839.106	Total	839.106
Portfolio valuation	10.246	Local fixed income	10.246
Total expenses	10.246	Total revenues	10.246

6 COMMITMENT TO SHAREHOLDERS

In 2014, there were no transactions of major influence between the Colombian Securities Exchange and other entities due to the influence or interest of the subsidiaries.

In 2014, the Colombian Securities Exchange did not make or fail to make any major decisions due to the influence or interests of the Subsidiaries.

The Subsidiaries did not make or fail to make any major decisions due to the influence of the Colombian Securities Exchange.

6.5 Important Events Occurred following the Period

By means of communication dated January 26, 2015, the Financial Superintendence of Colombia made a statement on the BVC's early adoption of the International Financial Reporting Standards (IFRS), indicating that the Company is exempt from preparing another opening statement of financial position (ESFA for the Spanish original), because the entity met the requirements of Decree 3024 of 2013, which modify the technical conceptual framework of Decree 2784 of 2012 and therefore, the opening statement of financial position submitted on January 1, 2012 would be accepted.

Accordingly, the first financial statements issued according to International Financial Reporting Standards are those submitted as at December 31, 2014, compared to the year ending on December 31, 2012. These consolidated financial statements were audited by Deloitte and Touche Ltda.

The BVC has been establishing a strategic partnership with ICAP Securities since 2014, to promote the development of the corporate debt market by promoting liquidity, depth and benchmarking in this market. This strategic partnership should be signed in the first few months of 2015.

También la BVC se encuentra adelantando el proyecto de Cámara de Acciones, el cual busca incrementar la confianza y transparencia de las transacciones de compensación y liquidación del mercado de Renta Variable. La implementación de este proyecto debe quedar definida en los primeros meses de 2015.

6.6 Circulation of Invoices

The Colombian Securities Exchange stated that in 2014, it did not hinder the free circulation of invoices issued by providers or contractors and ensured the free mobility of those generated in the entity as a result of the sale of goods and services relating to its activity.





CHAPTER 7

Commitment to Clients and the Market



7 COMMITMENT TO CLIENTS AND THE MARKET

7.1 International Environment

The expected recovery of the world economy did not occur in 2014; regions showed a growth below the levels expected with significant differences between the major economic blocks. On one hand, after having a negative first half affected by the winter season, the United States and Great Britain improved the performance of their macroeconomic aggregates - GDP, inflation and unemployment - for the rest of the year. On the other, Europe and Japan showed weak growth, below 1% for Europe and -1.3% in the Asian country for the third quarter of the year, and also faced the significant threat of deflation in their economies.

In emerging markets, the decline in the global demand for raw materials, due to the slowdown in developed economies and China, led to a reduction in the terms of trade in these countries, thus having a negative effect on the domestic demand and resulting in less economic growth than expected. In particular, for the last quarter of the year, the overproduction of oil and low global demand led to a sharp drop in crude oil prices —46% for the year in the WTI benchmark—. In the middle of this scenario, growth projections for Latin America in 2014 were adjusted heavily downward, where Mexico would grow well below the 3% initially predicted, and Brazil would have a growth of around 0.4% at the end of the year.

This context of divergence between economic blocks led central banks to implement different monetary policies. In the United States, the FED began to withdraw the monetary stimulus with a monthly reduction of its asset purchase program, which ended definitively in October. How-

ever, the expected start of a cycle of increases in interest rates did not take place and no changes are expected in this position in the short term.

On the contrary, Europe, Japan and China carried on with the processes to increase monetary stimuli. In the Eurozone, the ECB decreased its intervention rate twice during the year and it also began a program to inject liquidity in the market, consisting of long-term credits to commercial banks at close-to-reference rates. In Japan, the BoJ increased the size of the liquidity injections in the market and decided that they would be maintained until the target inflation of 2% is achieved. In China, the central bank cut its interest rate in November for the first time in more than two years.

As a result of this global situation, financial assets showed differentiated behavior by region. The markets in the US were the biggest beneficiaries: 10-year treasury securities ended the year 86 basis points below the rate of the previous year, the major stock indices had significant valuations and the dollar reached the highest level of trading compared to the major currencies of the world in the post-crisis period.

In the rest of the global markets, fixed income had good performance benefited by the postponement of the rate increases in the US, while equities in general underwent devaluations in response to the prospect of lower economic growth. In particular, the behavior of Latin American markets was not favorable during the year, and they were the only ones in the region where the aggregate indicators suffered devaluation for both the fixed income markets as well as the equity markets.



Local Environment

Colombia exhibited differentiated behavior in the region, not only by growing more than its peers but also as the only country in which growth projections were adjusted upward during the year. While the dynamism of the product in Latin America was much lower than expected —0.9% compared to the original expectation of 2.5%—, in Colombia in 2014, the economy is expected to grow 5% above the average of the last decade, which was 4.8% per year.

The growth of the gross domestic product (GDP) was a surprise with its upward trend in the first quarter at 6.5%, the highest since 2011, and for the following quarters, it remained above 4%. This dynamism in the Colombian economy occurred mainly due to a significant domestic demand driven by the growth of investment, which for the third quarter of the year came to represent 26.49% of the GDP with a growth of 14.6% between January and September 2014.

In terms of inflation, it ended the year at 3.66%, which is near the upper limit of the Central Bank's target range of 4%. The prices of food and regulated products had the biggest increases in the first three quarters, and at the end of the year, the significant depreciation of the local currency against the dollar caused the prices of imported goods to suffer the greatest variations.

Therefore, in a context of significant growth and certain inflationary pressures, the Central Bank decided to begin the contractive cycle monetary policy, by raising the reference rate five times throughout the year by 25 basis points from April up to 4.5%. Although the increase in the intervention

rate was predicted since the end of 2013, it was not expected until the second half of the year and up to a level of 4% by the end of 2014.

The positive macroeconomic environment in the country and the increase in the share of local debt in the JP Morgan emerging market indices in 2014 attracted a significant amount of resources, and at the end of the year, the foreign investment portfolio totaled about USD 12,400 million, which represents a growth of 165% compared to 2013. In turn, although foreign direct investment stood at high levels —USD 15,032 million— it exhibited a 10.7% reduction compared to the incoming flows on this account in 2013.

With regard to local capital markets, the foreign context played a major role during the year. In the fixed income market, the increasing flows of portfolio investment served as a major boost for the recovery of local references in a context of increase in the Central Bank's intervention rate —annual variation of the Coltes index of 4.8%. In the equity market, the drop in international oil prices coupled with the reduction in the level of crude oil extraction in the country, put the ballast on the performance of oil companies, which mostly drove the major local market indices down —annual variation of the Colcap index of -5.8%.

Finally, the significant drop in oil prices also caused the Colombian peso to suffer a significant depreciation against the dollar —Annual variation of 23% in the price of the dollar. Although this situation was in line with the trend exhibited by the currencies in the region, the local currency showed the second highest loss in value of the Latin American countries, following Argentina's peso, which suffered an annual depreciation of 31% against the dollar.

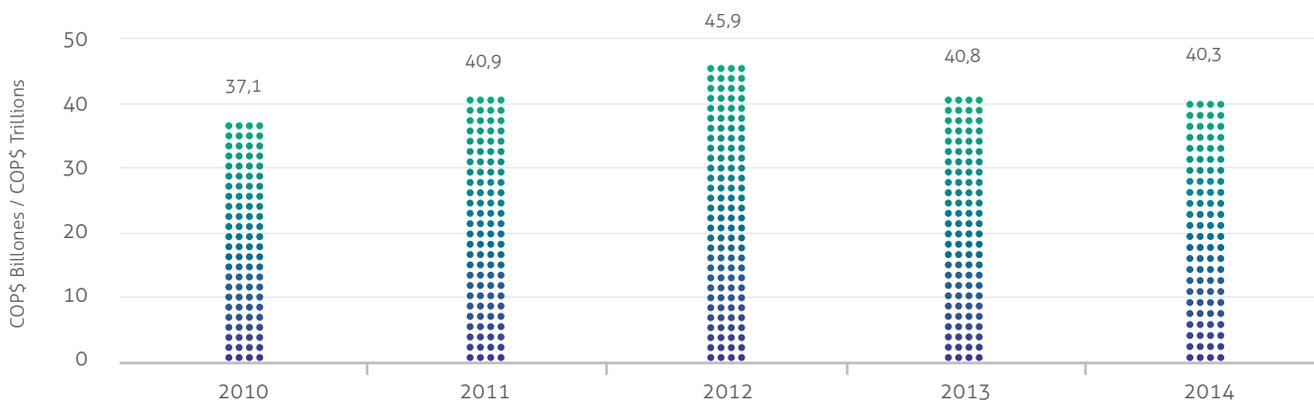
7 COMMITMENT TO CLIENTS AND THE MARKET

7.2. Equity Market

The total volume of transactions in the equity market in 2014 was COP 49.07 trillion, COP 40.38 trillion of which correspond to cash transactions (purchase and sale), COP 8.19 trillion to repo transactions and COP 0.49 trillion to Securities Lending transactions. This was how the average daily amount of trading in cash transactions (purchase and sale) showed a decrease of 1.18%, dropping from COP 167,538 million in 2012 to COP 165,547 million in 2014 (graph 10).

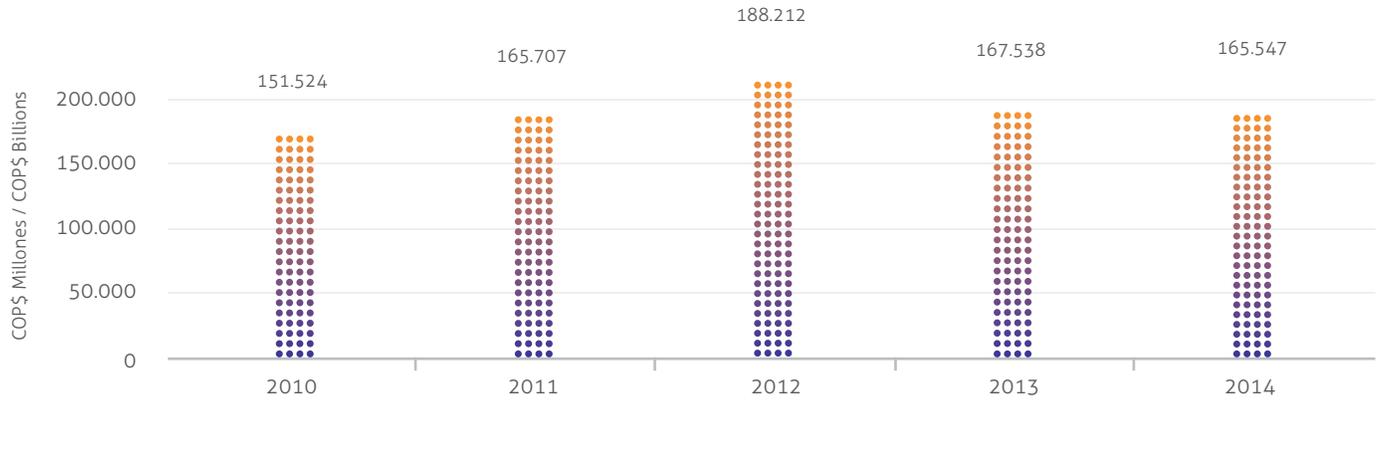
The number of transactions during the year reached a total of 619,056 transactions in the spot market, 29,490 in repo transactions and 1,669 Securities Lending transactions, creating a total of 650,215 transactions in the transactional systems of the BVC's equity market. In 2014, the COLCAP index exhibited a negative variance of 5.81%, as a result of the behavior of oil constituents, affected by the sharp drop in oil prices (graphs 11 and 12).

Graph 10. Volumen de operaciones de Contado Renta Variable periodo 2010 - 2014 / *Cash Equity Transactions 2010 - 2014*





Graph 11. Volumen promedio Diario Negociado periodo 2010 - 2014 / Average Daily Trading 2010 - 2014



Graph 12. Índice COLCAP 2009 - 2014 / COLCAP Index 2009 - 2014



7 COMMITMENT TO CLIENTS AND THE MARKET

In terms of participants, foreign investors have increased their share in the equity market, rising from 20% in 2013 to 26% in 2014. In addition, they became the net buyers of the market, with a combined position of COP 1.96 trillion during the year (graph 13).

The market capitalization presented a variation of -12.50%, closing the year at a value of COP 364 trillion (graph 14).

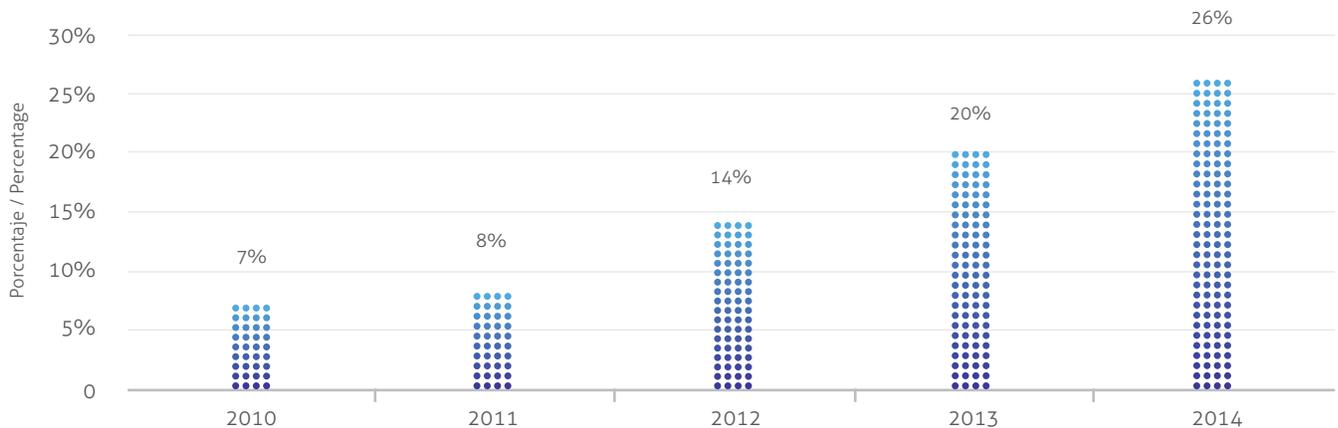
Securities Lending – TTV

In 2014, Securities Lending transactions at a total value of COP 494,386 million were carried out, which represents

an increase of 487% compared to the COP 84,195 million of 2013 (graph 15).

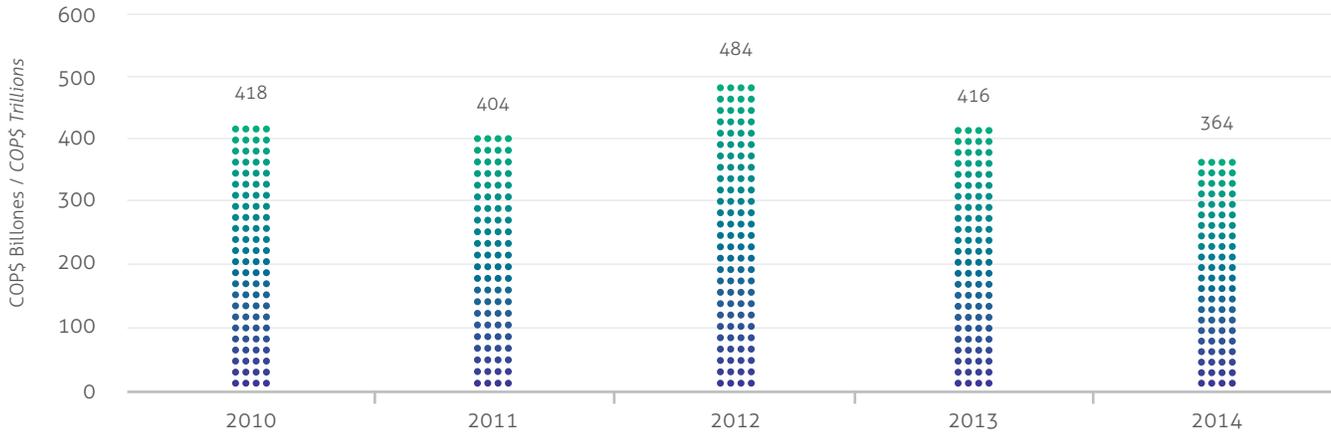
In 2014, the BVC made a series of adjustments aimed at aligning the characteristics of the Securities Lending product to global standards and increasing the security and satisfaction levels of participants. Thus, the adjustment of the fee structure was made, and the adjustments to the Securities Lending transactions were made available to the market in the recall process of repo transactions, along with the transfer of ownership of basic guarantees from the Receiver to the Originator, adjustments in the guarantee substitution procedure, and the possibility of selecting the guarantee to back the transaction on trading.

Graph 13. Participación de Extranjeros en Renta Variable 2010 - 2014 / *Foreign Investors Participation on Equity Market 2010 - 2014*

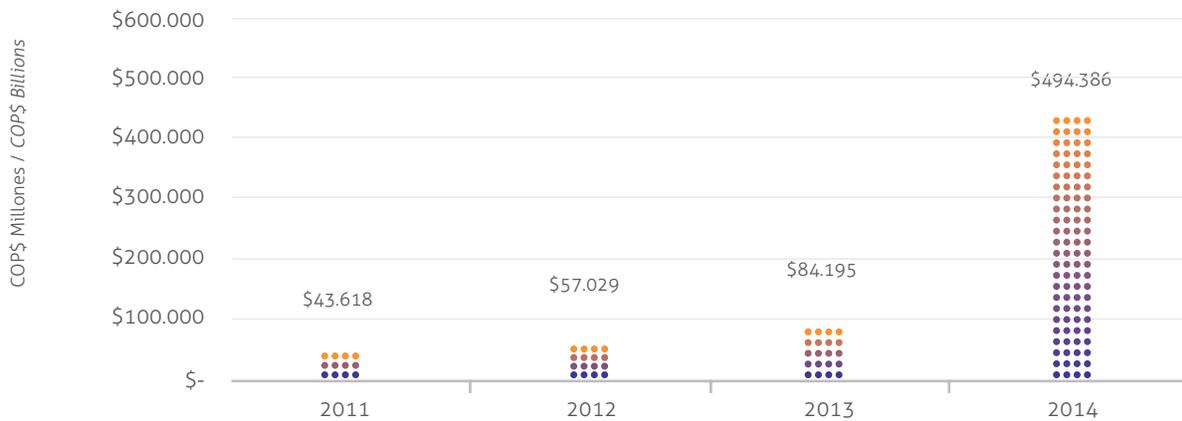




Graph 14. Capitalización Bursátil 2010 - 2014 / *Market Capitalization*



Graph 15. Volumen operado TTV en Acciones 2011 - 2014 / *Securities Lending Volume 2011 - 2014*



7 COMMITMENT TO CLIENTS AND THE MARKET

Colombian Global Market (MGC)

In 2014, Securities Lending transactions were carried out on the Colombian Global Market for a total of COP 15,032 million, which represents an increase of 596% compared to the COP 2,161 million of 2013 (graph 16).

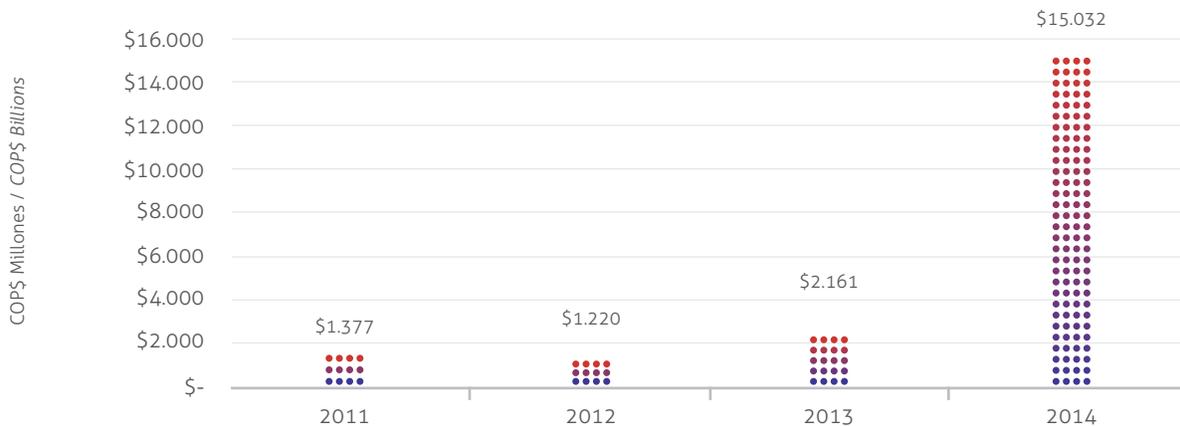
With a view to expanding the opportunities of diversification for Colombian investors, 12 new ETFs were listed on the Colombian Global Market in 2014. Now local investors can access international investment alternatives by being exposed to different geographies, industries and investment objectives.

Market Makers Program

In 2014, the Market Makers Program was launched. Two brokerage firms, BTGPactual Colombia and Credicorp Capital S.A. enrolled in the Program during the year. The first on March 6 as a Market Maker of the ICOLCAP instruments and the second on November 11 as the Market Maker of the BVC instruments.

As a result, the ICOLCAP and BVC instruments increased their liquidity by decreasing their bid-offer spread. The average daily spread of the ICOLCAP instrument² went from 4.11% to 0.52% after the Program began. Similarly, the average daily spread of the BVC instrument³ dropped to 1.13% compared to the average daily spread of 2.03% reported before the Program.

Graph 16. Volumen operado MGC 2011 - 2014 / Colombian Global Market Volume 2011 - 2014





In 2015, more issuers and brokerage firms are expected to enroll in the Program to continue contributing toward a market with more depth and liquidity.

Integrated Latin American Market (MILA)

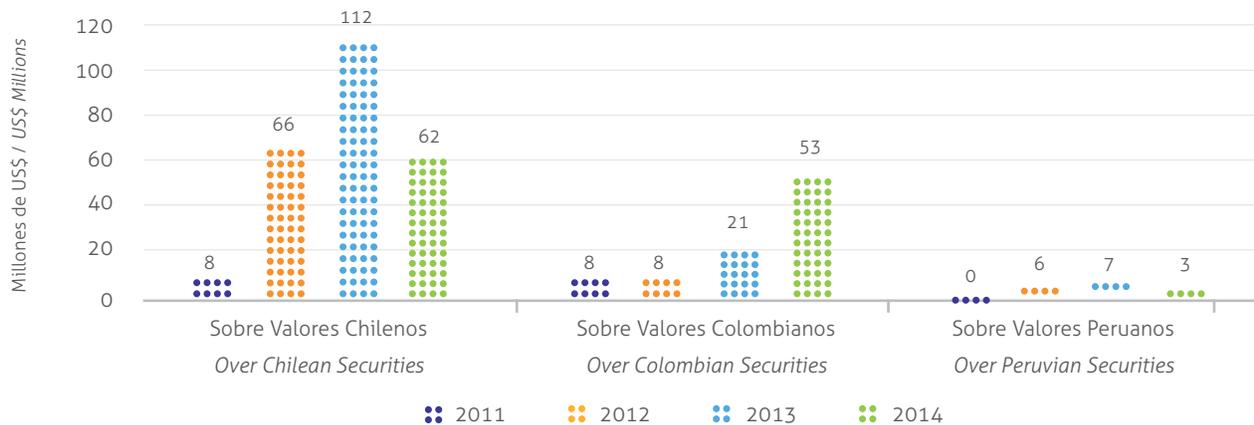
In December 2014, the Mexican Stock Exchange officially joined the Integrated Latin American Market (MILA), based on which the markets of Colombia, Chile and Peru will have the opportunity to trade on the Mexican market through a local broker.

The inclusion of Mexico has added 136 new issuers from that market to MILA, totaling more than 780 securities between the four countries, becoming the leading market by

number of listed companies in Latin America and the leading market by size of market capitalization, according to the World Federation of Exchanges (WFE)— the overall value of the four markets exceeds USD 1.1 trillion, which makes it one of the most attractive markets in the region.

In 2014, transactions were carried out for USD 118,725,444 through the MILA infrastructure, which represents a decrease of 15.34% compared to 2013, during which operations amounted to USD 140,233,200. In 2014, the securities traded most were those of Chile, for USD 62,069,800 (52.28%), followed by Colombian securities for a total of USD 53,498,211 (45.06%) and Peruvian securities for USD 3,155,560 (2.66%) (graph 17).

Graph 17. Volumen Transado a través de la Infraestructura MILA 2011 - 2014 / Traded Volume Through the MILA Infrastructure 2011- 2014



² For the ICOLCAP instruments, the average daily spread was calculated for 196 trading days before the Market Maker Program began, from May 10, 2013 to March 5, 2014. And 196 trading days following the start of the program from March 6, 2014 to December 30, 2014.

³ The calculation of the average daily spread of the BVC instrument is based on 33 trading days from September 15, 2014 to November 10, 2014 and from November 11, 2014 to December 30, 2014.

7 COMMITMENT TO CLIENTS AND THE MARKET

In 2015, the BVC will continue working on initiatives that contribute to the development and quality of the Colombian equity market, such as the consolidation of the current exchange products, the implementation of custodians and the creation of a Central Counterparty Stock Clearing-house, among others.

BVC Visionaries Program

In 2014, the BVC launched the BVC Visionaries program with a select group of Equity Market traders who contributed their ideas and experiences to identify opportunities that would generate value for the market and thus, build a more prosperous, visionary market. The Program served as an opportunity for Equity Market traders and all the Brokers of the market to have a representative and present their short and medium-term visions. The best proposals were socialized in a press conference with the market. In 2015, the co-creation process that began in 2014 will continue, in order to work on the initiatives presented by the Brokers with the visionaries and find the way to implement them.

New Fee Structure

In order to provide more competitive services and develop the bases of a more dynamic market, the fee structure of the equity market was modified, where each participant can select the fee group according to their needs, and the reduction in fees for e-trading, day trading transactions, market maker transactions and those of the security lending market are highlighted.

7.3 Fixed Income Markets

The total volume of the fixed income market amounted to COP 1,353.89 trillion in 2014. The volume decreased 10.75% compared to 2013. The volume trend was marked by two important events during the year. The first was the recomposition of the Colombian debt in the JP Morgan emerging market bond index EMBI family, which generated an increase in the inflows of foreign capital and positioned Colombia as one of the most attractive countries in the region for investment in local debt; the second was the rapid fall in oil prices, which affected the exchange rate and the performance levels of the Central Government's treasury securities (graph 18).

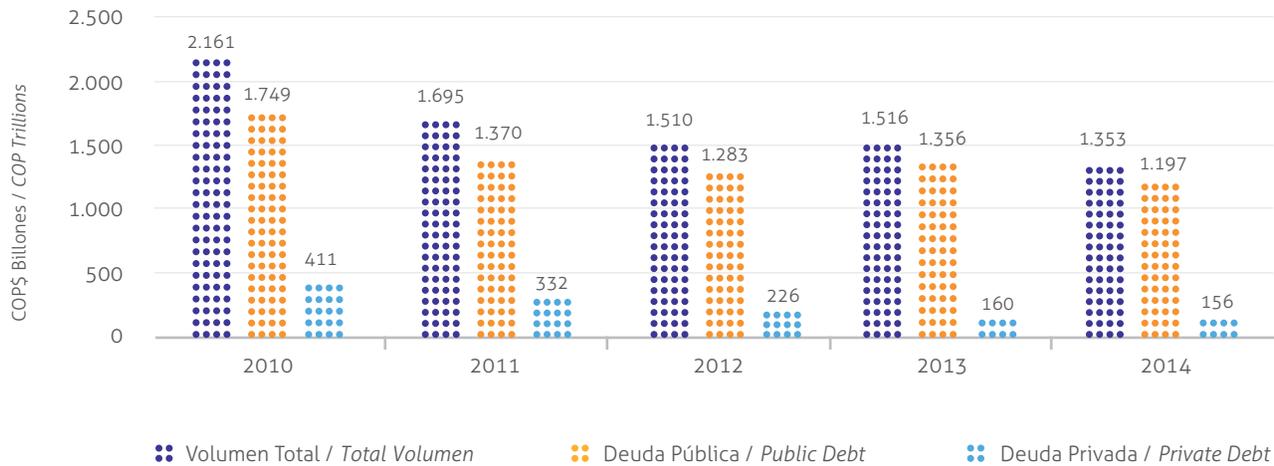
The BVC's strategy of 2014 for the fixed income market was focused on the strengthening of the market's complementary products, through the development of new functions in the trading sessions and the consolidation of a strategic partnership with ICAP Securities for the development of private debt, and the regulation of clearing and settlement services for other trading and listing systems. This was done in order to provide a bundled clearing and settlement service, as well as the management of guarantees for clients and the delivery of disaggregated information on clearing and settlement transactions in the organization.

The TES Market

In 2014, the TES, MEC and SEN market rose 13.94% compared to the previous year, totaling COP 2,763.10 trillion. The share percentage in the BVC's TES market volumes



Graph 18. Evolución de volúmenes Negociados Renta Fija BVC 2010 - 2014 / BVC Fixed Income Traded Volume



dropped from 55.92% in 2013 to 43.32% in 2014. The volume of the BVC'STES market reached COP 1,175.36 trillion. At the end of December 2014, transactions on the OTC market listed through the MEC represented 70.45% of the total volume traded on the BVC, compared to 69.20% in December 2013 (graph 19).

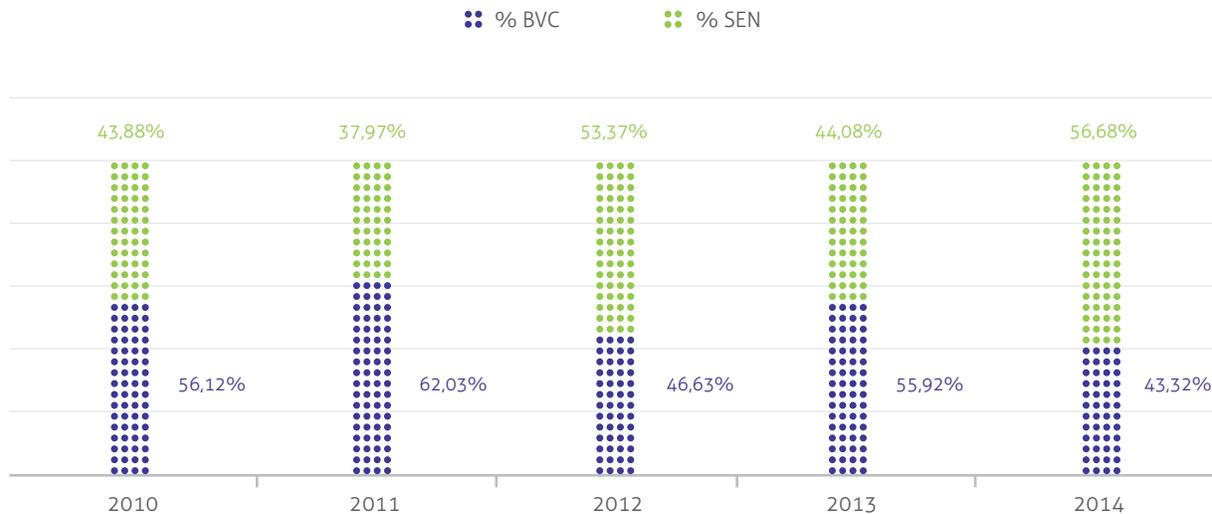
Similarly, the fixed income market has been influenced by monetary policy decisions made by the Central Bank regarding the intervention interest rate, which started out at 3.25% and ended the year 2014 at 4.50%. Also, as a result of the exchange rate reaching levels of COP 2,400, there was a general devaluation in the price of public debt securities for all maturities in Colombia's sovereign curve.

Private Debt Market

The private debt volumes on the secondary market continue their downward trend, reporting COP 156 trillion compared to COP 160 trillion in 2013. The volume of private debt funding operations decreased 31.05% compared to the 8.62% growth of purchase and sale transactions. Finally, corporate debt issuances in the 2014 amounted to COP 4.04 trillion compared to COP 9.24 trillion in 2013.

7 COMMITMENT TO CLIENTS AND THE MARKET

Graph 19. Participación Mercado de TES por sistema SEN Banco República MEC - BVC / TES Market Share SEN (Central Bank) & MEC - BVC (%)



7.4 Derivatives Market

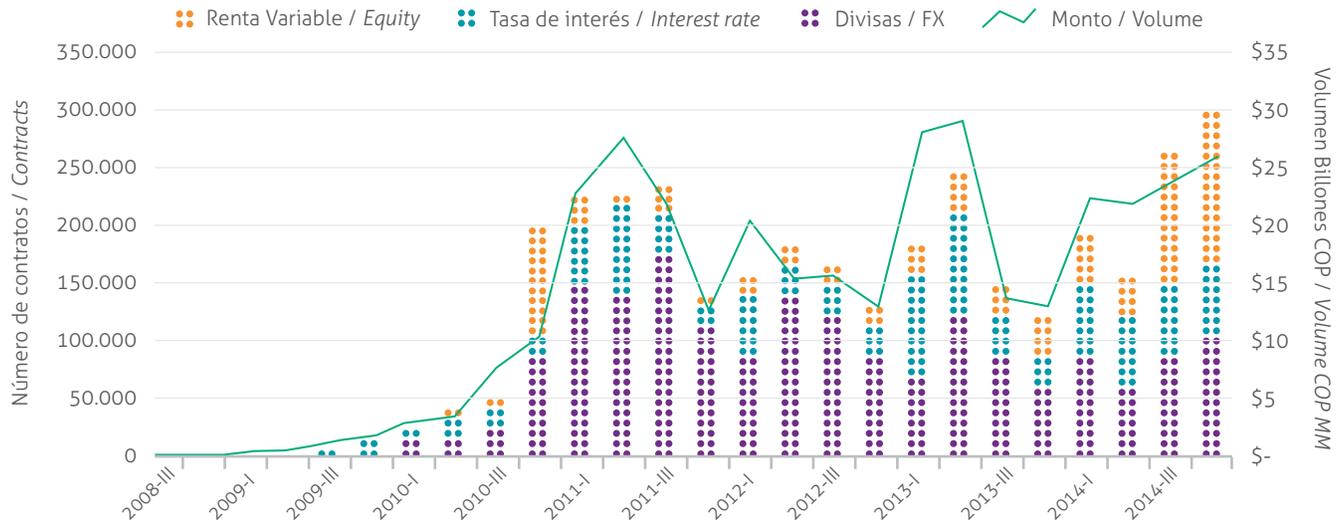
Market Performance

In 2014, the key performance indicators exhibited a positive trend of the BVC derivatives market: 941,620 contracts were traded with a 37.4% increase compared to 2013; the total amount traded was COP 95.1 trillion, i.e. 13.4% higher than in 2013; and 44,999 transactions were carried out, indicating an annual increase of 26.2%. Also, it is important to mention that throughout the year, the historic record of daily trading was broken four times, with a maximum of COP 1.5 trillion on December 3 (graph 20).

The broken-down analysis of the traded amounts indicate that the interest rate contracts are still the main product of the market amounting to COP 62.4 trillion, 65.6% of the total traded, concentrated in the Specific Reference TES Futures. Representative Exchange Rate Futures totaled 31.1 trillion i.e. 32.7% of the total. Finally, in regard to stock futures, while they are still the product with the smallest share, 1.8% of the total, it is important to mention the increase in the amount traded of 78.7% totaling COP 1.7 trillion, mainly due to Single Stock Futures. As to market conditions, it is important to point out the evolution of the third party share, which went from representing 15% of the traded volume in 2013 to 33% in 2014, as a result of product distribution and penetration strategies.



Graph 20. Evolución mercado de Derivados BVC / Volume trend by Instrument



Cifras 31/12/2014 - Información trimestral | Data 31/12/2014 - Quarterly information

Fuente / Source: BVC

Objective and Approach of 2014 Activities

With the strategic objective of positioning and consolidating the Derivatives Market, management in 2014 was focused on strengthening the product portfolio and improving the market structure. In regard to the product portfolio, the Overnight Index Swap Future on the IBR overnight rate was launched in November, replicating the trading conditions of this swap on the OTC market. Thus, the BVC's strategy to in the OTC market has continued by adapting to clients' needs for interest rate risk management.

In accordance with the evolution of the spot market, two new stock futures contracts were listed (GRU and PCE) along with a Specific Reference TES futures contract (T19).

In terms of market structure, the Market Makers Program was launched on the COLCAP Future to increase its trading and consolidate the contract as the benchmark for equity market futures. In regard to the TES Futures, adjustments were made to the listing requirements of the TES Futures Makers System by strengthening Specific Reference Futures for the sake of the greater liquidity and development of this market.

7.5 Issuers and Listing Services

Strategic Objective

The strategic objective in the area of issuers and listing services is to contribute to the growth and development

7 COMMITMENT TO CLIENTS AND THE MARKET

of the securities market by channeling savings towards productive investments; thereby making the Colombian Securities Exchange (BVC) an effective means for corporate financing.

In addition, the BVC is working to contribute to the development, dynamism and quality of the Colombian capital market by implementing best practices in the area of disclosure and investor relations on behalf of securities issuers, as well as having a sufficient and attractive offering for investors or those looking to participate on the Colombian capital market.

Access to Corporate Financing

In 2014, various issuers from the financial sector and the real sector turned to the securities market in search of financing and obtained resources for COP 16.6 trillion, thus reaching a financed amount exceeding COP 77 trillion in the 2010 - 2014 period.

In addition, it is important to point out that 2014 became the second year with the highest amount financed in history, only exceeded by 2011.

During the course of the year, three stock transactions of great importance and relevance were carried out: (i) GrupoAval for COP 2.4 trillion, (ii) Bancolombia for COP 2.6 trillion and Banco de Bogotá for COP 1.5 trillion.

In addition, various entities obtained financing through 28 debt issuances for more than COP 4 trillion with terms of up to 20 years. Among the companies from the real sector that

turned to the market in 2014, it is important to highlight the issuance of Grupo Argos, which amounted to COP 1 trillion, and those carried out by: Grupo de Inversiones Suramericana, Emgesa, Sociedades Bolívar, Empresas Públicas de Medellín and Cementos Argos, which individually exceeded COP 500,000 million.

In regard to the new companies' access to the securities market, it is important to mention the listing of Organización Terpel with common stock, after materializing the merger process, which led to the corporate reorganization following the absorption of Sociedad de Inversiones en Energía (SIE) and Terpel del Centro by Organización Terpel.

Market Makers

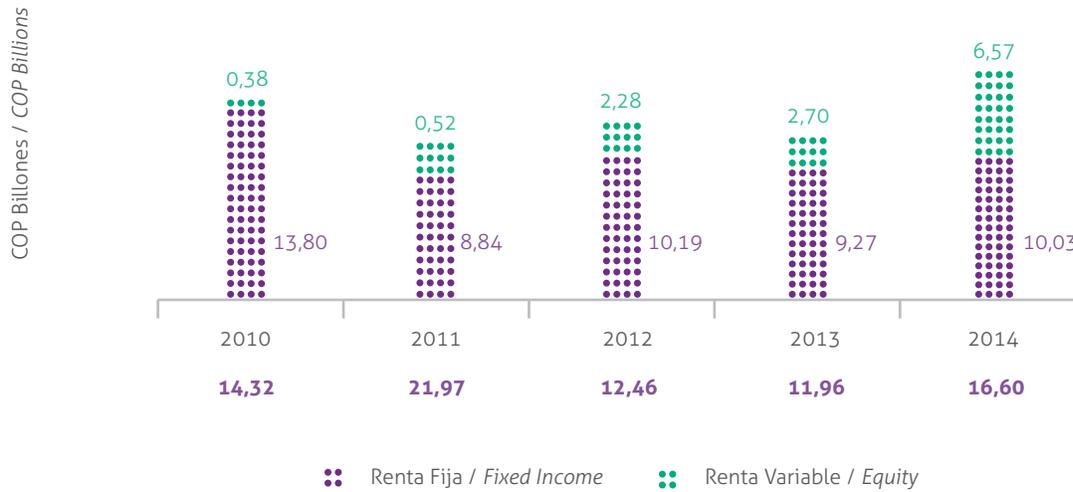
This program was launched by the BVC in 2013 by following best practices of international markets, and thus:

- (i) Increasing liquidity and adding to market depth.
- (ii) Protecting minority investors by providing market departure mechanisms.
- (iii) Boosting the efficiency of stock performance and, in particular, the initial public offerings of equity market securities.
- (iv) Establishing the Colombian market as an eligible, high-quality world-class market.

As at December 2014, there were two instruments with market makers operating on the Colombian market: (i) ICOLCAP and (ii) BVC, which increased their liquidity and decreased their bid-offer spread. In the case of ICOLCAP, the bid-offer spread went from 4.11% to 0.52% and in the case of BVC stocks, it dropped from 2.03% to 1.13%.



Graph 21. Acceso a Financiamiento / Financing Access



Issuer Recognition IR

Since 2012, the BVC has been making efforts, together with listed securities issuers, to improve the quality of the Colombian market, and thereby make it more attractive to investors by increasing its competitiveness.

In 2014, the BVC recognized for the second year in a row the effort made by securities issuers that voluntarily adopted better information disclosure and investor relations practices, with the "Issuer Recognition IR". On this occasion, IR Recognition was awarded to 29 companies, most of which also received it in the year 2013 (exhibit 1).

It is important to mention that the index made up of the companies with IR Issuer Recognition (COLIR) was the Colombia with the best performance during the year.

Latin American Roundtable of Corporate Governance of the Organization for Economic Co-operation and Development (OECD)

The OECD chose Colombia as the host country for the Latin American Roundtable of Corporate Governance, held on November 18 and 19, 2014 with the participation of 163 participants from 19 countries.

The Colombian Securities Exchange, committed to initiatives to invigorate the Colombian economy and contribute to the development of the securities market, led the or-

7 COMMITMENT TO CLIENTS AND THE MARKET

Exhibit 1. IR Recognition



ganization of the Roundtable with the support of several market players.

Some of the conclusions of the Roundtable are related to: (i) the work of building more efficient, liquid and interconnected markets, (ii) working on building trust between regulators, exchanges, depositories, investors of each of the MILA member countries and (iii) finding mechanisms to avoid potential conflicts of interest between holding companies and their subsidiaries in the case of economic groups, because a large part of the region's economic activity and market capitalization is represented by these groups.

7.6 Colombia Capital

Strategic Objective

Training program for future issuers of the Colombian Securities Exchange that aims to expand the offering of Colombian issuers, and to strengthen and make the stock market known at the national and international levels. The program serves as a catalyst between the Colombian business base and the stock market, contemplating the following activities:

1. Enrollment of potential issuers in the training program.
2. Business training.



3. Organization of specialized workshops and seminars together with current issuers to share experiences.
4. One-on-one assistance for enrolled companies.
5. Preparation and dissemination of specialized documents on market topics.

As an integral part of its value offering and following the global trend of virtual education, Colombia Capital developed a virtual training module together with experts on different subjects related to public securities market access in order for members to access content and material at their discretion, thus enabling a larger number of individuals in companies to receive the training.

It is important to point out that Credifamilia, a company enrolled in the program, placed UVR 87,610,000 in mortgage bonds in 2013 and continued to be present on the securities market with another mortgage bond issue for UVR 100,009,288 in 2014.

Also, Colombia Capital continued to provide personalized assistance for the companies enrolled in the program and carried out a series of events aimed at the same companies, together with other issuers that are now listed on the Colombian Securities Exchange.

This year, Colombia Capital led the update of the Securities Market Guide, with the assistance of the Brigard&Urrutia law firm. This document has become a tool of reference for those who want to understand and access the securities market.

7.7 Colombia Inside Out



In September 2014, the BVC carried out the third edition of Colombia Inside Out in New York and London. The event once again brought together the business sector and the Government to discuss the investment opportunities available to international investors on the Colombian capital market. The third edition of Colombia Inside Out again had the support of Citi as the main sponsor, Deceval, Financiera de Desarrollo Nacional - FDN, Marca País, Financial Times as the Media Partner and Avianca as the official airline.

On this occasion, Colombia Inside Out had the participation of 18 issuers, which held a total of 330 one-on-one meetings with foreign investors and 380 participants in the conferences, where the highest ranking executives of these companies discussed their vision of the future with the Government, along with the environment of their industry and plans for expansion (chart 22).

In 2014, Colombia Inside Out was also attended by the Minister of Finance, the Director of Public Credit, the Ambassadors of Colombia in the United Kingdom and the UN. Eight Presidents and ten Vice Presidents of Finance of the major companies listed also took part in the event.

7 COMMITMENT TO CLIENTS AND THE MARKET

Chart 22. Issuers

Emisores / Issuers		
AviancaTaca	Ecopetrol	Grupo Sura
Bancolombia	EEB	ISA
BVC	ETB	Odinsa
CANACOL	Grupo Argos	Pacific Rubiales
CELSIA	Grupo Éxito	Isagen
Concreto	Grupo Nutresa	FDN

The event also had great media exposure, thanks to the attendance of 18 international media and the assistance of four

Colombian media, that were invited to attend the conferences in the city of New York by the BVC.





7.8 Information and Electronic Media

Information

Information products are divided into four lines of business: market information, licensing, information screens and databases and reports. Revenues from these products ended 2014 at COP 5,964 million.

The amount of these revenues is mainly due to the 70% increase in vendor terminals with in-depth information of five lines and full depth and the growth of assets managed by the ETF indexed at the COLCAP index.

Electronic Media

Electronic media products are the Electronic Access Services (EAS) and BackOffice and trading terminals. Revenues from these products ended 2014 at COP 4,204 million.

Throughout the year, the service of on-line notification of fixed income indices and the new function for equity and derivative markets was implemented for the routing of orders and the receipt of market information based on the FIX 4.4 protocol.

Since the FIX 4.4 is an international standard in exchange messaging, its implementation facilitates the connection of international agents and boosts the development of the direct market access (DMA) model for foreign investors.

In addition, because it has lighter messaging, the FIX 4.4 protocol enables the BVC to support future growth in the

number of electronic orders, which has grown significantly since 2010, and has continued to grow in the percentage of total orders sent to the BVC (graph 22).

7.9 2014 Commercial Management: Broker Management

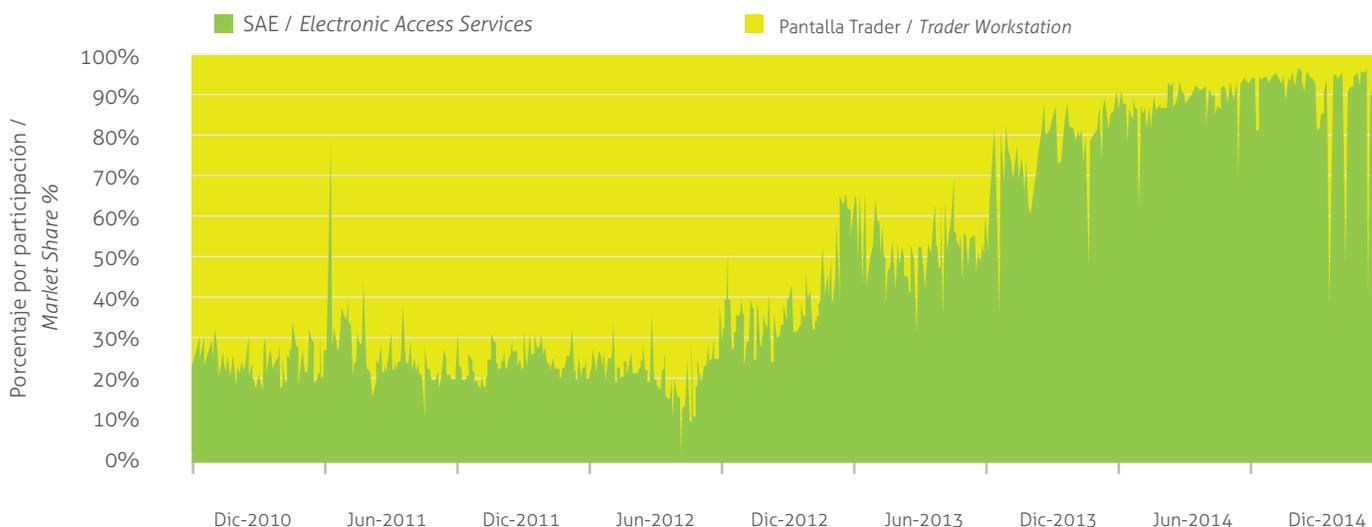
Commercial efforts in 2014 managed to impact our affiliates on various decisive fronts for the development of the capital market. On this front, the BVC focused efforts on multi-strategy training of the brokers' sale desks, the strengthening of Economic Research areas, the inclusion of Mexico in the MILA and the enrollment of new affiliates in the different markets.

The Standardized Derivatives Market and the Figure of the Equity Market's Security Lending generate new business structures, combining the BVC's entire portfolio, thus enabling affiliates to expand their product offering. In 2014, the Company worked hand in hand with these entities to provide their teams with training and generate a new trends in order for them to offer more elaborate strategies to their end clients. Also, the BVC supported internal certification processes on the subject of derivatives and carried out joint presentations to the firms' end clients on the new investment alternatives.

At the end of the year, the BVC carried out a series of workshops in Bogotá and Medellín for the sales force of the different brokerage firms. Mr. Roberto Ortiz, a Derivatives specialist of Bancomer México took part as a lecturer in the events, with the participation of more than 130 individuals from the different entities.

7 COMMITMENT TO CLIENTS AND THE MARKET

Graph 22. Envío de órdenes por mecanismo / *Order Routing by Platform*



The BVC also carried out a specialized workshop in Bogotá on investment futures in mutual funds (MF), with the participation of Trust Funds and Brokerage Firms. The managers of these funds presented the benefits of incorporating these futures in the management of their portfolios.

In order to promote high quality standards in the reports of the Areas of Economic Research for proper decision-making by investors, in 2013, the BVC began a process for the strengthening and training of the affiliates' technical teams

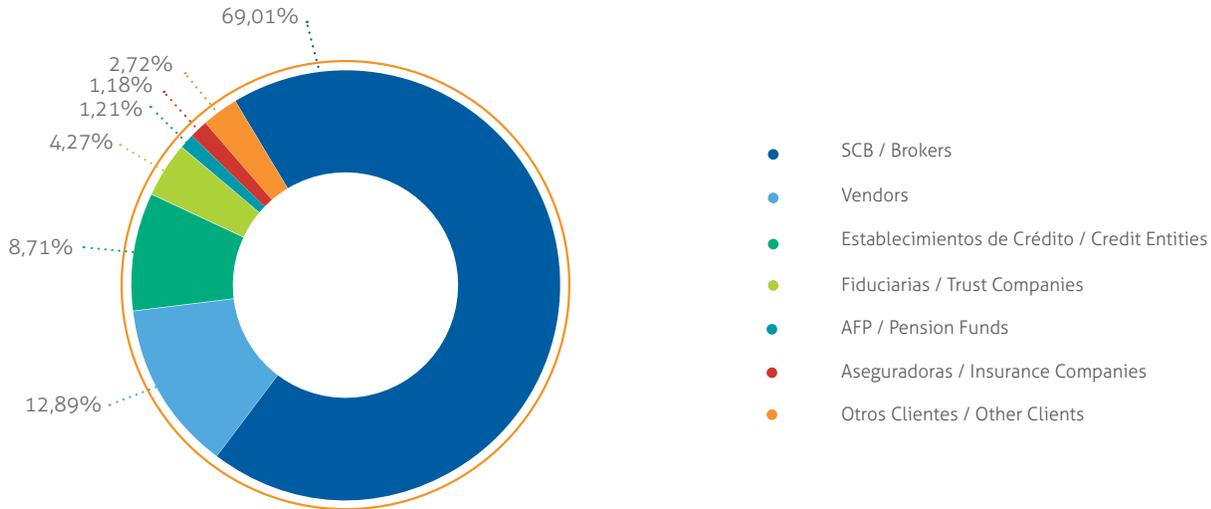
To close this cycle in 2014, the first edition of the AER (Areas of Economic Research) Awards was carried out together with the Portafolio newspaper, to recognize the best Areas of Economic Research in local stock, fixed income

and macroeconomic aggregates. To do so, the teams of the Brokerage Firms, Banks and Finance Corporations were called on for their reports to be assessed by the Portfolio Managers of Institutional Investors and the Treasurer's of financial entities in the country. These awards were widely accepted, managing 90% of the research teams to take part therein.

On another note, Mexico's inclusion in MILA led to a new meeting of the minds between the brokerage firms of that country and their peers in Colombia. The BVC organized an event with the representatives of both markets in order to promote this meeting, in which they could analyze the characteristics of both securities markets and hold more than 45 one-on-one meetings, thus facilitating their initial of contact for future partnerships.



Graph 23. Participación porcentual en los ingresos del segmento / Percentage share in segment's income



The BVC's commercial map by the end of 2014 included the enrollment of three new affiliates in the different markets. Servivalores enrolled in the Derivatives market, while Scotia Valores enrolled in the Equity Market and Old Mutual Valores did the same in the Fixed Income and Equity Markets (graph 23).

7.10 Advances on the Regulatory Agenda Focused on Market Developments

In regulatory matters, the year 2014 was characterized as a period in which significant advances were made for the secure, sustained development of the Colombian capital market. To this effect, initiatives were carried out, such as the review and consolidation of the risk models for monetary transactions, the establishment of tax aspects,

such as the effects of mergers between companies listed on the Exchange, and advances in the modernization and updating of the legal system applicable to certain market transactions and market infrastructure providers, through the promotion of efficiency in the services.

These initiatives include the adjustments made and proposed for the Exchange Regulations in response to Decree 2878 of 2013, which established prudential criteria for the performance of monetary transactions (Repo transactions, simultaneous and Security Lending), particularly in relation to the guarantee system applicable to monetary transactions, establishing the obligation to set up guarantees, the admissible types of guarantees and the system applicable to transactions carried out in the over-the-counter market.

7 COMMITMENT TO CLIENTS AND THE MARKET

Another goal that the Exchange has continued supporting consists of raising the level of quality of the Colombian market and making adjustments to improve trading efficiency. In this context, the BVC contributed to the issue of Decree 2510 of 2014 through which mechanisms were adopted to stabilize the price of shares in initial public offerings, the update for book building based on issuers' needs and the recognition of known and recurrent issuers by providing them with a fast track for their issues. These initiatives not only led to the achievement of the objective, but will also promote the use of issues as financing mechanisms for companies. In addition, the BVC supported the establishment of a clear, stable legal system that will allow short sales, as the definition and system was adjusted through said decree.

On other fronts, the BVC fostered and assisted the Colombian Government in the different regulatory developments related to the viability of a business model integrated by infrastructure providers, the issue of the new Código País and the update of the Fundamental Legal Bulletin (External Bulletins No. 28 and 29 of 2014 of the Financial Superintendence of Colombia (SFC, for the Spanish original).

In addition, in the Equity Market, the BVC mainly made adjustments to the Securities Lending transactions in order to increase the security standards for the participants of these transactions by implementing the transfer of ownership of guarantees from the Receiver to the Originator, as well as the recall process, among others. Furthermore the conditions applicable to issuers and investors in public offerings were established, aimed at the Integrated Market, and the infringement regulations for Repo transactions were updated. In the fixed income market, the services of clearing and settlement of transactions from other trading and listing systems were made available, and on the derivatives market, it is important

to mention the design and listing of the Overnight Index Swap Future, which involved the issue of External Bulletin No. 25 of 2014 of the SFC for the appraisal thereof.

The BVC will continue working on the inclusion of custodians as new participants of the different markets, and the implementation of the risk model applicable to Repo transactions, simultaneous trades and Security Lending on the fixed income market.

7.11 Main Stakeholders

The BVC has defined the priority of creating channels of communication with its different stakeholders, in order to get to know their needs and satisfy them in a consistent manner through action plans based on the information provided by each of them.

Since 2007, the BVC has identified the individuals and organizations that interact with the organization and the market through constant interaction, research and market studies (among which the annual satisfaction survey and the annual Corporate Reputation survey are the most relevant). Thanks to this process, the Company has identified the following stakeholders:

Brokers: consisting of Brokerage Firms, Credit Institutions and institutional investors. They are a direct client and a channel of distribution and interaction of the BVC's main products and services.

Issuers: business organizations from different industries seeking funds to fulfill their production objectives through the BVC by issuing securities; this is how the BVC contributes to the growth and development of the national economy.



7 COMMITMENT TO CLIENTS AND THE MARKET

With these two stakeholders, the satisfaction survey has become a tool to identify their needs in order to develop action plans to improve products and services.

Domestic Investors: are the end users based in Colombia who consume the Company's products and services.

Foreign Investors: the end users of our products and services who are based abroad.

The Corporate Reputation survey provides the BVC with relevant information to improve its products and services for these two stakeholders. In addition, the creation or improvement of products and services, as well as the growth strategies of the securities market for final investors are established with the affiliated entities.

Shareholders: investors who deposit their trust in the Company by contributing their capital through the acquisition of BVC stocks. We have generated trust and confidence in their investments through the permanent delivery of information on the organization's management and performance.

Opinion Leaders: reliable generators and influencers that are knowledgeable of the market and provide important information and reflections for the different market participants.

Journalists: communicators, whether specialized in economy and finance, or not, who disseminate information, opinions and events that affect all BVC stakeholders.

Corporate reputation studies and different interaction forums, such as events, special training and market research, allow the BVC to establish the perceptions and valuation of its brand, in order to establish opportunities

for improvement with the above-mentioned stakeholders. In addition, the Company maintains an open dialog with the media through its Department of Media and Public Relations, which is in charge of addressing the information requirements of communicators and opening spaces of training for journalists to learn about the operation of the securities industry in detail, as well as other BVC management issues.

College Students and Community: the BVC considers that university students and students in the last grade of high school are future market participants, which is why it interacts with them through the training programs and contests designed to promote the securities exchange culture with them. In addition, universities and professors are the main allies in the dissemination and promotion of these programs, as well as in the proper training and instruction that students should receive regarding the securities market.

In addition, the BVC has provided this audience with different contests to stimulate learning and real-world experience in simulated environments, which promote permanent interaction with this stakeholder. Furthermore, the BVC has identified opportunities for improvement and the implementation of new academic offerings specialized in the securities market based on its satisfaction surveys.

Employees: the BVC considers its employees a vital asset, because it is through their knowledge and experience that the Company materializes the initiatives it has set forth for the development of the securities market and leverage its growth as the main forum of business financing in Colombia.

The Organization has established cross-cutting channels of communication to interact with its employees on a per-



manent basis, obtaining feedback on the most relevant issues, not only regarding the Company's operation, but also on the initiatives to improve its employees' quality of life.

Communities: the BVC makes investments of social and environmental impact with sustainable and economically profitable business models through the "Inversor" Investment Fund, thus stimulating the development of companies and their communities with a social impact on those involved.

Providers: strategic allies that provide the support necessary for the different projects and important activities with their experience, expertise, knowledge, updated information and effectiveness, for the effective operation of the BVC, thus allowing it to focus on its corporate purpose.

Government: state institutions that interact with the BVC on the different securities market projects and processes, particularly for the creation of products and services, and of course, for the regulation, monitoring and control thereof.

Interaction Mechanism

The BVC interacts with its stakeholders by means of a multichannel platform that has tools such as Internet portals, hotlines, e-mail and social media, such as Facebook, LinkedIn and Twitter.

In addition, through its commercial channel, the BVC addresses the needs of its clients and affiliates, with whom it also conducts market studies and research, such as the annual Satisfaction Survey and the Satisfaction Survey on Specialized Products and Services.

On the dissemination and promotion front, another fundamental piece for corporate communication, the BVC carries out different educational and specialized training activities, in which it includes investors, the student community, the media and providers, as well as affiliates and brokers of the securities market. With the latter, the BVC also carries out co-creation forums and events to promote market participation in the design of the Company's products and services.

Finally, the BVC has included the creation of spaces for interaction, such as the BVC Training Centers, which consist of 33 entry level service centers throughout the country, as part of its strategy to reach out to the general public. The Millionaire Exchange Contests are also a part of this strategy. Starting in 2014, they were launched for students in the last two years of high school from all over the country.

7.12 Technological Development and Evolution

In 2014, the BVC continued to pursue the objective of increasing competitiveness by improving the quality of products and services, as well as its innovation with ease.

Major Initiatives:

1. In line with the easy market access strategy, the BVC made an important effort in offering access through the FIX 4.4 protocol on the local Stock and Derivatives Market, which will benefit both local affiliates as well as foreign investors who want to access the market through DMA providers. FIX 4.4 access was implemented based on Nasdaq's Xstream platform to offer a reliable service and easy access in compliance with international standards.

7 COMMITMENT TO CLIENTS AND THE MARKET





2. The Company implemented a temporary technological model to support the expansion of MILA, complying with the technological and time restrictions. A definitive model is expected to be implemented in 2016.
3. In line with the market's need to include Custodians, the adjustments were made to the BVC systems to allow this new player to take part in the complementation, compliance and guarantees processes. Also, services were developed to allow electronic access to these processes by favoring STP (Straight-Through Processing).
4. The evolution of solutions for Listing Services has continued through the implementation of new public auction software and the construction of a rights module for initial public offerings.
5. In moving forward with the infrastructure upgrade plan, the host server of the Fixed Income training platform was replaced. In addition, the updating of more than 250 communications servers (MC) located in Affiliate branches began.
6. As part of the infrastructure upgrading effort, a new storage platform (storage SAN) was implemented. The BVC acquired it in 2013 to expand capacity and reduce operating risks associated with the obsolescence of the previous technology.
7. In an attempt to streamline operations and costs, the Company made a significant effort in updating and consolidating the infrastructure that supports the process integration services (BUS), enabling the support of more services without increasing the infrastructure or licensing.
8. In order to improve the technology operation processes, the BVC hired Deloitte to diagnose the level of ma-

turity of the technology processes using the ITIL framework of reference.

9. The Company made improvements in the information and the use of the Corvil tool to improve the monitoring and analysis of the behavior of electronic access services.
10. The BVC analyzed the technological alternatives for the implementation of a stock portfolio.

Furthermore, in order to improve IT governance and management, the BVC carried out several initiatives:

- a. Optimization of the technological support process to provide clients with better service and timeliness in solutions.
- b. Creation of the IT manager role for subsidiaries to improve the management of the companies' needs.
- c. Strengthening of the culture of using collaboration tools to improve the internal communication of technological processes and generate historic information for decision-making purposes.
- d. Improvement and standardization of the documentation of the IT project plan and follow-up reports, thus facilitating the integrated management of projects.
- e. Optimization of deliverables for the specification of requirements and planning of project testing, in order to ensure coverage, the common understanding of requirements and tests, and quality in the documentation supporting the implementation of solutions.
- f. Implementation of the integrated IT project map for an integrated vision of the initiatives managed through PMO and those managed directly by IT.

7 COMMITMENT TO CLIENTS AND THE MARKET

7.13 Development and Evolution of the Project Management Office

In 2014, the Project Management Office focused its efforts on the management of 20 projects whose main objective is to improve market quality, increase investor trust, diversify revenues and optimize processes. Below is the status of each of the projects (charts 23, 24, 25 and 26).

Also, in order to continue to improve its management methodology, the Projects Office specified and formalized the risk management subprocesses and processes for projects.



Chart 23. Projects whose main purpose is to improve market quality

Project	Description	Status
Custodians	Implementation of the "custodian" figure in the clearing and settlement process in Equity and Fixed-income transactions for Collective Portfolios and foreign investors.	Progress of the plan at 68%
DMA II	Implementation of the FIX 4.4 protocol for local Brokers, DMA providers and information vendors to route orders for stocks and derivatives and send BVC information using the form.	Progress of the plan at 96%
Auctions	Implementation of a new system for the listing services of Fixed Income Auctions.	Progress of the plan at 90%
MEC PLUS Update	Replacement and installation of the central primary and alternate trading servers. Reconciliation engines of the fixed-income trading system.	Closed in July 2014
	Replacement and installation of the communications monitoring servers.	Progress of the plan at 83%
Implicit	Activation of the function to generate implicit orders (fictitious orders generated based on the combination of points of purchase and sale on contracts and spreads).	Progress of the plan at 54%
MILA Mexico	Mexico's Inclusion in MILA. Enable the BVC's operational, legal and technological interconnection with the BMV (Mexican Stock Exchange) and Indeval (Central Securities Depository).	Progress of the plan at 93%
Market Makers	Legal and technological implementation of the Equity Market Makers program.	Closed in April 2014

7 COMMITMENT TO CLIENTS AND THE MARKET

Chart 24. Projects whose main purpose is to increase investor trust

Project	Description	Status
Security Lending Adjustments	Implementation of the transfer of ownership of basic guarantees in Security Lending transactions and the figure of recall, unilateral and mutual agreement transactions.	Closed in December 2014
Risk Model	Operational and legal implementation of the risk model provided by Decree 2878 of the Ministry of Finance and Public Credit for fixed income.	Progress of the plan at 31%
Equities Project	Definition and evaluation of alternatives for the implementation of the Central Counterparty Clearing House for the Colombian Equity Market.	Progress of the plan at 91%

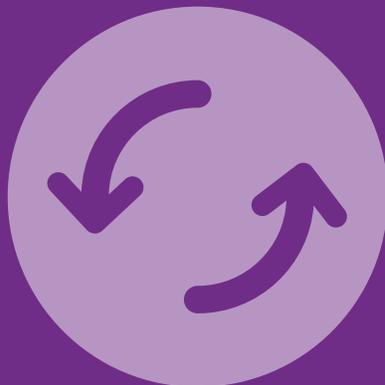
Chart 25. Projects whose main purpose is to diversify revenues

Project	Description	Status
ICAP	Implementation of the clearing and settlement services for transactions involving fixed income securities from other trading and listing systems.	Progress of the plan at 71%
Index Calculator II	Technological implementation of an application that supports: the receipt of information to calculate indices and baskets, periodic basket calculation, online rate calculation and the delivery of index information to third parties.	Closed in July 2014
Information Screens	Implementation of a flexible, scalable and profitable solution for the Company to distribute market information to users using different devices using the latest technology.	Progress of the plan at 45%
OTC-IBR Contracts	Management of regulatory changes and authorization for the market of the IBR listing system and the delivery thereof to the CRCC.	Progress of the plan at 99%



Chart 26. Projects for process optimization

Project	Description	Status
Meeting Software	Optimization of the system used in the BVC General Shareholders Meeting for registration, voting and generation of reports.	Closed in April 2014
EM Fee Schedule	Implementation of a new market collection system.	Closed in February 2014
FR Issuer Billing	Automation of the billing of securities maintenance of the issues of: fixed income, collective portfolios and ETFs.	Closed in February 2014
INFOVAL Migration	Stabilization of the upgraded version of the price valuation system for Infovalmer.	Progress of the plan at 85%
OTC Frame	Automation of reports on OTC derivatives for the Financial Superintendence of Colombia.	Closed in February 2014
Renewal of CB Technology	Implementation of a new interconnection system with the Central Bank as per its requirements.	Suspended by decision of the CB





CHAPTER 8

Commitment to our Employees



8 COMMITMENT TO OUR EMPLOYEES

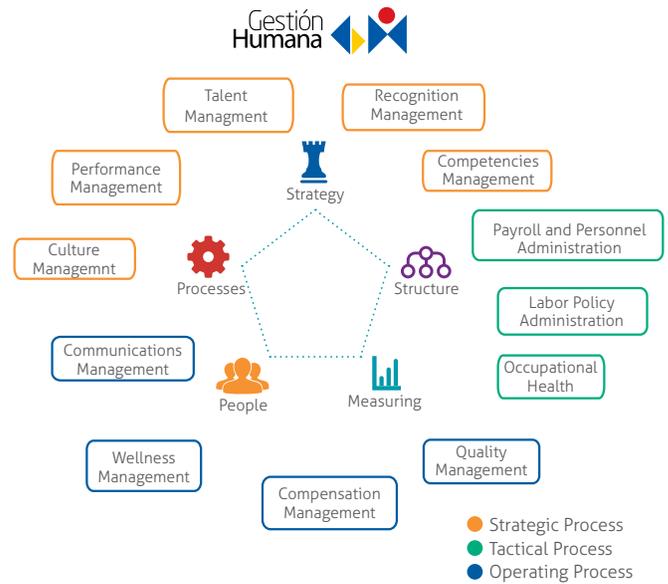
8.1 Talent Management

The BVC firmly believes in its commitment to promote the growth of its people and their talent to develop a high-performance corporate culture, which undoubtedly adds value to the BVC strategy, through talent management, performance and culture, ensuring the achievement of results for the attainment of the MEGA. So the Company incorporated five management pillars to ensure the results as illustrated below.

The BVC has strategic, tactical and operational processes to carry out talent management as listed in graph 25.

BVC evolution of most processes is explained in detail in graphs 26 to 30.

Graph 25. Strategic, Tactic and Operational Processes



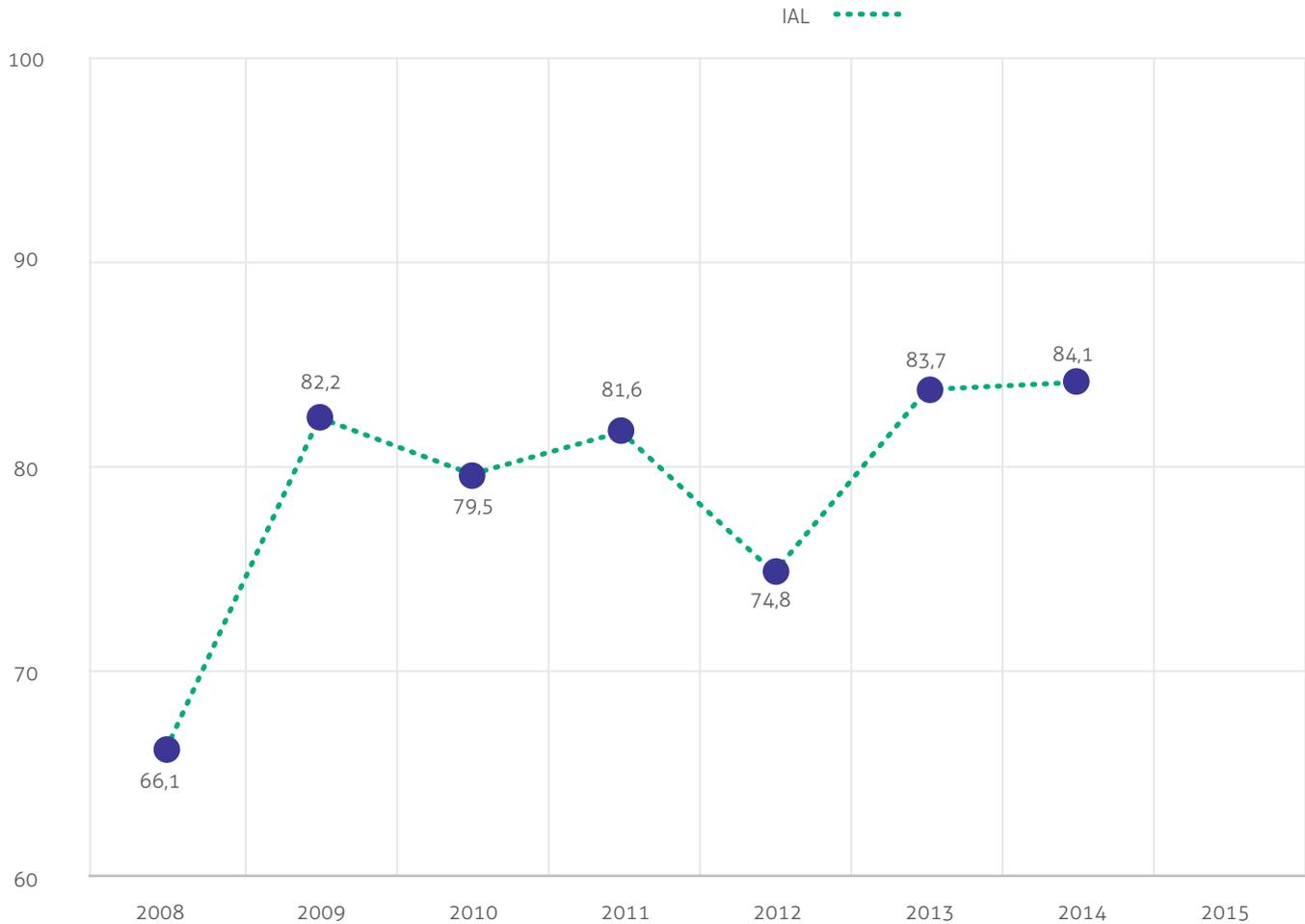
Graph 24. Five Management Pillars



Strategic Tactical Operating	● Processes
Developed and motivated people thorough: Training plans Development plans 70,20,10 Individual performance Training programs	● People
Defined roles Critical position map Position description	● Structure
Balanced scorecard Individual performance objectives Area indicators GPTW survey	● Measuring



Graph 26. Great Place to Work Survey



The culture management have been working to implement plans in every area of the organization, in 2013 the Mark of Leadership BVC, development policy was created, performance management was implemented, development plans were made for employees and more than 100 workshops, achieving an increase of 8.9 points in the working

environment survey from 2012 to 2013 generating the commitment of all people of the BVC in conjunction with the monitoring of the leaders. During 2014 we focused on consolidating the culture and we are carrying BVC oriented leadership, recognition, development and alignment of corporate values programs

8 COMMITMENT TO OUR EMPLOYEES

Graph 27. Labor Environment Dimensions

Credibility



- Leadership
- Vision
- Reliability

Respect



- Development
- Recognition
- Live and work Balance

Impartiality



- Equality
- Justice
- Absence of Favoritism

Camaraderie



- Fellowship
- Hospitality
- Team Sense

Pride



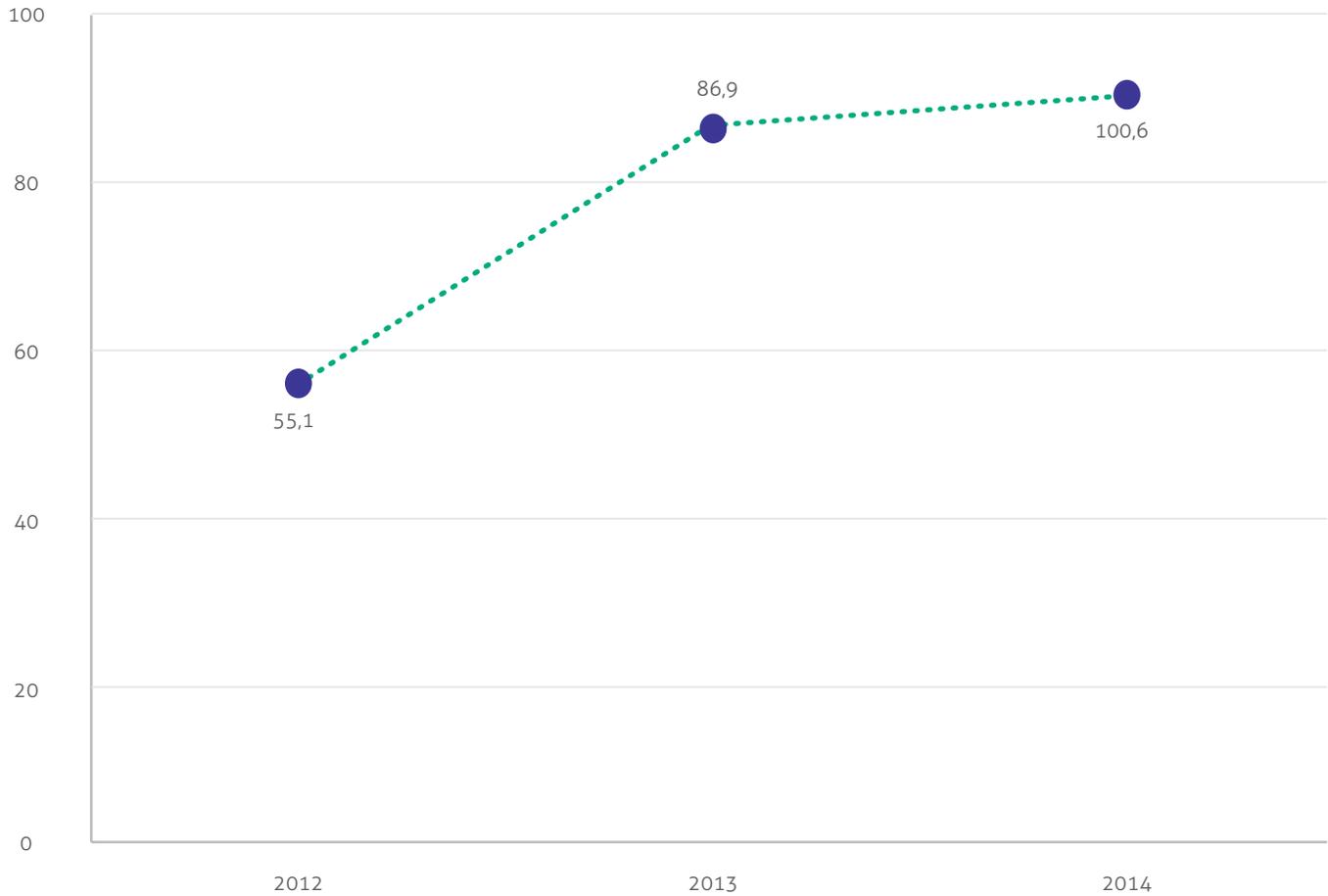
- My job
- My team
- BVC

We have obtained a significant increase in 85% of the variables in the working environment survey, which shows that culture is taking root and that our employees feel that most issues are resolved appropriately.

Dimension	Favorability 2012	Favorability 2014	Var
CREDIBILITY	83	86	3
Leadership	80	89	9
Vision	84	88	4
RESPECT	79	83	4
Recognition	80	87	7
IMPARCIALITY	68	78	10
Equality	55	71	16
CAMARADERIE	82	86	4
Fellowship	84	90	6
PRIDE	84	87	3
My team	83	90	7



Graph 28. BVC Balance Score Card Rating



Thanks to the implementation of a Performance System with individual goals aligned to the strategic objectives of the BVC, in which every employee understand his contribution to the

business, we obtained the best result of internal management in recent years: we increased 31.8 points 2013 consolidating the culture of results in 2014.

8 COMMITMENT TO OUR EMPLOYEES

Graph 29. Key actions in achieving Human Management objectives

Recognition Management



Luz Dary Pacheco

¡La más reconocida!

Ha redimido sus puntos hasta por
14 premios y experiencias



El Valor de tu Acción

In 2014 we implemented, recognition program "The Value of Your Action" was a success: 60 million invested, more than 85% of employees use it and we increase 7 points in this variable in the climate survey.

In the BVC everyone have the opportunity to give and receive special recognition.

Competencies Management



**Soy Líder
BVC**
Sintonízate con la 

Desarrollo 

Talent Management

- Over 100 BVC leadership workshops since 2013 for training of employees, with an annual investment of \$ 150 million.
- 39% of employees had at least a promotion or lateral movement through the implementation of its Career Plan in the past three years.
- Development plans coverage for 100% of the population since 2013.
- USD \$200,000 invested in abroad training since 2011, seven employees benefited.
- \$500 million invested in Specialized Training since 2008, more than 50 employees benefited
- Over 50% of employees have participated in the english training program, with an annual investment of \$ 55 million since 2012.



Graph 30. Key actions in achieving human management objectives

Compensación

Compensation Management

It has been given to the employees on average \$ 1,400 Million annually for compliance with performance objectives, in 2014 for compliance with 2013 results.

Beneficios

Wellness Management

Since 2011 approximately COP\$500 million have been invested in welfare activities for employees and their families. The BVC assumes 85% of the investment.

Since the last 5 years we have implemented a 75% Relief of the prepaid health care annual cost for our employees and their families, with an average annual cost of \$ 215 million.

Communication Management

Since 2013 has been made about 300 meetings of primary teams, 7 meetings with the CEO, about 170 electronic communications via email "Tune in to the BVC" and 424 electronic communications through internal newsletter "lets Talk about Us".

Occupational Health

In 2014 approximately COP\$80 million was invested in the provision of workstations with ergonomic elements, which allow us to integrate security with productivity to improve the quality of working life.

8 COMMITMENT TO OUR EMPLOYEES

8.2 Communication Strategies

In 2011, the BVC carried out an exercise to redesign and consolidate the organizational culture. Based on the model of Cameron and Quinn, the BVC administered a survey on all workers to diagnose the BVC's culture at the time and get to know the new culture that workers wanted and the BVC needed.

This is how it defined the campaign for the communication and incorporation of the organizational culture: a model that would help the Organization to incorporate the cultural model that it had defined through experience. Therefore, internal communications would be aimed at experiencing the values: printing of promotional material of the BVC with messages to remind people of the values —notebooks and calendars; permanent dissemination of messages by e-mail, among others.

One of the top priorities of Colombian Securities Exchange is to keep its workers informed of the changes and important matters occurring in the company and on the outside, so it has designed various spaces for communication in person and by electronic means:

- Let's Talk About Us (electronic means of communication): institutional communication channel through which workers are informed of market events and relevant and regulatory information; in 2014, approximately 424 announcements were sent out using this method.
- Tune in to the BVC (electronic means of communication): Communication Channel of the BVC's initiatives, projects and programs for its workers in order for its programs of training, development, selection, induction, occupational health, wellbeing and benefits (In Tune with You Program); in 2014,

approximately 170 announcements were sent out using this method.

- In 2013, the BVC created a space called the "Results Meeting" which is aimed at revitalizing the strategy and culture and becoming a formal space for the recognition of the people, processes or teams; in 2014 there were four meetings, one held each quarter.
- CEO's Committee (in person): Monthly meeting led by the CEO of BVC, in which information discussed with the Board of Directors is presented along with new initiatives, and a follow-up is carried out of the commitments of the strategy; in 2014, 12 committee meetings were held.
- Primary Groups: Each area experiences monthly moments in primary group meetings, where the achievements and accomplishment of goals are recognized.

8.3 Wellbeing

The BVC has a benefits program called In Tune with You, which has segmented benefits into three groups as follows:

For everyone:

- When workers' children are born, the BVC gives them an early stimulation kit.
- Children's Christmas Party.
- Allowance of 75% for Prepaid Health Care with Med-Plus in the "Cereza" Plan for the worker, spouse and children.
- We celebrate BVC Health Day once a year.
- Corporate agreements to purchase tickets for games, recreational and cultural events by deduction through payroll.



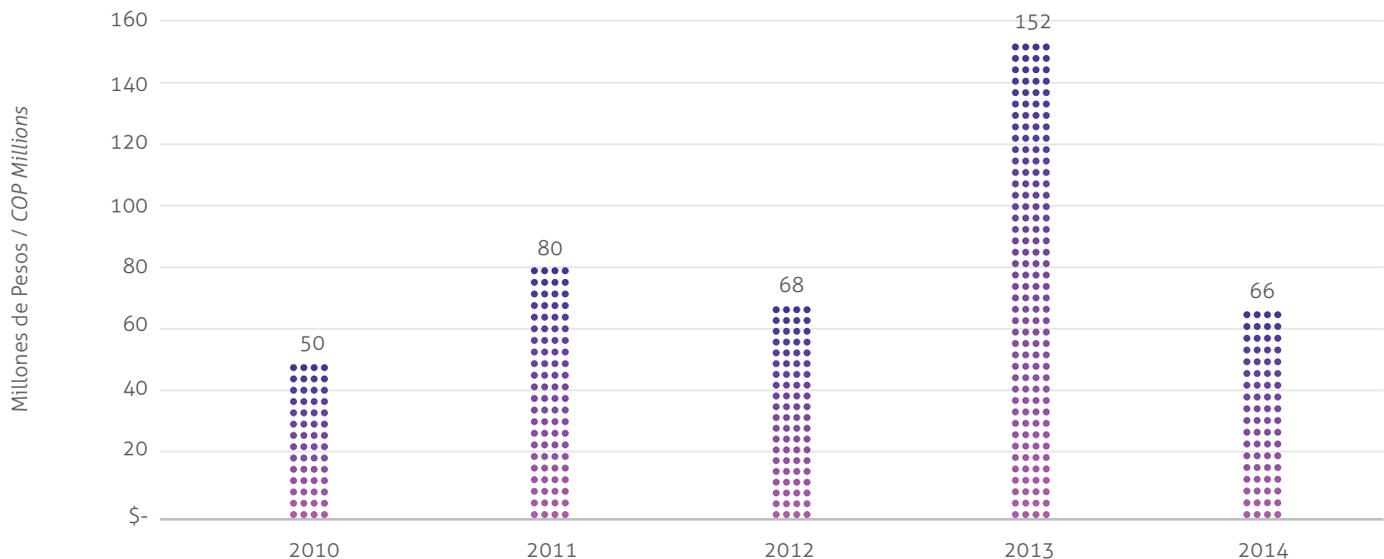
- Second language training: English with an allowance of up to 85% of the cost.
- Funeral insurance for the worker and his family, of which the BVC covers 100% of the cost.
- Financial assistance for every 5 years with the BVC.
- The BVC subsidizes courses that are not work-related: we have financial aid for specialized training (up to 50% of the cost of the program in Colombia and up to USD 25,000 per year, for a maximum of two years with USD 50,000 in training abroad), courses on quality of life and wellbeing and corporate training activities. In addition, the BVC promotes e-learning in English, a program in which 42 workers enrolled in 2014.
- The BVC has a Corporate Training program that applies to all levels of the company, providing training in coaching, leadership, empowerment, effective commu-

nication, teamwork, development plan and leader assistance. In 2013, there was more investment because the BVC Leadership Brand program was launched. In 2014, the program was replicated in the BVC by facilitators (graph 31).

To choose from:

- Recreational Vacations for Children up to 12 years of age in June and December.
- Activity for workers' adolescent children up to 18 years of age in extreme sports.
- Cooking Courses.
- Christmas Decoration Courses.
- Participation in Compensar's Inter-company Soccer Tournament.

Graph 31. Capacitaciones en Liderazgo / Leadership Training



8 COMMITMENT TO OUR EMPLOYEES

- Bogotá's Marathon.
- Karts Championship.
- Paintball.
- Extreme Sports.

For Life Balance:

- If a worker gets married, the Company gives him/her three business days of leave of absence.
- In December, workers get two business days of vacation.
- On their birthday, the BVC gives workers a half-day off to enjoy the occasion with their family.
- On the fifth-year anniversary, workers get three additional days of vacation.
- 15 additional days for maternity leave.
- Eight additional days of home office for paternity leave.

- Possibility to choose from three Flex Time schedules in coordination with each supervisor: 7:00 a.m. - 4:45 p.m./ 8:00 a.m. – 5:45 p.m. and 9:30 a.m. – 7:15 p.m. ("Pico y Placa" traffic mitigation policy).
- Flex Time schedules on Fridays in June and July during the Summer Festival from 7:00 a.m. to 3:00 p.m. non-stop.

8.4 Compensation Model

The BVC's full compensation policy integrates job analyses and the complexity of finding them on the job market in the light of the equality and competitiveness analyses, for the profitability of the Organization. This is a comprehensive policy whose purpose is to generate attraction and motivation and to retain talent.

Chart 27. Compensation Policy per level group

Cargos / Positions	Definiciones / Definitions	Vicepresidentes / Vice-presidents	Gerentes de negocio y gerentes / Business Managers	Directores, líderes, profesionales y auxiliares / Directors, leaders, professionals and Assistants
Referencia del Mercado / Market Reference	Curva del mercado que se toma como referencia para la definición de la política de CT / Market reference curve for the definition of the compensation policy	Percentil 75 Q3 / Percentile 75Q3	Percentil 75 / Mediana / Percentile 75/Median	Mediana / Median
	Sueldo Base Anual (Fijo +Prestaciones)+Compensación Variable / Annual base salary (Fixed + presentations) + variable compensation	COMP3		



The chart 27 presents the BVC Compensation Model applied by levels.

The compensation model is illustrated in accordance with the market reference in which the mean was applied (indicating that 50% of the companies are above these values) for the jobs listed in the table and Q3 or p. 75 (indicating that 25% of the companies are above these values).

COMP 3: Includes the guaranteed annual income plus the potential variable salary that can be received for reaching the goals set for the year.

8.5 Occupational Health and Industrial Safety Report

Levels of Responsibility for Occupational Health and Safety

The occupational health and safety management system starts with the CEO, and it is considered effective when a clear conception of its importance is achieved at all the levels of the organization.

The system is managed, controlled and evaluated by the Corporate Leader and/or Professional of Talent and Culture, acting with the endorsement of the Company's legal representative. This person is in charge of the coordination, development and monitoring of the occupational health and safety management system and has the support and cooperation of all Company employees to do so.

As part of its management policy, aware of its responsibility as an employer, the BVC highlights the importance of workers by promoting, developing and preserving their comprehensive wellbeing, strengthening their pride in their work and their health, and will act with the conviction

of maintaining and caring for the environment and natural resources by always being respectful and abiding by the occupational health and environmental legislation established by the Ministry of Social Protection, Ministry of the Environment, Housing and Territorial Development and other competent authorities.

The BVC is committed to minimizing any risk factors that may cause occupational accidents or diseases, because it considers safety, quality and environmental production, productivity and customer satisfaction the essential factors for the success and survival of the Company; and it is committed to devoting its efforts for the continuous improvement thereof, as well as that of its employees, clients and providers in order to reach the objectives set forth together.

The BVC believes that occupational accidents and diseases can be prevented and it will be held responsible for the injury of its workers and any damage to property that the failure of this premise may give rise to, and as the core entity for the performance of the activities of the health, safety and environmental management system, it has chosen the Occupational Health and Safety Peer Committee to ensure the strict compliance with the regulations established in the subprograms contemplated thereby.

The CEO of the BVC is responsible for steering the Company's efforts to provide people with the best work environment, equipment, material and facilities, and the highest levels of wellbeing, safety and comprehensive protection. In addition, it will ensure that the health, safety and environmental management system has the economic resources necessary for the proper implementation and development thereof.

8 COMMITMENT TO OUR EMPLOYEES

The following activities were carried out in 2014 to contribute to the promotion of the occupational health of BVC workers:

- A total of 25 executive check-ups were carried out, aimed at Managers, Chief Officers and the CEO in order to reduce the possibility of generating illnesses associated with work-related activities.
- Updating of the legal requirements in the occupational health and safety management system, by validating processes such as the risk factor scenario and creating the coexistence committee.
- In order to decrease possible emergency contingencies, every two months sessions were organized by areas together with the Red Cross with recommendations for prevention.
- Workers chairs were replaced to prevent and improve ergonomic risks with the help of the Occupational Health Peer Committee (COPASO, for the Spanish original).
- An annual evacuation drill was prepared with the Occupational Risk insurance company (ARL, for the Spanish original).
- Health Week was celebrated, during which we carried out 95 check-ups, 116 hearing tests and eye exams, and 86 blood tests.

8.6 Explicit Mention of the Principles of Labor Rights

The BVC ensures its workers' rights to the freedom of association for collective bargaining and dialog with the Company's Senior Management. It rejects all forms of forced labor, in the Company as well as outside. It is opposed to any form of child labor and supports the policies that promote the effective abolition thereof in the world. It rejects any type of discrimination and promotes the abolition of discrimination in contracting, job opportunities and deci-

sions regarding employee promotion. It also works to ensure compliance with the law and to provide workers with an ideal environment for their personal and professional development.

In compliance with the principles of labor law, the Colombian Securities Exchange has explicitly mentioned the principle of Labor Law in the work regulations as follows:

- Freedom of Association: Article 45 of the work regulations "Restrict the freedom to work or not to work, to become a member of a union or not, or to stay with the union or withdraw therefrom."
- Abolition of child labor: Chapter XI Work prohibited for pregnant women and children under 18 years of age, Articles 40 and 41 of the Work Regulations.
- Abolition of discrimination practices in employment and occupation: Chapter II, Conditions of Admission, Article 2 Work Regulations.

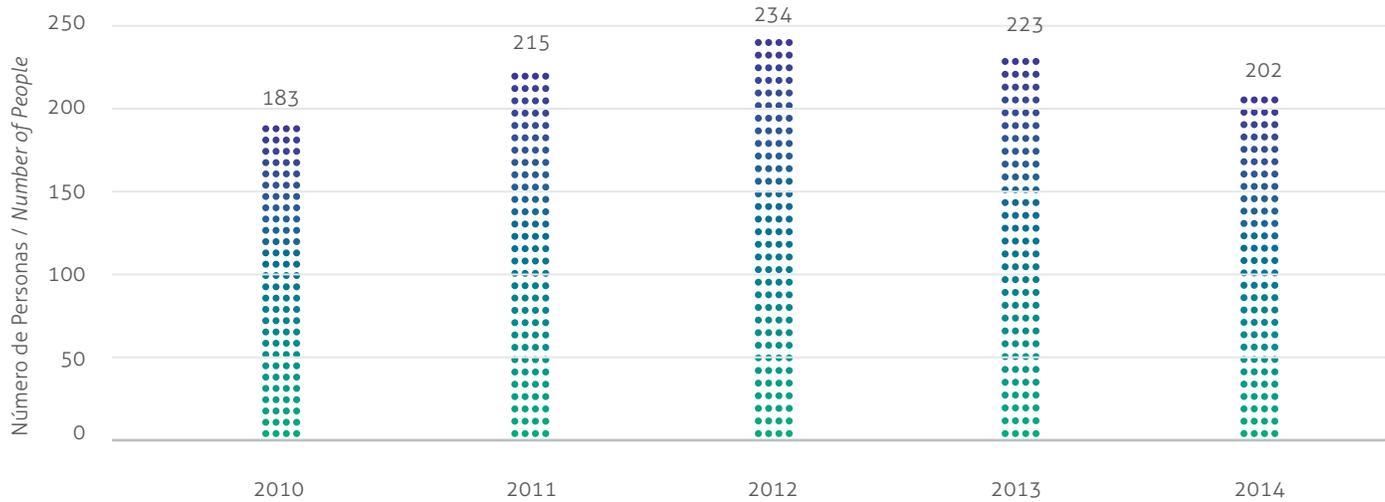
The public commitments and the company's objectives as regards labor law are in line with the policies of public law as well as Decree Law 2663 of August 5, 1950, which adopted the National Labor Code, seeking justice in the relations arising between employers and employees (graph 32).

8.7 Number of employees

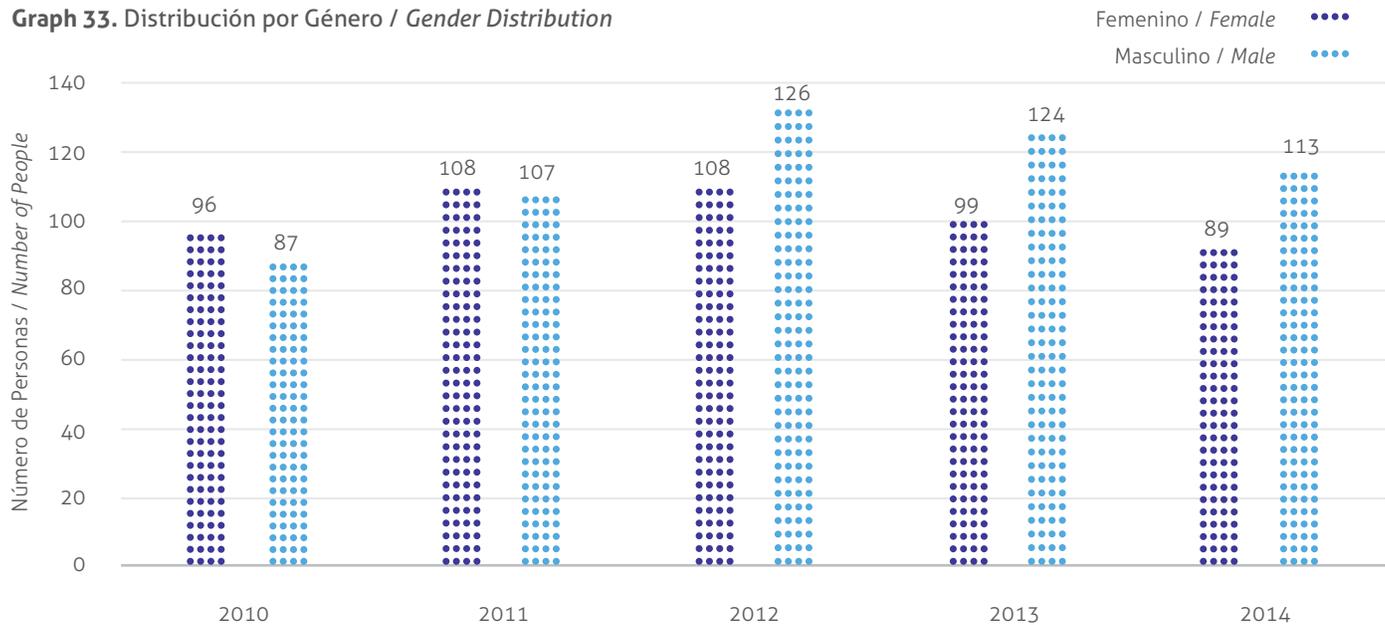
From 2011 to 2012, the structure grew because the area of technology was strengthened; in comparison with 2012 to 2013, several projects were optimized and the number of temporary employees was reduced; finally, the reduction observed from 2013 to 2014 was a result of organizational restructuring (graph 33).



Graph 32. Número de Empleados / Number of Employees



Graph 33. Distribución por Género / Gender Distribution



8 COMMITMENT TO OUR EMPLOYEES

In general, an equitable percentage is maintained with regard to the genders of the employee population, which has not fluctuated significantly.

Kind of Contract

The most significant change is observed between 2012 and 2013, when 13% of temporary employees were given permanent contracts of employment; the change from 2013 to 2014 was due to restructuring, which reduced the number of permanent employees, but increased the number of projects to be executed, which require a permanent staff (graph 34).

Employee Turnover

Employee turnover increased in 2012 because of the employer substitution to create a subsidiary; with respect

to 2013, the turnover rate increased due to restructuring and, in 2014, it decreased in comparison with the previous year (graph 35).

8.8 Operating Structure (Organizational Chart)

The Company's structure consists of Chief Officer Units that respond to the needs of the clients. These are: Commercial, Corporate, Legal, Marketing and Product, Projects and Technology. The other areas ensure proper operation by providing support for internal as well as external requirements in a cross-cutting manner (graph 36).

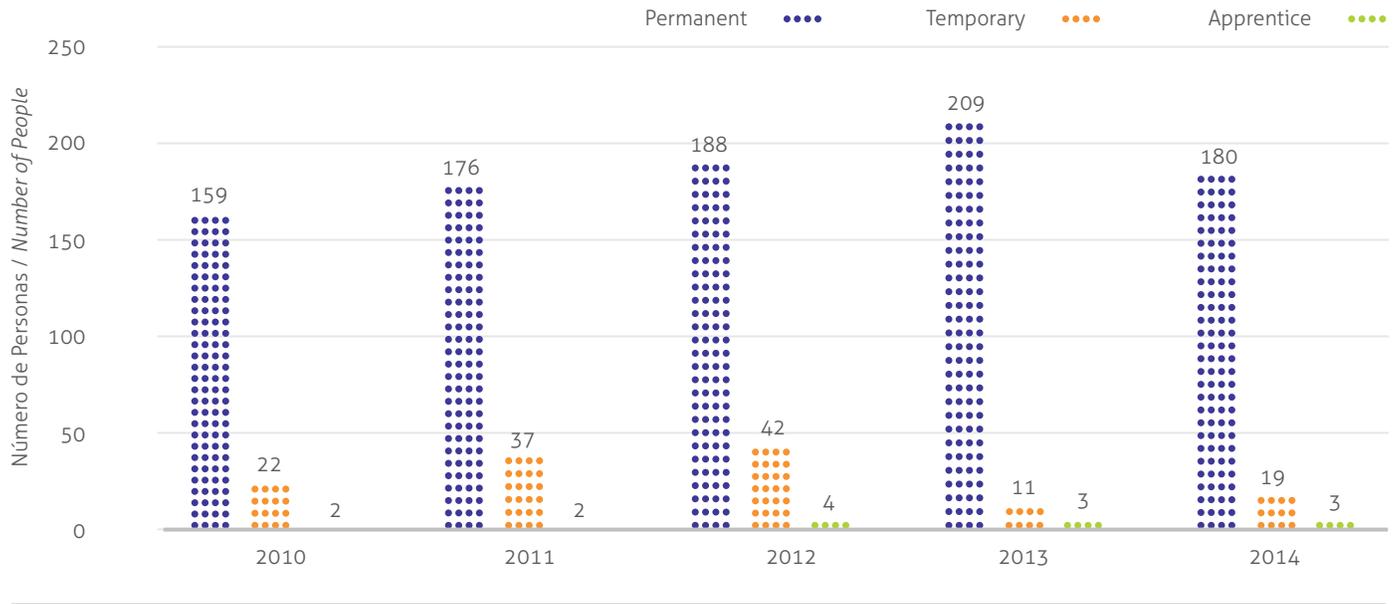
The structure is made up of the levels in chart 28.

Chart 28. Position Levels

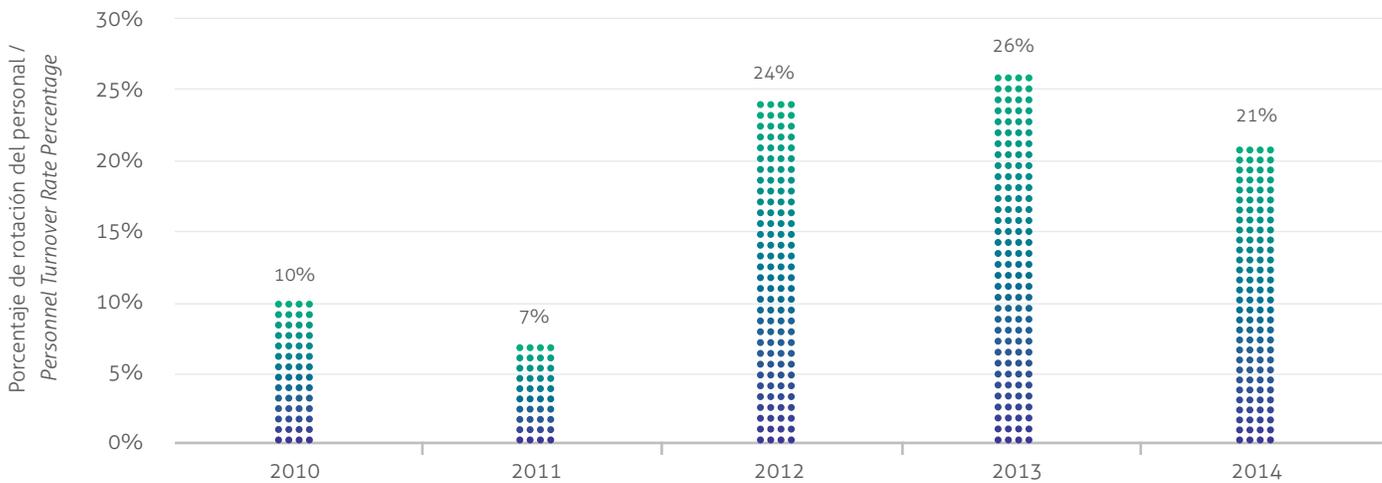
Job Level	Number of Positions
CEO	1
VP	5
Manager	13
Director	32
Leader	33
Professional	104
Assistant	11
SENA APPRENTICE	3



Graph 34. Empleados por Tipo de Contrato / Employees per Contract type

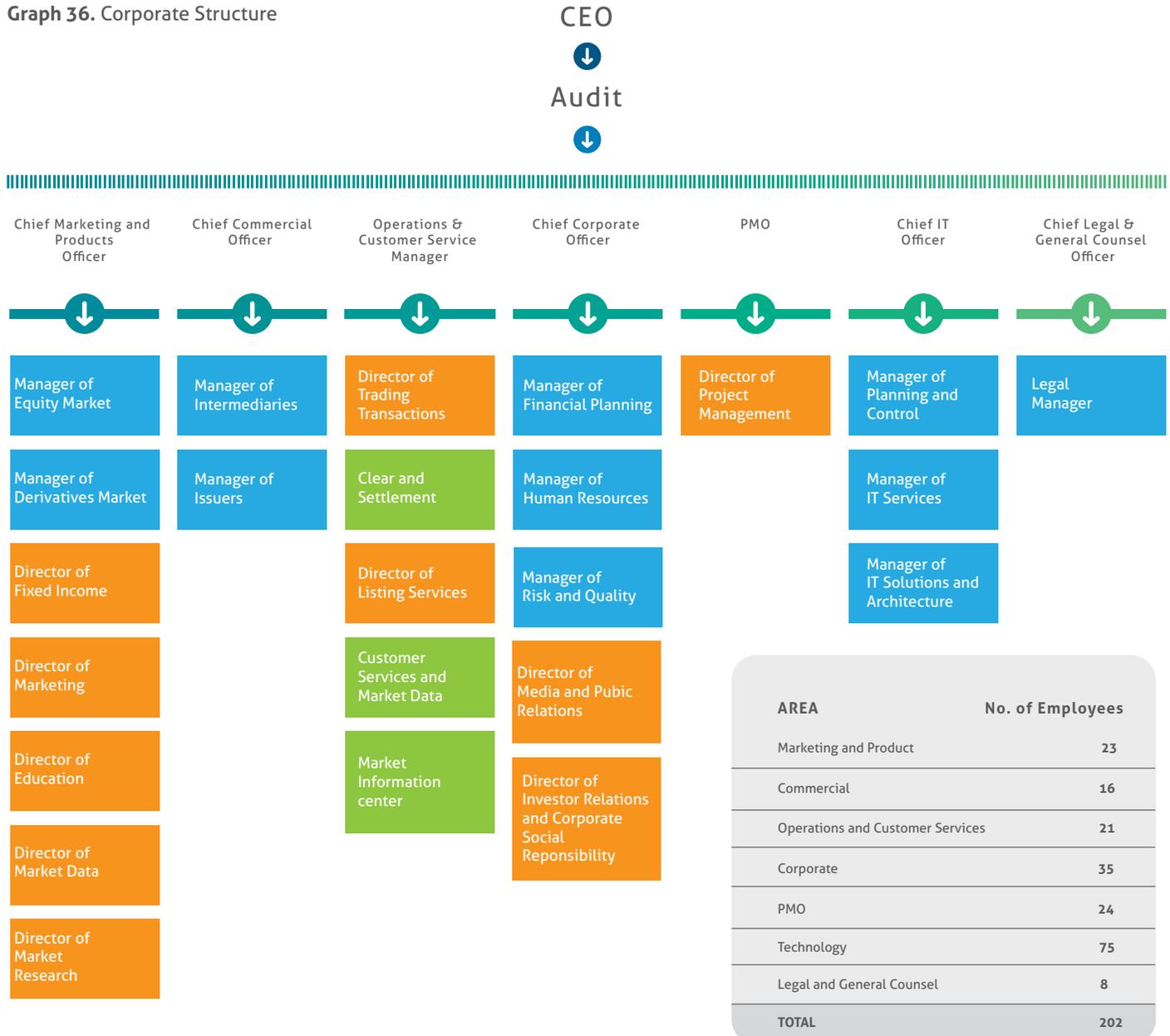


Graph 35. Rotación de Personal / Personnel Turnover Rate



8 COMMITMENT TO OUR EMPLOYEES

Graph 36. Corporate Structure









CHAPTER 9

Commitment to our Suppliers



9 COMMITMENT TO OUR SUPPLIERS

9.1 Procurement Management

2014 was the year in which the BVC became more involved with its providers by contributing to their corporate growth. In doing so, the BVC implemented the program "Building Competitiveness Together," which is aimed at strengthening provider development and helping them minimize risks to generate profitable long-term relations focused on the highest standards of service and quality.

"Building Competitiveness Together" started out with specific training aimed all providers on topics such as Prevention of Money Laundering, Financial Risks, How to Invest in Stocks and Corporate Finances. In addition, the BVC launched a pilot plan with three strategic providers of technology, advertising and administrative services. After a diagnosis carried out with the assistance of the Bogotá Chamber of Commerce, the Company planned a series of activities aimed at strengthening each of the participating companies in topics such as human resources management, risks, strategic management and processes.

In March 2014, the BVC was certified by CIPS (Chartered Institute of Purchasing & Supply), a nationally recognized entity

that certifies best practices in procurement and logistics. The certification was awarded at an event attended by the representative of that institute and the CEO of the BVC, as well as several media representatives. This made the BVC the first company in the local financial sector in being certified.

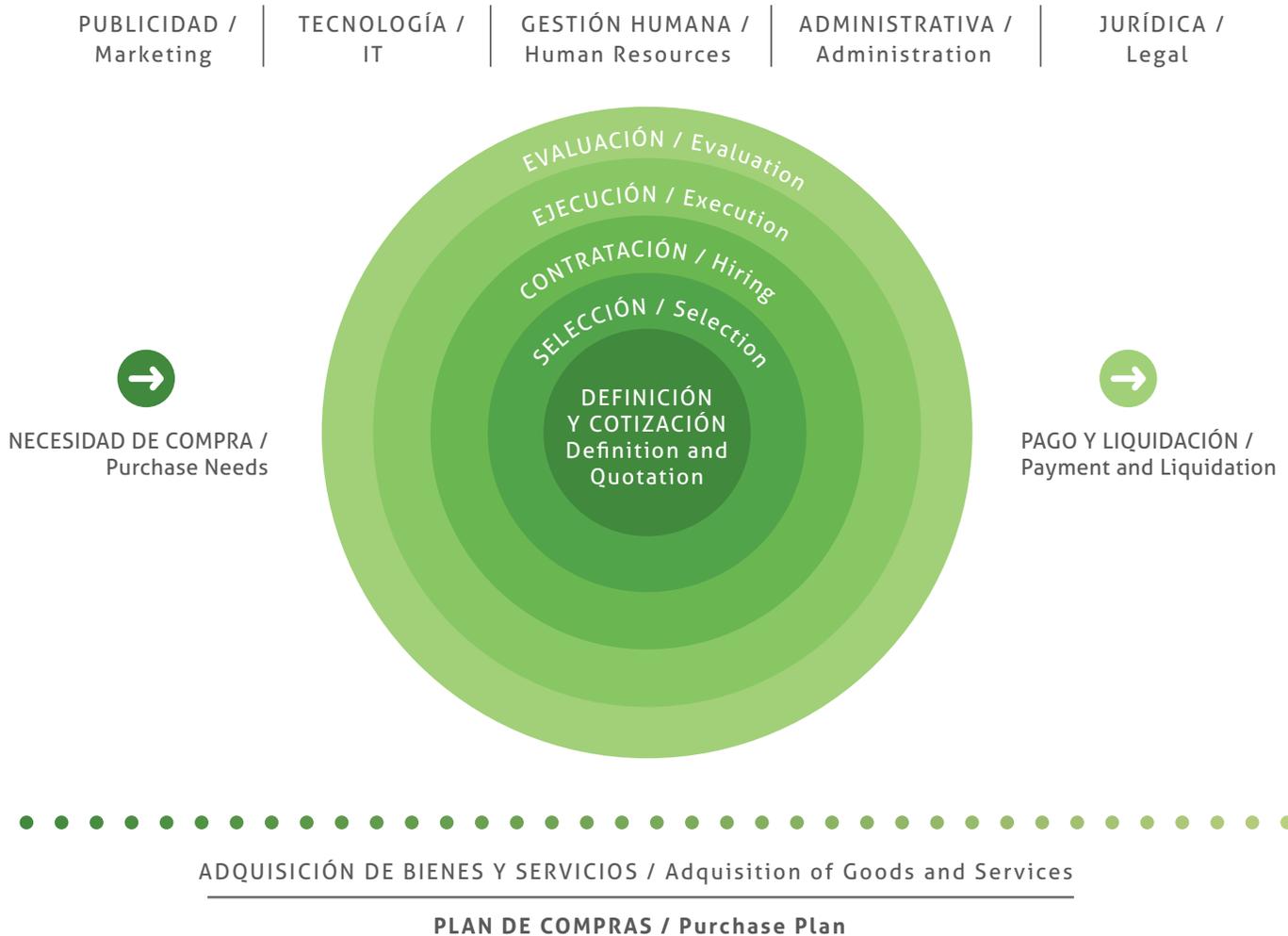
In addition, during this period, the BVC carried out purchases for a total of COP 15,585 million through 1,132 providers, 14 of which are foreign, mainly for technological products and services. The most notable were the providers of the technology platform and exclusive software licenses.

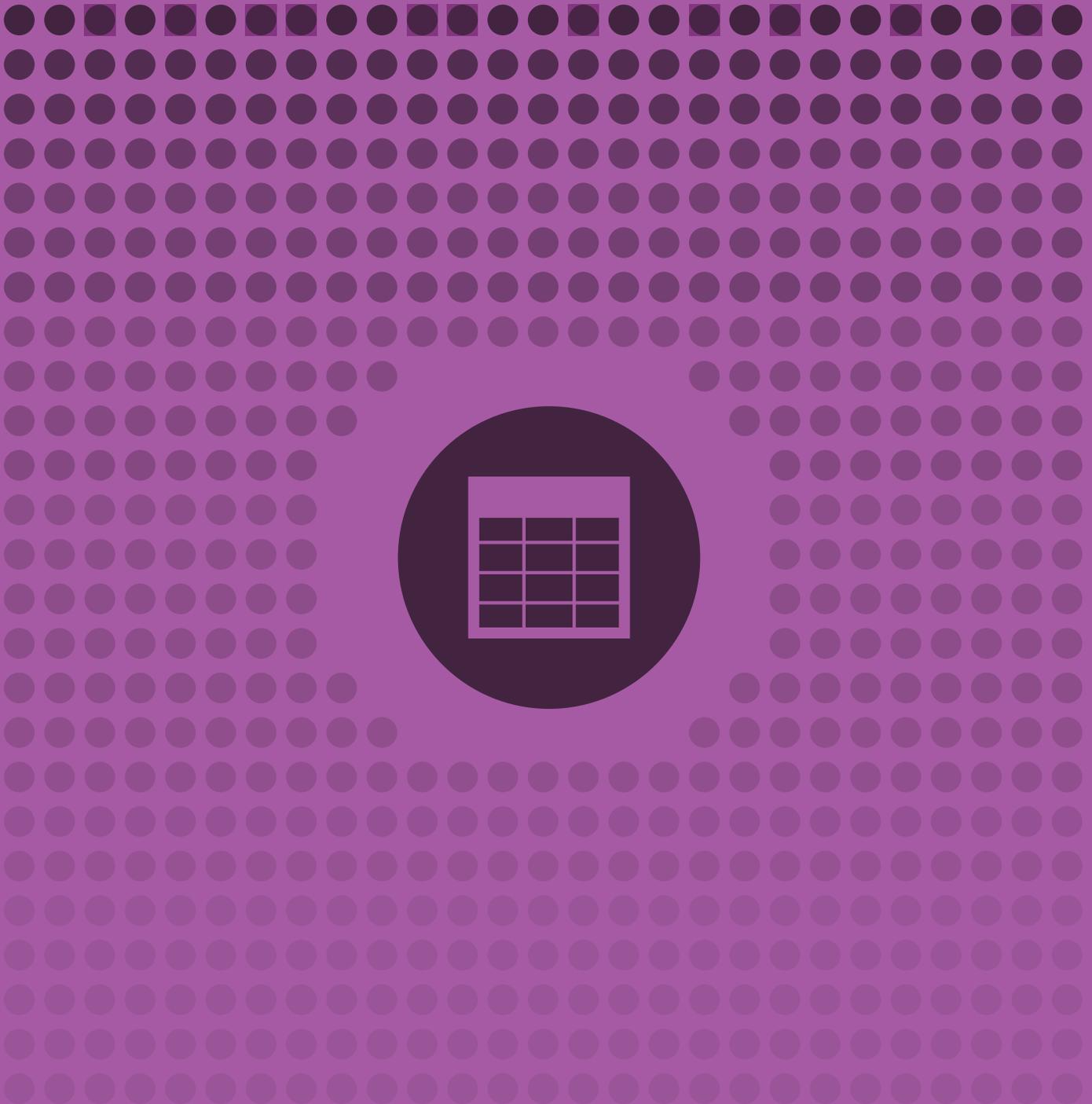
It is important to point out that most of the BVC's providers are Colombian, with 1,117 companies. Compared to 2013, procurement increased by 8.5%, mainly due to the upgrading of technological systems and the procurement of equipment.

It is important to mention that purchases at the BVC's head office in Bogotá as well as the commercial offices in Medellín and Cali were made through the Decentralized Hybrid model, that is to say, by means of the direct advice of the acquisitions team to the areas making the purchases, which are required to follow established procurement policies and procedures.



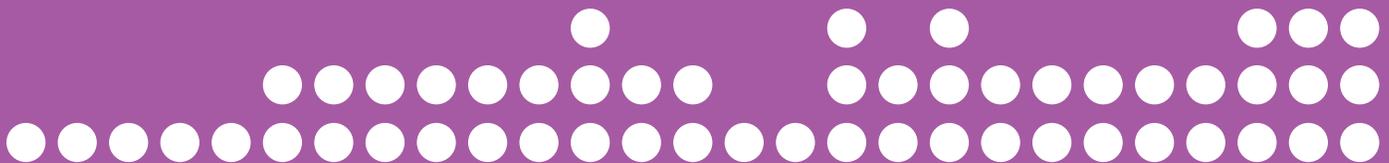
Graph 37. Cadena de valor / Value Chain





CHAPTER 10

Detailed Index



10 DETAILED INDEX

2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
Letter to Shareholders	Declaración del responsable principal de las decisiones de la organización		4	G4-1	
CHAPTER 1: Company Profile	1.1 BVC: The Colombian Securities Exchange	1	12	G4-3, G4-5, G4-7, G4-15, G4-16	
	1.2 BVC Brands	1	13	G4-4	
	1.3 Top Products & Services	1	13	G4-6, G4-8	
	1.4 BVC's Scale	1	15	G4-9	
	1.5 Material Aspects and Coverage	1	17	G4-18, G4-19, G4-20, G4-21, G4-24, G4-PR5	
	1.6 Management Report Profile	1	18	G4-17, G4-22, G4-23, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33	
CHAPTER 2: BVC Strategy	2.1 Strategic Orientation: Mission, vision	2	24	G4-2	



2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
CHAPTER 2: BVC Strategy	2.2 Perspectives, Vision toward the Future	2	24	G4-2	
	2.3 Strategy Follow Up in 2014	2	25	G4-2	
	2.4 Strategic Objectives for 2015 and Future Prospects	2	27	G4-2	
CHAPTER 3: Corporate Governance	3.1 Report on Corporate Governance Practices	3	32		Principles 1 and 2 of Human Rights
	3.2 Board of Directors and Management	3	34	G4-34	
	3.3 BVC Governance Structure	3	38	G4-34, G4-38, G4-40, G4-41, G4-42, G4-44, G4-48, G4-51, G4-54.	
	3.4 Basic Activities of the Directors and Management of the BVC	3	41	G4-35, G4-36, G4-37, G4-39	
	3.5 The Audit Committee’s Annual Report to the Board of Directors	3	43	G4-45, G4-46, G4-47	

10 DETAILED INDEX

2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
CHAPTER 3: Corporate Governance	3.6 Values, Principles, Standards and Regulations of the Company	3	50	G4-56	Principle 10 of Anti-corruption
	3.7 Shareholders' Rights	3	51	G4-49, G4-50	Principle 10 of Anti-corruption
	3.8 Compliance with the Authorities	3	51	G4-49, G4-50	Principle 10 of Anti-corruption
	3.9 Compliance with Regulations on Intellectual Property and Copyright, Tax Compliance of Foreign Accounts and Processing of Personal Data by the Company	3	52		Principle 10 of Anti-corruption
	3.10 Code of good Governance Reports	3	53		Principles 1 and 2 of Human Rights, Principle 10 of Anti-corruption
CHAPTER 4: Internal Control and Quality	4.1 Internal Control and Control Environment	4	56	G4-14, G4-45, G4-46	Principle 10 of Anti-corruption
	4.2 Quality and Information Management	4	56	G4-45, G4-46	
	4.3 Risk Management	4	57	G4-2, G4-14, G4-45, G4-46	



2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
CHAPTER 4: Internal Control and Quality	4.4 Auditor's Report	4	59	G4-14, G4-45, G4-46	Principle 10 of Anti-corruption
	4.5 Ethics hotline and Anti-corruption Principle	4	61	G4-57, G4-58	Principle 10 of Anti-corruption
CHAPTER 5: Sustainability	5.1 Sustainability Focus and Vision	5	66	G4-EC1	Principles 1 and 2 of Human Rights
	5.2 Social Responsibility	5	68	G4-SO1	Principles 1 and 2 of Human Rights. Principles 7, 8 and 9 Environmental
	5.3 Financial Education Program	5	73		
CHAPTER 6: Commitments to Shareholders	6.1 BVC Stock Evolution	6	80	G4-9	
	6.2 Subsidiaries and Long-Term Investments	6	81	G4-9	
	6.3 Dividend Distribution Policy	6	85	G4-9	

10 DETAILED INDEX

2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
CHAPTER 6: Commitments to Shareholders	6.4 Special Report under Article 29, Law 222 of 1995	6	86		
	6.5 Important Events Occurred Following the Period	6	88		
	6.6 Circulation of Invoices	6	88		
CHAPTER 7: Commitment to Clients and the Market	7.1 International and Local Environment	7	92		
	7.2 Equity Market	7	94		
	7.3 Fixed Income Market	7	100		
	7.4 Derivatives Market	7	102		
	7.5 Issuers and Listing Services	7	103		



2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
CHAPTER 7: Commitment to Clients and the Market	7.6 Colombia Capital	7	106		
	7.7 Colombia Inside Out	7	107		
	7.8 Information and Electronic Media	7	109		
	7.9 2014 Commercial Management: Intermediaries Management Area	7	109		
	7.10 Advances on the Regulatory Agenda Focused on Market Developments	7	111		
	7.11 Main Stakeholders	7	112	G4-24, G4-25, G4-26 y G4-27	
	7.12 Technological Development and Evolution	7	115		
	7.13 Development and Evolution of the Project Management Office	7	118		

10 DETAILED INDEX

2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
CHAPTER 8. Commitment to our Employees	8.1 Talent Management	8	124		Principles 3, 4, 5 and 6 of Labor Rights
	8.2 Communication Strategies	8	130		Principles 3, 4, 5 and 6 of Labor Rights
	8.3 Wellbeing	8	130	G4-LA10	Principles 1 and 2 of Human Rights, Principles 3, 4, 5 and 6 of Labor Rights
	8.4 Compensation Model	8	132		
	8.5 Occupational Health and Industrial Safety Report	8	133		Principles 1 and 2 of Human Rights, Principles 3, 4, 5 and 6 of Labor Rights
	8.6 Explicit Mention of the Principles of Labor Rights	8	134		Principles 3, 4, 5 and 6 of Labor Rights
	8.7 Employees Profile of BVC	8	134	G4-10, G4-11, G4-34, G4-54, G4-55, G4-LA1	Principles 1 and 2 of Human Rights, Principles 3, 4, 5 and 6 of Labor Rights
	8.8 Operating Structure	8	136		



2014 MANAGEMENT REPORT INDEX	CONTENTS	BVC		GLOBAL REPORTING INITIATIVE - GRI	GLOBAL COMPACT
		CHAP	PAG		
CHAPTER 9: Commitment to our Suppliers	9.1 Procurement Management and Supply Chain	9	142	G4-12, G4-13, G4-EC9	
CHAPTER 10. Detailed Index	Index	10	144		







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