

> CFI.co Meets the CEO of the Colombian Securities Exchange: Juan Pablo Córdoba Garcés

Mr Córdoba Garcés assumed his current position as CEO of the Colombian Securities Exchange in March 2005. Since then his main challenge within the organization has been the transformation of the exchange into a modern business. For this the exchange needed to obtain a high-quality product portfolio that meets – and exceeds – the needs of both the broader market and investors in general.

Mr Córdoba's achievements include having led the BVC to be listed on the equities market (2007); the modernization and internationalization of the Colombian capital markets through the creation of the Integrated Latin American Market (MILA) (2009); propelling the equity and fixed income markets towards improved liquidity; and the creation of the standardized derivatives market (2008).

Juan Pablo Córdoba is also President of the Ibero-American Federation of Stock Exchanges (FIAB) for the period 2013 to 2015. Previous to his current position, Mr Córdoba was director of the Colombian Fondo de Garantías de Instituciones Financieras (Financial Institutions' Guarantee Fund, FOGAFIN), a position he held between August 2002 and February 2005.

Mr Córdoba began his career as an economist at the Fiscal Management Division of the Inter-American Development Bank (IDB) in Washington. Upon his return to Colombia, he was named general-director of public credit at the Consejo Superior de Política Fiscal (Colombian Fiscal Policy Board, CONFIS) of the Colombian Ministry of Finance and Public Credit, a position he held for three years.

In 1999, Mr Córdoba again departed for Washington, now to work as an economist at the Western Hemisphere Department of the International Monetary Fund (IMF) where he stayed till 2005.

Mr Córdoba earned a Master's Degree and a PhD in Economics from the US Ivy League University of Pennsylvania in 1996. Previous to that, he obtained his Bachelor's Degree in Economics in 1988 from the well-respected Universidad de los Andes in Colombia.

Mr Córdoba is confident that the Colombian Securities Exchange (BVC) stands at the threshold of a promising future. His buoyant outlook is based in part on the surprisingly successful initial public offering (IPO) of shares in Ecopetrol. "This IPO did away with no less



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than two paradigms that had until then hindered development," says the BVC chief who goes on to explain that the first paradigm broken concerned the supposedly small size of the local capital market.

"This proved entirely unfounded since the Ecopetrol listing brought in \$2.6 billion exclusively from Colombian investors. The second paradigm that was shattered concerned the limited access Colombians enjoy to the country's capital markets. This proved to be nonsense as well since Ecopetrol shares were bought by investors from all levels of society hailing from well over a thousand different municipalities scattered all across our country."

Mr Córdoba is also quite sure that the BVC will continue to reap the benefits of continued low interest levels. "Low interest rates traditionally favour risk in investments. Fixed-income instruments and mutual funds offer paltry returns on capital. It is therefore quite logical that investors both large and small start looking for alternative ways to make their money work for them. At the BVC, we are now ready to serve this

demand in an efficient, streamlined and secure way."

Although transaction costs on the BVC remain comparatively high, settlement and clearance fees remain very low resulting in a good overall cost picture. "As the market continues to grow, these costs will come down further. Automated processes and increased trading volumes are also expected to dampen costs making Colombia's BVC a particularly attractive option for not just domestic investors but overseas ones as well."

Mr Córdoba expects Colombia's recent successes in both the political and economic arenas to add to the country's already strong GDP growth. Business is already good and now gets ready to boom. "Equity is what will generate value over the next decade or so. No matter what you happen to think about today's share prices, in ten to fifteen years you'll be pretty sorry you didn't get a piece of the action. The outlook for Colombia's publically traded companies is generally good to excellent. They are ready for take-off and so is Colombia's Securities Exchange." ❖