Agenda

1. Chile: A place to invest
2. Chilean Capital Market
3. Santiago Stock Exchange
4. Next steps
### Chile: A place to invest

<table>
<thead>
<tr>
<th>Data</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>17.46 million</td>
<td>INE, Central Bank</td>
</tr>
<tr>
<td>GDP</td>
<td>USD 269.9 billion</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>GDP per capita (PPP)</td>
<td>USD 22,636</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>GDP growth</td>
<td>4.1%</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>Unemployment</td>
<td>5.7%</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.0%</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>Sovereign Rating</td>
<td>A+ ; AA-</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>Trade Balance</td>
<td>USD 2,377 million</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>Exports</td>
<td>USD 77,368 million</td>
<td>World Bank 2012</td>
</tr>
<tr>
<td>Imports</td>
<td>USD 74,990 million</td>
<td>World Bank 2012</td>
</tr>
</tbody>
</table>

Data as of December 2013

Source: INE, Central Bank.

(1) World Bank 2012
Chile: A place to invest

Chile: GDP by sectors

- Corporate services: 15.70%
  - Personal services: 12.31%
  - Mining: 12.18%
  - Manufacturin: 11.48%
  - Commerce: 9.25%
  - Construction: 8.54%
  - Housing services: 5.60%
  - Financial services: 5.18%
  - Public administration: 4.94%
  - Transport: 4.24%
  - Electricity, gas and water: 3.10%
  - Agriculture and forestry: 3.00%

- Restaurants and hotels: 1.85%
- Fishing: 0.44%

Source: Central Bank
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Chilean Capital Market

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>$53 billion</td>
<td>103 listed</td>
<td>$3 billion</td>
<td>$49 billion</td>
<td>$0.09 billion</td>
<td>11.2%</td>
</tr>
<tr>
<td>Brazil</td>
<td>$1.020 billion</td>
<td>363 listed</td>
<td>$811 billion</td>
<td>$0.17 billion</td>
<td>$16 billion</td>
<td>45.3%</td>
</tr>
<tr>
<td>Chile</td>
<td>$265 billion</td>
<td>306 listed</td>
<td>$44 billion</td>
<td>$194 billion</td>
<td>$11.4 billion</td>
<td>98.2%</td>
</tr>
<tr>
<td>Colombia</td>
<td>$203 billion</td>
<td>78 listed</td>
<td>$26 billion</td>
<td>$936 billion</td>
<td>NA</td>
<td>54.9%</td>
</tr>
<tr>
<td>Mexico</td>
<td>$526 billion</td>
<td>143 listed</td>
<td>$177 billion</td>
<td>$0.18 billion</td>
<td>NA</td>
<td>44.7%</td>
</tr>
<tr>
<td>Peru</td>
<td>$81 billion</td>
<td>271 listed</td>
<td>$4 billion</td>
<td>$0.79 billion</td>
<td>$1.6 billion</td>
<td>39.8%</td>
</tr>
</tbody>
</table>

Source: WFE
Data as of December 2013
## Investment Stock

<table>
<thead>
<tr>
<th>Institutional Investors</th>
<th>Domestic Investment</th>
<th>International Investment</th>
<th>Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Funds</td>
<td>93,781</td>
<td>68,943</td>
<td>162,724</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>35,146</td>
<td>3,871</td>
<td>39,017</td>
</tr>
<tr>
<td>Insurance Companies*</td>
<td>43,900</td>
<td>4,438</td>
<td>48,338</td>
</tr>
<tr>
<td>Investment Funds**</td>
<td>4,900</td>
<td>3,686</td>
<td>8,586</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>177,727</strong></td>
<td><strong>80,938</strong></td>
<td><strong>258,665</strong></td>
</tr>
</tbody>
</table>

Source: SP, SVS, AACH.
Data as of December 2013
*Data as of December 2012
**Data as of September 2013
Data in USD million
Chilean Capital Market: Equity Taxes

- **Capital Gains:**
  - High Liquidity Stocks or stocks with Market Maker: 0% taxes for domestic and foreign investors.
  - Low Liquidity Stocks:
    - Domestic Investors: income tax (0-40%) and/or first category tax (20%)
    - Foreign Investors: 35%
  - New issuers: 0% taxes for domestic and foreign investors for the first three years.

- **Dividends:**
  - Domestic Investors: income tax (0-40%)
  - Foreign Investors: 35%

<table>
<thead>
<tr>
<th>Equities</th>
<th>N° stocks</th>
<th>Traded Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Liquidity</td>
<td>69</td>
<td>98.90%</td>
</tr>
<tr>
<td>Low Liquidity</td>
<td>189</td>
<td>1.10%</td>
</tr>
</tbody>
</table>

Data as of December 2013
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1. Chile: A place to invest
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3. Santiago Stock Exchange
   3.1 About us
   3.2 Brokers
   3.3 Indices
   3.4 Products and Services
   3.5 Connectivity
   3.6 Clearing & Settlement
4. Next steps
About the Santiago Stock Exchange

- Created in 1893
- 31 Brokerage Houses
- Market Cap: 265 Billion
- Available Products:
  - Equities
  - ETF
  - Fixed Income Instruments
  - Money Market Instruments
  - Investment Funds / Mutual Funds
  - Futures
  - Foreign Instruments
- Subsidiary: CCLV Central Counterparty

Data as of December 2013
3.1 Management

From left to right:

**Patricio Rojas Sharovsky**, Chief Financial Officer - CFO

**Carlos Niedbalski Chacón**, Chief Audit and Control Officer - CACO

**Andrés Araya Falcone**, Chief Information Officer - CIO

**Juan Carlos Ponce Hidalgo**, Chief Operating Officer - COO

**Nicolás Almazán Barros**, Chief Research & Development Officer - CRDO

**José Antonio Martínez Zugarramurdi**, Chief Executive Officer - CEO
### Balance Sheet

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Current Assets</td>
<td>46.86</td>
</tr>
<tr>
<td>Total Long-term Assets</td>
<td>44.85</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>91.71</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>9.18</td>
</tr>
<tr>
<td>Total Long-term Liabilities</td>
<td>22.74</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>59.79</td>
</tr>
<tr>
<td><strong>Total Assets and Equity</strong></td>
<td>91.71</td>
</tr>
</tbody>
</table>

All the information in USD million
Data as of December 2013

### SSE’s Income

- **Trading Services**: 32%
- **Back Office Services**: 25%
- **Trading Fees**: 14%
- **Clearing and Settlement**: 13%
- **Data Dissemination**: 7%
- **Listing**: 6%
- **Others**: 4%

**Total Income 2013**: 39.36 MM USD
### Santiago Stock Exchange: Issuers

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equities</td>
<td>227</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>79</td>
</tr>
<tr>
<td>Foreign Equities MILA</td>
<td>277</td>
</tr>
<tr>
<td>Foreign ETF</td>
<td>105</td>
</tr>
<tr>
<td>Foreign Open Funds</td>
<td>214</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>146</td>
</tr>
<tr>
<td>Money Market</td>
<td>58</td>
</tr>
<tr>
<td>Local Investment Funds</td>
<td>117</td>
</tr>
<tr>
<td>Local Mutual Funds</td>
<td>7</td>
</tr>
</tbody>
</table>

Data as of December 2013

Most traded stocks 2013

- Santander
- EMPRESAS COPEC
- SQM
- endesa chile
- Cencosud
- CORPBANCA
- ENERGIS
- entel
SSE holds 97% of the total traded amounts in Chile as of December 2013.

Data as of December 2013

**SSE:** Santiago Stock Exchange; **VSE:** Valparaiso Stock Exchange; **ESE:** Electronic Stock Exchange
Santiago Stock Exchange: Brokers Market Share

Santiago Stock Exchange: Brokers Market Share


- BANESTADO 19.0%
- SANTANDER 16.1%
- BICE 12.9%
- BBVA 11.6%
- BANCHILE 8.0%
- LARRA 4.3%
- CORPCAP 4.1%
- BCI 6.1%
- IM TRUST 3.8%
- EUROAMERICA 3.2%
- PENTA 2.0%
- BTG 2.0%
- Others 6.9%
Santiago Stock Exchange:
Brokers Market Share

• Equities (USD 173.6 MM *)
• Fixed Income (USD 460 MM*)
• Money Market (USD 1136,5 MM*)
• Investment Quota Fund
  (USD 4.17 MM*)

Data as of 2013
* Daily average 2013
### Santiago Stock Exchange: Evolution in Equity Market

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traded Amounts</strong></td>
<td>USD 3.5 B</td>
<td>USD 44.7 B</td>
<td>1.177%</td>
</tr>
<tr>
<td><strong>Market Cap.</strong></td>
<td>USD 49.9 B</td>
<td>USD 265 B</td>
<td>431%</td>
</tr>
<tr>
<td><strong>Market Cap. / GDP</strong></td>
<td>70%</td>
<td>98.2%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Traded Amounts / Market Cap.</strong></td>
<td>7.04%</td>
<td>16.9%</td>
<td>140%</td>
</tr>
<tr>
<td><strong>Price / Earnings</strong></td>
<td>20.6</td>
<td>20.1</td>
<td>-2.4%</td>
</tr>
<tr>
<td><strong>Book Value</strong></td>
<td>1.09</td>
<td>1.64</td>
<td>50.4%</td>
</tr>
<tr>
<td><strong>Market Concentration:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Top most traded stocks</td>
<td>62%</td>
<td>51%</td>
<td>-17.7%</td>
</tr>
<tr>
<td>10 Top in Market Cap.</td>
<td>43%</td>
<td>46%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: SSE
Data as of December 2013
USD B: billion US Dollars
### 3.3 Santiago Stock Exchange: Stock Market Indices

- **IPSA**: blue chip index (top 40 most traded stocks)
- **IGPA**: broad stock index (102 stocks)
- **INTER-10**: top 10 most traded stocks / ADRs

<table>
<thead>
<tr>
<th>Index</th>
<th>2002</th>
<th>2013</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPSA</td>
<td>1,000.0</td>
<td>3,699.19</td>
<td>270%</td>
</tr>
<tr>
<td>IGPA</td>
<td>5,019.6</td>
<td>18,227.05</td>
<td>263%</td>
</tr>
<tr>
<td>INTER-10</td>
<td>1,142.8</td>
<td>4,538.29</td>
<td>297%</td>
</tr>
</tbody>
</table>

**Graph**: 

- **Índice de Precios Selectivo de Acciones**
- Stock Price Selective Index 2000 - 2013

- **Points**: 0.00, 2000.00, 4000.00, 6000.00

- **IPSA**
### Santiago Stock Exchange: Equity Indices (by sector)

<table>
<thead>
<tr>
<th>Index</th>
<th>2006</th>
<th>2013</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>2,693.22</td>
<td>6,151.49</td>
<td>128%</td>
</tr>
<tr>
<td>Commodities</td>
<td>2,693.22</td>
<td>3,307.94</td>
<td>23%</td>
</tr>
<tr>
<td>Const. &amp; Real State</td>
<td>2,693.22</td>
<td>4,724.01</td>
<td>75%</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>2,693.22</td>
<td>4,483.00</td>
<td>66%</td>
</tr>
<tr>
<td>Industrial</td>
<td>2,693.22</td>
<td>2,943.50</td>
<td>9%</td>
</tr>
<tr>
<td>Retail</td>
<td>2,693.22</td>
<td>4,355.48</td>
<td>62%</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,693.22</td>
<td>3,734.34</td>
<td>39%</td>
</tr>
</tbody>
</table>
SSE: Products and Services

Order Routing: Equities, Inv. Funds, Mutual Funds, ETF
Trading: Fixed Income
Information: Money Market
Clearing & Settlement: Futures
Back Office: OTC market
SSE: Products and Services

Trade Work Station

For Traders of trading firms or institutional Investors. The Trade Work Station allows to quote and trade Equities, Fixed Income, Money Markets and Currency. Also includes online data, monitoring and client management, amongst others.

Market Data Work Station

Access to the most complete information of the financial markets of Santiago Stock Exchange (Equities, Fixed Income, Money Market and Futures). The Market Data Work Station is connected to the largest network of terminals nationwide and it allows access to real time information and analysis tools.

DMA Connectivity

It allows, using a FIX 4.4 protocol, routing orders straight to Santiago Stock Exchange Trading Gateway. The Broker is provided with a Risk Management Tool that allows him to set limits over their clients trade. (For different connection possibilities look at the diagram DMA Connectivity to SSE).

Drop Copy

Monitoring Service that sends real time trade messages copies to our Brokers. It includes orders and trades from the equities market including those executed by different channels, such as DMA or TELEPREGON HT and by all the Brokers’ clients.
SSE: Products and Services

**Market Data**
Real Time Data of the Equity Market: it includes Prices, Bid & Ask, Market Depth, Indices and Transactions. All based on FIX 4.4 technology.

**Co-Location**
Service that enables our clients to have a direct connection to our Trading Gateway. Their servers can be in a DATACENTER physically next to our Trading Gateway ensuring ultra low latency.

**SEBRA Capital Back Office System**
Our SEBRA CAPITAL Platform is ideal to support Brokers’ operational workflow from Front to Back Office. It includes several modules oriented towards the development of the operational, financial and commercial management of Broker firms, integrating the functions of all markets operating at Santiago Stock Exchange.

**Database**
SSE has historical information records from up to 25 years, including all instruments traded in the Chilean market.
3.5 DMA Connectivity to SSE
• CCLV is subsidiary company of Santiago Stock Exchange (97.27% owned by SSE).
• Operations begun on September 1st, 2010.
• Manages two clearing and settlement systems:
  - Central Counterparty: for Equity Markets and Derivatives.
• The CCLV clears a daily trading average of 1,557 MM USD and an average of 438 MM USD of settlement balance.
• 100% of operations were settled and 99.97% were completed on time.
• Cash clearing through the Central Bank of Chile and Securities Settlement through Depository (DCV)
• 40 Clearing Members
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4. Next steps:
   4.1 Derivatives
   4.2 Santiago Stock Exchange, Venture
   4.3 New Fixed Income Trading Platform
   4.4 MILA
Next Steps:

Derivatives market

- Santiago Stock Exchange will launch the first Derivatives Market in Chile.
- In this market, local and foreign investors will be available to trade standardized future contracts based on Equity indices, Currency and Fixed income assets.
- These contracts will be settled by CCLV, Central Counterparty, subsidiary of Santiago Stock Exchange.
- The launch is scheduled for the third quarter of 2014: Stock Index (IPSA Future) and Currency (Dollar/Peso) Futures.
- The next step will be the launching of Fixed Income Futures (long and short rates).
Bolsa de Santiago, Venture Market

• The potential growth of venture capital companies, mainly from the mining sector, have generated a consensus between private and public stakeholders on the need to bring the stock market to finance this segment.

• Santiago Stock Exchange is working with TSXV in order to gather all the changes required in terms of regulations and the market, to measure the efforts and needed resources to implement a venture market, mainly focused on Chilean exploration mining companies, which will allow a strengthening and solid union between mining and the local capital market.

• The presence of large-scale mining in the Chilean Exchange will undoubtedly contribute to promote a greater knowledge of the mining business by the financial sector, besides allowing investors and specially pension funds, to participate from the benefits of the country’s main activity.
Next Steps:

**New Fixed Income Trading Platform**

- In its ongoing challenge to develop the market, Santiago Stock Exchange is working on the migration of the negotiation systems for Money Market and Fixed Income Instruments to the JAVA FX platform (Desktop HT)

- **Main functions:**
  - Incorporation of trading platforms with High Frequency Trading
  - Dissemination of information through Market Data (FIX)
  - Incorporation of trading networks

- **Benefits for the users:**
  - Processing capacity and speed.
  - New trading functions for a faster and simple operation.
  - Direct connection with back office in order to automatically register the trading.
  - Larger dissemination of information through Market Data (vendors and other information distributors can be included).
Next Steps:

MILA

- Now that the first phase of MILA, which involved the connection of both the Exchanges and Depositaries of Chile, Colombia and Peru has been accomplished, a new strategic planning has been defined focused on developing this initiative, that will allow the generation of added value to participants, and promote the developing of the stock market activity in the member countries.

- During 2014 MILA seeks to provide a robust and reliable operational and technological infrastructure, which will create confidence to the market.

- In addition, International Custodian Banks will be incorporated in MILA’s model and participation in placements of primary public offerings between markets will be allowed.

- Last, we will work on expanding the integration, incorporating Mexican Stock Exchange during 2014, which will expand the offer of instruments that can be traded.
Contact and Information

Santiago Stock Exchange

Foreign Affairs
Phone +(56 2) 2 399 38 22 – 2 399 38 95
Email: rii@bolsadesantiago.com

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