

Quarterly Report January - June 2021

2Q21

Individual and Consolidated Report

Investor Relations

Bogotá D.C. August 2021

Index

Index	2
1. Basics	3
2. Individual Figures	6
3. Consolidated Figures	14

1. Basics

Economic Environment

The improvement is mainly related to the economic reopening caused by the vaccination increment and the fiscal and monetary stimulus. After falling 3.2% in 2020, the world's GDP is expected to grow 6.3% in 2021 and 4.7% in 2022. The G3 economies will lead the global recovery since vaccination has generally been faster and the political stimuli have been more considerable. GDP is expected to grow 6.7% in 2021 and 4.8% in 2022 in the United States, 4.8% and 5.0% in the Eurozone, and 8.2% and 5.5% in China. There are now better growth prospects. Besides, in most emerging countries, the GDP pre-crisis levels will take longer to be reached.

The inflation rate has increased surprisingly, especially in the United States, where it reached 5.0% year-on-year on May 21st. The reopening of the economic activity granted by better pandemic control, the economic recovery, some supply bottlenecks, and higher commodity prices are behind current price pressures. In the future, the inflation rate is likely to decrease as supply adapts to demand, bottlenecks disappear, and commodity prices decline. Inflation is expected to remain under control, albeit above the levels of the previous decade, due to more favorable fiscal, social, and labor policies, slightly more inflation-tolerant central banks, trade protectionism, and energy transition policies, among other factors.

The economic policies will be centered on supporting the economy in recovering even when the higher inflation rate can reduce its effectiveness. Although it will keep interest rates unchanged until 1Q23 (and not until 4Q23 as previously expected), the Fed is likely to soon hint at the start of a very gradual reduction in early 2022. In Europe, the ECB, which has a "symmetric" inflation target of 2%, should reduce bond purchases (PEPP) from 21 September. Regarding fiscal policy, new stimuli are expected in the US, which will be around 7% of GDP and will focus more on investment than previous packages. After the approval of the NGEU, in Europe, the details of its application are being finalized. It could have a small effect in the short term, but a significant impact in the long term.

The process of withdrawal of monetary stimulus by the Fed will weigh on the assets of emerging markets and will cause earlier rises than expected by local central banks, despite ample global liquidity, strong external demand, and high terms of trade. All in all, the baseline scenario is that emerging countries will continue to recover from the pandemic, despite eventual turbulence.

For Colombia, in the first 2021 quarter, GDP grew 1.0% compared to the same period in 2020 and had a significant increase of 2.9% compared to the previous quarter. The economic dynamics improved significantly since the beginning of the year was affected by the confinements located in many cities of the country. Then, in February and March, the consolidated recovery was mainly driven by consumer and investment activities. In March, many sectors had already returned to pre-pandemic levels, a milestone that we believed was achieved a little later in the year.

Domestic demand (increased 1.6% year-on-year and 2.3% quarter-on-quarter) keeps being the main support for the economic recovery, although exports already show a better performance in the margin (decreased 8.3% year-on-year and increased 13.3% quarterly). Household consumption performed better in goods (4.0% year-on-year) than in services (decreased 0.5% year-on-year), the latter affected by restrictions on social interaction sectors. In final consumption, the 4.6% growth in public consumption was also important. Fixed investment continued its recovery process. The dynamism of the machinery and equipment component, which had been taking place since last year, was maintained and better performance in construction was added, a sector that had a sharp fall in 2020.

At the end of April, a national strike was called to reject a tax reform presented to Congress that turned into a highly supported social rise with continuous confrontations with the police, logistical complications of production, and shortage of some essential goods. This situation gradually eased during the month and the pre-strike levels were reached in most economic variables in June.

The second-quarter inflation was surprisingly high due to the shortage of some goods caused by the rise in raw material prices, freight costs, base effects, and some sectors' bottlenecks besides the blockades and the protests as temporary factors. Inflation closed June at 3.6% year-on-year with an increase of 210 basis points compared to March. Most of the acceleration came from food, while core inflation (excluding food and administered prices) stood at 1.9% year-on-year, accelerating since March at a more moderate pace.

It is expected that the inflation rate will remain relatively stable for the remainder of the year, closing 2021 above the central bank's interest rate. Core inflation should continue to accelerate due to some base effects on education and housing mainly, while food inflation should moderate. Despite this, the balance of risks is skewed upwards due to global factors, the greater transmission of exchange rate depreciation, and some bottlenecks in specific sectors.

The Central Bank kept its reference interest rate at 1.75% during the second quarter, highlighting the duality of the economic improvement and the weakness of the labor market, while taking into account the recent acceleration in inflation as transitory and that inflation expectations remain anchored, they have also stated that there is a risk to maintain an expansionary monetary policy of not achieving fiscal consolidation and, recently, the risk of monetary normalization in developed countries as a limitation to the current policy stance. With this, we expect the policy interest rate to increase in September 2021, starting the bull cycle, with two increases of 25 basis points in 2021 and four increases of 25 basis points in 2022.

Finally, Colombia lost investment grade, as Fitch Ratings joined S&P and lowered Colombia's sovereign rating to BB +, with a stable outlook. Fitch based the decision on the deterioration of public finances between 2020 and 2022, the increasing ratio of debt to GDP, and reduced confidence in the ability of the government to direct the debt on a decreasing path in the following years. They note that they expect Colombia to reach a general government debt to GDP ratio of 60.8% in 2021, more than double the level when Fitch granted Colombia an investment grade in 2011.

On the other hand, Fitch's evaluation of fiscal accounts includes the process of fiscal reform in the second half of the year that could provide an increase in resources close to 1.2% of GDP from 2023. However, it considers that there is a risk that the new reform is moderated in congress. In addition, he considers that the process of any reform will be complex given the growing social pressures, the low popularity of the government, and the proximity to the elections. According to the rating agency, a possible upward revision of the rating would depend on achieving a sustained primary surplus consistent with a decreasing path in the ratio of central government debt to GDP, a sustained growth above its long-term average of 3.5 %, and a permanent gain in governance that improves social cohesion and the capacity to carry out reforms that improve growth and the structural fiscal position.

2. Individual Figures

Individual Results

BBVA Colombia's total assets closed the second quarter of 2021 with a balance of COP 70 trillion. This presented an annual decrease of 7.6%, with a COP 5,7 trillion variation.

Balance Sheet

Million COP

	2Q20	2Q21	TAM	
			abs	%
Cash	9.339.484	7.268.176	(2.071.308)	(22,2)
Assets positions in money market operations	1.900.773	1.071.844	(828.929)	(43,6)
Investment and derivatives transactions	13.379.414	8.976.805	(4.402.609)	(32,9)
Loan portfolio and leasing operations	52.035.468	52.826.418	790.950	1,5
Impairment	(3.139.079)	(3.457.946)	(318.867)	-
Other Assets	2.604.280	3.683.870	1.079.590	41,5
Total Assets	76.120.340	70.369.167	(5.751.173)	(7,6)
Deposits and financial claims	60.031.525	56.854.071	(3.177.454)	(5,3)
Liabilities positions in money market operations	1.959.686	676.239	(1.283.448)	(65,5)
Financial instruments at fair value	5.047.693	2.967.216	(2.080.477)	(41,2)
Banks and other financial obligations	2.592.262	2.905.453	313.190	12,1
Accounts payable	816.776	912.957	96.181	11,8
Labor obligations	212.696	226.206	13.509	6,4
Other Liabilities	649.173	641.783	(7.390)	(1,1)
Total Liabilities	71.309.812	65.183.925	(6.125.887)	(8,6)
Suscribed and paid-in-capital	89.779	89.779	-	-
Specific destination reserves and funds	3.408.311	3.643.354	235.043	6,9
Surplus	1.006.040	1.040.358	34.318	3,4
Gains or losses	306.398	411.751	105.353	34,4
Stockholder's Equity	4.810.528	5.185.242	374.714	7,8
Total Liabilities and Stockholder's Equity	76.120.340	70.369.167	(5.751.173)	(7,6)

Concerning the Bank's liquidity resources, the cash decreased by COP 2 trillion compared to 2020. This was due to a decrease of COP 342 billion in cash in banks and other financial entities, COP 1,8 trillion in the central bank, and an increase of COP 107 billion in the bank's cash.

Assets positions in money market operations decreased 43.6% compared to the same period of 2020, closing with a balance of COP 1 trillion. This decrease of COP 828 billion was due to a lower

volume in simultaneous operations, which presented a variation of COP 858 billion and an increase of COP 30 billion in interbank operations.

On the other hand, investments and operations with derivatives presented a negative difference of 32.9% compared to June 2020, closing with a balance of COP 9 trillion.

The loan portfolio and leasing operations registered an annual growth of 1.5% or COP 791 billion, closing 2021's June with a balance of COP 53 trillion. On the other hand, the impairment account which corresponds to specific and general loan portfolio provisions, grew 10.2%. The other assets account showed an increase of 41.5% (COP 1 trillion).

Regarding the liability accounts, deposits and financial claims showed an annual decrease of 5.3% or COP 3 trillion, closing with a balance of COP 57 trillion. This is due to a decrease of COP 3,6 trillion in time certificates of deposit, of COP 24 billion in investment securities, of COP 768 billion in savings deposits, and an increase in special deposits of COP 157 billion, in current account deposits of COP 970 trillion, and COP 141 billion in service charges.

Liability positions in market operations decreased by COP 1,3 trillion due to a decrease of COP 980 billion in simultaneous operations, COP 15 billion in interbank funds, and COP 318 billion in Repo operations.

Financial instruments at fair value closed with a balance of COP 3 trillion, which represented a decrease of 41.2% compared to the same period in 2020. This variation is explained by the decrease of COP 1,5 trillion in trading swaps, COP 524 billion in trading forward contracts, and COP 46 billion in trading options.

The Banks credit line and other financial obligations increased by COP 313 billion, due to a decrease of COP 35 billion in foreign financial institutions and an increase of COP 96 billion in obligations with Findeter, COP 174 billion in Finagro, and COP 77 billion in Bancoldex.

Accounts payable varied positively 11.8% and labor obligations 6.4%, while other liabilities decreased 1.1% or COP 7,3 billion, closing with a balance of COP 641 billion.

Finally, equity showed an increase of 7.8% and closed at COP 5 trillion.

Loan portfolio

In June 2021, the gross loan portfolio closed with a COP 53 trillion balance and presented a positive variation of 1.5% compared to the same period in 2020, and the net loan portfolio presented a positive variation of 1.0%, closing with a COP 49 trillion balance.

LOAN PORTFOLIO

Million COP

	2020	2021	Var TAM	
Gross loans	52.035.468	52.826.418	790.950	1,5
Consumer	18.146.849	19.358.997	1.212.148	6,7
Commercial	18.305.446	17.609.954	(695.492)	(3,8)
Microcredit	-	-	-	N.C
Mortgage	11.648.142	12.571.368	923.225	7,9
Leasing	1.527.922	1.502.041	(25.881)	(1,7)
Non-performing loan portfolio	334.413	386.632	52.219	15,6
Non-performing loans	2.072.696	1.397.426	(675.270)	(32,6)
Provisions	(3.139.079)	(3.457.946)	(318.867)	(10,2)
Total loans, net	48.896.390	49.368.472	472.083	1,0

BBVA Colombia's loan portfolio focuses on the private segment, which represents 60.4% of the gross portfolio at the end of June 2021. This segment presented an increase of 7.2% compared to 2020 and closed with a COP 32 trillion balance.

The consumer portfolio consisting of payroll loans, vehicles, free investment, revolving credit, private credit cards, and private overdraft loans showed an annual increase of 6.3%. Payroll loans presented the highest participation in the consumer portfolio followed by free consumption and vehicle. Payroll's loans grew by 14.2% respecting the previous year.

The mortgage portfolio increased 7.9%, which represented a variation of COP 923 billion. Which at the end of the second quarter of 2021 represented 23.8% of the gross portfolio.

The commercial portfolio presented an annual negative variation of 3.8% with a variation of COP 695 billion. On the other hand, the leasing portfolio decreased 1.7% or COP 25 billion.

Client's Resources

At the end of the second quarter of 2021, the client's resources remained adjusted to the bank's liquidity needs. The total client resources decreased 5.3% with a variation of COP 3 trillion, ending the quarter at COP 57 trillion. The time deposit certificates represented 32.6% of the total resources and varied 16.5%, reaching a balance of COP 18 trillion.

CLIENT'S RESOURCES

Million COP

	2Q20	2Q21	Var TAM	
Checking Accounts	7.874.685	8.844.920	970.234	12,3
Saving Accounts	26.759.444	25.999.804	(759.640)	(2,8)
Term Deposits	22.198.519	18.535.759	(3.662.760)	(16,5)
Other Deposits	753.200	1.052.911	299.711	39,8
Total Client's Deposits	57.585.848	54.433.393	(3.152.454)	(5,5)
Investment Securities in Circulation	2.445.677	2.420.678	(24.999)	(1,0)
Total Resources	60.031.525	56.854.071	(3.177.454)	(5,3)

Transactional deposits (current and savings) increased 0.6% or COP 210 billion. These deposits represented 61.3% of the total client's resources.

Investment securities in circulation closed at COP 2,4 trillion with a negative variation of 1.0% compared to 2020.

Eligible Capital and Solvency Ratio

The accounting equity presented a positive variation of 7.8%, closing at COP 5 trillion. This is mainly explained by an increase in reserves of COP 235 trillion, in fiscal year earnings of COP 105 trillion, and in the surplus COP 34 trillion.

The technical equity closed the second quarter of 2021 with a balance of COP 6,2 trillion and presented a negative variation of 2.1%. According to the Colombian regulation the required equity was COP 4 trillion, which implies a surplus of COP 1,7 trillion.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	2020	2021	%
Accounting Equity	4.810.528	5.185.242	7,8
Eligible Capital	6.363.933	6.231.911	(2,1)
Ordinary Basic Equity	4.363.899	4.539.663	4,0
Additional Basic Equity	2.994	2.994	-
Additional Equity (Tier II)	1.997.041	1.696.424	(15,1)
Technical Equity	6.363.933	6.231.911	(2,1)
Required Equity	4.584.585	4.463.373	(2,6)
Surplus Equity	1.779.348	1.768.538	(0,6)
Risk weighted assets including market risk	47.607.324	46.348.628	(2,6)
Value at Risk (VeR)	363.659	362.166	(0,4)
Value at Operational Risk (VeR)	275.847	320.850	16,3
Solvency Ratio without VeR	15,71	16,08	37 bps
Solvency Ratio with VeR (minimum 9%)	13,37	13,45	8 bps
Tier 1 (%) ¹	9,17	9,79	63 bps

¹Basic Equity against risk-weighted assets

Assets Weighted by Risk Level closed at COP 47 trillion and showed a decrease of 2.6%. For its part, the Market Value at Risk (VaR) decreased by 0.4%.

The Bank's solvency ratio closed at 13.45%, with a variation of 8 bps compared to the same period in 2020.

Income statement

Net interest income registered a year-on-year increase of 7.0%. The loan portfolio registered a decrease of COP 301 billion and expenses a decrease of COP 407 billion. The foregoing was driven by the good Bank's management. For this reason, net interest income increased by COP 106 billion.

Net fee income closed with a positive variation of 7.1%. On the other hand, the income generated by the investment portfolio showed a decrease of COP 101 billion or 33.2%. Dividends registered an increase of 18.0% and closed with a balance of COP 17 billion. Furthermore, the line of other incomes, which includes operating income from financial services provided and recoveries from operational risk and others, registered an increase of 104.9%.

The net provisions closed with a balance of COP 538 billion and presented a decrease of 13.3%.

Next, the accumulated results of BBVA Colombia at the end of the second quarter of 2020 and 2021 will be shown:

Accumulated Income Statement

Million COP

	2Q20	2Q21	Var TAM	
Interest Income	2.597.856	2.296.280	(301.576)	(11,6)
Interest Expense	(1.078.241)	(670.563)	407.678	(37,8)
NET INTEREST INCOME	1.519.615	1.625.717	106.102	7,0
NET FEE INCOME	62.617	67.075	4.459	7,1
Investment Portfolio	303.416	202.631	(100.785)	(33,2)
Dividends	14.512	17.121	2.609	18,0
Other incomes	46.731	95.754	49.022	104,9
OTHER OPERATING INCOME	364.659	315.505	(49.154)	(13,5)
GROSS MARGIN	1.946.891	2.008.298	61.407	3,2
Net Provisions	(621.121)	(538.626)	82.495	(13,3)
Operational Costs	(841.092)	(854.924)	(13.832)	1,6
Personal Expenses	(300.045)	(311.160)	(11.115)	3,7
General Expenses	(211.516)	(237.654)	(26.138)	12,4
Taxes	(65.767)	(61.172)	4.595	(7,0)
Other	(253.642)	(239.246)	14.397	(5,7)
Operational Risk	(10.122)	(5.693)	4.429	(43,8)
OPERATING EXPENSES	(1.462.213)	(1.393.551)	68.663	(4,7)
PROFIT BEFORE TAX	484.678	614.747	130.069	26,8
Income Tax	(162.726)	(187.442)	(24.716)	15,2
NET INCOME	321.952	427.305	105.353	32,7

Operational costs registered an increase of COP 13,8 billion compared to the previous year. Personnel expenses increased 3.7% compared to 2020. Additionally, general expenses increased 12.4% and expenses for contributions and taxes registered a decrease of 7.0%.

Finally, BBVA Colombia registered a net profit for the end of June 2021 of COP 427 billion, 32.7% higher than the previous year.

Performance Measures and Indicators

The adequate risk management of BBVA Colombia allowed the bank to develop its commercial operation while maintaining good portfolio quality indicators and a prudent risk profile.

NON-PERFORMING LOANS AND COVERAGE

Million COP

	2Q20	2Q21	Var TAM
Gross Loan Portfolio	52.035.468	52.826.418	1,52
Total Overdue loans	2.407.108	1.784.058	(25,88)
Overdue loans	334.413	386.632	15,62
Non-performing loans	2.072.696	1.397.426	(32,58)
Non-performing loans ratios	%	%	%
Overdue Loans ratio	0,64	0,73	0,09
NPL ratio	3,98	2,65	(1,34)
Loan -Loss Provision	3.139.079	3.457.946	10,16
Coverage overdue loans	151,45	247,45	96,00

At the end of June 2021, the portfolio quality indicator was 2.65% and the coverage indicator of the portfolio in arrears stood at 247.45%.

Individual Statement of Changes in Equity

The following is the statement of changes in the equity of BBVA Colombia shareholders for the year ended December 31st, 2020, and June 30th, 2021:

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Amounts stated in millions of Colombian pesos and thousands of shares)

Concept	Suscribed and paid-in capital				Retained Earnings							Total Shareholder Equity
	Non-voting preferred shares		Ordinary shares		Legal and occasional reserves	Additional- paid in capital	Net profit For the period	Retained earnings	Adjustments in the adoption for the first time NICF	Other comprehensive Income (OCI)	Article 6 Law 4 of 1980	
	Number	Value	Number	Value								
Balance of December 31st of 2020	\$ 479.760	\$ 2.994	\$ 13.907.929	\$ 86.785	\$ 3.039.130	\$ 651.950	\$ 738.369	\$ -	\$ 255.370	\$ 104.181	\$ 506	\$ 4.879.285
Transfers	-	-	-	-	-	-	(738.369)	738.369	-	-	-	-
Cash dividends paid in preferred and common shares	-	-	-	-	-	-	-	(369.188)	-	-	-	(369.188)
Appropriation for legal reserve	-	-	-	-	369.181	-	-	(369.181)	-	-	-	-
Net profit for the period	-	-	-	-	-	-	321.952	-	-	-	-	321.952
Fixed asset valuation update	-	-	-	-	-	-	-	-	(132)	-	-	(132)
Net deferred tax (Net effect of labor obligations and net fixed assets)	-	-	-	-	-	-	-	-	-	-	-	-
Hedging with cash flow derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains and losses on defined contributions pensions	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income:	-	-	-	-	-	-	-	-	-	-	-	-
Investments by equity method	-	-	-	-	-	-	-	-	-	12.127	-	12.127
losses from investments in subsidiaries, joint arrangements and uncontrolled interes	-	-	-	-	-	-	-	-	-	(456)	-	(456)
Deferred tax on equity investment management	-	-	-	-	-	-	-	-	-	7.329	-	7.329
Deferred tax on equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on investments available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains of employee benefits	-	-	-	-	-	-	-	-	-	-	-	-
Unrealised retained earnings in equity instruments	-	-	-	-	-	-	-	-	-	(9.918)	-	(9.918)
Retained earnings by new measurements of financial assets on investments availabl	-	-	-	-	-	-	-	-	-	(30.470)	-	(30.470)
Balance of June 30th of 2021	\$ 479.760	\$ 2.994	\$ 13.907.929	\$ 86.785	\$ 3.408.311	\$ 651.950	\$ 321.952	\$ -	\$ 255.238	\$ 82.793	\$ 506	\$ 4.810.529

3. Consolidated Figures

Consolidated Results

The total assets of the BBVA Colombia group closed the second quarter of 2021 with a balance of COP 71 trillion. These presented an annual decrease of 7.2%, with a variation of COP 5 trillion.

BALANCE SHEET - Consolidated

Million COP

	2Q20	2Q21	TAM	
			abs	%
Cash and cash equivalents	11.276.806	8.376.886	(2.899.920)	(25,7)
Investments	8.085.061	6.388.335	(1.696.726)	(21,0)
Derivative Financial Instruments and Cash Operations	5.068.486	2.421.939	(2.646.547)	(52,2)
Gross Loan Portfolio and Leasing	52.035.535	52.826.419	790.884	1,5
Provision for credit losses	(3.045.965)	(3.126.961)	(80.996)	2,7
Other	2.969.696	4.023.556	1.053.860	35,5
Assets	76.389.619	70.910.174	(5.479.445)	(7,2)
Deposits	57.530.796	54.395.917	(3.134.879)	(5,4)
Money Market Operations	1.959.582	676.219	(1.283.363)	(65,5)
Financial instruments at fair value	5.047.693	2.967.216	(2.080.477)	(41,2)
Banks and other financial obligations	2.592.262	2.905.453	313.191	12,1
Investment in debt securities	2.445.677	2.420.678	(24.999)	(1,0)
Liabilities by deferred tax	188.482	223.174	34.692	18,4
Estimated liabilities and provisions	316.272	329.337	13.065	4,1
Payable accounts	684.573	697.267	12.694	1,9
Labor Obligations	214.848	228.838	13.989	6,5
Other Liabilities	399.283	384.044	(15.239)	(3,8)
Liabilities	71.379.469	65.228.143	(6.151.326)	(8,6)
Paid-in Capital	89.779	89.779	-	-
Additional-paid in capital	651.950	651.950	-	-
Noncontrolling interests	7.375	7.729	354	4,8
Reserves	3.408.817	3.643.860	235.043	6,9
Surplus	531.764	871.578	339.814	63,9
Net income	320.466	417.135	96.669	30,2
Stockholder's Equity	5.010.151	5.682.031	671.880	13,4
Total Liabilities and Stockholder's Equity	76.389.619	70.910.174	(5.479.446)	(7,2)

Concerning the Group's liquidity resources, the available assets decreased COP 2,8 trillion compared to 2020. This decrease was due to a variation of COP 2 trillion in the available in banks and other financial entities and to the increase of COP 864 billion in the money market and related operations.

Derivative financial instruments and cash operations closed with a balance of COP 2,4 trillion presenting a negative variation of COP 2,6 trillion.

Investments presented a negative variation of COP 1,7 trillion, closing with a balance of COP 6 trillion. This variation is explained by a variation in investments at fair value with change in results delivered in money market operations of COP 235 billion, in investments at amortized cost of COP 5 billion, in investments with changes in results of COP 1,4 trillion, and in investments at fair value with change in OCI of COP 29 billion.

The credit and leasing portfolio registered an annual growth of 1.5% or COP 790 billion, closing June 2021 with a balance of COP 53 trillion. For its part, the impairment account, which corresponds to specific and generic portfolio provisions, grew by 2.7%. The other assets account grew 35.5% or COP 1 trillion.

Regarding the liability accounts, deposits and receivables showed an annual decrease of COP 3 trillion, thus closing with a balance of COP 54 trillion. This variation is due to a decrease of COP 3,6 trillion in term deposits and grew of COP 527 billion in demand deposits.

Liability positions in market operations decreased by COP 1,2 trillion.

Financial instruments at fair value closed with a balance of COP 3 trillion, which represented a decrease of 41.2% compared to 2020. This variation is explained by the decrease in trading instruments of COP 2 trillion.

The credit line with banks and other financial obligations presented an increase of COP 313 billion.

Accounts payable presented a positive variation of 1.9% and labor obligations presented a growth of 6.5%. other liabilities decreased 3.8% or COP 15 billion, closing with a balance of COP 384 billion.

Finally, equity increased 13.4% and closed at COP 5,6 trillion in June 2021.

Loan Portfolio

In June 2021, the gross loan portfolio closed with a balance of COP 53 trillion and presented a variation of 1.5% compared to the same period in 2020. the net loan portfolio presented a positive variation of 1.4% and closed with a balance of COP 49 trillion.

LOAN PORTFOLIO

Million COP

	2020	2021	Var TAM	
Gross Loan Portfolio	52.035.535	52.826.419	790.884	1,5
Consumer	19.180.215	20.206.423	1.026.208	5,4
Commercial	20.569.017	19.592.680	(976.337)	(4,7)
Microcredit	2	2	-	-
Mortgage	11.811.475	12.541.523	730.048	6,2
Leasing	474.826	485.791	10.965	2,3
Loan -Loss Provision	(3.045.965)	(3.126.961)	(80.996)	2,7
Net Loan Portfolio	48.989.570	49.699.458	709.888	1,4

The BBVA Colombia group's portfolio focuses on the private segment, which represents 62.0% of the gross portfolio at the end of June 2021. This segment presented an increase of 5.7% compared to 2020 and closed with a balance of COP 32 trillion.

The consumer loan portfolio composed of payroll loans, vehicles, free investment, revolving credit, credit cards, and overdrafts showed an annual increase of 5.4%.

The mortgage portfolio showed an increase of 6.2%, which represented an increase of COP 730 billion. At the end of the second quarter of 2021, it represented 23.7% of the gross portfolio.

The commercial portfolio decreased 4.7% annually with a variation of COP 976 billion.

Client's Resources

At the end of the second quarter of 2021, customer funds remained adjusted to the group's liquidity needs, and deposits behaved aligned with the growth dynamics of the portfolio. Total customer funds decreased by COP 3 trillion, which represented a negative variation of 5.3%, closing the quarter a COP 56,8 trillion. The time deposit certificates represented 32.6% of the total resources and presented a negative variation of 16.5%, reaching a balance of COP 18 trillion.

CLIENT'S RESOURCES

Million COP

	2Q20	2Q21	Var TAM	
Checking Accounts	35,332,277	35,860,158	527,881	1.5
Term deposits	22,198,519	18,535,759	(3,662,760)	(16.5)
Total Client's Deposits	57,530,796	54,395,917	(3,134,879)	(5.4)
Investment Securities in Circulation	2,445,677	2,420,678	(24,999)	(1.0)
Total Resources	59,976,473	56,816,595	(3,159,878)	(5.3)

Checking accounts varied positively 1.5% (COP 527 billion). These deposits represented 63.1% of the total client's resources.

Investment securities in circulation closed at COP 2,4 trillion and presented a negative variation of 1.0% compared to 2020.

Eligible Capital and Solvency Ratio

The group's equity presented a positive variation of 13.4% and closed at COP 5,6 trillion. This increase is explained by the increase of COP 235 billion in reserves, COP 96 billion in profit for the year, and COP 339 billion in surplus.

Technical equity closed the second quarter of 2021 with a balance of COP 6,2 trillion and presented a negative variation of 2.1%. The equity required according to Colombian regulation was COP 4,5 trillion, which implies a surplus of equity of COP 1,8 trillion.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	2Q20	2Q21	%
Accounting Equity	5,010,151	5,682,031	13.4
Eligible Capital	6,366,858	6,234,261	(2.1)
Ordinary Basic Equity	4,366,823	4,542,013	4.0
Additional Basic Equity	2,994	2,994	-
Additional EquityI (Tier II)	1,997,041	1,696,424	(15.1)
Technical Equity	6,366,858	6,234,261	(2.1)
Required Equity	4,552,342	4,469,222	(1.8)
Surplus Equity	1,814,516	1,765,039	(2.7)
Risk weighted assets including market risk	47,272,498	46,409,370	(1.8)
Value at Risk (VeR)	365,630	364,921	(0.2)
Value at Operational Risk (VeRRo)	249,429	-	NC
Solvency Ratio without VeR	15.74	16.11	36.2
Solvency Ratio with VeR (minimum 9%)	13.47	13.43	-3.5
Tier 1 (%) ¹	9.24	9.79	54.9

¹ Basic Equity against risk-weighted assets

Risk-Weighted Assets closed at COP 46,4 trillion and decreased 1.8%. For its part, the market value at risk (VaR) decreased by 0.2%.

The Group's solvency ratio closed at 13.43%, with a negative variation of 4bps compared to the same period in 2020.

Income Statement

Net interest income registered a year-on-year increase of 6.9%. The loan portfolio income registered a decrease of COP 301 billion and interest expenses registered an increase of COP 406 billion. For this reason, net interest income increased by COP 105 billion.

Net fee income closed with a negative variation of COP 1,2 billion. Accordingly, the investment portfolio income decreased by COP 106 billion or 36.5%. Dividends increased by COP 3,2 billion and closed with a balance of COP 18 billion.

Furthermore, the gross margin, which includes operating income from financial services provided and recoveries of operational risk and others, registered an increase of COP 49 billion or 101.6%.

Below are the accumulated results of the BBVA Colombia group at the end of the second quarter of 2020 and 2021:

Accumulated Income Statement

Million COP

	2T20	2T21	Var TAM	
Interest Income	2.597.858	2.296.279	(301.579)	(11,6)
Interest Expense	(1.077.350)	(670.420)	406.930	(37,8)
NET INTEREST INCOME	1.520.508	1.625.859	105.351	6,9
NET FEE INCOME	93.622	92.415	(1.207)	(1,3)
Investment Portfolio	292.697	185.862	(106.835)	(36,5)
Dividends	14.837	18.021	3.184	21,5
Other Incomes	48.365	97.486	49.121	101,6
OTHER OPERATING INCOME	355.899	301.369	(54.530)	(15,3)
GROSS MARGIN	1.970.029	2.019.643	49.614	2,5
Net Provisions	(621.682)	(539.112)	82.570	(13,3)
Operational Costs	(856.068)	(871.766)	(15.698)	1,8
Personal Expenses	(308.841)	(320.471)	(11.630)	3,8
General Expenses	(211.290)	(238.259)	(26.969)	12,8
Taxes	(66.890)	(63.063)	3.827	(5,7)
Other	(256.277)	(242.009)	14.268	(5,6)
Operational Risk	(12.770)	(7.964)	4.806	(37,6)
OPERATING EXPENSES	(1.477.750)	(1.410.878)	66.872	(4,5)
Minority Interest	(799)	(977)	(178)	22,2
PROFIT BEFORE TAX	491.480	607.788	116.308	23,7
Income Tax	(171.013)	(190.653)	(19.640)	11,5
NET PROFIT	320.466	417.135	96.669	30,2

Operational costs increased by COP 15,6 billion regarding the previous year. Personnel expenses increased 3.8% compared to 2020. On the other hand, general expenses increased 12.8%. Expenses for contributions and taxes registered a decrease of 5.7%. The net provisions closed with a COP 539 billion balance and presented a decrease of 13.3%.

Finally, the BBVA Colombia Group registered a net profit for the end of June 2021 of COP 417 billion, which is 30.2% higher than the profit registered in the same period of the previous year

Consolidated Statement of Changes in Equity

The following is a consolidated statement of changes in the equity of BBVA Colombia's shareholders for the year ended December 31, 2020, and June 30, 2021.

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Amounts stated in million of Colombian pesos and thousands of shares)

Concept	Number of shares	Subscribed and paid-in capital	Additional- paid in capital	Legal and occasional reserves	Net profit for the period	Retained earnings (NICF implementation)	Adjustments in the adoption for the first time NICF	Other comprehensive income (OCI)	Article 6 Law 4 of 1980	Total shareholders' equity	Non-controlling interest	Total Equity
Balance of December 31st of 2020	\$ 479.760	\$ 86.785	\$ 651.950	\$ 3.408.311	\$ 461.405	\$ 88.918	\$ 26.044	\$ 772.506	\$ 506	\$ 5.499.419	\$ 8.804	\$ 5.508.223
Reserve	-	-	-	-	-	-	-	-	-	-	81	81
Valorization	-	-	-	-	-	-	-	-	-	-	(16)	(16)
Gain/Loss	-	-	-	-	-	-	-	-	-	-	(2.117)	(2.117)
Non controlled interest (minority interest)	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(461.405)	461.405	-	-	-	-	-	-
Dividends paid in cash, preferred and common shares	-	-	-	-	-	(234.807)	-	-	-	(234.807)	-	(234.807)
Appropriation for legal reserve	-	-	-	235.043	-	(235.043)	-	-	-	-	-	-
Release of reserves	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	417.135	-	-	-	-	417.135	977	418.112
Retained earnings sales force	-	-	-	-	-	-	15	-	-	15	-	15
Deferred tax	-	-	-	-	-	-	(1.028)	-	-	(1.028)	-	(1.028)
Unrealised retained earnings in new measurements of financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fixed asset valuation update	-	-	-	-	-	-	388	-	-	388	-	388
Gain/Loss on Non-current Assets Held for Sale	-	-	-	-	-	-	(521)	-	-	(521)	-	(521)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	26.097	-	26.097	-	26.097
Income from other equity items of subordinates	-	-	-	-	-	-	-	89	-	89	-	89
Defined contributions pension	-	-	-	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Participation in other comprehensive income of the noncontrolling interest	-	-	-	-	-	-	-	(313)	-	(313)	-	(313)
Adjustment for impairment of loan portfolio and financial instruments	-	-	-	-	-	-	-	(50.053)	-	(50.053)	-	(50.053)
Earnings accumulated by new measurements of financial instruments	-	-	-	-	-	-	-	(45.201)	-	(45.201)	-	(45.201)
Actuarial calculation of employee benefits	-	-	-	-	-	-	-	-	-	-	-	-
Net deferred tax	-	-	-	-	-	-	-	63.082	-	63.082	-	63.082
Profits (losses) other patrimonial items of subordinates	-	-	-	-	-	-	-	-	-	-	-	-
Balance of June 30th of 2021	\$ 479.760	\$ 86.785	\$ 651.950	\$ 3.643.354	\$ 417.135	\$ 80.473	\$ 24.898	\$ 766.207	\$ 506	\$ 5.674.302	\$ 7.729	\$ 5.682.031

Investor Relations Team

Director

Juan Pablo Herrera Gutiérrez

3471600 Ext. 12892

juanpablo.herrera.gutierrez@bbva.com / bbvacolombia-ir@bbva.com

IR Professional

Paula Camila Bolaños Martínez

paulacamila.bolanos@bbva.com / bbvacolombia-ir@bbva.com

IR Professional

María Camila Manosalva Rojas

3471600 Ext. 17003

mariacamila.manosalva@bbva.com / bbvacolombia-ir@bbva.com

Shareholders Senior Officer

Luz Stella Landinez Calderon

3471600 Ext. 11111

luz.landinez@bbva.com / acciones@bbva.com

Website: <https://www.bbva.com.co/personas/investor-relations.html>