

**4Q20**

**Results Presentation  
Transcription**

**BBVA Colombia**

## Audio-Conference 4Q20

**[Adriana Sarasty]** Good morning, good afternoon and good evening to our investors connected all around the world, you are welcome to our fourth quarter 2020 Results event. My name is Adriana Sarasty and I'm part of the legal department of BBVA Colombia. In this event are also connected Diana Polania; Financial Planning Director, Alejandro Reyes; Principal Economist and Juan Pablo Herrera; ALM Director, who will give the presentation.

The corresponding documents were sent to you through email, both in English and Spanish, and will be available in our website in the section "Investor Relations" on the link "Agenda".

We ask you to please mute the microphone of your phones to have a better communication.

Without further ado, I give the turn to Juan Pablo.

**[Juan Pablo Herrera]** Thank you very much Adriana, Good Morning and welcome to all of our investors and shareholders connected to this call, in which I will present the results for the fourth quarter of 2020 for BBVA Colombia.

I will start with a brief overview of the macroeconomic scenario and later I will be explaining the highlights of our results for the quarter.

First, I will start with our macroeconomic outlook on slide number 5. The year 2020 closed without containing Covid-19, with about 84 million infected people in the world. However, the favorable news comes from the development of multiple vaccines in record time and the ability to scale their production. Global activity indicators show a slowdown in activity in China and Europe, but at a robust pace in the US. Emerging countries continue to show a lag in economic recovery. A new stimulus program is being debated in the US that could boost growth more than anticipated, but it has also raised questions about its effects on inflation and therefore the need for the Fed to make a change in its monetary policy earlier than expected.

Growth in 2022 will continue to be supported by economic policy measures and by the end of social isolation, as vaccinations are supposed to pave the way for herd immunity by then.

In the case of Colombia, the second wave of infections subsided in recent weeks. However, its daily records were close to 20 thousand cases and 400 deaths. The health system showed a high level of saturation that is already overcome with the decrease in cases. Vaccination began in Colombia on February 20 of 2021 and the government hopes to reach the most vulnerable population by mid-2021.

On the other hand, the Colombian economy showed a fall of 6.8% in 2020, despite the recovery in the second half of 2020. The inter-quarter rate went from -14.8% in the second quarter of 2020 to 9.4% and 6.0% in the third quarter and fourth quarter of 2020, respectively, reflecting the recovery that the economy has had. Of the 12 sectors into which the activity is divided, eight fell and only four achieved growth, and within the large spending groups, only public consumption grew. The sectors in which the Colombian economy declined the most during 2020, were construction with -27.7%, followed by mining and quarrying with -15.7%, while wholesale and retail trade decreased by 15.1%. Moreover, the sectors that had a positive behavior in the last quarter of the year were agriculture with 3.4%, followed by public administration and defense with 3.3%, financial and insurance activities with 2.9% and real estate activities with 1.8%.

Now, those same figures give us some better news and make it clear that the recovery process that we started in mid-2020 is still underway. It should be remembered that the worst of the economic effects of the pandemic happened in the second quarter when we had what we call "the great confinement", which almost simultaneously paralyzed supply and demand in the country. In the last quarter, the economy continued to grow compared to the previous quarter, and it did so with great dynamism. It grew 6% compared to the third quarter, which already put a high base, because it had grown 9.4%. Additionally, in terms of months, December was also better than November.

This shows that recovery dynamics are on the way. However, we expect it to have a temporary interruption in January, a consequence of the measures that were taken to contain the second wave of infections. With all this, the best is yet to come and the economy will gain more traction in the second half of the year, when we expect the most vulnerable population in terms of the virus; Over 60 or with comorbidities will already be vaccinated. This achievement will increase families' willingness to purchase goods, but especially services that need more social interaction.

According to BBVA Research, in 2021 and 2022 the Colombian economy will achieve growth of 4.8% and 3.8%, respectively. Investment will play an important role, in part supported by housing subsidy programs.

Moving to the slide number 6, inflation closed 2020 at 1.6%, its lowest since the 1950s. BBVA Research expects to gradually converge to the Issuer's goal starting in May, closing 2021 at 2.8%. For its part, core inflation maintains a downward behavior and stands at a historic low of 0.57% y / y. It is expected that, like total inflation, it will remain low until March and since this month; it will rebound towards levels closer to the goal of the Banco de la República.

A gradual reactivation of the economy and inflation under control will make it possible to maintain the policy rate at its current level for a long time until the second quarter of 2022. However, there is a bias towards a possible reduction in the coming months where the changes in the current Board of Directors and the position of some members in the most recent vote will determine the trend.

Finally, there are upward risks in inflation that go hand in hand with a faster normalization of education and rent rates that were heavily discounted in the second half of 2020. Likewise, downward biases would be tied to a greater effect of the demand shock facing the economy, especially in the first part of the year.

Now turning to slide number 7, BBVA Colombia has adopted a series of measures to support its main stakeholders. The main business continuity measures taken are in order to serve customers, and since financial services are legally considered an essential service, the branch network remained operational, with dynamic network management considering the evolution of the pandemic and activity. In addition, the use of digital channels and remote managers was encouraged. The data indicate that the COVID-19 crisis is being an accelerator of digitization and BBVA Colombia has not been immune to this phenomenon, digital sales during the fourth quarter, measured in units, reached 89%, growing 3% compared to fourth quarter of 2019.

On the other hand, with employees, recommendations from health authorities have been followed, including taking an early stance on promoting working from home. There are plans to return to the office combining face-to-face and remote work, the priority in BBVA Colombia's return plan is to protect the health of the employees, customers and society in general. The return plan is being carried following five principles: 1) cautiousness; 2) gradual return; 3) work shifts; 4) strict hygiene and safety measures; and 5) creation of early identification protocols. The crisis is being handled dynamically, based on the latest data available regarding the evolution of the pandemic, the business and the level of customer service, in addition to the guidelines set by local authorities.

Similarly, BBVA Colombia has activated support initiatives with a focus on the most affected customers, regardless of whether they are companies, SMEs, self-employed workers or private individuals, and which includes, among others, support and benefits to the debtors of the system affected by the economic crisis that caused the pandemic and affected their finances, so during this period, BBVA Colombia and according to external circular 022 of the Superintendencia Financiera de Colombia and in the PAD, relief has been requested by freezing obligations for 3,2 billion pesos as of December 30, 2020.

Lastly, BBVA remains committed to the country and to the needs of thousands of families who, given the circumstances of quarantine and social isolation, have not been able to go out to work and get their daily livelihood, that is why the Bank in order to provide solutions to this emergency, and in order to handle the different situations that have affected Colombia during 2020, BBVA mobilized resources for more than 4,500 million pesos. Resources intended to support thousands of vulnerable families with food aid, medical and hospital staff with biosafety equipment and care for the crisis caused in San Andrés and Providencia by the passage of Hurricane Iota and the harm left by the rainy season in different areas of the country. In addition, intensive care units were granted to the departments of Amazonia and Orinoquia, which lacked these ICU. In 2021, we will continue to be committed to helping those who need it most.

Now, turning to the slide number 8, I would like to share in more detail the impact that the relief program has had on our loan portfolio.

We have implemented a two-phase response to give debtors a break and allow them to resume their payments once the effects of the shock are resolved. In the first phase, and in response to circular 007 and 014 of the Superfinanciera de Colombia, the Bank has frozen the repayment of loans for individuals and companies for up to six months with a grace period for capital and interest for mortgage, consumer, payroll and enterprises loans. Likewise, the Bank has offered a special working capital facility for companies, as part of a package of measures aimed at their clients, to help mitigate the contingency caused by the coronavirus in the country. Additionally, BBVA Colombia offered other financing alternatives for the business segment through 'Colombia Responde' lines, from Bancoldex, and 'Special Credit Line with a subsidized rate to support producers affected by the emergency', from Finagro, which provide liquidity support to customers who were among the sectors most affected by this emergency. In this phase, obligations for 15,6 billion pesos were frozen as of July 31, 2020. On average, it represented 30.2% of the loan book.

Furthermore, the second phase of relief was given in response to Circular Externa 022 - PAD, with new measures in accordance with the economic situation in order to apply targeted and structural measures for debtors affected by the COVID-19 situation. In this way, BBVA Colombia attended and evaluated the requests of the clients who most economically affected, given them grace periods, quota reduction and term extension. In this sense, in the second phase, obligations for 3,2 billion pesos were frozen as of December 30, 2020. On average, the relief program granted has represented 6.37% of the loan portfolio compared to the 7.19% granted by the sector.

On slide number 9, we can see the status of the expired default, at the end of January 2021, 15,8 trillion pesos have expired, of which 72% correspond to the individual's portfolio.

Of the 15,8 trillion pesos with completed reliefs, 77% is current or amortized, corresponding to customers who have been paying or have amortized in advance. 13% of customers have requested a second extension through redefined PAD, and we only have 10% of capital relieved with more than 1 day of default.

Turning to slide number 10, BBVA Colombia designed and implemented in June 2020 a fundamental strategic plan to attend the needs of its customers under the new economic scenario. This plan focused on anticipating and offering solutions to clients to solve their current obligations, through the specialization of the different management channels, including the branch network. The foregoing involved managing clients either with their current portfolio or in defaults.

The Bank has been provide its digital channels to receive PAD requests, in addition, the Emerge Plan supports customer contact management through the network of offices and external agencies, in order to specify the most appropriate solution for each client according to their financial situation.

We have established KPIs that allow us to monitor and control the level of requests, allocation, and level of acceptance of PAD structural solutions.

Regarding the redefinition of the PAD, at the end of January 2021, 4,1 trillion pesos have been redefined, of which 3,4 trillion pesos correspond to the retail portfolio and 0,7 trillion pesos correspond to the wholesale portfolio.

In the retail portfolio, 85% of the redefined capital comes from relief. At the end of January 2021, 45% of the capital has expired, that is, 1,5 trillion pesos, of which 67% is current or has repaid the debt, and 33% is in default.

In the wholesale portfolio, 0,7 trillion have been redefined, of which 83% come from a relief, 0,2 trillion pesos have expired, corresponding to 21% of the redefined capital and of which 95% is up to date or has repaid the debt.

On slide number 12, I would like to share the results in terms of the digital transformation that is taking place in BBVA Colombia.

The health crisis caused by COVID-19 is being an accelerator of digitization. During 2020, the bank has added 1,9 million digital customers. In this way, we can see that at the end of December 2020, mobile customers grew 33% compared to the same period of the previous year and represent more than 1,8 million. Additionally, BBVA Colombia's customers increased the use of digital channels by 29% during 2020.

Currently, BBVA Colombia made available to its customers the possibility of paying its purchases simply by bringing the cell phone closer to the data-phone. This new contactless payment service is available through the BBVA Wallet application, through which Near Field Communication technology can be enabled to be used in commercial establishments. With this, BBVA Colombia becomes the first bank in the country to offer this payment method. With this functionality, the users of the entity can make their payments directly with the cell phone through the debit or credit card that they have linked to the application with the possibility of changing it at any time without the need to use stickers or handles, so faster, easier, safer and more convenient you can pay. The contactless payment functionality is available for customers with a Smartphone whose operating system is Android, have NFC technology enabled and have the BBVA Wallet application downloaded. This new service is available to 1,8 million customers who have a debit card with the entity.

BBVA Colombia reaffirmed its commitment to customers and companies so that they can continue their business and carry out their transactions without exposing themselves to contact, taking care of their and others health. In addition to this functionality, BBVA Wallet offers the possibility of generating virtual cards from the cell phone, where the user can assign a specific quota to make purchases and select their validity. These cards also have a different number and security code than the original card, in this way; the data of the initial plastic is protected.

The main objective for 2021 is to continue strengthening the relationship with our clients, generating innovative solutions with high value added and tailored to their needs, improving their experience in order to continue strengthening the Bank's results.

Under this challenging environment, I would like to share the main highlights of our fourth quarter results of 2020, moving on to slide number 14 and then presenting the balance sheet and business activity.

The behavior of the Banks's net interest income shows an interannual increase of 1.2% during the fourth quarter of 2020 compared to the same period of the previous year, explained by a negative variation in income in the loan portfolio of 57 billion pesos and a decrease in interest expenses of 95 billion pesos. Furthermore, the gross margin grew by 235 billion pesos given the greater activity in the bank, while expenses amounted to 84 billion, growing 5.1% compared to 2019. Within this context, the Bank closed the year with an efficiency ratio of 43.95%, which

represented a decrease of 52 basis points compared to the fourth quarter of 2019. Finally, our net income decreased by 36.9% compared to the same period of 2019.

In terms of our balance sheet, total assets closed with a balance of 69 billion pesos, with a growth of 4.8% compared to the previous year, the gross loan portfolio registered an interannual growth of 2.7% with a balance of 51 billion of pesos. This growth showed by the BBVA Colombia's portfolio led us to have a market share of 10.19% at the end of November 2020, which presented a negative variation of 9 basis points compared to November 2019. While customer deposits grew by 9.4%, closing with a balance of 53 trillion pesos, with a market share of 10.79% at the end of November 2020, presenting a decrease of 59 basis points compared to November 2019.

Regarding the risk indicators, we observe for the month of November 2020 a reduction of 59 basis points in our NPL ratio compared to November 2019. On the other hand, the cost of risk increased by 1 basis point in November of the 2020, compared to November 2019.

Finally, we have maintained very good solvency levels above the minimum required by regulation, closing the fourth quarter of the year with a total solvency ratio of 14.72% with a decrease of 43 basis points compared to the third quarter of 2020 and an increase of 315 basis points compared to the fourth quarter of 2019.

In summary, 2020 represented a difficult path for the country's economy and the banking sector, credit activity grew at a slower pace than in previous years and maintained adequate funding with public resources. Despite this situation, we closed the fourth quarter of 2020 with a good performance, both in activity and in the income statement.

Moving on to slide 15, I would like to share in detail the results for the fourth quarter of 2020.

The behavior of the Bank's interest margin shows an interannual increase of 1.2% during the fourth quarter of 2020, equivalent to an increase of 39 billion pesos. This growth is mainly explained on the income side due to a positive variation in the consumer portfolio of 163 billion pesos, equivalent to 7.2%, as well as housing leasing for 29 billion pesos and finally the operations of discount and factoring where a higher income of 1,6 billion pesos was obtained. However, there was a negative variation of 56 billion pesos, due to the mortgage portfolio has a lower income of 162 billion pesos, equivalent to 18.5%, a decrease in the commercial portfolio of 40 billion pesos, equivalent at 3.8%, a decrease in credit card for 19 billion pesos equivalent to 5.1% and a decrease in operating and financial leasing for 29 billion pesos.

Furthermore, the interest expenses has shown a decrease of 95 billion pesos, mainly due to a decrease in savings accounts corresponding to 137 billion pesos, equivalent to 26.3% and due to a decrease in banks and financial obligations for 5 billion pesos corresponding to 5.4%.



On the other hand, there is an increase in the term deposits for 48 billion pesos, equivalent to 3.8%.

Regarding the Bank's net fee income, it shows an increase of 471.8%, equivalent to 170 billion pesos, mainly due to a reduction in fee expenses of 196 billion pesos, equivalent to 36%. Moreover, there is a decrease in fee income of 25 billion pesos or 4.5%. It is worth mentioning that in the fourth quarter of 2019 the application of the international IFRS9 regulations was presented to the Sales Force in the commercial, mortgage and consumer portfolio.

In terms of operating expenses, we can see that during the fourth quarter of 2020, there was a decrease in our efficiency ratio of 52 basis points. This is explained by an increase in operating expenses during the quarter, with a variation of 5.1%, equivalent to an increase of 84 billion pesos compared to the previous year, mainly explained by an increase of 9.1% or 39 billion pesos in general expenses. Besides that, personnel expenses increased 3.0% and expenses for contributions and taxes registered an increase of 6.4%. This increase in operating expenses is also due to an increase in computer programs and applications for a total of 23 billion pesos corresponding to the investment made by the Bank in order to meet the needs of home office by making available computer equipment to employees. Similarly, in 2020, there is a decrease in the improvements of goods received in lease due to the Covid-19 pandemic, the number of offices decreased; and the works that were mostly in progress in the Bank's buildings were activated.

In addition, net provision shows an increase of 518 billion pesos, equivalent to a total expenditure of 1,5 trillion pesos at the end of December 2020. This is mainly explained due to the provisions declared in clauses ninth and tenth of the Circular Externa 007, 014 and 022 provided by Superintendencia Financiera de Colombia about the process of evaluation and qualification of the loan portfolio, with an impact on the Financial Statements that raised to 441 billion pesos and an allocation of 64 billion for general provision of interests.

During the months of July to November 2020, and by the eleventh clause of the mentioned circular, the Additional General Provision was established as a mechanism to cover the loan portfolio due to the situation generated by the pandemic; which was applied in the month of December individually, after the execution of the portfolio evaluation and qualification process ordered in local regulations.

It is worth highlighting the behavior of the non-performing loans, since at the beginning of the crisis these balances were expected to grow due to the economic slowdown and the relief programs, but at the end of 2020 there is a considerable decrease compared to the last year.

This because of the bank's risk management of customers for avoiding major deterioration of the portfolio.

Finally, as we see in the bottom side of slide 15, BBVA Colombia recorded a net profit for the end of December 2020 with a balance of 461 billion pesos. This profit is 36.9% lower than that registered in the fourth quarter of 2019, due to the increase in provisions of 52.7% and the increase in operating expenses of 5.1%.

Moving to slide number 16, BBVA Colombia continues with its efforts to help debtors who have some type of financial difficulty in line with the Circular Externa 022 issued by the regulator. A monthly monitoring process is carried out on the evolution of the plan, which is presented not only to the Bank's Executive Committee but also to the Superfinanciera de Colombia on a monthly basis. With these measures and policies implemented, it was possible to maintain profitable growth in investment and properly manage quality indicators in a challenging environment. Additionally, it was possible to optimize processes, circuits and tools that made it possible to achieve efficiencies in terms of time and costs. Aligned with the bank's purposes, transformation processes are led towards more digital risk management and self-management for customers.

Thus, in December 2020, the NPL ratio was 2.96% showing an improvement compared to the previous year, with a decrease of 59 basis points compared to November 2019 and the cost of risk was 2.89% showing an increase of 1 basis point compared to the data registered in November 2019, deterioration associated with the economic environment.

As of November 2020, we can see that the levels of the NPL ratio for the consumer and mortgage portfolio improved considerably compared to the data registered in the same period of the previous year, with a decrease of 163 basis points and 105 basis points respectively. Similarly, the quality of the commercial portfolio remains at levels much lower than the sector average given our low participation in problematic transactions.

Finally, BBVA Colombia's write-offs are aligned with Basel III policies that allow asset cancellation only when there is no viability of recovery. As shown in the chart, in the upper right, BBVA's NPL ratio plus write-offs compares very positively with the sector, showing a reduction of 13 basis points, showing the highest quality of our portfolio.

On slides 17 and 18, you can find in more detail the main figures of our consolidated income statement for the fourth quarter of 2020.

Now, I would like to present our highlights in terms of our Balance Sheet and Business Activity.

On slide 20, during the 2020, a sustained growth in customer loans was evidenced, a recovery from the initial shock caused by the pandemic and the confinement measures. A year marked by the fluctuation of the economy where we could observe that the last months of the year were marked by the economic reopening began in September, where companies presented the highest amount to reactivate the economy and financial activity. However, the last three months of the year when the reopening came into force were not enough to compensate for the contraction of the six months from April to August and with the introduction of a new normal to expectations of a vaccine and a decrease in contagion cases.

Given the above, the consumer portfolio shows a growth of 2.9% compared to the end of 2019, the line that promoted this growth was the payroll loan, contributing almost 80% of the new billing. On the other hand, it is worth highlighting the growth of Credit Cards, with a growth around 7% compared to the previous quarter and 3% compared to 2019. The above shows great activity to recover the market lost during the year, despite the atypical behavior for which the year was characterized.

Regarding the mortgage portfolio, the economic reopening also helped this segment. Invoices grew 58% compared to the third quarter of 2020 thanks to the fact that the construction sector was one of the first to receive approval to restart operations. This opening allowed the builders to finish works and the buyers to acquire the new properties. Additionally, the new coverage announced by the government accelerated the development of this segment. The combination of these new measures managed to close a growth of 357 billion with a positive variation of 3% compared to the fourth quarter of 2019.

Finally, the commercial portfolio maintains the momentum created in the previous quarter, the continuity of the PAD program and the Formal Employment Support Program - PAEF, among others, made it possible to facilitate access to solutions that did not harm quotas, balances or payment plans of its obligations and liquidity. That is why this portfolio shows a growth of 2.3% equivalent to a growth of 548 billion pesos.

On slide 21, we show our composition of funding sources. During 2020, BBVA Colombia maintained a solid liquidity position, in order to face the possible consequences of the economic and health crisis due to COVID19, where both commercial and institutional resources have been increased. The strategy is maintained the diversification of funding sources and to maintain the robustness of the financing structure.

Customer resources evolve according to the Bank's liquidity needs, presenting an increase of 4,4 billion pesos, which represented a variation of 9.4%, closing the quarter at 51 billion pesos.

The dynamics presented by resources was marked by current accounts, which grew 31.8% in the year, and showed a market share of 11.14%. Saving accounts also showed a 13.0% growth and closed November with a 9.92% of market share. Term deposits decreased 2.0% annually and showed a market share of 12.57%. This is associated with the reorganization of the funding sources to manage properly the financial margin, always taking into account the legal liquidity requirements. This decrease is also explained by the global pandemic situation that generated an economy with falling rates.

Turning to slide 22, we see the business activity highlights.

The Bank registered a positive balance for 2020, despite the challenging environment, with an annual growth of the gross portfolio of 2.7% and a balance of 51,5 trillion pesos. This evolution presented by the BBVA Colombia portfolio led us to have a market share of 10.19% at the end of November 2020, which presented a decrease of 12 basis points compared to November 2019.

During 2020, the individual's portfolio grew 4.4% and registered a market share of 14.33% when compared to the previous year; the consumer portfolio had an annual variation of 5.0% in balances, and reached a market share of 13.17%. Mortgage registered a growth of 3.4% in balances and reached a market share of 15.88%. Lastly, credit cards presented a growth of 1.2% in balances and reached a market share of 7.05%. In this segment, the Bank focused its efforts on digital transformation and the best customer experience in both contracting and transactionality. In the digital transformation, we continue to incorporate products to improve the customer experience, products that are acquired in an agile, safe and comfortable way.

For its part, the commercial portfolio grew 2.4% and registered a market share of 6.87%. In this segment, the bank continues to work on the strategic priorities raised, especially in providing the best possible experience to customers. To fulfill this pillar, work has been done on digital transformation, which has been promoted through the transactional strategy.

Regarding deposits, BBVA Colombia ranked fourth in the market in November 2020 with a market share of 10.79%, which showed a negative variation of 59 basis points compared to the previous year. Likewise, saving accounts registered a decrease in its share of 123 basis points and positioned itself in fourth place with a market share of 9.92%. Furthermore, a current account showed a positive variation of 1 basis point and was ranked third in the market with a market share of 11.14%. Finally, the term deposits showed an increase of 24 basis points with a market share of 12.57%, thus maintaining the fourth position in the market.

In terms of our capital adequacy on slide 23, BBVA Colombia closed 2020 with very good levels of solvency and liquidity, which respond to the requirements of the regulator and corporate standards. In order to bring the regulation of the Colombian financial system closer to international standards in matters of capital, in June of 2020, BBVA Colombia anticipated the entry into force of Decree 1477 of 2018 and 1421 of 2019, which was arranged for January 2021, being a one of the first entities to adopt convergence. This allows us to have a greater capacity for business growth and confidently face the contingency presented by COVID-19.

Thus, for BBVA Colombia as of June 2020 it adheres to the Solvency Ratio regulatory limits contained in the decrees, which at the end of December 2020 stood at 9.625%. As of December 31, 2020 and 2019, the Bank's technical equity represented 14.72% and 11.57% respectively, of its assets and credit contingencies weighted by risk level calculated on separate financial statements.

Given the above, BBVA Colombia presented a decrease of 43 basis points in the solvency ratio in the fourth quarter of 2020 compared to the third quarter of 2020 due to a significant reduction in RWAs with a decrease in credit exposure of derivatives and a decrease in the enterprises loans. In addition, the Market Value at Risk is reduced by 11.8% due to a decrease in portfolio positions.

On slide 24, BBVA Colombia's capital structure is quite robust, where Tier I capital represents on average 65% of capital basic. This has been achieved without the need to increase the bank's capital through the issuance of shares, but with the policy of increasing the legal reserve with the undistributed profits of each year. The bank's payout remains at 50%.

Regarding the return on capital, BBVA Colombia showed an increase from 16.27% in November 2019 to 11.15% in November 2020, above the sector average. The trend for the return on assets continues went from 1.16% in November 2019 to 0.75% in the same period of 2020.

Furthermore, BBVA Colombia proposes for the Shareholders' Meeting to be held on March 26, 2021, to distribute dividends up to 49.97% of the profits registered in 2020 corresponding to 470 billion pesos, where it is proposed to increase the legal reserve in 235 billion and also allocate 234 billion corresponding to untaxed profits in the shareholder's head, to distribute dividends at 16.32 pesos per share, both for ordinary shares and preferred shares. This payment will be made in two installments at a rate of 8.16 pesos on June 10, 2021 and 8.16 pesos on October 14, 2021 respectively.

On slide 25, you can find our detailed balance sheet, which I already mentioned in the main highlights during the quarter.

In conclusion, we closed 2020 with a very good performance, both in activity and in the income statement, all of the above framed by the better dynamics of the economy.

We are betting on the strategic transformation of the Colombian financial sector and it will be our goal to continue doing so during 2021 to improve the future of all. We hope to continue growing and generating a greater contribution to our shareholders, employees and to society in general.

With this, I have finished my presentation and open the line for any questions you may want to ask.

**[Adriana Sarasty]** Since there are no questions, then we conclude our event. We appreciate your participation and we hope you have an excellent day.

### **Contact Investor Relations**

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