

Quarterly Report January - September 2021

3Q21

Individual and Consolidated Report

Investor Relations

Bogotá D.C. November 2021

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1. Basics

Economic Environment

The global economic recovery continues its course although at a slower pace than expected, this will be equally supported by advances in vaccination and the expansionary economic policies. There are some supply shocks such as production bottlenecks and rising energy prices which have economic activity slowed down in recent months. In this context, it is expected that this year the GDP grows around 5.9% in the United States, 8% in China and 5.2% in the Eurozone, as well as it is expected that despite the delay in vaccination of the emerging countries, the smallest margin for political stimuli compared to developed countries and unfavorable commodity prices, the process of economic recovery continue.

In this context, supply shocks such as the relative strength of demand, the expansion of the Delta variable, the higher demand for goods than for services, the factors like weather conditions, energy transition policies, protectionism and geopolitical tensions, are playing an important role since they are leading inflation, meaning that it is expected a scenario with constant supply prices increases in the remainder of 2021 and the first half of 2022. For this reason, inflation expectations have been on the rise, seeking for levels above 5.4% in the United States 3% in the Eurozone and 2% in China.

The economic policies of most countries remain focused on supporting the economic recovery despite high inflation expectations. The fourth trimester 2021 begins with the United States announcing tapering, it is expected to announce the first rise in interest rates in the fourth quarter of 2022, likewise, it is expected that in Europe the ECB maintains expansionary policies while the NGEU and other Fiscal measures support recovery. For its part, China is expected to announce new monetary and fiscal measures to counteract the effects of the tightening of regulations and the scarcity of supply. Additionally, emerging markets will have a smaller margin to maintain their stimulating monetary policies, in this scenario, many central banks are already tightening their monetary policies given the continued inflationary pressures and concerns about the exit of the FED which would lead to an appreciation of the dollar.

In the case of Colombia, the GDP for the second quarter grew 17.6% compared to the previous year, and decreased 2.4% compared to the previous quarter thanks to the logistic problems derived from the protests and some sanitary confinements.

Domestic demand increased 23% annually, contributing 24.4% to the total GDP variation. Being this the main support of the economic recovery. For its part, the external demand contributed negatively 6.8% to GDP due to a better balance of imports over exports. In domestic demand, fixed investment had the best dynamics with a 32% annual growth, thanks to the impulse of investment in machinery and equipment (+ 58.7%) and housing (+ 29.4%). Final consumption grew 21.8% annually with an acceleration of 25% in private consumption and a remarkable growth of 9.9% in public consumption driven to a greater extent by public health expenditures associated with vaccination. It should be noted that within the 12 major activity sectors, seven sectors have

already exceeded the pre-pandemic production level and the remaining five sectors had an outstanding dynamic.

The third quarter known data show that the strength of the economic activity remained driven by private consumption, with a significant rebound in the fixed investment, in the first case, the consumer confidence returned equally at its pre-pandemic levels with expectations as optimistic as those seen in 2018 when the economic recovery of the country was beginning to be forged after the fall of the oil price and the inflationary shock of 2016. In addition, they remained good vehicle and household sales levels increased spending on goods and services. At second case, imports had a significant boost due to external purchases raw materials and capital goods which are related to an activity more accelerated in the national productive sectors who have increased the rate of production to respond to growing demand and to rebuild their inventories.

Inflation at the end of the third quarter was 4.51%, accelerating for the seventh month consecutive, this is due to the upward pressure of food, which was seen affected in previous months. Reason why inflation without food remains at 2.54% per year showing a slowdown for the first time in eight months. Additionally, the basket of tradable goods maintains its upward trend, standing 2.93% in annual terms due to a greater generalized pass-through of the devaluation of the exchange rate to prices.

Inflation is expected to remain relatively stable for the rest of the year, closing 2021 close to 4.9%. But that it accelerates again in the first quarter of 2022 due to the seasonal adjustment of certain rates that depend on the inflation of the previous year and the increase in the minimum wage. Similarly, inflation is expected to begin to ease in mid-2022 with the appreciation of the exchange rate and the dissipation of bottlenecks, closing 2022 with an annual inflation rate of 3.9%.

Inflationary pressures and the strength of domestic demand, mainly driven by private consumption and which has led to a widening of the external deficit, determined the beginning of the cycle of increases in the monetary policy rate in September. The first increase was 25 basis points, going from 1.75% to 2.00%, the interest rate is expected to end this year at 3%, as a result of two additional increases of 50 bps and to increase again by 150 bps in 2022 closing at 4.50%. Despite these increases, the monetary policy rate will continue to be expansionary for economic activity until the end of 2022.

2. Individual Figures

Individual Results

BBVA Colombia's total assets closed the third quarter of 2021 with a balance of COP 71.8 trillion. This presented an annual increase of 1.5%, with a COP 1.2 trillion variation.

Balance Sheet

Million COP

	3Q20	3Q21	TAM	
			abs	%
Cash	5,597,719	7,078,016	1,480,298	26.4
Assets positions in money market operations	1,758,502	792,728	(965,775)	(54.9)
Investment and derivatives transactions	12,934,440	9,647,497	(3,286,943)	(25.4)
Loan portfolio and leasing operations	51,172,461	54,329,083	3,156,622	6.2
Impairment	(3,407,563)	(3,476,345)	(68,782)	2.0
Other Assets	2,763,801	3,484,748	720,947	26.1
Total Assets	70,819,360	71,855,727	1,036,367	1.5
Deposits and financial claims	55,713,341	56,546,988	833,646	1.5
Liabilities positions in money market operations	1,631,598	2,219,550	587,952	36.0
Financial instruments at fair value	4,661,781	2,820,803	(1,840,979)	(39.5)
Banks and other financial obligations	2,205,858	2,971,017	765,159	34.7
Accounts payable	872,202	1,025,167	152,965	17.5
Labor obligations	244,944	254,892	9,948	4.1
Other Liabilities	615,563	637,968	22,405	3.6
Total Liabilities	65,945,287	66,476,384	531,097	0.8
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	1,047,546	1,034,188	(13,357)	(1.3)
Gains or losses	328,437	612,022	283,585	86.3
Stockholder's Equity	4,874,072	5,379,343	505,271	10.4
Total Liabilities and Stockholder's Equity	70,819,359	71,855,727	1,036,368	1.5

Concerning the Bank's liquidity resources, the cash increased by COP 1.4 trillion compared to 2020. This was due to a decrease of COP 1.5 trillion in cash in banks and other financial entities, COP 227 billion in the bank's cash, and a decrease of COP 337 billion in the central bank.

Assets positions in money market operations decreased 54,9% compared to the same period of 2020, closing with a balance of COP 729 billion. This decrease of COP 965 billion was due to a lower

volume in simultaneous operations, which decreased by COP 873 billion and by COP 93 billion in interbank operations.

On the other hand, investments and operations with derivatives presented a negative difference of 25.4% compared to September 2020, closing with a balance of COP 9.6 trillion.

The loan portfolio and leasing operations registered an annual growth of 6.2% closing 2021's September with a balance of COP 54 trillion. In addition, the impairment account which corresponds to specific and general loan portfolio provisions, grew 2%. The other assets account showed an increase of 26.1%.

Regarding the liability accounts, deposits and financial claims showed an annual increase of 1.5% or closing with a balance of COP 56 trillion. This is mainly due to an increase of COP 2,5 trillion in time certificates of deposit, of COP 55 billion in special deposits, an increase of COP 873 billion in current account deposits, COP 2.4 trillion in savings deposits, COP 149 billion in service charge and a decrease of COP 168 in investment titles.

Liability positions in market operations grew by COP 588 billion due to a decrease of COP 171 billion in simultaneous operations, and an increase of COP 250 billion in interbank funds, COP 459 billion in short position compromises, and of COP 50 billion in Repo operations.

With a balance of COP 2.8 trillion, financial instruments at fair value culminated the quarter, which represented a 39.5% decrease compared to the same period in 2020. This variation is explained by the decrease of COP 1,5 trillion in trading swaps, COP 305 billion in trading forward contracts besides a decrease of COP 8 billion in trading options.

The Banks credit and other financial obligations line increased by COP 765 billion, due to an increase of COP 385 billion in foreign financial institutions and an of COP 100 billion in obligations with Findeter, COP 159 billion in Finagro, and COP 117 billion in Bancoldex.

Accounts payable grew 17.5% and labor obligations 4.1%, while other liabilities increased 3.6% or COP 22 billion, closing with a balance of COP 638 billion.

Finally, equity showed an increase of 10.4% and closed at COP 5.3 trillion.

Loan portfolio

In 2021's September, the gross loan portfolio closed with a COP 54 trillion balance, growing 6.2% compared to the same period in 2020, while the net loan portfolio presented a positive variation of 6.5%, closing with a COP 51 trillion balance.

LOAN PORTFOLIO

Million COP

	3Q20	3Q21	Var TAM	
Gross loans	51,172,461	54,329,083	3,156,622	6.2
Consumer	18,488,654	19,730,838	1,242,185	6.7
Commercial	17,337,300	18,299,100	961,800	5.5
Microcredit	-	-	-	N.C
Mortgage	11,832,825	12,893,045	1,060,220	9.0
Leasing	1,564,699	1,534,267	(30,432)	(1.9)
Non-performing loan portfolio	299,176	277,892	(21,285)	(7.1)
Non-performing loans	1,649,807	1,593,941	(55,866)	(3.4)
Provisions	(3,407,563)	(3,476,345)	(68,782)	(2.0)
Total loans, net	47,764,898	50,852,738	472,083	6.5

The private segment represents 60% of the gross portfolio, being this the main focus of BBVA Colombia's loan portfolio. This segment presented an increase of 7.6% 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 5.3%. Payroll loans presented the highest participation in the consumer portfolio followed by free consumption and vehicle. Highlighting the 14.1% growth on the payroll's loans respecting the previous year.

The mortgage portfolio increased 9% representing a COP 1 trillion variation. Which at the end of the third quarter of 2021 represented 23.7% of the gross portfolio.

Nevertheless, the commercial portfolio increased 5.5% with an annual variation of COP 961 billion. On the other hand, the leasing portfolio decreased 1.9% or COP 30 billion.

Client's Resources

At the end of the third quarter of 2021, the client's resources remained adjusted to the bank's liquidity needs. The total client resources increased 1.5% with a COP 833 billion variation, ending the quarter at COP 56.5 trillion. The time deposit certificates represented 31.7% of the total resources and varied 12.3%, reaching a balance of COP 18 trillion.

CLIENT'S RESOURCES

Million COP

	3Q20	3Q21	Var TAM	
Checking Accounts	7,612,108	8,486,049	873,941	11.5
Saving Accounts	24,276,649	26,699,645	2,422,995	10.0
Term Deposits	20,436,027	17,930,709	(2,505,318)	(12.3)
Other Deposits	865,153	1,075,131	209,978	24.3
Total Client's Deposits	53,189,937	54,191,533	1,001,596	1.9
Investment Securities in Circulation	2,523,405	2,355,455	(167,950)	(6.7)
Total Resources	55,713,341	56,546,988	833,646	1.5

Transactional deposits (current and savings) increased 10.3% or COP 3 trillion. These deposits represented 62.2% of the total client's resources.

Investment securities in circulation closed at COP 2,4 trillion with a negative variation of 6.7% compared to 2020.

Eligible Capital and Solvency Ratio

The accounting equity presented a positive variation of 11.1%, closing at COP 5 trillion. This is primarily explained by an increase in reserves of COP 235 billion, in fiscal year earnings of COP 314 billion, and in the surplus COP 13 billion.

The technical equity closed the third quarter of 2021 with a balance of COP 6,4 trillion and presented a 6.3% increase. According to the Colombian regulation the required equity was COP 4.5 trillion, which implies a surplus of COP 1,8 trillion.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	3Q20	3Q21	%
Accounting Equity	4,842,965	5,379,343	11.1
Eligible Capital	6,820,042	6,388,545	(6.3)
Ordinary Basic Equity	4,482,574	4,722,471	5.4
Additional Basic Equity	2,994	2,994	-
Additional Equity (Tier II)	2,341,643	1,670,250	(28.7)
Technical Equity	6,820,042	6,388,545	(6.3)
Required Equity	4,334,726	4,575,731	5.6
Surplus Equity	2,485,315	1,812,814	(27.1)
Risk weighted assets including market risk	45,012,732	47,515,384	5.6
Value at Risk (VeR)	338,446	477,745	41.2
Value at Operational Risk (VeR)	218,790	322,761	47.5
Solvency Ratio without VeR	17.57	16.54	-103 bps
Solvency Ratio with VeR (minimum 9%)	15.15	13.45	-171 bps
Tier 1 (%) ¹	9.96	9.94	-2 bps

¹Basic Equity against risk-weighted assets

Assets Weighted by Risk Level closed at COP 47.5 trillion with a 5.6% growth. Along with this, the Market Value at Risk (VaR) increased by 41.2%. Concluding, the Bank's solvency ratio closed at 13.45%, with a variation of 171 bps compared to the same period in 2020.

Income statement

Net interest income registered a year-on-year increase of 5.0%. The loan portfolio registered a decrease of COP 308 billion and expenses a decrease of COP 514 billion. The indicated was driven by the good Bank's management. For this reason, net interest income increased by COP 116 billion.

Net fee income closed with a negative variation of 0.7%. Supplementary, the income generated by the investment portfolio showed a decrease of 17.8%. Dividends registered an increase of 18% 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 increased by 130.7%

The net provisions closed with a balance of COP 804 billion and presented a decrease of 29.6%.

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

Accumulated Income Statement

Million COP

	3Q20	3Q21	Var TAM	
Interest Income	3,847,029	3,448,915	(398,114)	(10.3)
Interest Expense	(1,525,771)	(1,011,227)	514,544	(33.7)
NET INTEREST INCOME	2,321,258	2,437,688	116,430	5.0
NET FEE INCOME	107,662	106,960	(702)	(0.7)
Investment Portfolio	400,726	329,462	(71,263)	(17.8)
Dividends	14,512	17,121	2,609	18.0
Other incomes	65,337	150,727	85,391	130.7
OTHER OPERATING INCOME	480,574	497,311	16,736	3.5
GROSS MARGIN	2,909,495	3,041,959	132,464	4.6
Net Provisions	(1,142,785)	(804,827)	337,958	(29.6)
Operational Costs	(1,255,512)	(854,924)	(56,997)	4.5
Personal Expenses	(458,010)	(464,693)	(6,683)	1.5
General Expenses	(320,558)	(358,273)	(37,715)	11.8
Taxes	(97,543)	(96,933)	609	(0.6)
Other	(365,914)	(380,881)	(14,967)	4.1
Operational Risk	(13,488)	(11,730)	1,758	(13.0)
OPERATING EXPENSES	(2,398,297)	(2,117,337)	280,960	(11.7)
PROFIT BEFORE TAX	511,198	924,622	413,424	80.9
Income Tax	(167,207)	(297,047)	(129,840)	77.7
NET INCOME	343,991	627,575	283,584	82.4

Operational costs registered a COP 56 billion increase compared to the previous year. Personnel expenses increased 1.5% compared to 2020. Additionally, general expenses increased 11.8% and expenses for contributions and taxes registered a decrease of 0.6%.

Finally, BBVA Colombia registered a remarkable net profit for the end of September 2021 of COP 627 billion, 82.4% 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

	3Q20	3Q21	Var TAM
Gross Loan Portfolio	51,172,461	54,329,083	6.17
Total Overdue loans	1,948,984	1,871,833	(3.96)
Overdue loans	299,176	277,892	(7.11)
Non-performing loans	1,649,807	1,593,941	(3.39)
Non-performing loans ratios	%	%	%
Overdue Loans ratio	0.58	0.51	(0.07)
NPL ratio	3.22	2.93	(0.29)
Loan -Loss Provision	3,407,563	3,476,345	2.02
Coverage overdue loans	206.54	218.10	11.55

At the end of September 2021, the portfolio quality indicator was 2.93% and the coverage indicator of the portfolio in arrears stood at 218.10%.

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 September 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	-	-	-	-	-	-	343,991	-	-	-	-	343,991
Fixed asset valuation update	-	-	-	-	-	-	-	-	48	-	-	48
Net deferred tax (Net effect of labor obligations and net fixed assets)	-	-	-	-	-	-	-	-	-	-	-	-
Hedging with cash flow derivatives	-	-	-	-	-	-	-	-	-	20,740	-	20,740
Actuarial gains and losses on defined contributions pensions	-	-	-	-	-	-	-	-	-	1	-	1
Other Comprehensive Income:	-	-	-	-	-	-	-	-	-	-	-	-
Investments by equity method	-	-	-	-	-	-	-	-	-	49	-	49
Losses from investments in subsidiaries, joint arrangements and uncontrolled interes	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on equity investment management	-	-	-	-	-	-	-	-	-	(10,847)	-	(10,847)
Deferred tax on equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on investments available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains of employee benefits	-	-	-	-	-	-	-	-	-	-	-	-
Unrealised retained earnings in equity instruments	-	-	-	-	-	-	-	-	-	497	-	497
Retained earnings by new measurements of financial assets on investments availabl	-	-	-	-	-	-	-	-	-	9,498	-	9,498
Balance of September 30th of 2021	\$ 479,760	\$ 2,994	\$ 13,907,929	\$ 86,785	\$ 3,408,311	\$ 651,950	\$ 343,991	\$ -	\$ 255,418	\$ 124,119	\$ 506	\$ 4,874,074

3. Consolidated Figures

Consolidated Results

The total assets of the BBVA Colombia group closed the third quarter of 2021 with a balance of COP 72.5 trillion. These presented an annual increase of 1.5%, with a variation of COP 1 trillion.

Accumulated Income Statement

Million COP

	3Q20	3Q21	Var TAM	
Interest Income	3,847,029	3,448,915	(398,114)	(10.3)
Interest Expense	(1,525,771)	(1,011,227)	514,544	(33.7)
NET INTEREST INCOME	2,321,258	2,437,688	116,430	5.0
NET FEE INCOME	107,662	106,960	(702)	(0.7)
Investment Portfolio	400,726	329,462	(71,263)	(17.8)
Dividends	14,512	17,121	2,609	18.0
Other incomes	65,337	150,727	85,391	130.7
OTHER OPERATING INCOME	480,574	497,311	16,736	3.5
GROSS MARGIN	2,909,495	3,041,959	132,464	4.6
Net Provisions	(1,142,785)	(804,827)	337,958	(29.6)
Operational Costs	(1,255,512)	(854,924)	(56,997)	4.5
Personal Expenses	(458,010)	(464,693)	(6,683)	1.5
General Expenses	(320,558)	(358,273)	(37,715)	11.8
Taxes	(97,543)	(96,933)	609	(0.6)
Other	(365,914)	(380,881)	(14,967)	4.1
Operational Risk	(13,488)	(11,730)	1,758	(13.0)
OPERATING EXPENSES	(2,398,297)	(2,117,337)	280,960	(11.7)
PROFIT BEFORE TAX	511,198	924,622	413,424	80.9
Income Tax	(167,207)	(297,047)	(129,840)	77.7
NET INCOME	343,991	627,575	283,584	82.4

Concerning the Group's liquidity resources, the available assets increased COP 514 billion compared to 2020. This variation is explained by a COP 1.5 trillion increase in the available in banks and other financial entities and a COP 756 increase 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 2,5 trillion.

Investments presented a negative variation of COP 815 billion, closing with a balance of COP 7 trillion. This variation is explained by a positive variation in investments at fair value with change in results delivered in money market operations of COP 28 billion, in investments at amortized cost of COP 87 billion, in investments with changes in results of COP 803 billion, and in investments at fair value with change in OCI of COP 47 billion.

The credit and leasing portfolio registered an annual growth of 6.2%, closing September 2021 with a balance of COP 54 trillion. For its part, the impairment account, which corresponds to specific and generic portfolio provisions, grew by 3.2%. The other assets account grew 17.4.5% or COP 561 billion.

Regarding the liability accounts, deposits and receivables showed an annual growth of COP 1 trillion, thus closing with a balance of COP 54 trillion. This variation is due to a decrease of COP 2,5 trillion in term deposits and an increase of COP 3.5 trillion in demand deposits.

Liability positions in market operations increased by COP 588 trillion.

Financial instruments at fair value closed with a balance of COP 2.8 trillion, which represented a decrease of 39.5% compared to 2020. This variation is explained by the decrease in trading instruments of COP 1.8 trillion.

The credit line with banks and other financial obligations presented an increase of COP 765 billion.

Accounts payable presented a negative variation of 4.3% and labor obligations presented a growth of 4.4%. Other liabilities increased 0.2% closing with a balance of COP 363 billion.

Finally, equity increased 11.8% and closed at COP 6 trillion in September 2021.

Loan Portfolio

In September 2021, the gross loan portfolio closed with a balance of COP 54 trillion and presented a variation of 6.2% compared to the same period in 2020. The net loan portfolio presented a positive variation of 6.8% and closed with a balance of COP 51 trillion.

LOAN PORTFOLIO

Million COP

	3Q20	3Q21	Var TAM	
Gross Loan Portfolio	51,172,828	54,329,083	3,156,255	6.2
Consumer	19,295,943	20,679,183	1,383,240	7.2
Commercial	19,491,951	20,312,643	820,692	4.2
Microcredit	2	2	-	-
Mortgage	11,901,251	12,838,201	936,950	7.9
Leasing	483,681	499,054	15,373	3.2
Loan -Loss Provision	(3,027,487)	(2,929,678)	97,809	(3.2)
Net Loan Portfolio	48,145,341	51,399,405	3,254,064	6.8

The BBVA Colombia group's portfolio focuses on the private segment, which represents 61.7% of the gross portfolio at the end of September 2021. This segment presented an increase of 7.4% compared to 2020 and closed with a balance of COP 33.5 trillion.

The consumer loan portfolio composed of payroll loans, vehicles, free investment, revolving credit, credit cards, and overdrafts showed an annual increase of 7.2%.

The mortgage portfolio increased of 7.9%, which represented an increase of COP 936 billion. At the end of the third quarter of 2021, it represented 23.7% of the gross portfolio.

In addition to this, the commercial portfolio increased 4.2% annually with a variation of COP 820 billion.

Client's Resources

At the end of the third 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 increased by COP 887 billion, which represented a variation of 1.6%, closing the quarter with COP 56,5 trillion. The time deposit certificates represented 31.7% of the total resources and presented a negative variation of 12.3%, reaching a balance of COP 18 trillion.

CLIENT'S RESOURCES

Million COP

	3Q20	3Q21	Var TAM	
Checking Accounts	32,664,431	36,225,019	3,560,588	10.9
Term deposits	20,436,027	17,930,709	(2,505,318)	(12.3)
Total Client's Deposits	53,100,458	54,155,728	1,055,270	2.0
Investment Securities in Circulation	2,523,405	2,355,455	(167,950)	(6.7)
Total Resources	55,623,863	56,511,183	887,320	1.6

Checking accounts varied positively 10.9% (COP 3.5 trillion). These deposits represented 64.1% of the total client's resources.

Investment securities in circulation closed at COP 2,4 trillion and presented a negative variation of 6.7% compared to 2020.

Eligible Capital and Solvency Ratio

The group's equity presented a positive variation of 11.8% closing at COP 5,9 trillion. This increase is explained by the increase of COP 235 billion in reserves and the increase of COP 281 billion in profit for the year.

Technical equity closed the third quarter of 2021 with a balance of COP 6,4 trillion and presented a negative variation of 6.4%. 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

	3Q20	3Q21	%
Accounting Equity	5,313,959	5,941,131	11.8
Eligible Capital	6,823,695	6,389,720	(6.4)
Ordinary Basic Equity	4,486,228	4,723,646	5.3
Additional Basic Equity	2,994	2,994	-
Additional EquityI (Tier II)	2,341,643	1,670,250	(28.7)
Technical Equity	6,823,695	6,389,720	(6.4)
Required Equity	4,323,477	4,580,285	5.9
Surplus Equity	2,500,218	1,809,435	(27.6)
Risk weighted assets including market risk	44,895,922	47,562,668	5.9
Value at Risk (VeR)	340,169	479,914	41.1
Value at Operational Risk (VeR _o)	223,975	NC	NC
Solvency Ratio without VeR	17.67	16.57	(109)
Solvency Ratio with VeR (minimum 9%)	15.20	13.43	(176)
Tier 1 (%) ¹	9.99	9.93	(6)

Risk-Weighted Assets closed at COP 47.5 trillion and increased 5.9%. Moreover, the market value at risk (VaR) increased by 41.1%.

The Group's solvency ratio closed at 13.43%, with a negative variation of 177 bps compared to the same period in 2020.

Income Statement

Net interest income registered a year-on-year increase of 5%. The loan portfolio income registered a decrease of COP 398 billion and interest expenses registered an increase of COP 513 billion. For this reason the net interest income increased COP 115 billion.

Net fee income closed with a negative variation of COP 2 billion. Accordingly, the investment portfolio income decreased by 18.9%. 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, increased COP 85 billion.

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

Accumulated Income Statement

Million COP

	3Q20	3Q21	Var TAM	
Interest Income	3,847,029	3,448,915	(398,114)	(10.3)
Interest Expense	(1,524,502)	(1,010,892)	513,610	(33.7)
NET INTEREST INCOME	2,322,527	2,438,023	115,496	5.0
NET FEE INCOME	151,118	148,405	(2,713)	(1.8)
Investment Portfolio	378,650	307,020	(71,630)	(18.9)
Dividends	14,837	18,021	3,184	21.5
Other Incomes	68,285	154,064	85,779	125.6
OTHER OPERATING INCOME	461,772	479,105	17,333	3.8
GROSS MARGIN	2,935,417	3,065,533	130,116	4.4
Net Provisions	(1,143,266)	(805,478)	337,788	(29.5)
Operational Costs	(1,277,226)	(1,337,895)	(60,669)	4.8
Personal Expenses	(470,978)	(478,434)	(7,456)	1.6
General Expenses	(320,029)	(359,975)	(39,946)	12.5
Taxes	(99,266)	(99,400)	(134)	0.1
Other	(368,494)	(384,824)	(16,330)	4.4
Operational Risk	(18,459)	(15,262)	3,197	(17.3)
OPERATING EXPENSES	(2,420,492)	(2,143,373)	277,119	(11.4)
Minority Interest	(1,547)	(1,384)	163	(10.5)
PROFIT BEFORE TAX	513,378	920,776	407,398	79.4
Income Tax	(177,312)	(303,024)	(125,712)	70.9
NET PROFIT	336,066	617,752	281,686	83.8

Operational costs increased by COP 60,6 billion regarding the previous year. Personnel expenses increased 1.6% compared to 2020. On the other hand, general expenses increased 12.5%. Expenses for contributions and taxes registered a 0.1% increase. The net provisions closed with a COP 805 billion balance and presented a decrease of 29.5%.

Finally, the BBVA Colombia Group registered a net profit for the end of September 2021 of COP 617 billion, which is 83.8% 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 September 30th, 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	-	-	-	-	-	-	-	-	-	-	(68)	(68)
Gain/Loss	-	-	-	-	-	-	-	-	-	-	(2,118)	(2,118)
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	-	-	-	-	617,751	-	-	-	-	617,751	1,384	619,135
Retained earnings sales force	-	-	-	-	-	-	6,820	-	-	6,820	-	6,820
Deferred tax	-	-	-	-	-	-	462	-	-	462	-	462
Unrealised retained earnings in new measurements of financ	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fixed asset valuation update	-	-	-	-	-	-	691	-	-	691	-	691
Gain/Loss on Non-current Assets Held for Sale	-	-	-	-	-	-	(521)	-	-	(521)	-	(521)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	31,060	-	31,060	-	31,060
Income from other equity items of subordinates	-	-	-	-	-	-	-	142	-	142	-	142
Defined contributions pension	-	-	-	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Participation in other comprehensive income of the nonco	-	-	-	-	-	-	-	(52,534)	-	(52,534)	-	(52,534)
Adjustment for impairment of loan portfolio and financial l	-	-	-	-	-	-	-	171,474	-	171,474	-	171,474
Earnings accumulated by new measurements of financial .	-	-	-	-	-	-	-	(48,565)	-	(48,565)	-	(48,565)
Actuarial calculation of employee benefits	-	-	-	-	-	-	-	-	-	-	-	-
Net deferred tax	-	-	-	-	-	-	-	(58,344)	-	(58,344)	-	(58,344)
Profits (losses) other patrimonial items of subordinates	-	-	-	-	-	-	-	-	-	-	-	-
Balance of September 30th of 2021	\$ 479,760	\$ 86,785	\$ 651,950	\$ 3,643,354	\$ 617,751	\$ 80,473	\$ 33,496	\$ 815,739	\$ 506	\$ 5,933,048	\$ 8,083	\$ 5,941,131

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