

Quarterly Report January-March 2020

1Q20

Individual and Consolidated Report

Investor Relations

Bogotá D.C. May 2020

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1. Basics

Economic Environment

During 2020's first months the world has been facing the pandemic Covid-19. Most global economies established quarantines which implied a partial closure of the economies, a dramatic reduction in global commerce, and a significant decrease in the country's income. Governments all around the world reacted taking important economic measures aimed to maintain household purchasing power, help the business liquidity, employment sustainability, and guarantee the payments system and the credit channel. The mechanisms for achieving these are characterized by fiscal support through the increase in the public budget, liquidity measures in national and foreign currency put in place by the central banks, and regulation for guaranteeing the financial system performance.

Even though the government's effort, global growth is deteriorating quickly. For example, in China, the first country to report the first-quarter growth, the GDP between 2020's January and March fell 6.8% year to year. Other indicators in developed countries also showed a deterioration tendency, such as unemployment rates in the USA and the PMI published in some European economies. Thus, it is probable a worldwide downturn this year.

The pandemic impacted negatively in Colombia's recovery process. The data from 2019's finals and the first two months of 2020 showed the improvement in the Colombian economy since 2019's GDP placed itself in 3.3% above 2.5% in 2018. Besides, during the first two months of 2020 the indicator which shows the economic activity grew 4.1% year to year thanks to the minor commerce strong impulse which grew by two digits and to the industrial production behavior. Nevertheless, March and the second quarter data do not appear to be as positive as they might have been, such as have happened in the other economies which decreed an earlier quarantine.

Doubtless, the pandemic will be a determinant of economic results since March. The contagion rate is growing in Colombia and even though we expect that the measures taken by the national government lower the expansion pace, it is not easy to anticipate the Covid-19's negative impact. Colombia has stood on proactivity on the adoption of sanitarian, regulatory, monetary, and fiscals measures for facing up the crisis. However, the success on the same will crucially depend on the contagion curve rate that will be facing the country in the next weeks and the response capability of the health system not only in the major cities but in the whole territory. Contagion evolution and the response capability of the health system will determine the length and the intensity of the social distancing measures that we are facing and by the way, of the crisis economic impact. At this moment Colombia is going through the mitigation phase which is generating a lot of challenges for families, businesses, and authorities.

Under this context, the Central Bank decided to lower the interest rates by 50bps in March, complementing a set of measures that have been taking part to guarantee liquidity in pesos and dollars in the economy. The government at the same time expanded the public budget and assigned higher monetary transferences to poor families, health system payments, and credit guarantees

between other concepts. Finally, the financial superintendence established that the banks could give credit relief to its debtors and disaccumulate anti-cyclical provisions if it's needed.

On the other hand, in March, the annual inflation rate established in 3.86% showing downward rigidity in respect of 2019's closure (3.8%). This stickiness is being determined by the high food prices, in which inflation was placed in 6,0% year over year, the highest register since 2016, and was the strongest reflect of the stockpiling experimented during the last march weeks. Moreover, the charges on public services such as electric energy and natural gas keep increasing because their costs are tied to the exchange rate. On the positive side, other regulated products like fuel showed a reduction in inflation thanks to the reduction in the charge of gasoline fixed by the government.

2. Individual Figures

Individual Results

Total assets of BBVA Colombia closed the first quarter of 2020 with a balance of COP 74,2 trillion. This showed an annual growth of 17.3% which represented a variation of +COP 10,9 trillion.

Balance Sheet

Million COP

	1Q19	1Q20	TAM	
			abs	%
Cash	6,586,117	5,655,010	(931,107)	(14.1)
Assets positions in money market operations	448,949	1,250,578	801,629	178.6
Investment and derivatives transactions	11,014,974	15,342,918	4,327,945	39.3
Loan portfolio and leasing operations	45,939,501	51,795,179	5,855,677	12.7
Impairment	(2,797,383)	(3,014,087)	(216,704)	-
Other Assets	2,051,304	3,166,390	1,115,086	54.4
Total Assets	63,243,462	74,195,988	10,952,526	17.3
Deposits and financial claims	47,697,914	56,470,208	8,772,294	18.4
Liabilities positions in money market operations	6,550,491	510,583	(6,039,907)	(92.2)
Financial instruments at fair value	1,318,714	7,259,157	5,940,443	450.5
Banks and other financial obligations	1,708,962	3,161,166	1,452,204	85.0
Accounts payable	868,695	1,268,097	399,402	46.0
Labor obligations	200,353	220,642	20,289	10.1
Other Liabilities	642,187	643,316	1,129	0.2
Total Liabilities	58,987,316	69,533,170	10,545,853	17.9
Suscribed and paid-in-capital	89,779	89,779	-	-
Specific destination reserves and funds	3,039,130	3,408,311	369,181	12.1
Surplus	946,038	1,014,752	68,715	7.3
Gains or losses	181,199	149,977	(31,222)	(17.2)
Stockholder's Equity	4,256,146	4,662,819	406,673	9.6
Total Liabilities and Stockholder's Equity	63,243,462	74,195,988	10,952,526	17.3

Concerning the Bank's liquidity resources, the current assets showed a decrease of COP 931,1 billion compared to 2019. This decrease was due to a negative variation of COP 1,8 trillion in the cash in Banks and other financial entities, a negative variation of COP 675,7 billion in the central bank, and a negative variation of COP 277,3 billion in cash at the Bank.

The active positions in the money market closed with a balance of COP 1,3 trillion and showed an increase of 178.6% to the same period of 2019. This increase of COP 801,6 billion was due to a lower volume in simultaneous operations, which showed a negative variation of COP 65,4 billion and an increase of COP 50 billion in interbank transactions.

For its part, investments and operations with derivatives showed a positive variation of 39.3% compared to 2019's march, closing with a balance of COP 15,3 trillion.

The gross loan and leasing portfolio registered an annual growth of 12.7% or COP 5,9 trillion, closing march of 2020 with a balance of COP 51,8 trillion. On its part, the impairment account which corresponds to specific and general provisions of the loan portfolio showed an increase of 7.7%. The other assets account increased by 49,7% or COP 1 trillion.

About liabilities accounts, the deposits and financial claims showed an annual growth of 18.4% or COP 8,8 trillion, closing with a balance of COP 56,5 trillion. This increase is owed to a positive variation of COP 345,5 billion in special deposits, an increase of COP 868,6 billion in checking accounts, and an increase of COP 300,2 billion on investment securities. This is offset by an increase of COP 3,9 trillion in savings accounts, an increase of COP 3,4 trillion in term deposits, and a decrease of COP 39,2 billion in service charges.

Liability positions in the monetary market decreased by COP 6 trillion, due to a negative variation of COP 1,3 trillion in simultaneous operations, an increase of COP 280,8 billion in short positions, a decrease of COP 5 trillion in repo operations.

Financial instruments at fair value closed with a balance of COP 7,3 trillion, which represented an increase of 450.5% compared to the same period in 2019. This variation is highly explained by the trading swaps increase of COP 2 trillion and an increase of COP 3,9 trillion in trading forwards. Furthermore, trading options showed an increase of COP 101,3 billion meanwhile hedging swaps decreased in COP 53,3 billion.

Credit lines with banks and other financial obligations showed an increase of COP 1,5 trillion owed to an increase of COP 1,1 trillion in foreign entities and an increase in Findeter and Finagro obligations of COP 342,0 billion and COP 65,2 billion respectively. Furthermore, Bancoldex obligations showed a decrease in COP 30,0 billion.

Accounts payable registered a positive variation of 46,0%, while labor obligations showed an increase of 10,1%. Other liabilities increased by 0,2% or COP 1,1 billion, closing with a balance of COP 643,3 billion.

Loan portfolio

In 2020's march the gross loan portfolio closed with a positive variation of COP 51,8 trillion and showed a positive variation of 12.7% in respect to the same period of 2019. Similarly, the net loan portfolio increased by 13.1%, and closed with a positive variation of COP 48,8 trillion.

LOAN PORTFOLIO

Million COP

	1Q19	1Q20	Var TAM	
Gross loans	45,939,501	51,795,179	5,855,677	12.7
Consumer	15,491,951	18,416,489	2,924,538	18.9
Commercial	15,587,651	17,780,930	2,193,279	14.1
Microcredit	-	-	-	N.C
Mortgage	11,037,792	11,688,190	650,398	5.9
Leasing	1,701,886	1,549,988	(151,897)	(8.9)
Non-performing loan portfolio	417,771	468,441	50,670	12.1
Non-performing loans	1,702,451	1,891,140	188,689	11.1
Provisions	(2,797,383)	(3,014,087)	(216,704)	(7.7)
Total loans, net	43,142,118	48,781,092	5,638,973	13.1

The loan portfolio of BBVA Colombia keeps its attention in the retail segment, which represents 58.1% of the gross loan portfolio at the close of 2020's march. This segment increased by 13.5% in respect of 2019 and closed with a COP 30,1 trillion balance.

The consumer portfolio, composed by payroll loans, vehicle, hedge funds, revolving credit, credit cards and overdrafts increased at an annual rate of 22.2%. Consumer portfolio account had the highest participation followed by the commercial portfolio and the mortgage portfolio.

Mortgage loans grew by 5.9%, which represented a variation of COP 650,4 billion. At the end of the first 2020's quarter, it represents 22.6% of the gross loan portfolio.

Commercial portfolio presented an annual increase of 14.1% with a positive variation of COP 2,2 trillion. In the other hand, the leasing portfolio showed a 8.9% decrease with a negative variation of COP 151,9 billion.

Client's Resources

Closing the first quarter of 2020, client's resources remained adjusted to the bank's liquidity needs. The total client resources exhibited a 18.4% increase, which represented a positive variation of COP 8,8 trillion, concluding the quarter at COP 56,5 trillion. Term deposits represented 39.1% of the total resources and presented a positive variation of 18.0% or COP 22,1 trillion.

CLIENT'S RESOURCES

Million COP

	1Q19	1Q20	Var TAM	
Checking Accounts	6,702,157	7,570,791	868,634	13.0
Saving Accounts	19,413,385	23,344,179	3,930,794	20.2
Term Deposits	18,738,927	22,106,108	3,367,182	18.0
Other Deposits	561,373	866,870	305,497	54.4
Total Client's Deposits	45,415,841	53,887,948	8,472,107	18.7
Investment Securities in Circulation	2,282,073	2,582,260	300,187	13.2
Total Resources	47,697,914	56,470,208	8,772,294	18.4

Transactional deposits (checking and saving accounts) grew by 18.4%, which represented a positive variation of COP 4,8 trillion. These deposits represented 54.7% of total client's resources.

Investment securities in circulation closed at COP 2,6 trillion and showed a positive variation of 13.2% respecting 2019.

Eligible Capital and Solvency Ratio

The accounting equity showed a positive variation of 9.6% closing with a COP 4,7 trillion. This increase is mainly explained by the COP 369,2 billion growth in reserves due to the decrease of COP 31,2 billion in fiscal year earnings and by the increase of COP 68,7 billion in Surplus.

The technical equity closed the first quarter of 2020 with a COP 6,0 trillion balance and showed a positive variation of 6.7%. According to the Colombian regulation, the required equity placed itself in COP 5,1 trillion, which implies that equity is over the required amount on COP 9 billion.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	1Q19	1Q20	%
Accounting Equity	4,256,146	4,662,819	9.6
Eligible Capital	5,616,229	5,989,807	6.7
Ordinary Basic Equity	3,393,132	3,477,600	2.5
Additional Basic Equity	2,994	2,994	-
Additional Equity (Tier II)	2,220,104	2,509,213	13.0
Technical Equity	5,616,229	5,989,807	6.7
Required Equity	4,222,746	5,130,297	21.5
Surplus Equity	1,393,483	859,511	(38.3)
Risk weighted assets including market risk	46,919,401	57,003,296	21.5
Value at Risk (VeR)	338,088	538,048	59.1
Solvency Ratio without VeR	13.01	11.74	-127 bps
Solvency Ratio with VeR (minimum 9%)	11.97	10.51	-146 bps
Tier 1 (%) ¹	7.23	6.10	-113 bps

¹Basic Equity against risk-weighted assets

Risk-weighted assets (RWA's) closed at COP 57 trillion and grew for about 21.5%. on the other hand, the value at risk (VaR) increased by 59.1%.

The Bank's solvency ratio closed at 10.51%, with a decrease of 146 bps compared to the same period in 2019.

Income Statement

Net interest income recorded an interannual increase of 4.4%. Loan portfolio revenues showed a growth of COP 66,9 billion, while expenses increased by COP 35,2 billion. The foregoing was driven by the good Bank's management. Therefore, net interest income increased by COP 31,7 billion.

Net fee income closed with a 30.8% negative variation. Besides, incomes generated by the investment portfolio increased by COP 11,9 billion or 10.6%. Dividends registered a decrease of 48.6% and closed with a COP 9,3 billion balance. Additionally, the other incomes line which includes operational incomes from financial services provided and recoveries of operative risks and others, registered a decrease of 43.3%.

Net provisions closed with a balance of COP 263,6 billion and presented a decrease of 5.0%.

Next, the results of BBVA Colombia accumulated at the close of the first quarter of 2019 and 2020 will be shown:

Accumulated Income Statement

Million COP

	1Q19	1Q20	Var TAM	
Interest Income	1,210,982	1,277,863	66,882	5.5
Interest Expense	(492,751)	(527,930)	(35,179)	7.1
NET INTEREST INCOME	718,231	749,934	31,703	4.4
NET FEE INCOME	41,288	28,564	(12,724)	(30.8)
Investment Portfolio	112,853	124,788	11,934	10.6
Dividends	18,145	9,327	(8,818)	(48.6)
Other incomes	39,414	22,334	(17,080)	(43.3)
OTHER OPERATING INCOME	170,412	156,449	(13,963)	(8.2)
GROSS MARGIN	929,931	934,946	5,015	0.5
Net Provisions	(250,338)	(262,954)	(12,616)	5.0
Operational Costs	(393,328)	(421,327)	(27,998)	7.1
Personal Expenses	(150,840)	(153,107)	(2,267)	1.5
General Expenses	(95,740)	(100,889)	(5,149)	5.4
Taxes	(32,463)	(32,475)	(12)	0.0
Other	(112,664)	(130,841)	(18,177)	16.1
Operational Risk	(1,621)	(4,014)	(2,393)	147.7
OPERATING EXPENSES	(643,666)	(684,280)	(40,614)	6.3
PROFIT BEFORE TAX	286,264	250,666	(35,599)	(12.4)
Income Tax	(89,512)	(85,136)	4,376	(4.9)
NET INCOME	196,753	165,530	(31,222)	(15.9)

Operational cost registered a COP 28 billion increase compared to the last year. Personal expenses increased by 1.5% compared to 2019. Furthermore, general expenses increased by 5.4% and expenses on taxes and fees increased by COP 12 million.

Finally, at the end of 2020's march BBVA Colombia registered a net income of COP 165,5 billion which was 15.9% lower than the previous year profit.

Performance Measures and Indicators

The adequate management of the risk that is followed in BBVA Colombia, allow the bank to develop a commercial operation keeping well quality indicators of the loan portfolio and a prudent risk profile.

NON-PERFORMING LOANS AND COVERAGE

Million COP

	1Q19	1Q20	Var TAM
Gross Loan Portfolio	45,939,501	51,795,179	12.75
Total Overdue loans	2,120,222	2,359,581	11.29
Overdue loans	417,771	468,441	12.13
Non-performing loans	1,702,451	1,891,140	11.08
Non-performing loans ratios	%	%	%
Overdue Loans ratio	0.91	0.90	(0.55)
NPL ratio	3.71	3.65	(1.48)
Loan -Loss Provision	2,797,383	3,014,087	7.75
Coverage overdue loans	164.32	159.38	(3.00)

At the end of 2020's march, the NPL ratio placed itself at 3.65%. By its part, the coverage overdue loan ratio was located at 159.38%.

Individual Statement of Changes in Equity

Below is the statement of changes in shareholders' equity of BBVA Colombia for the year ended on March 31th, 2019 and 2020.

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								
Balance of December 31 of 2018	\$ 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	-	-	-	-	-	-	165,530	-	-	-	-	165,530
Fixed asset valuation update	-	-	-	-	-	-	-	-	(453)	-	-	(453)
Net deferred tax (Net effect of labor obligations and net fixed assets)	-	-	-	-	-	-	-	-	111	-	-	111
Hedging with cash flow derivatives	-	-	-	-	-	-	-	-	-	37,762	-	37,762
Actuarial gains and losses on defined contributions pensions	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income:												
Investments by equity method	-	-	-	-	-	-	-	-	-	(1,511)	-	(1,511)
Deferred tax on defined contributions pensions	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on equity investment management	-	-	-	-	-	-	-	-	-	2,021	-	2,021
Deferred tax on equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on investments available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Unrealised retained earnings in equity instruments	-	-	-	-	-	-	-	-	-	(4,924)	-	(4,924)
Retained earnings by new measurements of financial assets on investments available for sale	-	-	-	-	-	-	-	-	-	(45,814)	-	(45,814)
Balance of March 31th of 2020	\$ 479,760	\$ 2,994	\$ 13,907,929	\$ 86,785	\$ 3,408,311	\$ 651,950	\$ 165,530	\$ -	\$ 255,028	\$ 91,715	\$ 506	\$ 4,662,819

3. Consolidated Figures

Consolidated Results

Total assets of BBVA Colombia closed 2020's first quarter with a balance of COP 74,5 trillion. This showed an annual growth rate of 16.8% which represented a positive variation of COP 10,7 trillion.

BALANCE SHEET - Consolidated Million COP

	1Q19	1Q20	TAM	
			abs	%
Cash and cash equivalents	7,040,388	6,943,845	(96,543)	(1.4)
Investments	9,600,658	8,006,373	(1,594,285)	(16.6)
Derivative Financial Instruments and Cash Operations	1,284,502	7,126,517	5,842,015	454.8
Gross Loan Portafolio and Leasing	45,939,502	51,795,180	5,855,678	12.7
Provision for credit losses	(2,627,115)	(2,908,465)	(281,350)	10.7
Other	2,517,761	3,500,819	983,058	39.0
Assets	63,755,698	74,464,269	10,708,571	16.8
Deposits	45,351,879	53,841,334	8,489,455	18.7
Money Market Operations	6,548,329	510,576	(6,037,753)	(92.2)
Financial instruments at fair value	1,318,714	7,259,157	5,940,443	450.5
Banks and other financial obligations	1,708,962	3,161,166	1,452,204	85.0
Investment in debt securities	2,282,073	2,582,260	300,187	13.2
Liabilities by deferred tax	305,116	312,162	7,046	2.3
Estimated liabilities and provisions	323,342	317,112	(6,230)	(1.9)
Payable accounts	787,718	968,412	180,694	22.9
Labor Obligations	202,605	222,452	19,847	9.8
Other Liabilities	384,800	372,594	(12,206)	(3.2)
Liabilities	59,213,538	69,547,225	10,333,687	17.5
Paid-in Capital	89,779	89,779	-	-
Additional-paid in capital	651,950	651,950	-	-
Noncontrolling interests	5,728	6,876	1,148	20.0
Reserves	3,039,636	3,408,817	369,181	12.1
Surplus	551,039	589,444	38,405	7.0
Net income	204,028	170,178	(33,850)	(16.6)
Stockholder's Equity	4,542,160	4,917,044	374,884	8.3
Total Liabilities and Stockholder's Equity	63,755,698	74,464,269	10,708,571	16.8

In relation to the Group's liquidity resources, the Available asset showed a decrease of COP 96,5 billion in relation to 2019. This decrease was due to a negative variation of COP 898,3 billion in Banks and other financial entities and a positive variation of COP 801,7 billion in money market and related operations.

Derivative financial instruments and cash operations closed with a balance of COP 7,1 trillion, presenting a positive variation of COP 5,8 trillion.

Investments showed a negative variation of COP 1,6 trillion closing with a positive variation of COP 8,0 trillion. This variation is explained by a negative variation in investments at fair value with changes in results delivered in money market operations of COP 3,7 trillion, in investments at amortized cost of positive COP 45,5 billion, in investments with an increase in results of COP 2,0 trillion, in investments at fair value with change in ORI of COP 252,7 billion and a decrease in investments with change in results delivered in guarantees of COP 161,5 billion

The Credit and Leasing portfolio registered an annual growth of 12.7% or COP 5,9 trillion, closing 2020's March with a balance of COP 51,8 trillion. For its part, the Impairment account, which corresponds to the specific and generic portfolio provisions, showed a 10.7% growth. The Other Assets grew by 39% or COP 983,1 billion.

In relation to the liability accounts, deposits and liabilities presented an annual growth of COP 8,5 trillion, thus closing with a balance of COP 53,8 trillion. This is due to a COP 3,4 trillion growths in term deposits and a COP 5,1 trillion growths in checking accounts.

Liabilities positions in market operations decreased by COP 6,0 trillion.

Financial instruments at Fair Value closed with a balance of COP 7,3 trillion, which represented a growth of 450.5% compared to 2019. This variation is explained by the increase in trading instruments of COP 6,0 trillion and the decrease of hedging instruments of COP 53,3 billion

The line of Credit with Banks and Other Financial Obligations presented an increase of COP 1,5 trillion.

Accounts payable presented a positive variation of 22.9% and labor obligations showed a growth of 9.8%. Other liabilities decreased 3.2% or COP 12,2 billion, closing with a balance of COP 372,6 billion.

Finally, the Equity presented an 8.3% increase and closed at COP 4,9 trillion in 2020's March.

Loan Portfolio

In March 2020, the gross loan portfolio closed at COP 51,8 trillion, equivalent to a 12.7% increase compared to the same period in 2019. Similarly, the net loan portfolio increased by 12.9%, closing at COP 48,9 trillion.

	1Q19	1Q20	Var TAM	
Gross Loan Portfolio	45,939,502	51,795,180	5,855,678	12.7
Consumer	16,531,685	19,568,758	3,037,073	18.4
Commercial	17,908,182	19,990,663	2,082,481	11.6
Microcredit	2	2	-	-
Mortgage	11,078,914	11,754,412	675,498	6.1
Leasing	420,719	481,345	60,626	14.4
Loan -Loss Provision	(2,627,115)	(2,908,465)	(281,350)	10.7
Net Loan Portfolio	43,312,387	48,886,715	5,574,327	12.9

The BBVA Colombia Group's portfolio maintains its focus on the retail segment, which showed 60.5% of the gross portfolio at the end of March 2020. This segment presented an increase of 13.4% compared to 2019 and closed with a positive variation of COP 31,3 trillion.

The consumer loan portfolio composed by payroll loans, vehicle, free Investment, revolving credit, credit cards and overdrafts presented an annual increase of 18.4%.

The mortgage portfolio increased by 6.1%, which represented a COP 675,5 billion growths. At the end of the first quarter of 2020, it represented 22.7% of the gross portfolio.

The commercial portfolio presented an 11.6% annual increase with a positive variation of COP 2,1 trillion.

Client's Resources

At the end of 2020's first quarter, customer funds remained adjusted to the Group's liquidity needs and the deposits behaved in line with the portfolio's growth dynamics. Total customer funds increased by COP 8,8 trillion, which represented a 18.5% variation, closing the quarter with COP 56,4 trillion. The term deposit certificates represented 39.2% of the total resources and showed a variation of 18.0%, reaching a balance of COP 22,1 trillion.

CLIENT'S RESOURCES
Million COP

	1Q19	1Q20	Var TAM	
Checking Accounts	26,612,952	31,735,226	5,122,274	19.2
Saving Accounts	18,738,927	22,106,108	3,367,181	18.0
Total Client's Deposits	45,351,879	53,841,334	8,489,455	18.7
Investment Securities in Circulation	2,282,073	2,582,260	300,187	13.2
Total Resources	47,633,952	56,423,594	8,789,642	18.5

Checking accounts showed a positive variation of 19.2% which represented a positive variation of COP 5,1 trillion. This deposit represented 56.2% of the client's resources.

Investment securities in circulation closed at COP 2,6 trillion and showed a positive variation of 13.2% compared to 2019.

Eligible Capital and Solvency Ratio

The Group's equity presented a positive variation of 8.3% and closed at COP 4,9 trillion. This increase is mainly explained by the increase in reserves of COP 369,2 billion, by the decrease of COP 33,9 billion in income statement for the year and by the increase of COP 38,4 billion in the Surplus.

Technical equity closed 2020's first quarter with a balance of COP 6,0 trillion and showed a positive variation of 6.7%. The equity required under Colombian regulation stood at COP 5,1 trillion, implying a COP 848,2 billion equity surplus.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	1Q19	1Q20	%
Accounting Equity	4,542,160	4,917,044	8.3
Eligible Capital	5,616,076	5,991,981	6.7
Ordinary Basic Equity	3,394,684	3,481,166	2.5
Additional Basic Equity	2,994	2,994	-
Additional Equity ¹ (Tier II)	2,218,397	2,507,821	13.0
Technical Equity	5,616,076	5,991,981	6.7
Required Equity	4,219,032	5,143,775	21.9
Surplus Equity	1,397,043	848,206	(39.3)
Risk weighted assets including market risk	46,878,136	57,153,053	21.9
Value at Risk (VeR)	339,030	539,411	59.1
Solvency Ratio without VeR	13.03	11.71	(131)
Solvency Ratio with VeR (minimum 9%)	11.98	10.48	(150)
Tier 1 (%) ¹	7.24	6.09	(115)

¹ Basic Equity against risk-weighted assets

Risk-Weighted Assets closed at COP 57,2 trillion and showed an increase of 21.9%. For its part, the Market Value at Risk (VaR) increased by 59.1%.

The Group's solvency ratio closed at 10.48%, with a negative variation of COP 150 bps compared to the same period in 2019.

Income Statement

The net interest income registered an interannual increase of 29.4%. The loan portfolio income registered an increase of COP 205,6 billion and the expenses registered a decrease of COP 35,2 billion. For this reason, net interest income showed an increase of COP 170,4 billion.

Net fee income closed with a negative variation of COP 153,9 billion. On the other hand, the investment portfolio income showed an increase of COP 11,5 billion or 10.6%. Dividends registered a decrease of COP 9,2 billion and closed with a balance of COP 9,3 billion. On the other hand, the line of other income, which includes operating income from financial services provided and recoveries of operating risk and others, registered a decrease of COP 17,0 billion or 42.4%.

Next, it is showing the results of BBVA Colombia accumulated at the end of March 2019 and 2020:

Accumulated Income Statement

Million COP

	1Q19	1Q20	Var TAM	
Interest Income	1,072,258	1,277,865	205,607	19.2
Interest Expense	(492,348)	(527,530)	(35,182)	7.1
NET INTEREST INCOME	579,910	750,335	170,425	29.4
NET FEE INCOME	207,695	53,824	(153,871)	(74.1)
Investment Portfolio	107,986	119,463	11,477	10.6
Dividends	18,572	9,327	(9,245)	(49.8)
Other Incomes	39,962	23,007	(16,955)	(42.4)
OTHER OPERATING INCOME	166,520	151,797	(14,723)	(8.8)
GROSS MARGIN	954,125	955,956	1,831	0.2
Net Provisions	(250,459)	(263,298)	(12,839)	5.1
Operational Costs	(399,438)	(429,294)	(29,856)	7.5
Personal Expenses	(154,745)	(157,760)	(3,015)	1.9
General Expenses	(96,237)	(100,823)	(4,586)	4.8
Taxes	(32,934)	(33,087)	(153)	0.5
Other	(113,901)	(132,748)	(18,847)	16.5
Operational Risk	(1,621)	(4,876)	(3,255)	200.8
OPERATING EXPENSES	(649,897)	(692,592)	(42,695)	6.6
Minority Interest	(453)	(362)	91	(20.1)
PROFIT BEFORE TAX	303,775	263,002	(40,773)	(13.4)
Income Tax	(99,746)	(92,825)	6,921	(6.9)
NET PROFIT	204,030	170,177	(33,853)	(16.6)

Operational costs registered an increase of COP 29,9 billion with respect to the previous year. Personnel expenses increased by 1.9% compared to 2019. On the other hand, general expenses increased 4.8%. Tax and contribution expenses registered an increase of 0.5%. The net asset endowment closed with a balance of COP 263,3 billion and showed an increase of 5.1%.

Finally, BBVA Colombia recorded a net profit for the end of March 2020 of COP 170,2 billion, which was 16.6% lower than the profit recorded in the same period of the previous year.

Consolidated Statement of Changes in Equity

Below is the statement of changes in shareholders' equity of BBVA Colombia for the year ended on March 31th 2019 and 2020.

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 31th of 2018	\$ 479,760	\$ 86,785	\$ 651,950	\$ 3,039,130	\$ 731,618	\$ 95,669	\$ (42,887)	\$ 638,888	\$ 506	\$ 5,204,653	\$ 7,260	\$ 5,211,913
Non controlled interest (minority interest)	-	-	-	-	-	-	-	-	-	-	(746)	(746)
Transfers	-	-	-	-	(731,618)	731,618	-	-	-	-	-	-
Dividends paid in cash, preferred and common shares	-	-	-	-	-	(369,188)	-	-	-	(369,188)	-	(369,188)
Appropriation for legal reserve	-	-	-	369,181	-	(369,181)	-	-	-	-	-	-
Release of reserves	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	170,178	-	-	-	-	170,178	362	170,540
Retained earnings sales force	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	111	-	-	111	-	111
Unrealised retained earnings in new measurements of financial instruments	-	-	-	-	-	124,652	(24,328)	-	-	100,324	-	100,324
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fixed asset valuation update	-	-	-	-	-	-	(453)	-	-	(453)	-	(453)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	37,762	-	37,762	-	37,762
Income from other equity items of subordinates	-	-	-	-	-	-	-	(1,511)	-	(1,511)	-	(1,511)
Defined contributions pension	-	-	-	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Participation in other comprehensive income of the noncontrolled investments - internal model	-	-	-	-	-	-	-	(12,673)	-	(12,673)	-	(12,673)
Adjustment for impairment of loan portfolio and financial leasing operations	-	-	-	-	-	-	-	(240,398)	-	(240,398)	-	(240,398)
Earnings accumulated by new measurements of financial assets available for	-	-	-	-	-	-	-	-	-	-	-	-
Unrealised retained earnings in new measurements of financial instruments	-	-	-	-	-	-	-	(45,814)	-	(45,814)	-	(45,814)
Net deferred tax	-	-	-	-	-	-	-	67,177	-	67,177	-	67,177
Profits (losses) other patrimonial items of subordinates	-	-	-	-	-	-	-	-	-	-	-	-
Balance of March 31th of 2020	\$ 479,760	\$ 86,785	\$ 651,950	\$ 3,408,311	\$ 170,178	\$ 213,570	\$ (67,557)	\$ 443,431	\$ 506	\$ 4,910,168	\$ 6,876	\$ 4,917,044

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