

# **Management Report January - December 2021**

## **4Q21**

### **Individual and Consolidated Report**

#### **Investor Relations**

**Bogota DC, February 2022**

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# 1. Generalities

## Economic environment

In 2021, the economic recovery began strongly in Colombia and in the world, especially due to the implementation of the vaccination system in developed countries, since the end of 2020, and in emerging countries, mostly in the first quarter of 2021. Business and household confidence increased, in an environment of lower health risk due to the protection of the vaccine, and a rapid and intense increase in domestic demand continued, accompanied by a rebound in global trade, support from national governments and with still expansionary monetary policies. In the country, the few confinements that occurred during the year were focused (by cities, hours and activities), less prolonged and with a smaller sectoral scope than those in force in 2020. In addition, they allowed the more complete and generalized opening of health services. Social interaction, so much so that most of them had full capacity allowed at the end of 2021.

The country's vaccination process was key to fulfilling these purposes. At the end of 2021, 80% of the population had at least one dose of biologicals available, 60% had completed their vaccination schedule, and 10% had a booster dose. With these figures, Colombia was above the global vaccination average and also above the Latin American average.

Fiscal policy continued to be key to the recovery. In the first place, the extraordinary subsidies to other population groups not covered by the permanent subsidy scheme were maintained, which helped keep basic spending (mainly food) growing throughout the year, even in the face of the high statistical base implied by its good performance in 2020. Second, the Government supported job creation with the continuation of the PAEF program, which had been created in 2020 as a response to the crisis generated by the pandemic. Under this program, the Government paid part of the salary of people hired in companies with less than 50 workers and who had had a drop in income due to the pandemic, this support being even greater if it was a female employee.

Additionally, spending associated with vaccines and the allocation of a larger budget for free public education for low-income families also boosted public spending. In total, this item once again grew above GDP, being one of the most dynamic components in the year's growth. In addition, these measures, among other reasons, explained the maintenance of a high fiscal deficit of the Central National Government (7.6% of GDP in 2021), despite the recovery, above expectations, of tax collection.

The performance of private consumption was also outstanding, driven by several factors. On the one hand, households had greater confidence, which allowed them to have less fear of losing their job and positive expectations about their future, leading them to make more purchasing decisions. On the other hand, household income was supported by the recovery of employment and the country's wage

bill, the higher savings from retained spending in 2020, which was used for 2021 transactions, the higher remittances and regional income from the high value of the coffee harvest.

Private spending also increased thanks to a change in household habits: they considerably increased the propensity to consume, consequently reducing the proportion of income that is saved. In other words, households not only used the savings generated in 2020, when the stronger lockdowns restricted their spending decisions, but at the same time, during 2021, they allocated a greater proportion of the new income for spending. This last factor drove the growth of domestic demand during 2021, even above the generation of income. However, a continuation of this trend could reduce the economy's savings in the medium term, a variable that is key to financing investment, increasing future production capacity and accelerating the country's potential growth. Likewise, low savings rates, and the high imported component of domestic consumption and investment spending, explained an increase in the current account deficit to 5.6% of GDP, according to BBVA Research estimates.

During 2021, household consumption remained mainly driven by spending on goods, rather than on services, except, in the case of the latter, for the strong growth of digital bets. Other than that, social interaction services, traditionally associated with entertainment and tourism, still lag behind the other consumer groups. The highest growth of the group of goods was not an exclusive case of Colombia, but also of most countries in the world.

In part, this higher world demand generated some of the bottlenecks that were observed, since production and transport logistics did not grow at the same rate as global spending on goods. As a result, international price and cost pressures arose, with effects on monetary policy decisions and on the global supply chain of raw materials and final products. Indeed, in the United States, the Fed began tapering (reducing monetary expansion) at the end of 2021 and, it is expected, will increase its interest rate in 2022.

In Colombia, the monetary policy began a cycle of increases in interest rates, taking it from 1.75%, the lowest historical rate that had been achieved in 2020, to 3%. This last level is still located in expansive terrain, although the increases are a response to the inflation pressures that were verified in the country and to the increase in expectations of future prices. The transmission of these policy decisions to market interest rates has taken place gradually, being more immediate and complete in interbank rates, without affecting the dynamics of recovery that has been taking place in credit to households and companies and that is explained due to the recovery of economic activity and the soundness of the financial system.

In 2021, inflation ended at 5.3% annually, driven by higher food prices, the devaluation of the exchange rate, and low inventories in some sectors of the economy. Specifically, the exchange rate had an increase of 2.6%, due to the strengthening of the dollar at a global level, the internal volatility generated by the fiscal and external deficits, the loss of the investment grade and the logistical problems derived from the protests of April and May. The latter, added to the lags in international shipments and the growing domestic demand, determined a reduction in inventories in industry and commerce, which

will imply pressures on prices, on the one hand, and incentives to increase productive activity. Local, on the other. In fact, industrial production has already reacted to this impulse with increases in production and increases in employment, although to a lesser extent in the latter case. All in all, this sector has already exceeded the figures from before the pandemic, both in production and in employment, although by a small margin in the second case.

The recovery of domestic production, together with the acceleration of housing construction, led to an upward cycle in fixed investment in Colombia. Producers maintained high rates of use of installed capacity, encouraging them to increase purchases of machinery and equipment. Likewise, the acceleration of VIS housing purchases, supported by current public subsidies, allowed this year to improve the rates of initiation of residential works. On the contrary, the other investment components showed low dynamism. First, civil works only grew in the mining component and, more moderately, in works financed with royalties. The other items, related to transport routes, aqueducts and pipelines for telecommunications, showed mediocre performance. Second, commercial construction (offices, stores, etc.) will take time to recover as they maintain high levels of inventories and vacancies in the primary and secondary markets.

In total, the GDP for 2021, driven by final consumption and investment in machinery and equipment and in housing, would grow 10.0%. Private consumption would grow 13.8% and fixed investment by 10.2%. Imports, as a result of high domestic demand, increased strongly, by 26.6%, and exports, although accelerating little by little in non-traditional goods, limited their performance due to the low production of oil and coal. In total, they grew 11.0%.

In this context, the financial markets had another year of high volatility, something that has been common to most emerging countries. The price of local assets (TRM, TES, among others) reacted, above all, to expectations about international monetary policy, in the midst of upward pressure from global inflation, and to the consolidation of decisions or to the signals that monetary authorities have given on the gradual withdrawal of the monetary stimulus. The exchange rate, as mentioned before, remained at high levels due to the strengthening of the dollar in a scenario of higher risk premiums in emerging countries. The rates of public debt securities increased, partly due to the global environment, but also as a response to the country's fiscal dynamics. And portfolio capital flows were quite unstable throughout the year, with intermediate months of good inflows, but beginning and ending the year with significant outflows.

This volatility of portfolio flows was offset by a significant inflow of foreign currency for the public sector, as a result of external loans and the amount delivered by the IMF to its partner countries, from which Colombia received 2,790 million dollars. In addition, they accompanied the entry of nearly 11,000 million dollars of foreign direct investment so that the country had an almost complete financing of the deficit in the current account of 2021. In the end, the country must have had a small decumulation of reserves, maintaining, in any case, a high level of these with respect to GDP (around 19%).

## 2. Individual Figures

### Individual Results

Total Assets of BBVA Colombia closed the fourth quarter of 2021 with a balance of COP 79 trillion. These presented an annual increase of 16.3%, which represented a variation of COP 11 trillion

#### Balance Sheet

Million COP

	4Q20	4Q21	TAM	
			abs	%
Cash	5.745.189	10.268.052	4.522.862	78,7
Assets positions in money market operations	484.399	737.064	252.664	52,2
Investment and derivatives transactions	11.421.427	10.830.911	(590.515)	(5,2)
Loan portfolio and leasing operations	50.983.302	57.632.221	6.648.918	13,0
Impairment	(3.431.013)	(3.440.545)	(9.532)	0,3
Other Assets	3.028.621	3.302.771	274.150	9,1
<b>Total Assets</b>	<b>68.231.926</b>	<b>79.330.474</b>	<b>11.098.548</b>	<b>16,3</b>
Deposits and financial claims	54.291.221	61.586.139	7.294.918	13,4
Liabilities positions in money market operations	506.348	3.697.100	3.190.752	630,2
Financial instruments at fair value	4.107.191	3.454.783	(652.408)	(15,9)
Banks and other financial obligations	2.606.926	2.974.166	367.240	14,1
Accounts payable	868.097	1.000.168	132.071	15,2
Labor obligations	237.716	245.734	8.018	3,4
Other Liabilities	618.106	685.083	66.977	10,8
<b>Total Liabilities</b>	<b>63.235.604</b>	<b>73.643.172</b>	<b>10.407.568</b>	<b>16,5</b>
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	1.043.935	1.074.480	30.545	2,9
Gains or losses	454.296	879.688	425.392	93,6
<b>Stockholder's Equity</b>	<b>4.996.322</b>	<b>5.687.302</b>	<b>690.980</b>	<b>13,8</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>68.231.926</b>	<b>79.330.474</b>	<b>11.098.548</b>	<b>16,3</b>

In relation to the liquidity resources of the Bank, the Available assets presented an increase of COP 4 trillion in relation to the year 2020. This increase was due to a variation of COP 4 trillion in the available in Banks and other financial entities, from COP 200 billion in the central bank and COP 177 billion in the Bank's cash.

Active Positions in Market Operations closed with a balance of COP 737 billion and presented an increase of 52.2% compared to the same period of 2020. This increase of COP 252 billion was due to

a greater volume in simultaneous operations, which presented a variation of COP 252 billion and the increase in interbank operations.

On the other hand, Investments and Operations with derivatives presented a negative variation of 5.2% compared to December 2020, closing with a balance of COP 10 trillion

The gross loan and leasing portfolio registered an annual growth of 13.0% or COP 6 trillion closing December 2021 with a balance of COP 57 trillion. Relatively, the Impairment account, which corresponds to specific and generic portfolio provisions, showed a growth of 0.3%. The Other Assets account showed an increase of 14.2% (COP 409 billion).

In relation to liability accounts, deposits and liabilities presented an annual growth of 13.4% or COP 7 trillion, Thus closing with a balance of COP 61 trillion. This increase is due to a variation of COP 2 trillion in Term Deposit Certificates, in special deposits of COP 55 billion, in investment securities of COP 167 billion and increases in checking account deposits of COP 873 billion, in Savings Deposits of COP 2 trillion and COP 149 billion in charges for services.

Liability positions in market operations increased by COP 3 trillion due to a variation of COP 171 billion in simultaneous transactions, COP 250 billion in interbank funds, COP 459 billion in short position commitments and COP 50 billion in Repo Operations.

Financial instruments at Fair Value closed with a balance of COP 3 trillion, which represented a decrease of 15.9% compared to 2020. This variation is explained by the decrease in trading swaps (COP 2 trillion) and forward trading contracts (COP 305 billion). On the other hand, trading options showed a decrease (COP 8 billion).

The Credit line with Banks and Other Financial Obligations showed an increase of COP 367 billion, due to an increase of COP 386 billion in Foreign Financial Entities and the obligations with Findeter and Finagro (COP 100 billion and COP 159 billion, respectively). On the other hand, there was an increase of COP 117 billion in Bancoldex.

Accounts payable presented a variation of 30.9% while labor obligations presented an increase of 3.4%. Other liabilities increased 10.8% or COP 66 billion, closing with a balance of COP 685 billion.

Finally, Equity presented an increase of 14.5% and closed at COP 5 trillion.

## **Loan portfolio**

In December 2021, the gross loan portfolio closed with a balance of COP 57 trillion and presented a variation of 13.0% with respect to the same period in 2020. The net loan portfolio presented a positive variation of 14.0% and closed with a balance of COP 54 trillion.

## LOAN PORTFOLIO

Million COP

	4Q20	4Q21	Var TAM	
<b>Gross loans</b>	<b>50.983.302</b>	<b>57.632.222</b>	<b>6.648.919</b>	<b>13,0</b>
Consumer	18.900.896	20.872.693	1.971.797	10,4
Commercial	16.723.869	20.194.331	3.470.462	20,8
Microcredit	-	-	-	N.C
Mortgage	12.156.191	13.231.546	1.075.355	8,8
Leasing	1.573.017	1.530.845	(42.172)	(2,7)
<b>Non-performing loan portfolio</b>	<b>198.839</b>	<b>203.367</b>	<b>4.529</b>	<b>2,3</b>
Non-performing loans	1.430.491	1.599.440	168.948	11,8
<b>Provisions</b>	<b>(3.431.013)</b>	<b>(3.440.545)</b>	<b>(9.532)</b>	<b>(0,3)</b>
<b>Total loans, net</b>	<b>47.552.289</b>	<b>54.191.677</b>	<b>6.639.388</b>	<b>14,0</b>

BBVA Colombia's portfolio maintains its focus on the Individual segment, which represents 59.2% of the gross portfolio at the end of December 2021. This segment presented an increase of 9.8% compared to 2020 and closed with a balance of COP 34 trillion.

The consumer portfolio composed by payroll loans, vehicle, free investment, revolving credit, private credit cards and private overdraft loans presented an annual increase of 9.3%. Payroll loans presents the largest share in the consumer portfolio, followed by consumption free and vehicle. The growth of payroll loans stands out respecting the previous year (15.9%).

The mortgage portfolio showed an increase of 8.8%, which represented a variation of COP 1 trillion. At the end of the fourth quarter of 2021, it represented 23.0% of the gross portfolio.

The commercial portfolio presented an annual variation of 20.8% with a variation of COP 3 trillion. For its part, the leasing portfolio showed a decrease of 2.7% with a variation of COP 42 billion.

## Client's Resources



At the end of the fourth quarter of 2021, client's resources remained adjusted to the bank's liquidity needs. Total customer funds showed an increase (13.4%), which represented a variation of COP 7 trillion, closing the quarter at COP 61 trillion. The term deposits represented 29.3% of the total resources and presented a variation of 6.1%, reaching a balance of COP 18 trillion.

## CLIENT'S RESOURCES

Million COP

	4Q20	4Q21	Var TAM	
Checking Accounts	8.632.106	9.299.354	667.247	7,7
Saving Accounts	23.109.180	30.484.003	7.374.823	31,9
Term Deposits	19.194.165	18.022.109	(1.172.057)	(6,1)
Other Deposits	1.051.507	1.392.142	340.635	32,4
<b>Total Client's Deposits</b>	<b>51.986.959</b>	<b>59.197.608</b>	<b>7.210.649</b>	<b>13,9</b>
Investment Securities in Circulation	2.304.263	2.388.531	84.269	3,7
<b>Total Resources</b>	<b>54.291.221</b>	<b>61.586.139</b>	<b>7.294.918</b>	<b>13,4</b>

Transactional deposits increased 25.3%, which represented a variation of COP 8 trillion. These deposits represented 64.6% of total client's resources.

Outstanding investment securities closed at COP 2 trillion and presented a variation of 3.7% compared to 2020.

## Eligible Capital and Solvency Ratio

The Accounting Equity of the entity presented a positive variation of 14.5% and closed at COP 5 trillion. This increase is mainly explained by the increase in reserves of COP 235 billion, by the increase of COP 456 billion in earnings for the year and by the increase of COP 30 billion in Surplus.

The Technical Equity closed the fourth quarter of 2021 with a balance of COP 6 trillion and presented a variation of 6.6%. The equity required according to Colombian regulations was COP 4 trillion, which implies an excess of equity of COP 2 trillion.

## ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	4Q20	4Q21	%
<b>Accounting Equity</b>	<b>4.996.322</b>	<b>5.687.302</b>	<b>13,8</b>
Eligible Capital	6.389.435	6.813.134	6,6
Ordinary Basic Equity	4.452.921	5.111.125	14,8
Additional Basic Equity	2.994	2.994	-
Additional Equity (Tier II)	1.940.690	1.706.185	(12,1)
<b>Technical Equity</b>	<b>6.389.435</b>	<b>6.813.134</b>	<b>6,6</b>
Required Equity	4.180.787	4.768.851	14,1
Surplus Equity	2.208.648	2.044.284	(7,4)
<b>Risk weighted assets including market risk</b>	<b>43.414.193</b>	<b>49.520.778</b>	<b>14,1</b>
Value at Risk (VeR)	336.344	435.730	29,5
Value at Operational Risk (VeR)	223.062	319.006	43,0
Solvency Ratio without VeR	17,18	16,56	-61 bps
Solvency Ratio with VeR (minimum 9%)	14,72	13,76	-96 bps
Tier 1 (%) <sup>1</sup>	10,26	10,32	6 bps

<sup>1</sup> Core equity versus risk-weighted assets

Weighted Assets by Risk Level closed at COP 49,520,778 and showed an increase of 14.1%. Comparatively, the Market Value at Risk (VaR ) increased 29.5%.

The Bank's solvency ratio closed at 13.76%, with a variation of 96 bps compared to the same period in 2020.

## Income Statement

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

## Accumulated Income Statement

Million COP

	4Q20	4Q21	Var TAM	
Interest Income	5.053.725	4.646.921	(406.804)	(8,0)
Interest Expense	(1.899.076)	(1.383.310)	515.766	(27,2)
<b>NET INTEREST INCOME</b>	<b>3.154.650</b>	<b>3.263.611</b>	<b>108.961</b>	<b>3,5</b>
<b>NET FEE INCOME</b>	<b>143.960</b>	<b>146.263</b>	<b>2.303</b>	<b>1,6</b>
Investment Portfolio	511.770	465.845	(45.925)	(9,0)
Dividends	14.512	17.143	2.631	18,1
Other incomes	71.979	204.236	132.257	183,7
<b>OTHER OPERATING INCOME</b>	<b>598.261</b>	<b>687.224</b>	<b>88.963</b>	<b>14,9</b>
<b>GROSS MARGIN</b>	<b>3.896.870</b>	<b>4.097.098</b>	<b>200.228</b>	<b>5,1</b>
<b>Net Provisions</b>	<b>(1.500.858)</b>	<b>(978.756)</b>	<b>522.102</b>	<b>(34,8)</b>
<b>Operational Costs</b>	<b>(1.699.364)</b>	<b>(854.924)</b>	<b>(98.706)</b>	<b>5,8</b>
Personal Expenses	(618.502)	(648.650)	(30.149)	4,9
General Expenses	(444.321)	(482.308)	(37.987)	8,5
Taxes	(126.482)	(125.109)	1.373	(1,1)
Other	(490.318)	(524.176)	(33.857)	6,9
Operational Risk	(19.741)	(17.828)	1.913	(9,7)
<b>OPERATING EXPENSES</b>	<b>(3.200.222)</b>	<b>(2.776.826)</b>	<b>423.396</b>	<b>(13,2)</b>
<b>PROFIT BEFORE TAX</b>	<b>696.648</b>	<b>1.320.272</b>	<b>623.624</b>	<b>89,5</b>
Income Tax	(226.798)	(425.030)	(198.232)	87,4
<b>NET INCOME</b>	<b>469.850</b>	<b>895.242</b>	<b>425.392</b>	<b>90,5</b>

The interest margin registered a year-on-year increase of 3.5%. Loan portfolio income recorded a decrease of COP 406 billion and expenses recorded a decrease of COP 514 billion. This was driven by the good management of the Bank. For this reason, net interest income increased by COP 108 billion.

Net fee income closed with a positive variation of 1.6%. On the other hand, the income generated by the investment portfolio showed a decrease of COP 45 billion or 9.0%. Dividends registered an increase of 18.1% and closed with a balance of COP 17 billion. On the other hand, the other income which includes operating income from financial services provided and recoveries of operating risk and others, recorded an increase of 183.7%.

The net endowment of assets closed with a balance of COP 978 billion and presented a decrease of 34.8%.

Administrative expenses registered an increase of COP 98 billion compared to the previous year. Personnel expenses increased 4.9% in the same period. On the other hand, general expenses increased 8.5% while expenses for contributions and taxes registered a decrease of 1.1%.

Finally, BBVA Colombia recorded a net profit for the end of December 2021 of COP 895 billion, which was 90.5% higher than the profit of the previous year.

## Performance Measures and Indicators

The proper risk management carried out in BBVA Colombia allows the bank to develop its commercial operations while maintaining good portfolio quality indicators and a prudent risk profile.

### NON-PERFORMING LOANS AND COVERAGE

Million COP

	4Q20	4Q21	Var TAM
<b>Gross Loan Portfolio</b>	<b>50.983.302</b>	<b>57.632.222</b>	<b>12,6</b>
Total Overdue loans	1.629.330	1.802.807	(7,5)
Overdue loans	198.839	203.367	(32,0)
Non-performing loans	1.430.491	1.599.440	(3,1)
<b>Non-performing loans ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>
Overdue Loans ratio	0,39	0,35	(0,2)
NPL ratio	2,81	2,78	(0,4)
Loan -Loss Provision	3.431.013	3.440.545	1,0
Coverage overdue loans	239,85	215,11	8,6

At the end of December 2021, the portfolio quality indicator stood at 2.78%. For its part, the Default Portfolio Coverage indicator stood at 215.11%.

## Separate Statement of Changes in Equity

Below is the statement of changes in shareholders' equity of BBVA Colombia December 31, 2020 and December 31, 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	Subscribed 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								
<b>Balance of December 31st of 2020</b>	<b>\$ 479.760</b>	<b>\$ 2.994</b>	<b>\$ 13.907.929</b>	<b>\$ 86.785</b>	<b>\$ 3.408.311</b>	<b>\$ 651.950</b>	<b>\$ 469.850</b>	<b>\$ -</b>	<b>\$ 253.318</b>	<b>\$ 122.608</b>	<b>\$ 506</b>	<b>\$ 4.996.322</b>
Transfers	-	-	-	-	-	-	(469.850)	469.850	-	-	-	-
Cash dividends paid in preferred and common shares	-	-	-	-	-	-	-	(234.807)	-	-	-	(234.807)
Appropriation for legal reserve	-	-	-	-	235.043	-	-	(235.043)	-	-	-	-
Net profit for the period	-	-	-	-	-	-	895.242	-	-	-	-	895.242
Fixed asset valuation update	-	-	-	-	-	-	-	-	296	-	-	296
Gain/Loss on non-current assets held for sale	-	-	-	-	-	-	-	-	(521)	-	-	(521)
Net deferred tax (Net effect of labor obligations and net fix	-	-	-	-	-	-	-	-	581	-	-	581
Hedging with cash flow derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains and losses on defined contributions pensior	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income:	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	-	-	-	-	31.243	-	31.243
losses from investments in subsidiaries, joint arrangem	-	-	-	-	-	-	-	-	-	(1.093)	-	(1.093)
Actuarial gains of employee benefits	-	-	-	-	-	-	-	-	-	15.268	-	15.268
Other comprehensive income	-	-	-	-	-	-	-	-	-	33.776	-	33.776
Losses for deterioration of non-financial assets and non-	-	-	-	-	-	-	-	-	-	(50.549)	-	(50.549)
Net deferred tax	-	-	-	-	-	-	-	-	-	1.544	-	1.544
<b>Balance of December 31st of 2021</b>	<b>\$ 479.760</b>	<b>\$ 2.994</b>	<b>\$ 13.907.929</b>	<b>\$ 86.785</b>	<b>\$ 3.643.354</b>	<b>\$ 651.950</b>	<b>\$ 895.242</b>	<b>\$ -</b>	<b>\$ 253.674</b>	<b>\$ 152.797</b>	<b>\$ 506</b>	<b>\$ 5.687.302</b>

## 3. Consolidated Figures

### Consolidated Results

The Total Assets of the BBVA Colombia Group closed the fourth quarter of 2021 with a balance of COP 79 trillion. These presented an annual decrease of 16.0%, which represented a variation of COP 11 trillion.

#### BALANCE SHEET - Consolidated Million COP

	4Q20	4Q21	TAM	
			abs	%
Cash and cash equivalents	6.266.488	11.029.678	4.763.190	76,0
Investments	7.408.591	3.290.980	(4.117.611)	(55,6)
Derivative Financial Instruments and Cash Operations	3.809.914	7.272.987	3.463.073	90,9
Gross Loan Portafolio and Leasing	50.983.357	57.632.222	6.648.865	13,0
Provision for credit losses	(3.074.686)	(3.013.947)	60.739	(2,0)
Other	3.494.849	3.708.109	213.260	6,1
<b>Assets</b>	<b>68.888.513</b>	<b>79.920.029</b>	<b>11.031.516</b>	<b>16,0</b>
Deposits	51.951.600	59.165.936	7.214.336	13,9
Money Market Operations	506.292	3.696.625	3.190.333	630,1
Financial instruments at fair value	4.107.191	3.454.783	(652.408)	(15,9)
Banks and other financial obligations	2.606.926	2.974.166	367.240	14,1
registered an annual growth COP 116 billion or 5.0%	2.304.263	2.388.531	84.268	3,7
Liabilities by deferred tax	278.178	393.815	115.637	41,6
Estimated liabilities and provisions	276.494	284.833	8.339	3,0
Payable accounts	714.295	712.760	(1.535)	(0,2)
Labor Obligations	240.871	250.005	9.134	3,8
Other Liabilities	394.180	455.195	61.015	15,5
<b>Liabilities</b>	<b>63.380.290</b>	<b>73.776.649</b>	<b>10.396.359</b>	<b>16,4</b>
Paid-in Capital	89.779	89.779	-	-
Additional-paid in capital	651.950	651.950	-	-
Noncontrolling interests	8.804	8.258	(546)	(6,2)
Reserves	3.408.817	3.643.860	235.043	6,9
Surplus	887.468	855.814	(31.654)	(3,6)
Net income	461.405	893.719	432.314	93,7
<b>Stockholder's Equity</b>	<b>5.508.223</b>	<b>6.143.380</b>	<b>1.133.229</b>	<b>11,5</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>68.888.513</b>	<b>79.920.029</b>	<b>3.530.409</b>	<b>16,0</b>

In relation to the liquidity resources of the Group, the Available assets presented an increase of COP 4 trillion in relation to the year 2020. This increase was due to a variation of COP 4 trillion in the available in Banks and other financial entities and the increase in COP 252 billion in money market and related transactions.

Derivative financial instruments and cash operations closed with a balance of COP 3 billion presenting a negative variation of COP 518 billion.

Investments presented a negative variation of COP 135 billion, closing with a balance of COP 7 trillion. This variation is explained by a variation in investments at fair value with changes in results delivered in money market operations of COP 52 billion, in investments at amortized cost of COP 42 billion, in investments with changes in results of COP 181 billion and in investments at fair value with changes in OCI of COP 35 billion.

The Credit and Leasing portfolio registered an annual growth of 13.0% or COP 6 trillion, closing December 2021 with a balance of COP 57 trillion. For its part, the Impairment account, which corresponds to specific and generic portfolio provisions, showed a growth of 2.0%. The Other Assets account presented a growth of 6.1% or COP 213 billion.

In relation to liability accounts, deposits and liabilities presented an annual growth of COP 7 trillion, thus closing with a balance of COP 59 trillion. This variation is due to a decrease of COP 1 trillion in time deposits and a growth of COP 8 trillion in sight deposits.

Liability positions in market operations increased COP 3 trillion.

Financial instruments at Fair Value closed with a balance of COP 3 trillion, which represented a decrease of 15.9% compared to 2020. This variation is explained by the decrease in trading instruments of COP 652 billion.

The line of Credits with Banks and Other Financial Obligations presented an increase of COP 367 billion.

Accounts payable presented a variation of 0.2% and labor obligations presented a growth of 3.8%. Other liabilities increased 15.5% or COP 61 billion, closing with a balance of COP 455 billion.

Finally, Equity showed an increase of 11.5% and closed at COP 6 trillion in December 2021.

## **Loan Portfolio**

In December 2021, the gross loan portfolio closed with a balance of COP 57 billion and presented a variation of 13.0% with respect to the same period in 2020. The net loan portfolio presented a positive variation of 14.0% and closed with a balance of COP 54 trillion.

## LOAN PORTFOLIO

Million COP

	4Q20	4Q21	Var TAM	
<b>Gross Loan Portfolio</b>	<b>50.983.357</b>	<b>57.632.222</b>	<b>6.648.865</b>	<b>13,0</b>
Consumer	19.518.776	21.739.393	2.220.617	11,4
Commercial	18.826.188	22.216.442	3.390.254	18,0
Microcredit	2	2	-	-
Mortgage	12.159.294	13.178.087	1.018.793	8,4
Leasing	479.097	498.298	19.201	4,0
<b>Loan -Loss Provision</b>	<b>(3.074.686)</b>	<b>(3.013.947)</b>	<b>60.739</b>	<b>(2,0)</b>
<b>Net Loan Portfolio</b>	<b>47.908.671</b>	<b>54.618.275</b>	<b>6.709.604</b>	<b>14,0</b>

The portfolio of the BBVA Colombia Group maintains its focus on the Individual segment, which represents 60.6% of the gross portfolio at the end of December 2021. This segment presented an increase of 10.2% compared to the year 2020 and closed with a balance of COP 34 trillion.

The consumer portfolio made up of payroll loans, vehicle, free investment, revolving credit, private credit cards and private overdraft loans presented an annual increase of 11.4%.

The mortgage portfolio showed an increase of 8.4%, which represented an increase of COP 1 trillion. At the end of the fourth quarter of 2021, it represents 8.4% of the gross portfolio.

The commercial portfolio presented an annual increase of 18.0% with a variation of COP 3 trillion.

## Client's Resources

At the end of the fourth 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 7 trillion, which represented a variation of 13.5%, closing the quarter at COP 61 trillion. The term deposits represented 29.3% of the total resources and presented a variation of 6.1%, reaching a balance of COP 18 trillion.

### CLIENT'S RESOURCES

Million COP

	4Q20	4Q21	Var TAM	
Checking Accounts	32.757.435	41.143.827	8.386.392	25,6
Term deposits	19.194.165	18.022.109	(1.172.056)	(6,1)
<b>Total Client's Deposits</b>	<b>51.951.600</b>	<b>59.165.936</b>	<b>7.214.336</b>	<b>13,9</b>
Investment Securities in Circulation	2.304.263	2.388.531	84.268	3,7
<b>Total Resources</b>	<b>54.255.863</b>	<b>61.554.467</b>	<b>7.298.604</b>	<b>13,5</b>



Demand deposits presented a variation of 25.6% (COP 8 trillion). These deposits represented 66.8% of total customer funds.

Outstanding investment securities closed at COP 2 trillion and presented a variation of 3.7% compared to 2020.

## Eligible Capital and Solvency Ratio

The Group's Stockholders' Equity presented a positive variation of 11.5% and closed at COP 6 trillion. This increase is explained by the increase in reserves of COP 235 billion, due to the increase of COP 428 billion in earnings for the year.

The Technical Equity closed the fourth quarter of 2021 with a balance of COP 6 trillion and presented a variation of 6.5%. The equity required according to Colombian regulations was COP 4 trillion, which implies an excess of equity of COP 2 trillion.

### ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	4Q20	4Q21	%
<b>Accounting Equity</b>	<b>5.508.223</b>	<b>6.139.901</b>	<b>11,5</b>
Eligible Capital	6.394.191	6.812.648	6,5
Ordinary Basic Equity	4.457.676	5.110.639	14,6
Additional Basic Equity	2.994	2.994	-
Additional EquityI (Tier II)	1.940.690	1.706.185	(12,1)
<b>Technical Equity</b>	<b>6.394.191</b>	<b>6.812.648</b>	<b>6,5</b>
Required Equity	4.181.350	4.771.776	14,1
Surplus Equity	2.212.841	2.040.872	(7,8)
<b>Risk weighted assets including market risk</b>	<b>43.420.038</b>	<b>41.053.492</b>	<b>10,6</b>
Value at Risk (VeR)	338.351	437.898	29,4
Value at Operational Risk (VeRRo)	228.042	-	NC
Solvency Ratio without VeR	17,22	16,59	(63)
Solvency Ratio with VeR (minimum 9%)	14,73	13,75	(98)
Tier 1 (%) <sup>1</sup>	10,27	10,31	5

Weighted Assets by Risk Level closed at COP 41 trillion and showed an increase of 10.6%. For its part, the Market Value at Risk (VaR ) increased 29.4%.

The Group's solvency ratio closed at 13.75%, with a variation of 98bps compared to the same period of 2020.

## Income Statement

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

## Accumulated Income Statement

Million COP

	4Q20	4Q21	Var TAM	
Interest Income	5.053.726	4.646.921	(406.805)	(8,0)
Interest Expense	(1.897.610)	(1.382.211)	(515.399)	(27,2)
<b>NET INTEREST INCOME</b>	<b>3.156.116</b>	<b>3.264.710</b>	<b>108.594</b>	<b>3,4</b>
<b>NET FEE INCOME</b>	<b>206.398</b>	<b>217.739</b>	<b>11.341</b>	<b>5,5</b>
Investment Portfolio	479.487	440.828	(38.659)	(8,1)
Dividends	14.837	18.043	3.206	21,6
Other Incomes	77.370	209.464	132.094	170,7
<b>OTHER OPERATING INCOME</b>	<b>571.694</b>	<b>668.335</b>	<b>96.641</b>	<b>16,9</b>
<b>GROSS MARGIN</b>	<b>3.934.208</b>	<b>4.150.784</b>	<b>216.576</b>	<b>5,5</b>
<b>Net Provisions</b>	<b>(1.501.330)</b>	<b>(979.507)</b>	<b>521.823</b>	<b>(34,8)</b>
<b>Operational Costs</b>	<b>(1.729.147)</b>	<b>(1.835.026)</b>	<b>(105.879)</b>	<b>6,1</b>
Personal Expenses	(636.326)	(668.157)	(31.831)	5,0
General Expenses	(443.203)	(485.927)	(42.724)	9,6
Taxes	(128.936)	(128.336)	600	(0,5)
Other	(489.439)	(528.628)	(39.189)	8,0
Operational Risk	(31.243)	(23.978)	7.265	(23,3)
<b>OPERATING EXPENSES</b>	<b>(3.230.477)</b>	<b>(2.814.533)</b>	<b>(415.944)</b>	<b>(12,9)</b>
Minority Interest	(2.185)	(1.559)	626	(28,6)
<b>PROFIT BEFORE TAX</b>	<b>701.546</b>	<b>1.334.692</b>	<b>633.146</b>	<b>90,3</b>
Income Tax	(240.141)	(444.452)	(204.311)	85,1
<b>NET PROFIT</b>	<b>461.405</b>	<b>890.240</b>	<b>428.835</b>	<b>92,9</b>

The interest margin registered a year-on-year increase of 3.4%. The interest income recorded a decrease of COP 406 billion and expenses recorded an increase of COP 515 billion. For this reason, net income from interest showed an increase of COP 108 billion.

Net fee income closed with a positive variation of COP 11 billion. On the other hand, the income generated by the investment portfolio showed a decrease of COP 38 billion or 8.1%. Dividends recorded an increase of COP 3 billion and closed with a balance of COP 18 billion.

On the other hand, the other income which includes operating income from financial services provided and recoveries of operating risk and others, registers an increase of COP 132 billion or 170.7%.

Administrative expenses recorded an increase of COP 105 billion compared to the previous year while personnel expenses increased 5.0% in the same period. On the other hand, general expenses increased 9.6%. Expenses for contributions and taxes registered a decrease of 0.5% and the net provisions closed with a balance of COP 979 billion and presented a decrease of 34.8%.

Finally, the BBVA Colombia Group recorded a net profit for the end of December 2021 of COP 890 billion, which was 92.9% higher than the profit recorded in the same period of the previous year.

## Consolidated Statement of Changes in Equity

Below is the consolidated statement of changes in shareholders' equity of BBVA Colombia for the December 31, 2020 and December 31, 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
<b>Balance of December 31st of 2020</b>	<b>\$ 479.760</b>	<b>\$ 86.785</b>	<b>\$ 651.950</b>	<b>\$ 3.408.311</b>	<b>\$ 461.405</b>	<b>\$ 88.917</b>	<b>\$ 26.045</b>	<b>\$ 772.506</b>	<b>\$ 506</b>	<b>\$ 5.499.419</b>	<b>\$ 8.804</b>	<b>\$ 5.508.223</b>
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	-	-	-	-	890.240	-	-	-	-	890.240	1.559	891.799
Retained earnings sales force	-	-	-	-	-	-	4.434	-	-	4.434	-	4.434
Deferred tax	-	-	-	-	-	-	581	-	-	581	-	581
Unrealised retained earnings in new measurements of financial instruments	-	-	-	-	-	-	-	15.268	-	15.268	-	15.268
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fixed asset valuation update	-	-	-	-	-	-	296	-	-	296	-	296
Gain/Loss on Non-current Assets Held for Sale	-	-	-	-	-	-	(521)	-	-	(521)	-	(521)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	31.243	-	31.243	-	31.243
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 noncontrolling interest	-	-	-	-	-	-	-	(52.214)	-	(52.214)	-	(52.214)
Adjustment for impairment of loan portfolio and financial instruments	-	-	-	-	-	-	-	12.468	-	12.468	-	12.468
Earnings accumulated by new measurements of financial instruments	-	-	-	-	-	-	-	(51.244)	-	(51.244)	-	(51.244)
Net deferred tax	-	-	-	-	-	-	-	16.337	-	16.337	-	16.337
<b>Balance of December 31st of 2021</b>	<b>\$ 479.760</b>	<b>\$ 86.785</b>	<b>\$ 651.950</b>	<b>\$ 3.643.354</b>	<b>\$ 890.240</b>	<b>\$ 80.473</b>	<b>\$ 30.835</b>	<b>\$ 744.506</b>	<b>\$ 506</b>	<b>\$ 6.131.643</b>	<b>\$ 8.258</b>	<b>\$ 6.139.901</b>

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