

# Quarterly Report

January - March 2021

1Q21

Individual and Consolidated Report

Investor Relations

Bogotá D.C. May 2021

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# 1. Basics

## Economic Environment

After contracting by 3.3% in 2020 due to the effects of the pandemic, world GDP will grow by 5.9% in 2021 and 4.8% in 2022, in line with the increase in vaccination against Covid-19, the lifting of restrictions on mobility and considerable political stimulus. The world GDP forecasts for 2021 and 2022 are, respectively, +0.6 p.p. and +0.7 p.p. higher than expected three months ago. The better outlook for the global economy is largely due to additional fiscal support in the US, which will allow the country to lead the recovery. Emerging economies will benefit from strong global growth and higher commodity prices, but will generally lag behind due to less favorable access to vaccines and less room for maneuver to implement countercyclical measures.

Economic policies will remain focused on supporting the recovery in activity. In the US, where recently approved fiscal measures amount to around 13% of GDP, additional stimulus is being prepared. In addition, the monetary stimulus will be maintained, as inflation is likely to be kept under control and employment will need some time to fully recover. The Fed is not expected to start raising its official interest rate until the end of 2023. In Europe, the focus will be on making NGEU funds available from the middle of this year, while the ECB will remain committed to maintaining an accommodative monetary policy stance. In China, although the fiscal expansion ahead will not be as significant as in 2020, and some tightening of regulations is likely, interest rates will also remain unchanged through 2021 and 2022.

Stronger recovery prospects and inflation risks have driven up long-term US yields, created some bouts of volatility in equity markets, favored an appreciation of the US dollar, and triggered some losses in emerging market assets. Despite recent corrections, a global appetite for risk is likely to prevail as policy interest rates will remain close to or below zero in developed markets and liquidity will continue to abound. Against this backdrop, capital inflows into emerging markets are expected to remain relatively strong, despite a likely moderation in the short term.

Although policy measures bolster growth prospects and vaccination supports the vision of convergence to "normalcy" in 2022, there are still many risks haunting the global economy. On the epidemiological front, slower deployment of vaccines and the emergence of new strains of the coronavirus could pave the way for new waves of infections and more negative scenarios. On the economic front, risks include an increase in inflation, financial tensions generated by an early exit from the Fed, corporate bankruptcies with negative effects on the financial sector, concerns about the sustainability of public debt, among others. Even so, a more favorable alternative scenario, characterized by an even faster global recovery, cannot be ruled out.

In Colombia, the economic growth of 2020 was -6.8%. It signified a pronounced slowdown compared to 2019, when GDP grew 3.3%. Among the twelve large sectors measured by the country's statistics office, four sectors, which account for 38% of economic activity, had positive growth compared to 2019. In addition, within the large expenditure groups (households, companies, government and foreign trade), only the final consumption of the government grew.

The sustained recovery of the economy since the third quarter stands out, when compared to the immediately previous quarter, the economy grew 9.4%. In addition, in the fourth compared to the third, GDP again grew by 6.0%. However, in the fourth quarter, the GDP result was still below the level of a year ago. But, the rate of decline was less and less. In effect, in interannual rates, GDP went from falling 15.8% in the second quarter to falling 8.5% and 3.6%, respectively, in the two subsequent quarters.

Annual inflation has remained stable during the first quarter, standing at 1.5% in March. This is the result of found trends. On the one hand, administered prices are rising and, on the other, demand-driven prices are moderating, showing that the economy continues to suffer from weak demand. We expect that in the next quarter there will be a significant upturn in inflation, due to the statistically based effects produced by the subsidies and the fiscal alterations that have ended. For the second semester, the gradual recovery of activity and the normalization of education and housing measures will push inflation towards 2.9% at the end of the year.

Then, in 2022, upward pressure is expected, albeit temporary, with possible changes in VAT and we expect inflation to close at 3.4%. The balance of risks in this scenario has tilted upwards, with an exchange rate appreciation softer than initially expected, a greater recovery in activity, the increase in raw material prices, the increase in freight costs and some bottlenecks in specific production lines. Despite this, we expect inflation to remain within the inflation target.

So far in 2021, the Central Bank of Colombia has kept the intervention interest rate stable at 1.75%. The Bank's Board has highlighted in its analysis the relatively stable behavior of inflation in early 2021 and the recent uncertainty that reigns in world markets, in particular about the monetary policy calendar in the United States. We expect rates to remain stable through 2021, with the first hike in April 2022. This will lead to a gradual hike cycle that will bring rates to 2.75% by the end of 2022.

Furthermore, with the publication of the financial plan for 2021, the Government announced that the fiscal deficit for 2020 was lower than initially expected, closing at 7.8%. However, he argued that the extent of the pandemic and some private expenses that had to be transferred to 2021 pushed the deficit up by 2021, to 8.6% of GDP. In addition, they published a revised profile of debt relative to GDP. It now takes into account an increase in revenue of 1.5%, but leading to a 10-year debt-to-GDP ratio significantly higher than previously anticipated.

In addition, the Government has announced that it will present a fiscal reform that consists of three pillars: increased income, increased social transfers and redefinition of the fiscal rule. The Ministry has begun to socialize its content, among which they hope to increase the VAT base of goods and services, increase the base of personal income tax and reduce some exemptions, expand a temporary tax on wealth and implement a corporate tax differentiated for small businesses. On the spending side, they hope to increase VAT compensation transfers to 4.7 million households and implement a broader cash transfer that covers more households.

## 2. Individual Figures

### Individual Results

Total assets of BBVA Colombia closed the first quarter of 2021 with a balance of COP 67,9 trillion. This showed an annual decrease of 8.5% which represented a negative variation of COP 6,3 trillion.

#### Balance Sheet

Million COP

	1 Q20	1 Q21	TAM	
			abs	%
Cash	5,655,010	3,715,456	(1,939,555)	(34.3)
Assets positions in money market operations	1,250,578	2,875,027	1,624,449	129.9
Investment and derivatives transactions	15,342,918	9,418,923	(5,923,996)	(38.6)
Loan portfolio and leasing operations	51,795,179	51,664,824	(130,354)	(0.3)
Impairment	(3,014,087)	(3,436,092)	(422,005)	14.0
Other Assets	3,166,392	3,633,952	467,560	14.8
<b>Total Assets</b>	<b>74,195,990</b>	<b>67,872,090</b>	<b>(6,323,900)</b>	<b>(8.5)</b>
Deposits and financial claims	56,470,208	54,017,690	(2,452,518)	(4.3)
Liabilities positions in money market operations	510,583	848,257	337,674	66.1
Financial instruments at fair value	7,259,157	3,259,301	(3,999,855)	(55.1)
Banks and other financial obligations	3,161,166	2,714,194	(446,972)	(14.1)
Accounts payable	1,268,097	1,196,513	(71,584)	(5.6)
Labor obligations	220,642	223,060	2,418	1.1
Other Liabilities	643,317	670,523	27,205	4.2
<b>Total Liabilities</b>	<b>69,533,171</b>	<b>62,929,538</b>	<b>(6,603,633)</b>	<b>(9.5)</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	1,014,752	1,037,871	23,119	2.3
Gains or losses	149,977	171,548	21,572	14.4
<b>Stockholder's Equity</b>	<b>4,662,819</b>	<b>4,942,552</b>	<b>279,734</b>	<b>6.0</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>74,195,990</b>	<b>67,872,090</b>	<b>(6,323,900)</b>	<b>(8.5)</b>

Concerning the Bank's liquidity resources, the current assets showed a decrease of COP 1,9 trillion compared to 2020. This decrease was due to a negative variation of COP 179 billion in cash in Banks and other financial entities, a negative variation of 1,9 trillion in the Central Bank and a positive variation of COP 126 billion in cash at the bank.

The active positions in the money market closed with a balance of COP 2,8 trillion and showed an increase of 129.9% compared to the same period of 2020. This increase of COP 1,6 trillion was due to a higher volume in simultaneous operations, which showed a positive variation of COP 1,7 trillion and a decrease of COP 81 billion in interbank transactions.

For its part, investments and operations with derivatives showed a negative variation of 38.6% compared to 2020's March, closing with a balance of COP 9,4 trillion.

The gross loan and leasing portfolio registered an annual decrease of 0.3% or COP 130 million, closing March of 2021 with a balance of COP 51,7 trillion. On its part, the impairment account which corresponds to specific and general provisions of the loan portfolio showed an increase of 14.0%. The other assets account increased by 14.8% or COP 467 billion.

About liabilities accounts, the deposits and financial claims showed an annual decrease of 4.3% or COP 2,4 trillion, closing with a balance of COP 54,0 trillion. This decrease is owed to a negative variation of COP 3,9 trillion in term deposits, a negative variation of COP 79,5 billion in special deposits, a decrease of COP 179,4 billion on investment securities, an increase of COP 812,1 billion in current accounts, an increase of COP 669,6 Billion in savings accounts and an increase of COP 152,4 billion in service charges.

Liability positions in the monetary market increased by COP 337,7 billion, due to a positive variation of COP 109,7 billion in simultaneous operations, a decrease of COP 4 billion in interbank funds, a decrease of COP 72,0 billion in short positions and an increase of COP 300 billion in repo operations.

Financial instruments at fair value closed with a balance of COP 3,2 trillion, which represented an decrease of 55.1% compared to the same period in 2020. This variation is highly explained by the trading swaps decrease of COP 539,5 billion and a decrease of COP 3,3 trillion in trading forwards. Furthermore, trading options showed a decrease of COP 127,5 billion.

Credit lines with banks and other financial obligations showed a decrease of COP 446 billion owed to a decrease of COP 717 billion in foreign entities and an increase in Findeter and Finagro obligations of COP 38,1 billion and COP 188,9 billion respectively. Furthermore, Bancoldex obligations showed an increase of COP 40,1 billion.

Accounts payable registered a positive variation of 5.6%, while labor obligations showed an increase of 1.1%. Other liabilities increased by 4.2% or COP 27,2 billion, closing with a balance of COP 670,5 billion.

Finally, Equity showed an increase of 6.0% and closed at COP 4,9 trillion.

## **Loan portfolio**

In 2021's March, the gross loan portfolio closed with a balance of COP 51,7 trillion and showed a negative variation of 0.3% compared to the same period of 2020. Similarly, the net loan portfolio decreased by 1.1% and closed with a balance of COP 48,2 trillion.

## LOAN PORTFOLIO

Million COP

	1Q20	1Q21	Var TAM	
<b>Gross loans</b>	<b>51,795,179</b>	<b>51,664,824</b>	<b>(130,354)</b>	<b>(0.3)</b>
Consumer	18,416,489	19,113,624	697,135	3.8
Commercial	17,780,930	17,124,643	(656,288)	(3.7)
Microcredit	-	-	-	N.C
Mortgage	11,688,190	12,305,887	617,697	5.3
Leasing	1,549,988	1,551,032	1,044	0.1
<b>Non-performing loan portfolio</b>	<b>468,441</b>	<b>252,831</b>	<b>(215,610)</b>	<b>(46.0)</b>
Non-performing loans	1,891,140	1,316,808	(574,332)	(30.4)
<b>Provisions</b>	<b>(3,014,087)</b>	<b>(3,436,092)</b>	<b>(422,005)</b>	<b>(14.0)</b>
<b>Total loans, net</b>	<b>48,781,092</b>	<b>48,228,733</b>	<b>(552,359)</b>	<b>(1.1)</b>

The loan portfolio of BBVA Colombia keeps its attention in the retail segment, which represents 60.8% of the gross loan portfolio at the close of 2021's March. This segment increased by 4.4% compared to 2020 and closed with a COP 31,4 trillion balance.

The consumer portfolio, composed by payroll loans, vehicle, hedge funds, 2.6%. Payroll loan shows the highest participation in the consumer portfolio, followed by Free Consumption and Vehicle. Payroll loan's growth with respect to the previous year stands out (+ 9.9%).

Mortgage loans grew by 5.3%, which represented a variation of COP 617,7 billion. At the end of the first 2021's quarter, it represents 23.8% of the gross loan portfolio.

Commercial portfolio showed an annual decrease of 3.7% with a negative variation of COP 656,3 billion. Furthermore, the leasing portfolio showed an increase of 0.1% with a positive variation of COP 1,0 billion.

## Client's Resources

Closing the first quarter of 2021, client's resources remained adjusted to the bank's liquidity needs. The total client resources showed a 4.3% decrease, which represented a negative variation of COP 2,4 trillion, closing the quarter at COP 54,0 trillion. Term deposits represented 33.7% of the total resources and showed a negative variation of 17.6% or COP 18,2 trillion.

## CLIENT'S RESOURCES

Million COP

	1Q20	1Q21	Var TAM	
Checking Accounts	7,570,791	8,382,855	812,064	10.7
Saving Accounts	23,344,179	24,066,248	722,069	3.1
Term Deposits	22,106,108	18,215,857	(3,890,251)	(17.6)
Other Deposits	866,870	949,860	82,990	9.6
<b>Total Client's Deposits</b>	<b>53,887,948</b>	<b>51,614,821</b>	<b>(2,273,128)</b>	<b>(4.2)</b>
Investment Securities in Circulation	2,582,260	2,402,869	(179,391)	(6.9)
<b>Total Resources</b>	<b>56,470,208</b>	<b>54,017,690</b>	<b>(2,452,518)</b>	<b>(4.3)</b>

Transactional deposits (current and saving accounts) grew by 5.0%, which represented a positive variation of COP 1,5 trillion. These deposits represented 60.1% of total client's resources.

Investment securities in circulation closed at COP 2,4 trillion and showed a negative variation of 6.9% compared to 2020.

## Eligible Capital and Solvency Ratio

The accounting equity showed a positive variation of 6.0% closing with a balance of COP 4,9 trillion. This increase is mainly explained by the COP 235,0 billion growth in reserves, an increase of COP 21,6 billion in fiscal year earnings and by the increase of COP 23,1 billion in Surplus.

The technical equity closed the first quarter of 2021 with a COP 6,2 trillion balance and showed a positive variation of 4.5%. According to the Colombian regulation, the required equity placed itself at COP 4,3 trillion, which implies that equity is over the required amount on COP 1,9 trillion.



## ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	1Q20	1Q21	%
<b>Accounting Equity</b>	<b>4,662,819</b>	<b>4,942,552</b>	<b>6.0</b>
Eligible Capital	5,989,807	6,257,856	4.5
Ordinary Basic Equity	3,477,600	4,290,710	23.4
Additional Basic Equity	2,994	2,994	-
Additional Equity (Tier II)	2,509,213	1,971,322	(21.4)
<b>Technical Equity</b>	<b>5,989,807</b>	<b>6,257,856</b>	<b>4.5</b>
Required Equity	5,130,297	4,335,173	(15.5)
Surplus Equity	859,511	1,922,683	123.7
<b>Risk weighted assets including market risk</b>	<b>57,003,296</b>	<b>45,017,372</b>	<b>(21.0)</b>
Value at Risk (VeR)	538,048	365,247	(32.1)
Value at Operational Risk (VeR)		219,841	NC
Solvency Ratio without VeR	11.74	16.25	451 bps
Solvency Ratio with VeR (minimum 9%)	10.51	13.90	339 bps
Tier 1 (%) <sup>1</sup>	6.10	9.53	343 bps

<sup>1</sup>Basic Equity against risk-weighted assets

Risk-weighted assets (RWA's) closed at COP 45,0 trillion and showed a decrease of 21.0%. Furthermore, the value at risk (VaR) decreased by 32.1%.

The Bank's solvency ratio closed at 13.90%, with a variation of 339 bps compared to the same period in 2020.

## Income Statement

Net interest income recorded an interannual increase of 9.6%. Interest income showed a decrease of COP 120,8 billion, while interest expenses decreased by COP 192,8 billion. The foregoing was driven by the good Bank's management. Therefore, net interest income increased by COP 72,0 billion.

Net fee income closed with a positive variation of 26.1%. Besides, incomes generated by the investment portfolio decreased by COP 40,4 billion or 32.4%. Dividends registered a decrease of 39.5% and closed with a COP 5,6 billion balance. Additionally, the other incomes line which includes operational incomes from financial services provided and recoveries of operative risks and others, registered an increase of 12.6%.

Net provisions closed with a balance of COP 271,4 billion and showed an increase of 3.2%.

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

## Accumulated Income Statement

Million COP

	1Q20	1Q21	Var TAM	
Interest Income	1,277,863	1,157,094	(120,769)	(9.5)
Interest Expense	(527,930)	(335,145)	192,784	(36.5)
<b>NET INTEREST INCOME</b>	<b>749,934</b>	<b>821,949</b>	<b>72,015</b>	<b>9.6</b>
<b>NET FEE INCOME</b>	<b>28,564</b>	<b>36,023</b>	<b>7,459</b>	<b>26.1</b>
Investment Portfolio	124,788	84,381	(40,407)	(32.4)
Dividends	9,327	5,647	(3,681)	(39.5)
Other incomes	22,334	25,155	2,821	12.6
<b>OTHER OPERATING INCOME</b>	<b>156,449</b>	<b>115,182</b>	<b>(41,266)</b>	<b>(26.4)</b>
<b>GROSS MARGIN</b>	<b>934,946</b>	<b>973,154</b>	<b>38,208</b>	<b>4.1</b>
<b>Net Provisions</b>	<b>(262,954)</b>	<b>(271,412)</b>	<b>(8,458)</b>	<b>3.2</b>
<b>Operational Costs</b>	<b>(421,327)</b>	<b>(422,992)</b>	<b>(1,665)</b>	<b>0.4</b>
Personal Expenses	(153,107)	(159,413)	(6,306)	4.1
General Expenses	(100,889)	(115,627)	(14,737)	14.6
Taxes	(32,475)	(31,293)	1,181	(3.6)
Other	(130,841)	(114,951)	15,890	(12.1)
Operational Risk	(4,014)	(1,708)	2,307	(57.5)
<b>OPERATING EXPENSES</b>	<b>(684,280)</b>	<b>(694,404)</b>	<b>(10,123)</b>	<b>1.5</b>
<b>PROFIT BEFORE TAX</b>	<b>250,666</b>	<b>278,751</b>	<b>28,085</b>	<b>11.2</b>
Income Tax	(85,136)	(91,649)	(6,513)	7.7
<b>NET INCOME</b>	<b>165,530</b>	<b>187,102</b>	<b>21,572</b>	<b>13.0</b>

Operational costs registered a COP 1,7 billion increase compared to the last year. Personal expenses increased by 4.1% compared to 2020. Furthermore, general expenses increased by 14.6% and expenses on taxes and fees increased by 3.6%.

Finally, BBVA Colombia registered a net profit for the end of March 2021 of COP 187,1 billion which was 13.0% higher than the profit of the previous year.

## 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

	1Q20	1Q21	Var TAM
<b>Gross Loan Portfolio</b>	<b>51,795,179</b>	<b>51,664,824</b>	<b>(0.25)</b>
Total Overdue loans	2,359,581	1,569,639	(33.48)
Overdue loans	468,441	252,831	(46.03)
Non-performing loans	1,891,140	1,316,808	(30.37)
<b>Non-performing loans ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>
Overdue Loans ratio	0.90	0.49	(0.42)
NPL ratio	3.65	2.55	(1.10)
Loan -Loss Provision	3,014,087	3,436,092	14.00
Coverage overdue loans	159.38	260.94	101.56

At the end of 2021's March, the NPL ratio placed itself at 2.55%. By its part, the coverage of NPL ratio was located at 260.94%.

## Individual Statement of Changes in Equity

Below is the statement of changes in shareholders' equity of BBVA Colombia for the year ended on December 31<sup>th</sup>, 2020 and March 31<sup>st</sup>, 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 31<sup>th</sup> 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	-	-	-	-	-	-	187,102	-	-	-	-	187,102
Fixed asset valuation update	-	-	-	-	-	-	-	-	126	-	-	126
Net deferred tax (Net effect of labor obligations and net fixed assets)	-	-	-	-	-	-	-	-	(26)	-	-	(26)
Hedging with cash flow derivatives	-	-	-	-	-	-	-	-	-	9,020	-	9,020
Actuarial gains and losses on defined contributions pensions	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income:												
Investments by equity method	-	-	-	-	-	-	-	-	-	402	-	402
losses from investments in subsidiaries, joint arrangements and uncontrolled interests	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on equity investment management	-	-	-	-	-	-	-	-	-	2,605	-	2,605
Deferred tax on equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on investments available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains of employee benefits	-	-	-	-	-	-	-	-	-	-	-	-
Unrealised retained earnings in equity instruments	-	-	-	-	-	-	-	-	-	(2,378)	-	(2,378)
Retained earnings by new measurements of financial assets on investments available for sale	-	-	-	-	-	-	-	-	-	(15,813)	-	(15,813)
<b>Balance of March 31<sup>st</sup> 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>\$ 187,102</b>	<b>\$ -</b>	<b>\$ 253,418</b>	<b>\$ 116,444</b>	<b>\$ 506</b>	<b>\$ 4,942,553</b>

## 3. Consolidated Figures

### Consolidated Results

Total assets of BBVA Colombia closed 2021's first quarter with a balance of COP 68,4 trillion. This showed an annual decrease of 8.2% which represented a negative variation of COP 6,1 trillion.

#### BALANCE SHEET - Consolidated Million COP

	1Q20	1Q21	TAM	
			abs	%
Cash and cash equivalents	6,943,845	6,626,941	(316,904)	(4.6)
Investments	8,006,373	6,564,033	(1,442,340)	(18.0)
Derivative Financial Instruments and Cash Operations	7,126,517	2,644,857	(4,481,660)	(62.9)
Gross Loan Portfolio and Leasing	51,795,180	51,664,824	(130,356)	(0.3)
Provision for credit losses	(2,908,465)	(3,088,294)	(179,829)	6.2
Other	3,500,819	3,957,214	456,395	13.0
<b>Assets</b>	<b>74,464,269</b>	<b>68,369,575</b>	<b>(6,094,694)</b>	<b>(8.2)</b>
Deposits	53,841,334	51,584,585	(2,256,749)	(4.2)
Money Market Operations	510,576	848,187	337,611	66.1
Financial instruments at fair value	7,259,157	3,259,301	(3,999,856)	(55.1)
Banks and other financial obligations	3,161,166	2,714,194	(446,972)	(14.1)
Investment in debt securities	2,582,260	2,402,869	(179,391)	(6.9)
Liabilities by deferred tax	312,162	226,215	(85,947)	(27.5)
Estimated liabilities and provisions	317,112	347,649	30,537	9.6
Payable accounts	968,412	981,334	12,922	1.3
Labor Obligations	222,452	225,193	2,741	1.2
Other Liabilities	372,594	388,123	15,529	4.2
<b>Liabilities</b>	<b>69,547,225</b>	<b>62,977,650</b>	<b>(6,569,575)</b>	<b>(9.4)</b>
Paid-in Capital	89,779	89,779	-	-
Additional-paid in capital	651,950	651,950	-	-
Noncontrolling interests	6,876	7,348	472	6.9
Reserves	3,408,817	3,643,860	235,043	6.9
Surplus	589,444	822,166	232,722	39.5
Net income	170,178	176,822	6,644	3.9
<b>Stockholder's Equity</b>	<b>4,917,044</b>	<b>5,391,925</b>	<b>474,881</b>	<b>9.7</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>74,464,269</b>	<b>68,369,575</b>	<b>(6,094,694)</b>	<b>(8.2)</b>

In relation to the Group's liquidity resources, the Available asset showed a decrease of COP 316,8 trillion in relation to 2020. This decrease was due to a negative variation of COP 1,9 trillion in Banks and other financial entities and an increase of COP 1,6 trillion in money market operations.

Derivative financial instruments and cash operations closed with a balance of COP 2,6 trillion, showing a negative variation of COP 4,5 trillion.

Investments showed a negative variation of COP 1,4 trillion closing with a balance of COP 6,5 trillion. This variation is explained by a positive variation in investments at fair value with changes in results delivered in money market operations of COP 95 billion, in investments at amortized cost with a positive variation of COP 1,1 billion, in investments changes in net income with a negative variation of COP 1,9 billion and in fair value with change in OCI of COP 698 billion.

The Credit and Leasing portfolio registered an annual decrease of 0.3% or COP 130,4 billion, closing march of 2021 with a balance of COP 51,7 trillion. For its part, the Impairment account, which corresponds to the specific and generic portfolio provisions, showed a 6.2% growth. The Other Assets grew by 13.0% or COP 456,3 billion.

In relation to the liability accounts, deposits and liabilities showed an annual decrease of COP 2,3 trillion, thus closing with a balance of COP 51,6 trillion. This is due to a decrease of COP 3,9 trillion in term deposits and an increase of COP 1,6 trillion in checking accounts.

Liabilities positions in market operations increased by COP 337,6 billion.

Financial instruments at Fair Value closed with a balance of COP 3,2 trillion, which represented a decrease of 55.1% compared to 2020. This variation is explained by the decrease in trading instruments of COP 3,9 trillion.

The line of Credit with Banks and Other Financial Obligations showed a decrease of COP 446,9 billion.

Accounts payable presented a positive variation of 1.3% and labor obligations showed an increase of 1.2%. Other liabilities increased by 4.2% or COP 15,5 billion, closing with a balance of COP 388,1 billion.

Finally, the Equity presented a 9.7% increase and closed at COP 5,4 trillion in 2021's March.

## Loan Portfolio

In March of 2021, the gross loan portfolio closed at COP 51,7 trillion, equivalent to a decrease of 0.3% compared to the same period in 2020. Similarly, the net loan portfolio decreased by 0.6%, closing at COP 48,6 trillion.

### LOAN PORTFOLIO

Million COP

	1Q20	1Q21	Var TAM	
<b>Gross Loan Portfolio</b>	<b>51,795,180</b>	<b>51,664,824</b>	<b>(130,356)</b>	<b>(0.3)</b>
Consumer	19,568,758	19,759,465	190,707	1.0
Commercial	19,990,663	19,141,488	(849,175)	(4.2)
Microcredit	2	2	-	-
Mortgage	11,754,412	12,280,868	526,456	4.5
Leasing	481,345	483,001	1,656	0.3
<b>Loan -Loss Provision</b>	<b>(2,908,465)</b>	<b>(3,088,294)</b>	<b>(179,829)</b>	<b>6.2</b>
<b>Net Loan Portfolio</b>	<b>48,886,715</b>	<b>48,576,530</b>	<b>(310,185)</b>	<b>(0.6)</b>

The BBVA Colombia Group's portfolio maintains its focus on the retail segment, which showed 62.0% of the gross portfolio at the end of March 2021. This segment showed an increase of 2.3% compared to 2020 and closed with a positive variation of COP 32,0 trillion.

The consumer loan portfolio composed by payroll loans, vehicle, free Investment, revolving credit, credit cards and overdrafts showed an annual increase of 1.0%.

The mortgage portfolio increased by 4.5%, which represented an increase of COP 526,5 billion. At the end of the first quarter of 2021, it represented 23.8% of the gross portfolio.

The commercial portfolio presented an annual decrease of 4.2% with a negative variation of COP 849,2 billion.

## Client's Resources

At the end of the first quarter 2021, 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 decreased by COP 2,4 trillion, which represented a negative variation of 4.3%, closing the quarter

with COP 53,9 trillion. The term deposit certificates represented 33.7% of the total resources and showed a negative variation of 17.6%, reaching a balance of COP 18,2 trillion.

## CLIENT'S RESOURCES

Million COP

	1Q20	1Q21	Var TAM	
Checking Accounts	31,735,226	33,368,728	1,633,502	5.1
Term deposits	22,106,108	18,215,857	(3,890,251)	(17.6)
<b>Total Client's Deposits</b>	<b>53,841,334</b>	<b>51,584,585</b>	<b>(2,256,749)</b>	<b>(4.2)</b>
Investment Securities in Circulation	2,582,260	2,402,869	(179,391)	(6.9)
<b>Total Resources</b>	<b>56,423,594</b>	<b>53,987,454</b>	<b>(2,436,140)</b>	<b>(4.3)</b>

Checking accounts showed a positive variation of 5.1% which represented a positive variation of COP 1,6 trillion. This deposit represented 61.8% of the client's resources.

Investment securities in circulation closed at COP 2,4 trillion and showed a negative variation of 6.9% compared to 2020.

## Eligible Capital and Solvency Ratio

The Group's equity presented a positive variation of 9.7% and closed at COP 5,4 trillion. This increase is mainly explained by the increase in reserves of COP 235,0 billion, by the increase of COP 6,6 billion in income statement for the year and by the increase of COP 232,7 billion in the Surplus.

Technical equity closed 2021's first quarter with a balance of COP 6,3 trillion and showed a positive variation of 4.5%. The equity required under Colombian regulation stood at COP 4,3 trillion, implying a COP 1,9 trillion equity surplus.



## ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	1Q20	1Q21	%
<b>Accounting Equity</b>	<b>4,917,044</b>	<b>5,391,925</b>	<b>9.7</b>
Eligible Capital	5,991,981	6,261,271	4.5
Ordinary Basic Equity	3,481,166	4,294,125	23.4
Additional Basic Equity	2,994	2,994	-
Additional Equity <sup>1</sup> (Tier II)	2,507,821	1,971,322	(21.4)
<b>Technical Equity</b>	<b>5,991,981</b>	<b>6,261,271</b>	<b>4.5</b>
Required Equity	5,143,775	4,338,615	(15.7)
Surplus Equity	848,206	1,922,656	126.7
<b>Risk weighted assets including market risk</b>	<b>57,153,053</b>	<b>45,053,119</b>	<b>(21.2)</b>
Value at Risk (VeR)	539,411	367,663	(31.8)
Value at Operational Risk (VeR <sub>Ro</sub> )	-	224,837	NC
Solvency Ratio without VeR	11.71	16.28	456
Solvency Ratio with VeR (minimum 9%)	10.48	13.90	341
Tier 1 (%) <sup>1</sup>	6.09	9.53	344

<sup>1</sup> Basic Equity against risk-weighted assets

Risk-Weighted Assets closed at COP 45,0 trillion and showed a decrease of 21.2%. For its part, the Market Value at Risk (VaR) decreased by 31.8%.

The Group's solvency ratio closed at 13.90%, with a positive variation of COP 341 bps compared to the same period in 2020.

## Income Statement

The net interest income registered an interannual increase of 9.6%. The loan portfolio income registered a decrease of COP 120,7 billion and the interest expenses registered an increase of COP 192,4 billion. For this reason, net interest income showed an increase of COP 71,7 billion.

Net fee income closed with a negative variation of COP 11,1 billion. On the other hand, the investment portfolio income showed a decrease of COP 45,5 billion or 38.1%. Dividends registered a decrease of COP 2,8 billion and closed with a balance of COP 6,5 billion. Furthermore, the line of other income, which includes operating income from financial services provided and recoveries of operating risk and others, registered an increase of COP 2,3 billion or 10.2%.

Next, it is showing the results of BBVA Colombia accumulated at the end of March 2020 and 2021:

## Accumulated Income Statement

Million COP

	1Q20	1Q21	Var TAM	
Interest Income	1,277,865	1,157,093	(120,772)	(9.5)
Interest Expense	(527,530)	(335,077)	192,453	(36.5)
<b>NET INTEREST INCOME</b>	<b>750,335</b>	<b>822,016</b>	<b>71,681</b>	<b>9.6</b>
<b>NET FEE INCOME</b>	<b>53,824</b>	<b>42,735</b>	<b>(11,089)</b>	<b>(20.6)</b>
Investment Portfolio	119,463	73,943	(45,520)	(38.1)
Dividends	9,327	6,546	(2,781)	(29.8)
Other Incomes	23,007	25,914	2,907	12.6
<b>OTHER OPERATING INCOME</b>	<b>151,797</b>	<b>106,403</b>	<b>(45,394)</b>	<b>(29.9)</b>
<b>GROSS MARGIN</b>	<b>955,956</b>	<b>971,154</b>	<b>15,198</b>	<b>1.6</b>
<b>Net Provisions</b>	<b>(263,298)</b>	<b>(271,533)</b>	<b>(8,235)</b>	<b>3.1</b>
<b>Operational Costs</b>	<b>(429,294)</b>	<b>(430,685)</b>	<b>(1,391)</b>	<b>0.3</b>
Personal Expenses	(157,760)	(164,172)	(6,412)	4.1
General Expenses	(100,823)	(115,313)	(14,490)	14.4
Taxes	(33,087)	(31,913)	1,174	(3.5)
Other	(132,748)	(115,275)	17,473	(13.2)
Operational Risk	(4,876)	(4,012)	864	(17.7)
<b>OPERATING EXPENSES</b>	<b>(692,592)</b>	<b>(702,218)</b>	<b>(9,626)</b>	<b>1.4</b>
Minority Interest	(362)	(561)	(199)	55.0
<b>PROFIT BEFORE TAX</b>	<b>263,002</b>	<b>268,375</b>	<b>5,373</b>	<b>2.0</b>
Income Tax	(92,825)	(91,553)	1,272	(1.4)
<b>NET PROFIT</b>	<b>170,178</b>	<b>176,822</b>	<b>6,644</b>	<b>3.9</b>

Operational costs registered an increase of COP 1,4 billion with respect to the previous year. Personnel expenses increased by 4.1% compared to 2020. On the other hand, general expenses increased by 14.4%. Tax and contribution expenses registered a decrease of 3.5%. The net provisions closed with a balance of COP 271,5 billion and showed an increase of 3.1%.

Finally, BBVA Colombia recorded a net profit for the end of March 2021 of COP 176,8 billion, which was 3.9% higher 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 December 31<sup>th</sup> 2020 and March 31<sup>st</sup> 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 31th 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>\$ 88,918</b>	<b>\$ 26,044</b>	<b>\$ 772,506</b>	<b>\$ 506</b>	<b>\$ 5,499,419</b>	<b>\$ 8,804</b>	<b>\$ 5,508,223</b>
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)	-	-	-	-	(2,017)	(2,017)
Release of reserves	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	176,822	-	-	-	-	176,822	561	177,383
Retained earnings sales force	-	-	-	-	-	-	25	-	-	25	-	25
Deferred tax	-	-	-	-	-	-	(25)	-	-	(25)	-	(25)
Unrealised retained earnings in new measurements of financial instruments	-	-	-	-	-	-	-	(15,781)	-	(15,781)	-	(15,781)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fixed asset valuation update	-	-	-	-	-	-	126	-	-	126	-	126
Hedging with derivatives cash flow	-	-	-	-	-	-	-	9,020	-	9,020	-	9,020
Income from other equity items of subordinates	-	-	-	-	-	-	-	54	-	54	-	54
Defined contributions pension	-	-	-	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Participation in other comprehensive income of the noncontrolled investments - internal model	-	-	-	-	-	-	-	(78,033)	-	(78,033)	-	(78,033)
Adjustment for impairment of loan portfolio and financial leasing operations by IFRS 9 application	-	-	-	-	-	-	-	(25,995)	-	(25,995)	-	(25,995)
Earnings accumulated by new measurements of financial assets available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial calculation of employee benefits	-	-	-	-	-	-	-	-	-	-	-	-
Net deferred tax	-	-	-	-	-	-	-	53,752	-	53,752	-	53,752
Profits (losses) other patrimonial items of subordinates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance of March 31st of 2021</b>	<b>\$ 479,760</b>	<b>\$ 86,785</b>	<b>\$ 651,950</b>	<b>\$ 3,643,354</b>	<b>\$ 176,822</b>	<b>\$ 80,473</b>	<b>\$ 26,170</b>	<b>\$ 715,523</b>	<b>\$ 506</b>	<b>\$ 5,384,577</b>	<b>\$ 7,348</b>	<b>\$ 5,391,925</b>

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