

# Quarterly Report January-December 2020

## 4Q20

Individual and Consolidated Report

Investor Relations

Bogotá D.C. March 2021

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# 1. Basics

## Economic Environment

Global GDP will severely contract in 2020 due to the effects of the Covid-19 pandemic. Global growth will return to positive in 2021, but the recovery will be incomplete (with the exception of China) and mixed across countries. After declining around 2.6% in 2020, global GDP is forecast to expand 5.3% in 2021 and 4.1% in 2022.

The supply, demand and financial shocks generated by the pandemic caused an unprecedented decline in GDP in the first half of 2020. Supported by aggressive economic policies and some control of the spread of the virus, global growth recovered more than expected in the third quarter of 2020, paving the way for some upward revision in GDP forecasts for 2020, although the expansion of the pandemic probably implied a slowdown in growth in the fourth quarter, mainly in Europe and in the United States. Joined.

In annual terms, growth will be strongly positive in 2021, but without returning to pre-pandemic levels soon (except in China). Significant and rapid fiscal and monetary stimuli have been put in place to support economic activity and reduce financial stress, especially in developed countries, and are being expanded further. Furthermore, the massive rollout of effective vaccines will likely allow for a gradual relaxation of social distancing rules throughout the year, first in major world economies and then in other countries, gradually supporting economic activity. However, this year's growth figures will be pressured downwards by the effect of the spread of the pandemic on growth during the first months of the year.

In 2022 growth will continue to be supported by economic policy measures and the end of social distancing, as vaccinations are supposed to pave the way for herd immunity by then.

Uncertainty remains high despite the "normalization" prospects created by vaccines. A slow vaccination, new strains of the coronavirus, as well as the tension generated by high public and private debt could, for example, pave the way for more negative scenarios. But more positive scenarios should not be ruled out, either due to a greater rebound in confidence after the inoculation of vaccines or stimulated by new monetary and fiscal policies (especially in the United States, taking into account the "blue wave" determined by recent runoff elections in Georgia).

In the case of Colombia, since the end of the third quarter, when the operation of most economic sectors and greater mobility of households were allowed, the speed of economic recovery accelerated. In addition, the government maintained its plans to help the most vulnerable households and direct transfers to companies so that they maintain payroll payments, including employee bonuses. In total, the higher public spending during 2020 managed to offset, although only partially, the deep deterioration in private demand, with government consumption being the only major component of GDP that grew in the year.

The components of GDP most related to private spending continued their recovery process. Private consumption did not return to pre-pandemic levels in 2020, although it did show a more robust behavior in the expenditure of goods, while it was much weaker in the consumption of services. It was supported by the gradual recovery of the labor market, the partial recovery of the jobs lost during the most intense period of lockdowns and the pandemic, and the reduction in the unemployment rate. However, the job recovery is still underway and ended 2020 with a higher informality rate than before the pandemic, because a higher proportion of the jobs created last year were concentrated in non-salaried occupations.

Furthermore, fixed investment at the end of the year had a favorable dynamics thanks to the improvement in business confidence and the prior reduction in inventories, the latter allowed by the recovery in domestic demand. In addition, the government launched a new generation of subsidies for the purchase of new medium-price homes, which significantly boosted home purchases, especially in the fourth quarter of the previous year. However, as in the case of consumption, investment was still below its level prior to the shock caused by the pandemic and still lacked a way to go towards full recovery.

In total, it is estimated that in 2020 GDP fell 7.2%, the largest drop since when there are records of domestic production. Domestic demand would have fallen somewhat more, 7.8%, and exports almost 20%. Imports also had to be reduced to double digits, around 18%, and were an important offsetting factor for the final GDP result.

Monetary policy played an outstanding role. The Central Bank sought to guarantee the functioning of the payment system and the liquidity of the financial system at the beginning of the pandemic, when uncertainty was very high and the agents of the economy demanded large sums of precautionary liquidity. In addition, it progressively lowered interest rates, to an all-time low, to encourage the speed of the subsequent recovery to take place at a faster pace. The early actions of the Banco de la República helped reduce the risk premiums of the Colombian economy and improve the response capacity of the financial system.

In fact, the financial sector, through the deferral of interest and principal payments from debtors, helped improve the cash flow of households and companies. According to data from Superintendencia Financiera de Colombia, the first set of deferral measures, in line with external circulars 007 and 014 of 2020, reached more than 40% of the value of the country's credits (equivalent to 225 billion pesos), benefiting about 12 million debtors and almost 17 million credit operations. Additionally, under the debtor support program, established by External Circular Letter 022 of 2020, 1.9 million debtors were received, redefining their loans for a value of 34.6 billion pesos at the end of the previous year.

In this context of low domestic demand and in the presence of reductions in rates, taxes and prices of some goods and services, inflation fell to historical lows. It closed last year at 1.6%, the lowest since the 1950s. In response, the Banco de la República reduced its interest rate, also to the lowest level recorded: 1.75%, which was achieved in September. At the end of the year, the central bank kept this rate unchanged, seeking to give greater traction to the economic recovery and taking advantage of the space provided by the low inflation recorded.

## 2. Individual Figures

### Individual Results

Total assets of BBVA Colombia closed the fourth quarter of 2020 with a balance of COP 68,2 trillion. This showed an annual growth of 4.7% which represented a variation of +COP 3,1 trillion.

#### Balance Sheet

Million COP

	4Q19	4Q20	TAM	
			abs	%
Cash	5,140,987	5,745,189	604,202	11.8
Assets positions in money market operations	499,032	484,399	(14,633)	(2.9)
Investment and derivatives transactions	10,904,928	11,421,427	516,499	4.7
Loan portfolio and leasing operations	49,656,631	50,983,302	1,326,671	2.7
Impairment	(2,947,629)	(3,431,013)	(483,384)	16.4
Other Assets	1,908,183	3,028,621	1,120,438	58.7
<b>Total Assets</b>	<b>65,162,133</b>	<b>68,231,926</b>	<b>3,069,793</b>	<b>4.7</b>
Deposits and financial claims	49,535,580	54,291,221	4,755,641	9.6
Liabilities positions in money market operations	4,411,631	506,348	(3,905,284)	(88.5)
Financial instruments at fair value	2,039,138	4,107,191	2,068,053	101.4
Banks and other financial obligations	2,607,156	2,606,926	(230)	(0.0)
Accounts payable	782,403	868,097	85,693	11.0
Labor obligations	250,835	237,716	(13,120)	(5.2)
Other Liabilities	656,103	618,106	(37,997)	(5.8)
<b>Total Liabilities</b>	<b>60,282,848</b>	<b>63,235,604</b>	<b>2,952,757</b>	<b>4.9</b>
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	1,027,561	1,043,935	16,374	1.6
Gains or losses	722,815	454,296	(268,519)	(37.1)
<b>Stockholder's Equity</b>	<b>4,879,285</b>	<b>4,996,322</b>	<b>117,036</b>	<b>2.4</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>65,162,133</b>	<b>68,231,926</b>	<b>3,069,793</b>	<b>4.7</b>

Concerning the Bank's liquidity resources, the current assets showed an increase of COP 604 billion compared to 2019. This increase was due to a positive variation of COP 654 billion in the Central Bank, a positive variation of COP 314 billion in cash at the bank and a negative variation of COP 364 billion in cash in Banks and other financial entities.

The active positions in the money market closed with a balance of COP 484 billion and showed a decrease of 2.9% to the same period of 2019. This decrease of COP 14 billion was due to a higher volume in simultaneous operations, which showed a positive variation of COP 35 billion and a decrease of COP 50 billion in interbank transactions.

For its part, investments and operations with derivatives showed a positive variation of 4.7% compared to 2019's December, closing with a balance of COP 11,4 trillion.

The gross loan and leasing portfolio registered an annual growth of 2.7% or COP 1,3 trillion, closing December of 2020 with a balance of COP 50,9 trillion. On its part, the impairment account which corresponds to specific and general provisions of the loan portfolio showed an increase of 16.4%. The other assets account increased by 58.7% or COP 1,1 trillion.

About liabilities accounts, the deposits and financial claims showed an annual growth of 9.6% or COP 4,7 trillion, closing with a balance of COP 54,3 trillion. This increase is owed to a positive variation of COP 252,9 billion in special deposits, an increase of COP 2,6 trillion in current accounts, an increase of COP 124,6 billion on investment securities, an increase of COP 2,6 trillion in savings accounts, an increase of COP 14,4 billion in service charges, and a decrease of COP 387,5 trillion in term deposits.

Liability positions in the monetary market decreased by COP 3,9 trillion, due to a negative variation of COP 1,3 trillion in simultaneous operations, a decrease of COP 260,2 billion in interbank funds, a decrease of COP 11,7 billion in short positions and a decrease of COP 2,3 trillion in repo operations.

Financial instruments at fair value closed with a balance of COP 4,1 trillion, which represented an increase of 101.4% compared to the same period in 2019. This variation is highly explained by the trading swaps increase of COP 1,6 trillion and an increase of COP 484,7 billion in trading forwards. Furthermore, trading options showed a decrease of COP 20,1 billion and hedging swaps decreased in COP 14,5 billion.

Credit lines with banks and other financial obligations showed a decrease of COP 230 billion owed to a decrease of COP 428 billion in foreign entities and an increase in Findeter and Finagro obligations of COP 262,6 billion and COP 170,2 billion respectively. Furthermore, Bancoldex obligations showed a decrease of COP 5,5 billion.

Accounts payable registered a positive variation of 11.0%, while labor obligations showed a decrease of 5.2%. Other liabilities decreased by 5.8% or COP 37,9 billion, closing with a balance of COP 618,1 billion.

Finally, Equity showed an increase of 2.3% and closed at COP 4,9 billion.

## Loan portfolio

In 2020's December, the gross loan portfolio closed with a positive variation of COP 50,9 trillion and showed a positive variation of 2.7% compared to the same period of 2019. Similarly, the net loan portfolio increased by 1.8% and closed with a positive variation of COP 47,5 trillion.

### LOAN PORTFOLIO

Million COP

	4Q19	4Q20	Var TAM	
<b>Gross loans</b>	<b>49,656,631</b>	<b>50,983,302</b>	<b>1,326,671</b>	<b>2.7</b>
Consumer	17,998,790	18,900,896	902,106	5.0
Commercial	16,256,143	16,723,869	467,726	2.9
Microcredit	-	-	-	N.C
Mortgage	11,754,653	12,156,191	401,538	3.4
Leasing	1,604,495	1,573,017	(31,479)	(2.0)
<b>Non-performing loan portfolio</b>	<b>268,652</b>	<b>198,839</b>	<b>(69,813)</b>	<b>(26.0)</b>
Non-performing loans	1,773,898	1,430,491	(343,406)	(19.4)
<b>Provisions</b>	<b>(2,947,629)</b>	<b>(3,431,013)</b>	<b>(483,384)</b>	<b>(16.4)</b>
<b>Total loans, net</b>	<b>46,709,002</b>	<b>47,552,289</b>	<b>843,287</b>	<b>1.8</b>

The loan portfolio of BBVA Colombia keeps its attention in the retail segment, which represents 60.9% of the gross loan portfolio at the close of 2020's December. This segment increased by 4.4% compared to 2019 and closed with a COP 31,1 trillion balance.

The consumer portfolio, composed by payroll loans, vehicle, hedge funds, revolving credit, credit cards and overdrafts increased at an annual rate of 5.0%. Payroll loan shows the highest participation in the consumer portfolio, followed by Free Consumption and Vehicle.

Mortgage loans grew by 3.4%, which represented a variation of COP 401,5 billion. At the end of the fourth 2020's quarter, it represents 23.8% of the gross loan portfolio.

Commercial portfolio presented an annual increase of 2.9% with a positive variation of COP 467,7 billion. In the other hand, the leasing portfolio showed a 2.0% decrease with a negative variation of COP 31,5 billion.

## Client's Resources

Closing the fourth quarter of 2020, client's resources remained adjusted to the bank's liquidity needs. The total client resources showed a 9.6% increase, which represented a positive variation of COP 4,7 trillion, closing the quarter at COP 54,3 trillion. Term deposits represented 35.4% of the total resources and showed a negative variation of 2.0% or COP 19,2 trillion.

### CLIENT'S RESOURCES

Million COP

	4Q19	4Q20	Var TAM	
Checking Accounts	6,547,255	8,632,106	2,084,852	31.8
Saving Accounts	20,444,113	23,109,180	2,665,068	13.0
Term Deposits	19,581,927	19,194,165	(387,761)	(2.0)
Other Deposits	782,662	1,051,507	268,845	34.4
<b>Total Client's Deposits</b>	<b>47,355,956</b>	<b>51,986,959</b>	<b>4,631,003</b>	<b>9.8</b>
Investment Securities in Circulation	2,179,625	2,304,263	124,638	5.7
<b>Total Resources</b>	<b>49,535,580</b>	<b>54,291,221</b>	<b>4,755,641</b>	<b>9.6</b>

Transactional deposits (current and saving accounts) grew by 17.6%, which represented a positive variation of COP 4,7 trillion. These deposits represented 58.5% of total client's resources.

Investment securities in circulation closed at COP 2,3 trillion and showed a positive variation of 5.7% compared to 2019.

## Eligible Capital and Solvency Ratio

The accounting equity showed a positive variation of 2.4% closing with a balance of COP 4,9 trillion. This increase is mainly explained by the COP 369,2 billion growth in reserves, a decrease of COP 268,5 billion in fiscal year earnings and by the increase of COP 16,4 billion in Surplus.

The technical equity closed the fourth quarter of 2020 with a COP 6,4 trillion balance and showed a positive variation of 9.6%. According to the Colombian regulation, the required equity placed itself at COP 4,2 trillion, which implies that equity is over the required amount on COP 2,2 trillion.



## ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	4Q19	4Q20	%
<b>Accounting Equity</b>	<b>4,879,285</b>	<b>4,996,322</b>	<b>2.4</b>
Eligible Capital	5,830,336	6,389,435	9.6
Ordinary Basic Equity	3,292,885	4,452,921	35.2
Additional Basic Equity	2,994	2,994	-
Additional Equity (Tier II)	2,534,457	1,940,690	(23.4)
<b>Technical Equity</b>	<b>5,830,336</b>	<b>6,389,435</b>	<b>9.6</b>
Required Equity	4,535,912	4,180,787	(7.8)
Surplus Equity	1,294,424	2,208,648	70.6
<b>Risk weighted assets including market risk</b>	<b>50,399,021</b>	<b>43,414,193</b>	<b>(13.9)</b>
Value at Risk (VeR)	381,384	336,344	(11.8)
Value at Operational Risk (VeR)		223,062	NC
Solvency Ratio without VeR	12.63	17.18	455 bps
Solvency Ratio with VeR (minimum 9%)	11.57	14.72	315 bps
Tier 1 (%) <sup>1</sup>	6.53	10.26	372 bps

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

Risk-weighted assets (RWA's) closed at COP 43,4 trillion and showed a decrease of 13.9%. On the other hand, the value at risk (VaR) decreased by 11.8%.

The Bank's solvency ratio closed at 14.72%, with a variation of 315| bps compared to the same period in 2019.

## Income Statement

Net interest income recorded an interannual increase of 6.4%. Loan portfolio revenues showed a growth of COP 92,2 billion, while expenses decreased by COP 96,4 billion. The foregoing was driven by the good Bank's management. Therefore, net interest income increased by COP 188,6 billion.

Net fee income closed with a positive variation of 18.1%. Besides, incomes generated by the investment portfolio increased by COP 92,0 billion or 21.9%. Dividends registered a decrease of 11.5% and closed with a COP 14,5 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 47.4%.

Net provisions closed with a balance of COP 1,5 billion and showed an increase of 52.7%.

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

## Accumulated Income Statement

Million COP

	4Q18	4Q20	Var TAM	
Interest Income	4,830,056	5,053,725	92,218	1.9
Interest Expense	(2,060,057)	(1,899,076)	96,399	(4.8)
<b>NET INTEREST INCOME</b>	<b>2,769,998</b>	<b>3,154,650</b>	<b>188,617</b>	<b>6.4</b>
<b>NET FEE INCOME</b>	<b>158,175</b>	<b>143,960</b>	<b>22,042</b>	<b>18.1</b>
Investment Portfolio	433,213	511,770	92,004	21.9
Dividends	17,471	14,512	(1,891)	(11.5)
Other incomes	87,461	71,979	(64,937)	(47.4)
<b>OTHER OPERATING INCOME</b>	<b>538,145</b>	<b>598,261</b>	<b>25,176</b>	<b>4.4</b>
<b>GROSS MARGIN</b>	<b>3,466,319</b>	<b>3,896,870</b>	<b>235,835</b>	<b>6.4</b>
<b>Net Provisions</b>	<b>(1,107,289)</b>	<b>(1,500,858)</b>	<b>(518,227)</b>	<b>52.7</b>
<b>Operational Costs</b>	<b>(1,532,156)</b>	<b>(1,699,364)</b>	<b>(83,268)</b>	<b>5.2</b>
Personal Expenses	(560,693)	(618,502)	(17,158)	2.9
General Expenses	(376,075)	(444,321)	(40,124)	9.9
Taxes	(120,222)	(126,482)	(7,874)	6.6
Other	(460,959)	(490,318)	(9,703)	2.0
Operational Risk	(14,206)	(19,741)	(8,409)	74.2
<b>OPERATING EXPENSES</b>	<b>(2,639,445)</b>	<b>(3,200,222)</b>	<b>(601,495)</b>	<b>23.1</b>
<b>PROFIT BEFORE TAX</b>	<b>826,873</b>	<b>696,648</b>	<b>(365,660)</b>	<b>(34.4)</b>
Income Tax	(277,562)	(226,798)	97,142	(30.0)
<b>NET INCOME</b>	<b>549,312</b>	<b>469,850</b>	<b>(268,519)</b>	<b>(36.4)</b>

Operational costs registered a COP 83,3 billion increase compared to the last year. Personal expenses increased by 2.9% compared to 2019. Furthermore, general expenses increased by 9.9% and expenses on taxes and fees increased by 6.6%.

Finally, at the end of 2020's December BBVA Colombia registered a net income of COP 469,8 billion which was 36.4% 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

	4Q19	4Q20	Var TAM
<b>Gross Loan Portfolio</b>	<b>49,656,631</b>	<b>50,983,302</b>	<b>2.67</b>
Total Overdue loans	2,042,550	1,629,330	(20.23)
Overdue loans	268,652	198,839	(25.99)
Non-performing loans	1,773,898	1,430,491	(19.36)
<b>Non-performing loans ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>
Overdue Loans ratio	0.54	0.39	(0.15)
NPL ratio	3.57	2.81	(0.77)
Loan -Loss Provision	2,947,629	3,431,013	16.40
Coverage overdue loans	166.17	239.85	73.68

At the end of 2020's December, the NPL ratio placed itself at 2.81%. By its part, the coverage of NPL ratio was located at 239.85%.

## 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>, 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	Suscribed and paid-in capital				Retained Earnings							Total Shareholder Equity
	Non-voting preferred shares		Ordinary shares		Legal and occasional reserves	Additional- paid in capital	Net profit For the period	Retained earnings	Adjustments in the adoption for the first time NICF	Other comprehensive Income (OCI)	Article 6 Law 4 of 1980	
	Number	Value	Number	Value								
<b>Balance of December 31 of 2019</b>	<b>\$ 479,760</b>	<b>\$ 2,994</b>	<b>\$ 13,907,929</b>	<b>\$ 86,785</b>	<b>\$ 3,039,130</b>	<b>\$ 651,950</b>	<b>\$ 738,369</b>	<b>\$ -</b>	<b>\$ 255,370</b>	<b>\$ 104,181</b>	<b>\$ 506</b>	<b>\$ 4,879,285</b>
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	-	-	-	-	-	-	469,850	-	-	-	-	469,850
Fixed asset valuation update	-	-	-	-	-	-	-	-	(2,437)	-	-	(2,437)
Net deferred tax (Net effect of labor obligations and net fixed assets)	-	-	-	-	-	-	-	-	385	-	-	385
Hedging with cash flow derivatives	-	-	-	-	-	-	-	-	-	7,900	-	7,900
Actuarial gains and losses on defined contributions pensions	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income:	-	-	-	-	-	-	-	-	-	-	-	-
Investments by equity method	-	-	-	-	-	-	-	-	-	274	-	274
losses from investments in subsidiaries, joint arrangements and uncontrolled interests	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on equity investment management	-	-	-	-	-	-	-	-	-	(7,510)	-	(7,510)
Deferred tax on equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on investments available for sale	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains of employee benefits	-	-	-	-	-	-	-	-	-	2,427	-	2,427
Unrealised retained earnings in equity instruments	-	-	-	-	-	-	-	-	-	(1,031)	-	(1,031)
Retained earnings by new measurements of financial assets on investments available for sale	-	-	-	-	-	-	-	-	-	16,367	-	16,367
<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>

## 3. Consolidated Figures

### Consolidated Results

Total assets of BBVA Colombia closed 2020's fourth quarter with a balance of COP 68,8 trillion. This showed an annual growth rate of 4.8% which represented a positive variation of COP 3,2 trillion.

#### BALANCE SHEET - Consolidated Million COP

	4Q19	4Q20	TAM	
			abs	%
Cash and cash equivalents	5,642,226	6,266,488	624,262	11.1
Investments	8,667,565	7,408,591	(1,258,974)	(14.5)
Derivative Financial Instruments and Cash Operations	2,071,592	3,809,914	1,738,322	83.9
Gross Loan Portfolio and Leasing	49,656,632	50,983,357	1,326,725	2.7
Provision for credit losses	(2,573,306)	(3,074,686)	(501,380)	19.5
Other	2,265,681	3,494,849	1,229,168	54.3
<b>Assets</b>	<b>65,730,390</b>	<b>68,888,513</b>	<b>3,158,123</b>	<b>4.8</b>
Deposits	47,320,164	51,951,600	4,631,436	9.8
Money Market Operations	4,410,752	506,292	(3,904,460)	(88.5)
Financial instruments at fair value	2,039,137	4,107,191	2,068,054	101.4
Banks and other financial obligations	2,607,156	2,606,926	(230)	(0.0)
Investment in debt securities	2,179,625	2,304,263	124,638	5.7
Liabilities by deferred tax	329,095	278,178	(50,917)	(15.5)
Estimated liabilities and provisions	317,376	276,494	(40,882)	(12.9)
Payable accounts	647,543	714,295	66,752	10.3
Labor Obligations	254,728	240,871	(13,857)	(5.4)
Other Liabilities	412,901	394,180	(18,721)	(4.5)
<b>Liabilities</b>	<b>60,518,477</b>	<b>63,380,290</b>	<b>2,861,813</b>	<b>4.7</b>
Paid-in Capital	89,779	89,779	-	-
Additional-paid in capital	651,950	651,950	-	-
Noncontrolling interests	7,260	8,804	1,544	21.3
Reserves	3,039,636	3,408,817	369,181	12.1
Surplus	691,670	887,468	195,798	28.3
Net income	731,618	461,405	(270,213)	(36.9)
<b>Stockholder's Equity</b>	<b>5,211,913</b>	<b>5,508,223</b>	<b>296,310</b>	<b>5.7</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>65,730,390</b>	<b>68,888,513</b>	<b>3,158,123</b>	<b>4.8</b>

In relation to the Group's liquidity resources, the Available asset showed an increase of COP 624,3 trillion in relation to 2019. This increase was due to a positive variation of COP 602,7 billion in Banks and other financial entities.

Derivative financial instruments and cash operations closed with a balance of COP 3,8 trillion, showing a positive variation of COP 1,7 trillion.

Investments showed a negative variation of COP 1,2 trillion closing with a balance of COP 7,4 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 2,7 billion, in investments at amortized cost with a positive variation of COP 1,2 billion, in investments changes in net income with a positive variation of COP 219,6 billion and in fair value with change in OCI of COP 39,9 billion.

The Credit and Leasing portfolio registered an annual growth of 2.7% or COP 1,3 trillion, closing 2020's December with a balance of COP 50,9 trillion. For its part, the Impairment account, which corresponds to the specific and generic portfolio provisions, showed a 19.5% growth. The Other Assets grew by 54.3% or COP 1,2 trillion.

In relation to the liability accounts, deposits and liabilities showed an annual growth of COP 4,6 trillion, thus closing with a balance of COP 51,9 trillion. This is due to an increase of COP 5,0 trillion in checking accounts and a decrease of COP 387,8 billion growths in term deposits.

Liabilities positions in market operations decreased by COP 3,9 trillion.

Financial instruments at Fair Value closed with a balance of COP 4,1 trillion, which represented a growth of 101.4% compared to 2019. This variation is explained by the increase in trading instruments of COP 2,1 trillion.

The line of Credit with Banks and Other Financial Obligations showed a decrease of COP 230 billion.

Accounts payable presented a positive variation of 10.3% and labor obligations showed a decrease of 5.4%. Other liabilities decreased 4.5% or COP 18,7 billion, closing with a balance of COP 394,2 billion.

Finally, the Equity presented a 5.7% increase and closed at COP 5,5 trillion in 2020's December.

## **Loan Portfolio**

In December of 2020, the gross loan portfolio closed at COP 50,9 trillion, equivalent to an increase of 2.7% compared to the same period in 2019. Similarly, the net loan portfolio increased by 1.8%, closing at COP 47,9 trillion.

## LOAN PORTFOLIO

Million COP

	4Q19	4Q20	Var TAM	
<b>Gross Loan Portfolio</b>	<b>49,656,632</b>	<b>50,983,357</b>	<b>1,326,725</b>	<b>2.7</b>
Consumer	18,970,748	19,518,776	548,028	2.9
Commercial	18,408,889	18,826,188	417,299	2.3
Microcredit	2	2	-	-
Mortgage	11,802,474	12,159,294	356,820	3.0
Leasing	474,519	479,097	4,578	1.0
<b>Loan -Loss Provision</b>	<b>(2,573,306)</b>	<b>(3,074,686)</b>	<b>(501,380)</b>	<b>19.5</b>
<b>Net Loan Portfolio</b>	<b>47,083,326</b>	<b>47,908,671</b>	<b>825,345</b>	<b>1.8</b>

The BBVA Colombia Group's portfolio maintains its focus on the retail segment, which showed 62.1% of the gross portfolio at the end of December 2020. This segment showed an increase of 2.9% compared to 2019 and closed with a positive variation of COP 31,7 trillion.

The consumer loan portfolio composed by payroll loans, vehicle, free Investment, revolving credit, credit cards and overdrafts showed an annual increase of 2.9%.

The mortgage portfolio increased by 3.0%, which represented an increase of COP 356,8 billion. At the end of the fourth quarter of 2020, it represented 23.8% of the gross portfolio.

The commercial portfolio presented an annual increase of 2.3% with a positive variation of COP 417,3 billion.

## Client's Resources

At the end of 2020's fourth 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 4,7 trillion, which represented a variation of 9.6%, closing the quarter with COP 54,2 trillion. The term deposit certificates represented 35.4% of the total resources and showed a negative variation of 2.0%, reaching a balance of COP 19,2 trillion.

## CLIENT'S RESOURCES

Million COP

	4Q19	4Q20	Var TAM	
Checking Accounts	27,738,237	32,757,435	5,019,198	18.1
Term deposits	19,581,927	19,194,165	(387,762)	(2.0)
<b>Total Client's Deposits</b>	<b>47,320,164</b>	<b>51,951,600</b>	<b>4,631,436</b>	<b>9.8</b>
Investment Securities in Circulation	2,179,625	2,304,263	124,638	5.7
<b>Total Resources</b>	<b>49,499,789</b>	<b>54,255,863</b>	<b>4,756,074</b>	<b>9.6</b>

Checking accounts showed a positive variation of 18.1% which represented a positive variation of COP 5,0 trillion. This deposit represented 60.4% of the client's resources.

Investment securities in circulation closed at COP 2,3 trillion and showed a positive variation of 5.7% compared to 2019.

## Eligible Capital and Solvency Ratio

The Group's equity presented a positive variation of 5.7% and closed at COP 5,5 trillion. This increase is mainly explained by the increase in reserves of COP 369,2 billion, by the decrease of COP 270,2 billion in income statement for the year and by the increase of COP 195,0 billion in the Surplus.

Technical equity closed 2020's fourth quarter with a balance of COP 6,4 trillion and showed a positive variation of 9.6%. The equity required under Colombian regulation stood at COP 4,1 trillion, implying a COP 2,2 trillion equity surplus.

### ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	4Q19	4Q20	%
<b>Accounting Equity</b>	<b>5,211,913</b>	<b>5,507,431</b>	<b>5.7</b>
Eligible Capital	5,831,914	6,394,191	9.6
Ordinary Basic Equity	3,296,129	4,457,676	35.2
Additional Basic Equity	2,994	2,994	-
Additional EquityI (Tier II)	2,532,791	1,940,690	(23.4)
<b>Technical Equity</b>	<b>5,831,914</b>	<b>6,394,191</b>	<b>9.6</b>
Required Equity	4,552,537	4,181,350	(8.2)
Surplus Equity	1,279,376	2,212,841	73.0
<b>Risk weighted assets including market risk</b>	<b>50,583,750</b>	<b>43,420,038</b>	<b>(14.2)</b>
Value at Risk (VeR)	384,648	338,351	(12.0)
Value at Operational Risk (VeRRO)	-	228,042	NC
Solvency Ratio without VeR	12.59	17.22	463
Solvency Ratio with VeR (minimum 9%)	11.53	14.73	320
Tier 1 (%) <sup>1</sup>	6.52	10.27	375

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



Risk-Weighted Assets closed at COP 43,4 trillion and showed a decrease of 14.2%. For its part, the Market Value at Risk (VaR) decreased by 12.0% and the Operating Risk Value (VaRRO) is incorporated.

The Group's solvency ratio closed at 14.73%, with a positive variation of COP 320 bps compared to the same period in 2019.

## **Income Statement**

The net interest income registered an interannual increase of 1.2%. The loan portfolio income registered a decrease of COP 56,8 billion and the interest expenses registered a decrease of COP 95,4 billion. For this reason, net interest income showed an increase of COP 38,6 billion.

Net fee income closed with a positive variation of COP 170,3 billion. On the other hand, the investment portfolio income showed an increase of COP 89,9 billion or 23.1%. Dividends registered a decrease of COP 1,9 billion and closed with a balance of COP 14,8 billion. Furthermore, 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 62,2 billion or 44.6%.

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

## Accumulated Income Statement

Million COP

	12M19	12M20	Var TAM	
Interest Income	5,110,533	5,053,726	(56,807)	(1.1)
Interest Expense	(1,993,032)	(1,897,610)	95,422	(4.8)
<b>NET INTEREST INCOME</b>	<b>3,117,501</b>	<b>3,156,116</b>	<b>38,615</b>	<b>1.2</b>
<b>NET FEE INCOME</b>	<b>36,099</b>	<b>206,398</b>	<b>170,299</b>	<b>471.8</b>
Investment Portfolio	389,595	479,487	89,892	23.1
Dividends	16,830	14,837	(1,993)	(11.8)
Other Incomes	139,599	77,370	(62,229)	(44.6)
<b>OTHER OPERATING INCOME</b>	<b>546,024</b>	<b>571,694</b>	<b>25,670</b>	<b>4.7</b>
<b>GROSS MARGIN</b>	<b>3,699,624</b>	<b>3,934,208</b>	<b>234,584</b>	<b>6.3</b>
<b>Net Provisions</b>	<b>(983,192)</b>	<b>(1,501,330)</b>	<b>(518,138)</b>	<b>52.7</b>
<b>Operational Costs</b>	<b>(1,645,103)</b>	<b>(1,729,147)</b>	<b>(84,044)</b>	<b>5.1</b>
Personal Expenses	(617,900)	(636,326)	(18,426)	3.0
General Expenses	(404,086)	(443,203)	(39,117)	9.7
Taxes	(121,177)	(128,936)	(7,759)	6.4
Other	(484,633)	(489,439)	(4,806)	1.0
Operational Risk	(17,307)	(31,243)	(13,936)	80.5
<b>OPERATING EXPENSES</b>	<b>(2,628,295)</b>	<b>(3,230,477)</b>	<b>(602,182)</b>	<b>22.9</b>
Minority Interest	(1,999)	(2,185)	(186)	9.3
<b>PROFIT BEFORE TAX</b>	<b>1,069,330</b>	<b>701,546</b>	<b>(367,784)</b>	<b>(34.4)</b>
Income Tax	(337,712)	(240,141)	97,571	(28.9)
<b>NET PROFIT</b>	<b>731,618</b>	<b>461,405</b>	<b>(270,213)</b>	<b>(36.9)</b>

Operational costs registered an increase of COP 84,0 billion with respect to the previous year. Personnel expenses increased by 3.0% compared to 2019. On the other hand, general expenses increased 9.7%. Tax and contribution expenses registered an increase of 6.4%. The net provisions closed with a balance of COP 1,5 trillion and showed an increase of 52.7%.

Finally, BBVA Colombia recorded a net profit for the end of December 2020 of COP 461,4 billion, which was 36.9% 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 December 31<sup>th</sup> 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
<b>Balance of December 31<sup>st</sup> of 2019</b>	<b>\$ 479,760</b>	<b>\$ 86,785</b>	<b>\$ 651,950</b>	<b>\$ 3,039,130</b>	<b>\$ 731,618</b>	<b>\$ 95,669</b>	<b>\$ (42,887)</b>	<b>\$ 638,888</b>	<b>\$ 506</b>	<b>\$ 5,204,653</b>	<b>\$ 7,260</b>	<b>\$ 5,211,913</b>
Non controlled interest (minority interest)	-	-	-	-	-	-	-	-	-	-	(850)	(850)
Transfers	-	-	-	-	(731,618)	731,618	-	-	-	-	-	-
Dividends paid in cash, preferred and common shares	-	-	-	-	-	(369,189)	-	-	-	(369,189)	-	(369,189)
Appropriation for legal reserve	-	-	-	369,181	-	(369,181)	-	-	-	-	-	-
Release of reserves	-	-	-	-	-	-	-	-	-	-	209	209
Net profit for the period	-	-	-	-	461,405	-	-	-	-	461,405	2,185	463,590
Retained earnings sales force	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	18,219	-	-	18,219	-	18,219
Unrealised retained earnings in new measurements of financial instruments	-	-	-	-	-	-	53,150	-	-	53,150	-	53,150
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fixed asset valuation update	-	-	-	-	-	-	(2,437)	-	-	(2,437)	-	(2,437)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	7,899	-	7,899	-	7,899
Income from other equity items of subordinates	-	-	-	-	-	-	-	(4,535)	-	(4,535)	-	(4,535)
Defined contributions pension	-	-	-	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Participation in other comprehensive income of the noncontrolled investments - internal model	-	-	-	-	-	-	-	16,321	-	16,321	-	16,321
Adjustment for impairment of loan portfolio and financial leasing operations by IFRS 9 application	-	-	-	-	-	-	-	137,760	-	137,760	-	137,760
Earnings accumulated by new measurements of financial assets available for sale	-	-	-	-	-	-	-	16,038	-	16,038	-	16,038
Actuarial calculation of employee benefits	-	-	-	-	-	-	-	2,426	-	2,426	-	2,426
Net deferred tax	-	-	-	-	-	-	-	(42,291)	-	(42,291)	-	(42,291)
Profits (losses) other patrimonial items of subordinates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance of December 31<sup>st</sup> 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>

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