

BBVA COLOMBIA

Results 3Q18

November 30th 2018

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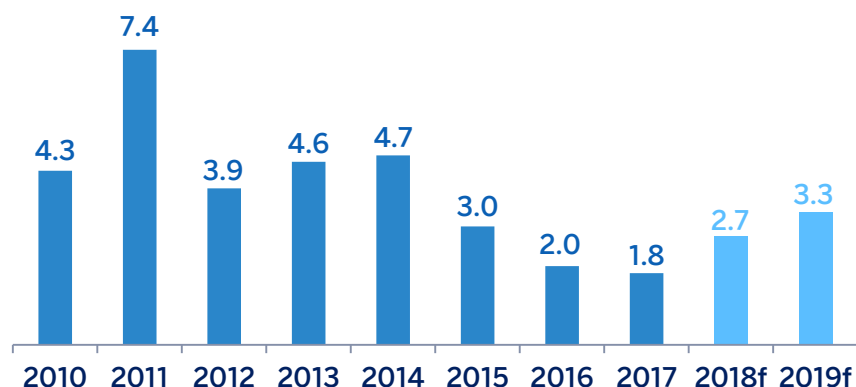
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The Colombian Economy will Consolidate its Recovery in 2019

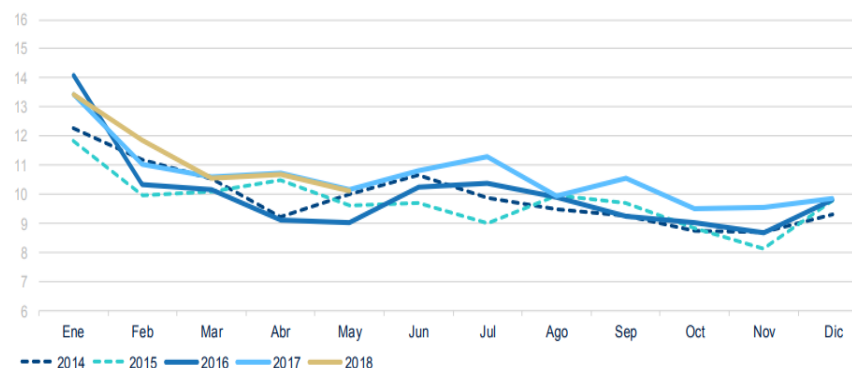
GDP

(y/y,%)



Urban Unemployment Rate

(% of EAP, 13 cities)



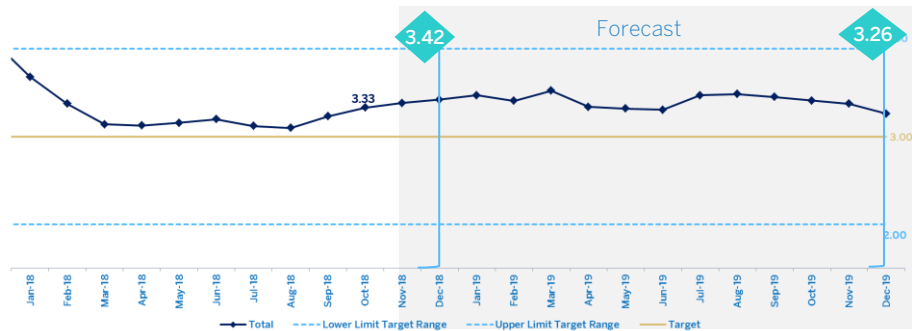
The global economy continues to show a positive performance, but in an environment of growing doubts about the protectionist escalation between China and the United States

In Colombia, we anticipate growth of 2.6% for 2018 and of 3.3% for 2019. The acceleration of investment and the continued recovery of private consumption, will be key to this result

The labor market continues to be affected by low economic growth. As of 2019 we expect the unemployment rate to go down

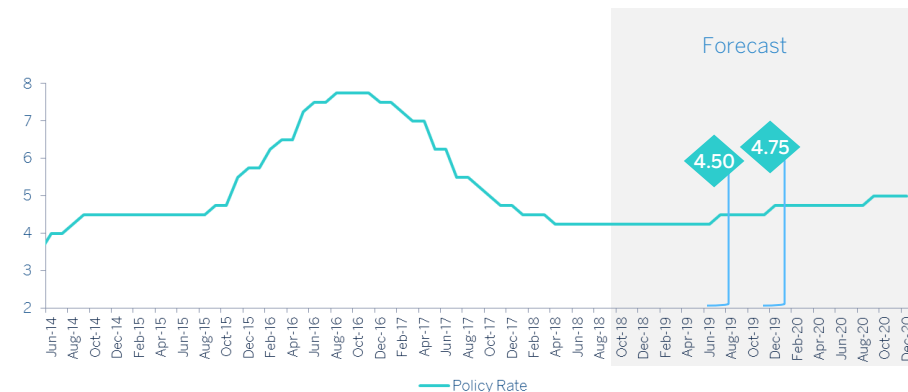
Interest Rates are Likely to Increase in 2H19

Inflation % y/y



Inflation will remain stable, around the inflation target at 3%, ending 2018 at 3.4% and 2019 at 3.2%

Policy Interest Rates (%, nominal interest rates)



BanRep will maintain its rates at 4.25% for the remaining of the year. Given the acceleration of the economy and higher external interest rates, we expect the Central Bank to raise its rates by 50bps points in 2H19

Main Consolidated Figures 3Q18

Results (Billion)

\$ 1.983.711	\$ 2.612.576	\$ 531.052
+9.1% YoY	+5.7% YoY	+61.4% YoY
Net Interest Income	Gross Margin	Net Profit

Outstanding results in the quarter

Balance Sheet (Billion)

\$ 58.069	\$ 4.441	\$ 44.949	\$ 45.548
+7.2% YoY	+3.5% YoY	+9.2% YoY	+9.4% YoY
Total Assets	Equity	Gross Loan Portfolio	Customer Deposits*

Market share gains driven by commercial loan growth

10.40%
+38 bps

Risk Ratios

3.93%
+ 27 bps YoY
+20 bps QoQ
NPL Ratio%

2.45%
-10 bps YoY
Cost of Risk%

Risk indicators affected by the **macroeconomic context**

Solvency

12.23%	7.06%
-53 bps YoY	-23 bps YoY
Total Solvency	Basic Solvency

Sound capital position, well above requirements

Efficiency

40.72%
-319 bps YoY
Efficiency Ratio

Significant Improvement in Efficiency

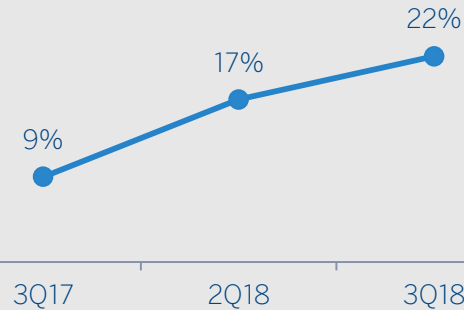
Outstanding trend in Digital and Customers Sales



BBVA APP:
«Most innovative
product»
Accenture Awards

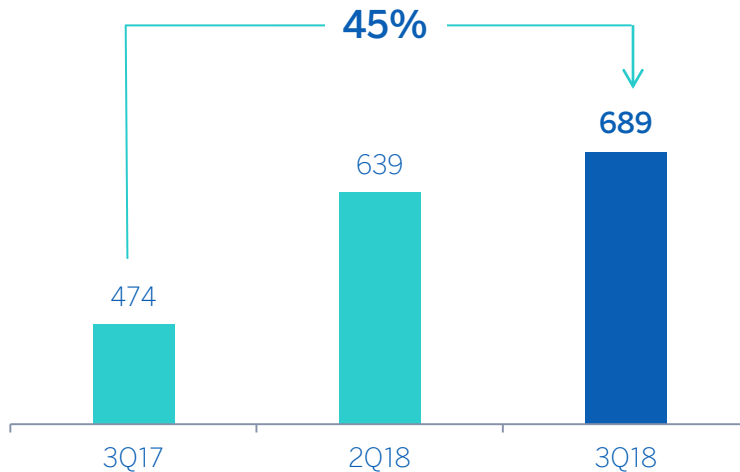
Digital Sales

Digital Sales (Ex insurance) / Total Sales



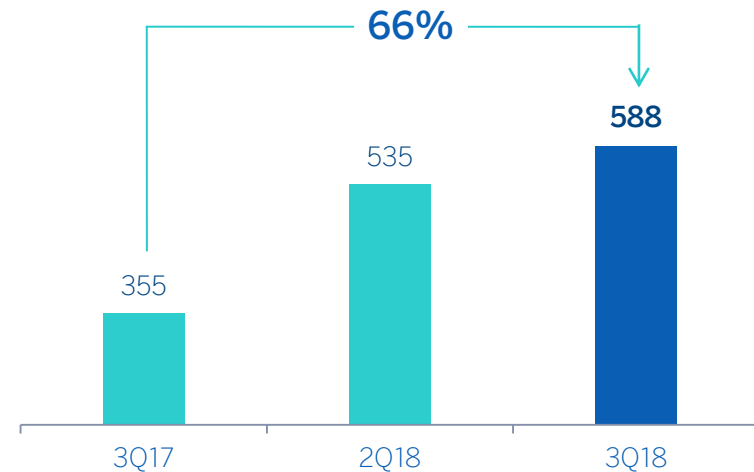
Digital Customers

Thousands of Customers



Mobile Customers

Thousands of Customers





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- 2 Balance Sheet and Business Activity
- 3 Solvency

Annex



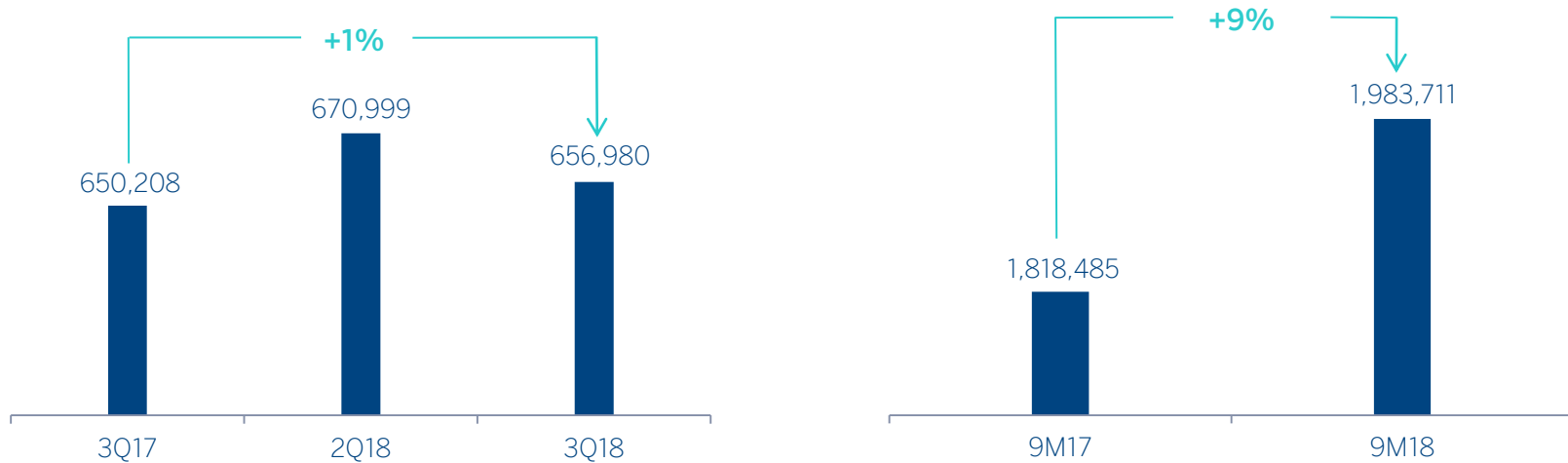
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Consolidated Results 3Q18

Positive Trend in Net Interest Income

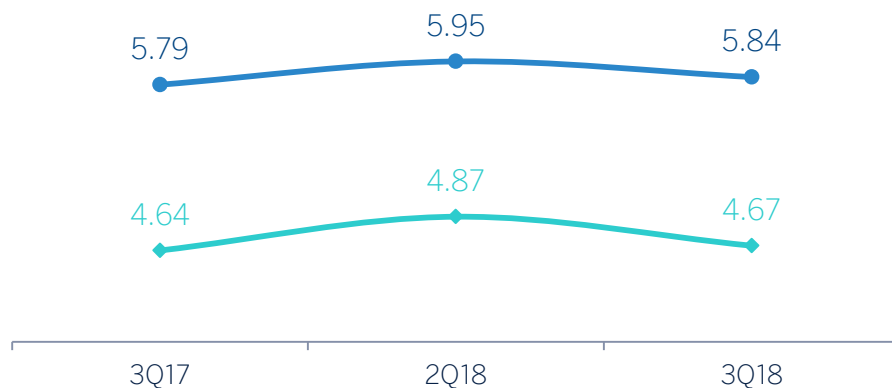
Net Interest Income

Million COP



Spreads

— NIM/Spread — Costumer/Spread



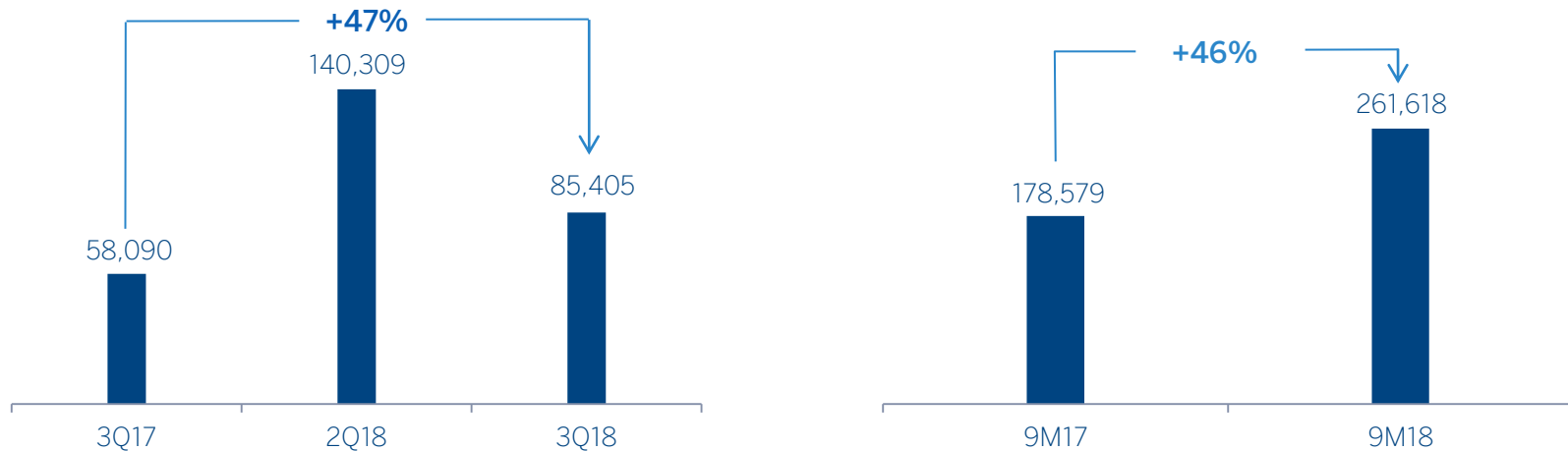
+5 bps
YoY

NIM continues to
benefit from high
commercial spreads

Strong Fee Income Growth

Net fee income

Million COP



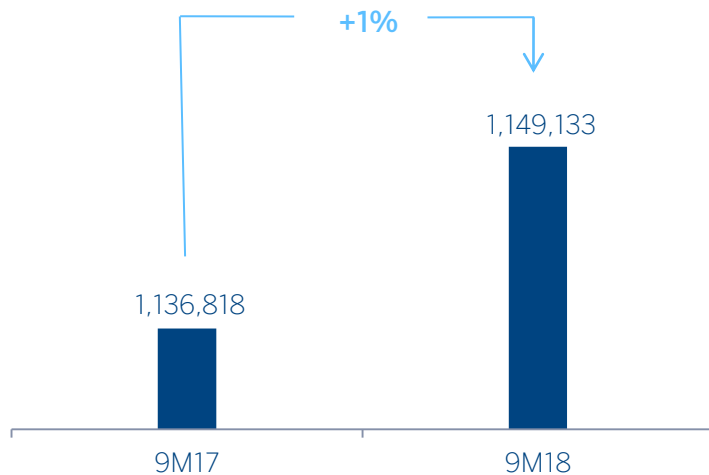
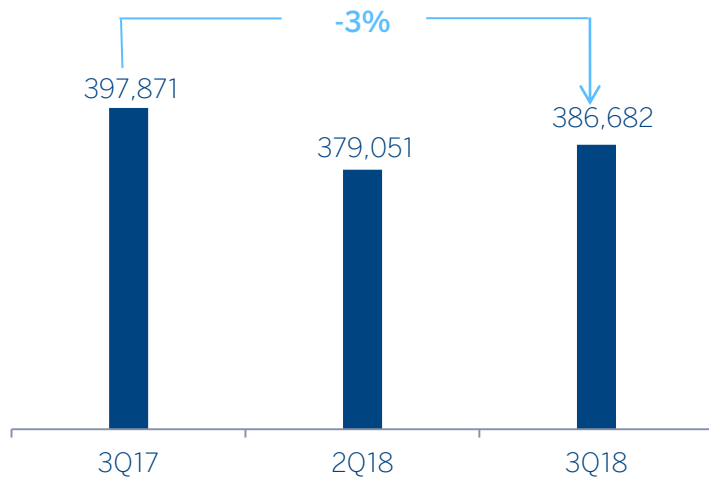
Annual fee income driven by:

- Reduction in fees of our external sales force
- Reduction in fee income for lower cash purchases

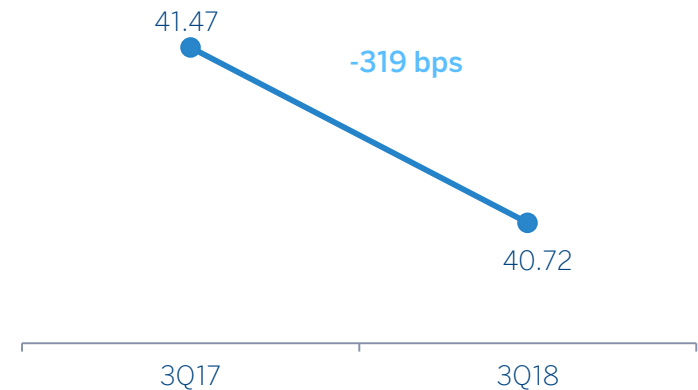
Expenditure Control and Efficiency Improvement

Administrative costs

Million COP



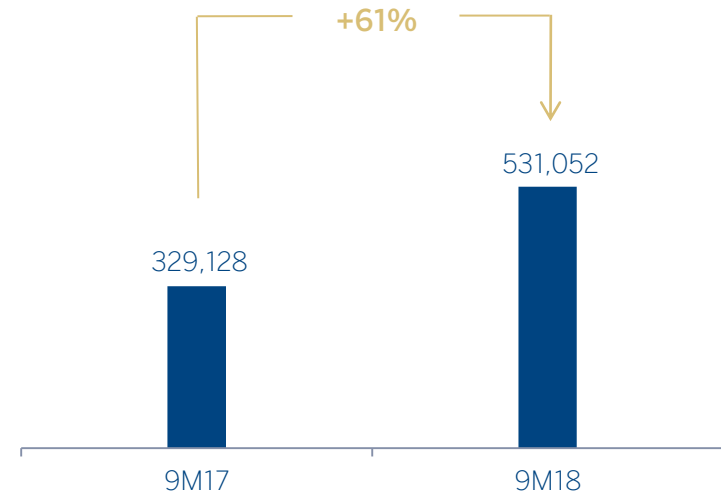
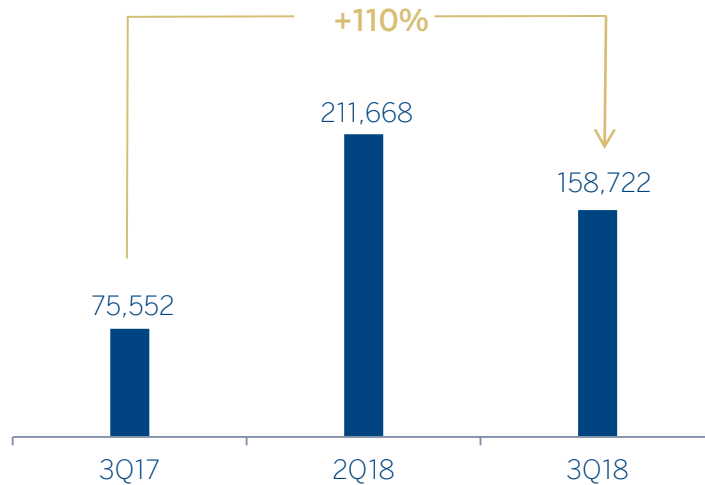
Efficiency Ratio %



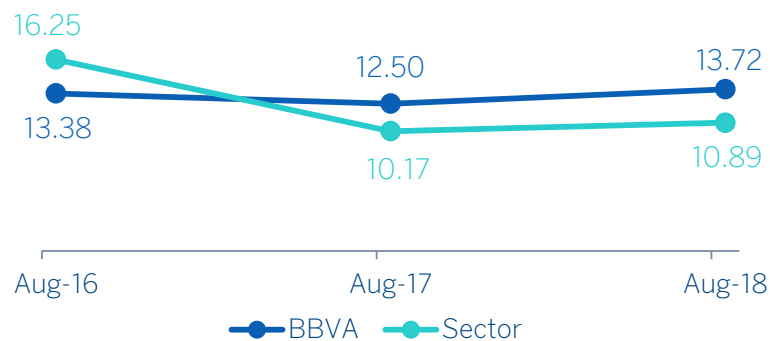
Outstanding Results for the Quarter

Net Income

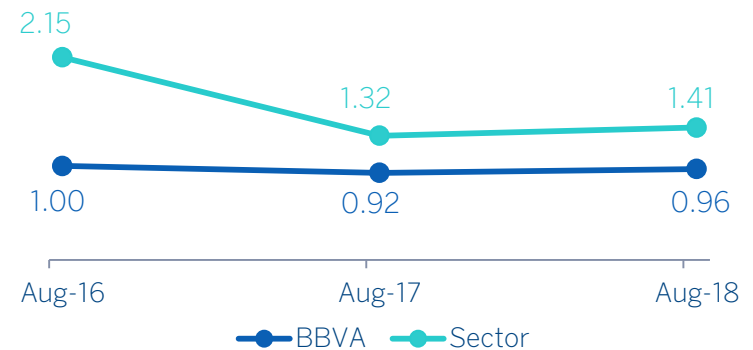
Million of COP



ROE %



ROA %



Consolidated Income Statement

Accumulated – Million COP

	3Q17	2Q18	3Q18	Var TAM	
				abs	%
Loan Portfolio	3,530,197	2,351,376	3,524,595	(5,602)	(0.2)
Interest Expense	(1,711,713)	(1,024,645)	(1,540,884)	170,829	(10.0)
Net interest income	1,818,485	1,326,731	1,983,711	165,226	9.1
Net commission income	178,579	176,213	261,618	83,039	46.5
Investment Portfolio	379,329	183,087	281,311	(98,018)	(25.8)
Dividends	11,444	16,807	17,070	5,626	49.2
Other Incomes	84,463	46,161	68,866	(15,597)	(18.5)
Other operating income	475,236	246,055	367,247	(107,989)	(22.7)
Gross margin	2,472,300	1,748,999	2,612,576	140,276	5.7
Net Asset Allocation	(883,482)	(449,782)	(641,468)	242,014	(27.4)
Administration General Expenses	(1,136,818)	(762,451)	(1,149,133)	(12,315)	1.1
Personal Expenses	(431,365)	(292,434)	(432,892)	(1,527)	0.4
General Expenses	(253,480)	(176,591)	(271,008)	(17,528)	6.9
Taxes	(99,644)	(61,911)	(93,185)	6,459	(6.5)
Other	(348,932)	(227,633)	(345,443)	3,489	(1.0)
Operational Risk	(3,397)	(3,882)	(6,605)	(3,208)	94.4
Non-interest expenses	(2,020,300)	(1,212,233)	(1,790,601)	229,699	(11.4)
Minority Interest	(892)	(927)	(1,348)	(456)	51.2
Income before tax	451,108	535,839	820,627	369,519	81.9
Income Tax	(121,980)	(163,509)	(289,574)	(167,594)	137.4
Net profit	329,128	372,330	531,052	201,924	61.4

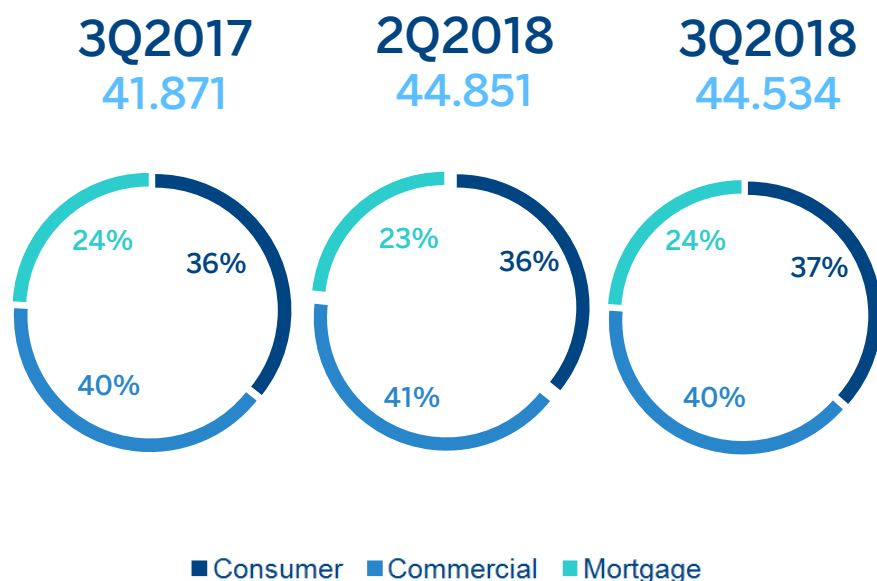


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Balance Sheet and Business Activity

Portfolio growth driven by the commercial and consumer portfolio

Portfolio Composition



Gross Loan Portfolio +6.4% yoy

Billion

Commercial

+5.0% YoY

Consumer

+8.8% YoY

Mortgages

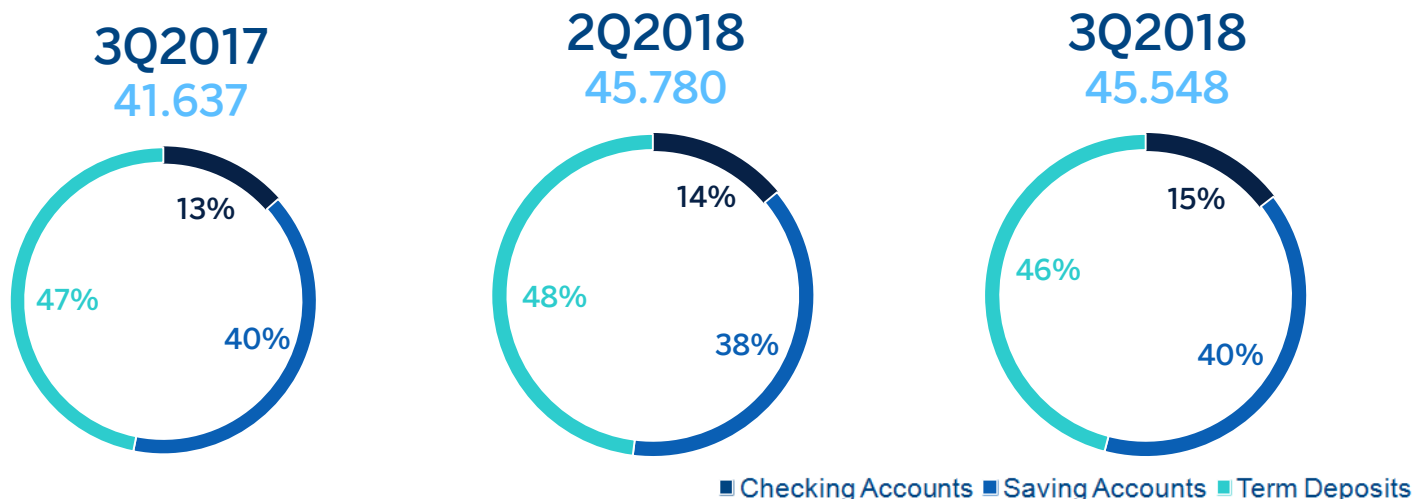
+5.0% YoY



- Activity focused on the retail segment, which represents 60% of the gross loan portfolio at the end of September 2018
- Significant growth in the consumer portfolio in 3Q18

Strategic Management of Our Funding Sources

Deposits Composition



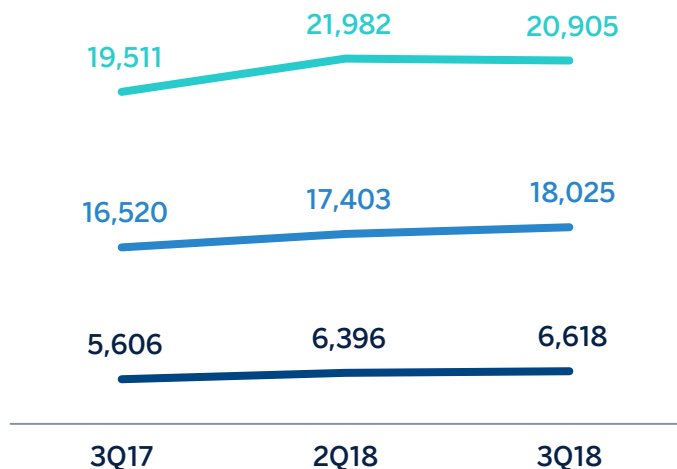
Deposits Growth +9.4% yoy

Billion

Term Deposits
+7.1% YoY

Saving Accounts
+9.1% YoY

Checking Accounts
+18.1% YoY



Deposits growth driven by an increase in all three main sources of funding

Market Share Gains Led by the Commercial Portfolio

Market Shares

Loan Portfolio

\$45
Trillion

Market Share **10.40%**
+38 bps YoY

Individuals*

Market Share
14.76%
-13 bps YoY

Commercial

Market Share
7.18%
+50 bps YoY

Consumer**

Market Share

13.42%

+17 bps YoY

Credit Cards

Market Share

7.22%

-11 bps YoY

Mortgages***

Market Share

16.64%

-80 bps YoY

Deposits

\$46
Trillion

Market Share **11.98%**
+43 bps YoY

Saving Accounts

Market share
10.63%
YoY Growth +33 bps

Checking Accounts

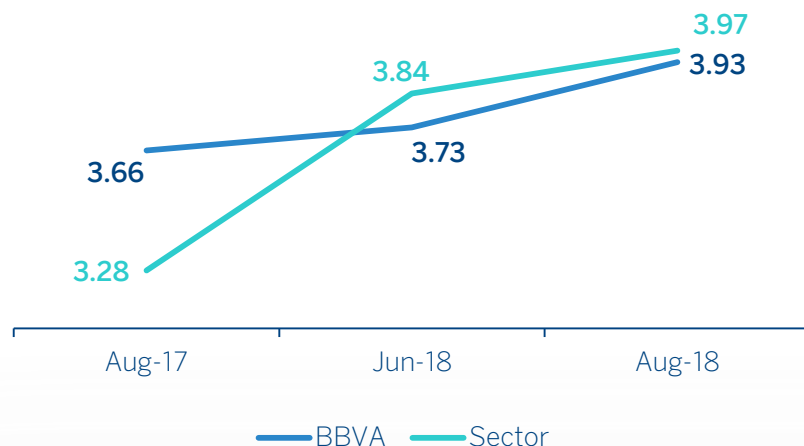
Market share
12.57%
YoY Growth +27 bps

Term Deposits

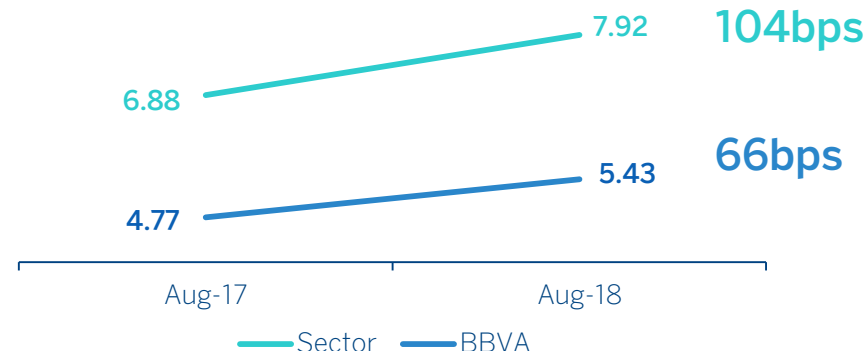
Market share
13.74%
YoY Growth +64 bps

NPL Ratios Stayed Below the Sector's Average

NPL (%)*



NPL + Write-off (%)

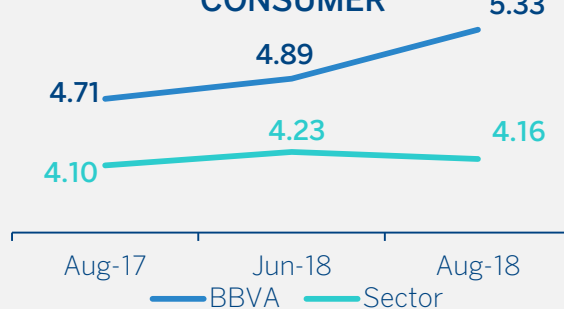


- NPL ratio increased 28 bps yoy, a better performance than the sector
- BBVA Colombia's write-off policies are tighter than the sector

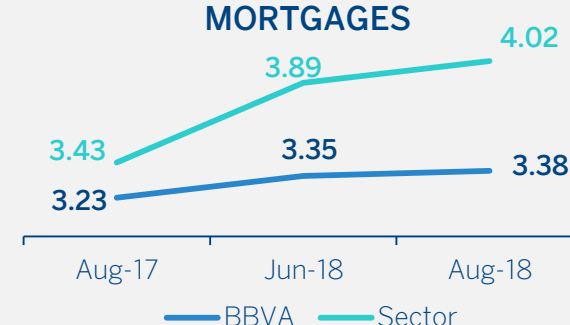
COMMERCIAL



CONSUMER



MORTGAGES



*NPL: commercial portfolio greater than 90 days, consumer greater than 60 days and mortgage greater than 120 days

Source: SFC

Consolidated Balance Sheet

Million COP

	3Q17	2Q18	3Q18	Var TAM	
				abs	%
Cash and cash equivalents	4,802,052	4,951,806	5,233,422	431,370	9.0
Investments	5,528,174	7,677,266	7,398,935	1,870,761	33.8
Derivative Financial Instruments and Cash Operations	709,668	758,997	781,680	72,012	10.1
Gross Loan Portafolio and Leasing	42,258,074	44,854,297	44,949,470	2,691,396	6.4
Provision for credit losses	-1,735,799	-2,498,435	-2,656,066	-920,267	53.0
Other	1,985,223	2,259,896	2,361,918	376,695	19.0
Assets	53,547,391	58,003,827	58,069,359	4,521,968	8.4
Deposits	42,031,349	46,333,626	46,107,461	4,076,112	9.7
Money Market Operations	785,031	506,161	363,076	-421,955	-53.8
Financial instruments at fair value	845,439	890,283	942,900	97,461	11.5
Banks and other financial obligations	1,782,546	2,128,343	2,329,938	547,392	30.7
Investment in debt securities	2,281,293	2,241,006	2,162,141	-119,152	-5.2
Liabilities by deferred tax	265,046	273,047	376,319	111,273	42.0
Estimated liabilities and provisions	239,853	297,176	273,108	33,255	13.9
Payable accounts	621,882	619,068	627,916	6,034	1.0
Labor Obligations	210,151	198,604	228,484	18,333	8.7
Other Liabilities	222,740	227,674	216,427	-6,313	-2.8
Liabilities	49,285,330	53,714,988	53,627,770	4,342,440	8.8
Paid-in Capital	89,779	89,779	89,779	-0.2	-0.0
Reserves	2,536,282	2,764,985	2,764,985	228,703	9.0
Surplus	1,306,873	1,061,745	1,055,772	-251,101	-19.2
Net Profit for the period	329,128	372,330	531,053	201,925	61.4
Stockholder's Equity	4,262,063	4,288,839	4,441,589	179,526	4.2
Total Liabilities and Stockholder's Equity	53,547,391	58,003,827	58,069,359	4,521,968	8.4



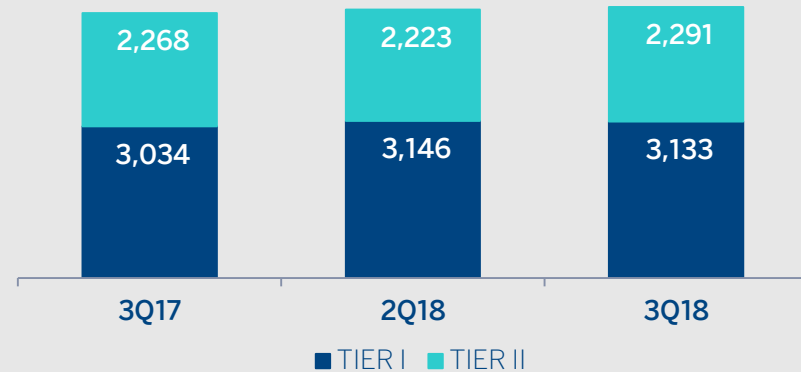
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Solvency

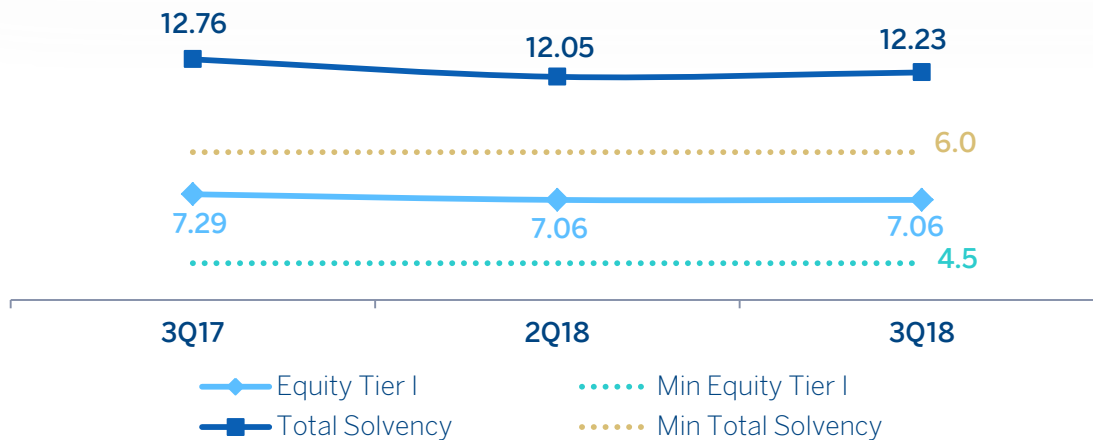
Capital Adequacy

Strong
Capital Position

Billion of COP



Evolution of the capital ratio %



323 bps
Above the Minimum
Regulatory Level

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BBVA Colombia S.A.



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Annex

Main Macroeconomic Variables

Macroeconomic Forecast

	2014	2015	2016	2017	2018	2019
GDP (% YoY)	4.7	3.0	2.0	1.8	2.6	3.3
Private Consumption (% YoY)	4.6	3.1	1.4	1.8	2.8	3.6
Public Consumption (% YoY)	4.7	4.9	1.8	4.0	4.4	2.4
Investment (% YoY)	11.8	(1.2)	0.3	0.6	0.3	5.6
Inflation (% YoY, eop)	3.7	6.8	5.7	4.1	3.3	3.0
Inflation (% YoY, average)	2.9	5.0	7.5	4.3	3.3	2.8
Exchange rate (eop)	2,392	3,149	3,001	2,984	2,880	2,900
Depreciation (% eop)	24.2	31.6	(4.7)	(0.6)	(3.5)	0.7
Exchange rate (average)	2,001	2,742	3,055	2,951	2,834	2,918
Depreciation (% eop)	7.1	37.0	11.4	(3.4)	(4.0)	3.0
BanRep Rate (% eop)	4.50	5.75	7.50	4.75	4.25	4.50
DTF Reference Rate (% eop)	4.3	5.2	6.9	5.3	4.6	4.8
Central Gvt. Fsical Bal. (% of GDP)	(2.4)	(3.0)	(4.0)	(3.6)	(3.1)	(2.4)
Current Account (% of GDP)	(5.2)	(6.5)	(4.4)	(3.3)	(2.8)	(3.3)
Urban Unemployment Rate (% eop)	9.3	9.8	9.8	9.8	10.0	9.5

Source: Banco de la Republica, DANE, BBVA Research

Consolidated Income Statement of the Quarter

Million COP

	3Q17	2Q18	3Q18	Var TAM	
				abs	%
Loan Portfolio	1,172,451	1,186,413	1,173,219	768	0.1
Interest Expense	(522,244)	(515,414)	(516,239)	6,005	(1.1)
Net interest income	650,208	670,999	656,980	6,772	1.0
Net commission income	58,090	140,309	85,405	27,315	47.0
Investment Portfolio	106,052	96,706	98,224	(7,828)	(7.4)
Dividends	81	125	263	182	225.6
Other Incomes	15,119	22,784	22,705	7,586	50.2
Other operating income	121,252	119,615	121,192	(60)	(0.0)
Gross margin	829,550	930,923	863,577	34,027	4.1
Net Asset Allocation	(373,092)	(258,679)	(191,686)	181,406	(48.6)
Administration General Expenses	(397,871)	(379,051)	(386,682)	11,189	(2.8)
Personal Expenses	(137,633)	(143,192)	(140,458)	(2,825)	2.1
General Expenses	(90,212)	(86,678)	(94,417)	(4,205)	4.7
Taxes	(33,697)	(30,729)	(31,274)	2,423	(7.2)
Other	(135,016)	(116,347)	(117,810)	17,206	(12.7)
Operational Risk	(1,313)	(2,105)	(2,723)	(1,410)	107.3
Non-interest expenses	(770,963)	(637,730)	(578,368)	192,595	(25.0)
Minority Interest	(335)	(484)	(421)	(86)	25.8
Income before tax	58,252	292,709	284,788	226,536	388.9
Income Tax	17,300	(81,042)	(126,065)	(143,365)	(828.7)
Net profit	75,552	211,668	158,722	83,170	110.1

Individual Balance Sheet

Million COP

	3Q17	3Q17 Adjustment	3Q18	Var TAM	
				abs	%
Cash	3,420,312	3,420,312	2,767,226	-653,086	-19.1
Active Positions in monetary market	1,374,349	1,374,349	2,460,482	1,086,133	79.0
Investment Securities & Derivatives	6,315,276	6,315,276	8,318,944	2,003,668	31.7
Loan Portfolio and Leasing Operations	42,066,154	42,066,154	44,949,470	2,883,316	6.9
Impairment	-2,159,345	-2,159,345	-2,824,216	-664,871	30.8
Other Assets	2,461,727	1,900,405	1,909,811	9,406	0.5
Total Assets	53,478,473	52,917,150	57,581,716	4,664,566	8.8
Deposits and Financial Claims	44,383,955	44,383,955	48,333,041	3,949,086	8.9
Passive Positions in monetary market	785,031	785,031	363,098	-421,933	-53.7
Financial Instruments at Fair Value	845,439	845,439	942,900	97,461	11.5
Banks And Other Financial Obligations	1,782,546	1,782,546	2,329,938	547,392	30.7
Accounts payable	969,013	589,836	758,032	168,195	28.5
Labor obligations	207,603	207,603	225,753	18,150	8.7
Other Liabilities	462,245	462,245	448,753	-13,492	-2.9
Total Liabilities	49,435,833	49,056,656	53,401,514	4,344,858	8.9
Suscribed and Paid-in-Capital	89,779	89,779	89,779	0	-
Specific Destination Reserves and Funds	2,535,777	2,535,777	2,764,479	228,702	9.0
Surplus	1,120,518	953,927	917,590	-36,337	-3.8
Gains or Losses	296,565	281,012	408,354	127,343	45.3
Stockholder's Equity	4,042,640	3,860,495	4,180,203	319,708	8.3
Total Liabilities and Stockholder's Equity	53,478,473	52,917,150	57,581,716	4,664,566	8.8

Our Bank...

September 2018

ATM's



1.343

YoY Growth
variation
-0.52%

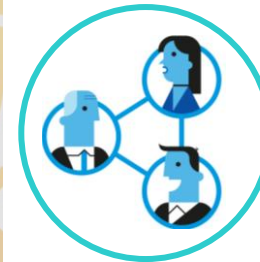
Branch Offices



552

YoY Growth
variation
+3.56%

Employees



5.176

YoY Growth
variation
-2.60%

Banking Agents

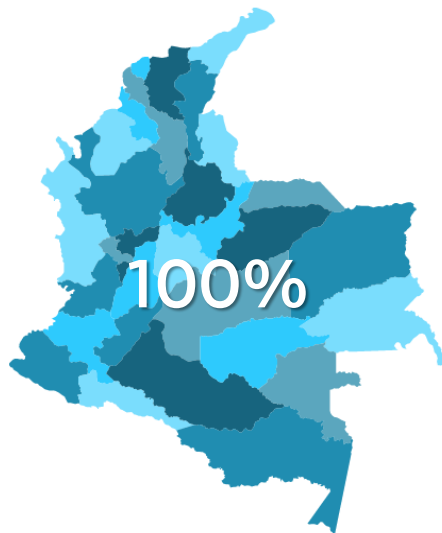


5.854

YoY Growth
variation
+0.48%

Participation in Colombia

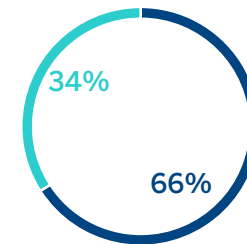
BBVA



Focused on the Local Market

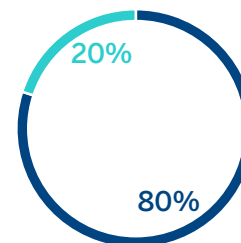
Sector

Peer 1



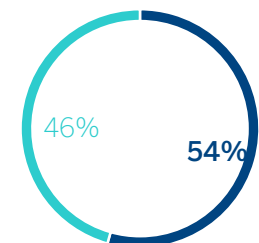
■ Col ■ Central America

Peer 2



■ Col ■ Central America

Peer 3



■ Col ■ Central America