Quarterly Report January-June 2019

2Q19

Individual and Consolidated Report

Investor Relations

Bogotá D.C. Aug 2019

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1.Basics

Economic Environment

During the last few months, we have seen how the commercial conflict increased which a new aspect focused on the technological conflict has been added. The US government announced new increases in tariffs from 10% to 25% in imports from China for an amount of 200 billion dollars and threatened to extend for all rest of the imports (an additional of 230 billion). In addition, US introduced Huawei into a black list of companies with cannot have business relationships. China answered with tariffs of 25% on imports from the US for an amount of 60 billion dollars. Nevertheless, in the most recently G20 summit, US and China declared a truce for these measures (although the tariff increases haven't been reversed), this form reduced tension and allowing resume the agreements. In any case, although the worst case scenario has been avoided, the intensity and space of the conflict issues suggest that is complicate make a future commercial agreement and we will hope the commercial tensions between the two countries will stay in the future.

To counteract the negative effects of the protectionist scale and the concern by global markets, Federal Reserve and ECB have indicated their intention to adopt new stimulus measures, such as insurance against increasingly probable risk scenarios and to counteract the continuing decline of long-term inflation expectations. For its part, China announced that has a lot of room to adjust its monetary policy if the trade conflict will intensify. In addition, China announced that it will use 43,000 million dollars in rediscount rates and permanent loan facilities and will be accepted interbank deposit certificates and bank certificate as a guarantee of small banks to support liquidity. In fiscal policy, there will be an increase in debt issuance by local government and a training plan of 14,500 million dollars for all individuals who have lost their jobs due to deceleration.

Our base scenario incorporate the suppose that finally will produce the trade agreement between United Stated and China, possibly until the end of the year, reducing trade tensions, though not eliminate. We also hope that there is not a significant increase in tensions between United States and Europe (depends on the threat of increasing tariffs on the automobile sector by the US). Initially, the exit of United Kingdom of UE should not be an event with a significant impact on the global economy. In addition, in the oil market, on account to offer increase for EE.UU and supplies decreases that supplied the production cuts for OPEP, we anticipate a slight reduction in Brent prices, around 68 dollars per barrel during the second quarter of the year and close of 2019 and 2020 around 62 and 55 dollars respectively. In addition, in the oil market, due to the increase in supply by the US and the decrease in demand, which more than compensates for OPEC production cuts, we expect a slight reduction in Brent prices, from around 68 dollars/barrel during the second quarter of the year until about 62 and 55 dollars at the end of 2019 and 2020, respectively.

We expect that monetary incentive supply the prolong effects of trade tensions, although both factors operate through different channels, the commercial uncertainly is a negative factor for the offer and the monetary incentives a positive element for demand. In this way, global growth will stabilize at 3.3% in 2019 and 2020, a lower level than the previous years. In United States, growth should gradually lose converging in their growth potential rates. In particular, it is considered that United States GDP will grow 2.5% in 2019 and 2.0% in 2020, over 2.9% registered in 2018. To sustain the economic expansion due to the risk of lower growth and low inflation, the Federal Reserve is in a condition to begin an expansion cycle in the third quarter of the year, reducing its rates by up to 75 bps in the next quarters and then keeping them stable until 2022.

In Europe, growth will be more modest owing to weak industry and uncertainties (trade and Brexit). The ECB is therefore expected to strengthen its forward guidance and further reduce deposit rates (-10 bps in 3Q19), leaving these unchanged until the end of 2021. In addition, we expect it to adopt a staggered deposit system and reimplement quantitative easing (QE) measures, but only if the situation worsens. Therefore, the scenario for Europe remains largely unchanged. Following strong data from the first quarter, we have revised growth upward in 2019 (+0.1 pp to +1.1%), while owing to the persistent weakness of the industrial sector and greater uncertainty (trade and Brexit), we have slightly lowered our 2020 forecast (-0.1 pp to +1.2%).

In China, we expect more fiscal stimulus measures (tax cuts and growth of regional government debt) that, along with loan interest rate cuts, bank swaps and specific medium-term credit, as well as other measures, should sustain Colombia Economic Outlook / Third quarter of 2019 4 the country's growth and therefore counter the negative impact of the trade war. These stimulus measures will help GDP to grow by 6.0% in 2019 and 5.8% in 2020, in line with previous forecasts.

The global environment will be particularly challenging for emerging countries. Although the new round of accommodative policies in major global economies may give them some room for maneuver, they face generally less favorable prospects for commodity markets, as well as the fallout from trade tensions and potentially an easing of capital flows.

In this context, the Central Bank of Colombia may also alter its stance on monetary policy. It would no longer face external upside pressure, as monetary policy should be more flexible in developed countries, enough to initiate a period of interest rate hikes. At the same time, the growth rate we expect in 2019 and 2020 does not indicate excessive demand-side pressure or a rapid narrowing of the output gap. This should allow the Central Bank ample room to keep interest rates stable for a long time, holding unchanged in the 2019-2020 periods at least, but possibly through to 2022, as we expect for the Fed. Potentially we may see the most extended monetary pause in the target inflation strategy period. This is a significant shift in our position, as we had thought the Central Bank might increase its rates by 50 basis points by the end of 2019 and in 2020.

The long monetary pause that we expect from the Central Bank will depend on inflation standing close to the target in 2019 and 2020, but it is clear that the performance of the same will be a determining factor in terms of policy change. This year food will continue to drive up inflation due to the low 2018 comparison base when the prices of many foods declined. However, it’s also because of the climate effect and bottlenecks in the transport of such goods via some routes in the country. At the same time, tradable goods inflation increased through to May due to exchange rate devaluation in late 2018 and early 2019, but we do not expect additional effects of any considerable magnitude going forward thanks to the recent exchange rate stability. The upside inflation effects of food prices and the devaluation will be offset, but only partially, over the rest of the year by lower inflation in regulated goods. The remaining non-tradable goods will also continue to show low inflation levels.

In 2020 food prices will decline until midway through the year and move inflation to below 3.0%. Food price growth will then accelerate, while the remaining inflation will hold at stable rates. In total, we expect inflation of 3.3% at the close of 2019 and 3.2% by the end of 2020, data that although close to the Central Bank's target (3.0%) does not match it. Even in July, inflation could show its highest record, standing at 3.7%, a level that will be studied closely by the Central Bank for its interest rate decisions going forward and to discuss the persistency or not of this inflation levels. These inflation levels are similar to those estimated three months ago, although we revised up our 2019 inflation by three tenths due to the higher impact from food inflation.

Another issue that will be on the Central Bank's radar is the sustained high current account deficit, in line with rising imports of capital goods. This trend, which we had anticipated a few months ago, began to be confirmed in the first quarter, with the deficit standing at 4.6% of GDP. We project that the current account deficit in 2019 could stand at 4.4% of GDP, and while financing is very likely to be complete, it may be less concentrated in direct foreign investment and more dependent on portfolio investment and external debt, thanks to lower external interest rates. As a result, the 2020 deficit would stand at 3.8% of GDP. This improved figure would be due to the slowdown in Colombia Economic Outlook / Third quarter of 2019 5 investment in machinery and equipment, mostly imported, as a result of slower global growth, which affects investments at exporting companies, and the one-time boost (with no additional effects in 2020) to investment decisions had by reimbursement of VAT on capital goods as of 2019. Current account deficits will continue to gradually decline, albeit to levels still above 3.4% of GDP.

In this scenario, the exchange rate may appreciate slightly until September, as of when there could be some devaluation through to the end of the year, standing a very close to current levels (COP 3186 at year-end). This trend would be due to the seasonality of Colombian markets and sustained risk aversion globally, which should be offset initially by market expectations of Fed interest rate cuts. Subsequently, in 2020 the exchange rate will continue to depreciate throughout the year due to declining oil prices (to 55 dollars per Brent barrel) and global tensions remaining in place. It will end the year at 3226 pesos per dollar.

2. Individual Figures

Individual Results

Total assets of BBVA Colombia closed the second quarter of 2019 with a balance of COP 63,3 trillion. This showed an annual growth of 9.8% and a variation of COP 5,6 trillion.

Balance Sheet

Million COP

	2Q18	2Q19	TAM abs	TAM %
Cash	4,312,636	5,601,434	1,288,798	29.9
Assets positions in money market operations	633,203	264,268	(368,936)	(58.3)
Investment and derivatives transactions	8,566,505	11,476,780	2,910,275	34.0
Loan portfolio and leasing operations	44,854,296	46,771,521	1,917,225	4.3
Impairment	(2,632,548)	(2,825,716)	(193,168)	7.3
Other Assets	1,891,054	1,976,776	85,721	4.5
Total Assets	**57,625,147**	**63,265,063**	**5,639,916**	**9.8**
Deposits and financial claims	48,632,416	48,987,255	354,838	0.7
Liabilities positions in money market operations	506,214	4,525,337	4,019,123	794.0
Financial instruments at fair value	890,283	1,963,230	1,072,947	120.5
Banks and other financial obligations	2,128,343	1,664,988	(463,355)	(21.8)
Accounts payable	768,298	802,116	33,818	4.4
Labor obligations	196,625	204,188	7,563	3.8
Other Liabilities	445,709	686,475	240,766	54.0
Total Liabilities	**53,567,888**	**58,833,588**	**5,265,701**	**9.8**
Suscribed and paid-in-capital	89,779	89,779	-	-
Specific destination reserves and funds	2,764,479	3,039,130	274,651	9.9
Surplus	932,612	960,359	27,746	3.0
Gains or losses	270,389	342,207	71,818	26.6
Stockholder's Equity	**4,057,259**	**4,431,474**	**374,215**	**9.2**
Total Liabilities and Stockholder´s Equity	**57,625,147**	**63,265,063**	**5,639,916**	**9.8**

In relation to the liquidity resources of the Bank, cash balances increased by COP 1,3 trillion compared to 2018. This increase was due to a variation of COP 1,3 trillion in cash at the Bank and other financial entities, a variation of COP 166 billion in cash and a negative variation of COP 179 billion in Banco de la República.

The active positions in money market closed with a balance of COP 264,3 billion and showed a decrease of 58.3% with respect to the same period of 2018. This decrease of COP 369 billion was due to a lower volume in simultaneous operations, which showed a negative variation of COP 379 billion and an increase of COP 10 billion in inter-bank transactions.

For its part, Investments and Operations with derivatives showed a positive variation of 34% compared to June of 2018, closing with a balance of COP 11,5 trillion.

The gross loan and leasing portfolio registered an annual growth of 4.3% or COP 1,9 trillion, closing in June 2019 with a balance of COP 46,8 trillion. On its part, the Impairment account, this includes specific and general provisions of the loan portfolio increased by 7.3%. The other assets account increased by 4.5% or COP 85,7 billion.

In relation to liabilities accounts, deposits and financial claims showed an annual growth of 0.7% or by COP 355 billion, closing with a balance of COP 49 trillion. This growth is explained mostly by an increase of COP 2,8 trillion in saving accounts, an increase of COP 367,6 billion in checking accounts, an increase of COP 193 billion in service charges, an increase of COP 62 billion on investment securities, an increase of COP 24,4 billion in special deposits and an increase of COP 7 billion in banks and correspondent banks. Furthermore, term deposits showed a negative variation of COP 3,1 trillion.

Liability positions in monetary market increased by COP 4,0 trillion, due to an increase of COP 4,1 trillion in repo operations, an increase of COP 70 billion in interbank funds and a decrease of COP 83,2 billion in simultaneous operations and a decrease of COP 22,5 billion in short positions.

Financial instruments at fair value closed with a balance of COP 2,0 trillion, which represent an increase of 120.5% compared with the same period in 2018. This variation is primarily the result of an increase of COP 1,0 trillion in trading swaps, an increase of COP 151 billion in trading forwards and an increase of COP 10,8 billion in trading options. Furthermore, hedging swaps showed a decreased of COP 127,6 billion.

Credit lines with banks and other financial obligations registered a decreased of COP 463,4 billion explained by the decrease of COP 466,8 billion in foreign entities, of COP 67,6 billion in Bancoldex obligations and a decrease of COP 10,2 billion with Finagro. Furthermore, Findeter obligations showed an increase of COP 80 billion.

Accounts payable registered a positive variation of 4.4%, while labor obligations showed an increase of 3.8%. Other liabilities increased by 54.0% or COP 240,8 billion, closing with a balance of COP 686,5 billion.

Finally, Equity increased by 9.2%, closing at COP 4,4 trillion at the end of June 2019.

Loan portfolio

In June of 2019, the gross loan portfolio closed with a balance of COP 46,8 trillion and registered a variation of 4.3% compared with the same period of 2018. Similarly, the net loan portfolio increased by 4.1%, closing with a balance of COP 43,9 trillion.

The loan portfolio of BBVA Colombia keeps its attention in the particular segment, which represents 57.7% of the gross loan portfolio at the close of June 2019. This segment increased by 6.3% compared to 2018, closing at COP 27,0 trillion.

LOAN PORTFOLIO

Million COP

	2Q18	2Q19	Var TAM	
Gross loans	**44,854,296**	**46,771,521**	**1,917,225**	**4.3**
Consumer	15,010,214	15,722,966	712,752	4.7
Commercial	15,757,082	15,993,221	236,139	1.5
Microcredit	-	-	-	N.C
Mortgage	10,358,742	11,252,655	893,913	8.6
Leasing	1,694,814	1,667,075	(27,739)	(1.6)
Non-performing loan portfolio	**360,417**	**378,555**	**18,138**	**5.0**
Non-performing loans	1,673,027	1,757,049	84,022	5.0
Provisions	**(2,632,548)**	**(2,825,716)**	**(193,168)**	**(7.3)**
Total loans, net	**42,221,748**	**43,945,805**	**1,724,057**	**4.1**

The consumer portfolio, which includes payroll loans, vehicle, hedge funds, revolving credit, credit cards and overdrafts increased at an annual rate of 4.7%. Payroll loans account has the biggest participation in the consumer portfolio with a 58.5%, followed by free consumption with 27.4% and vehicle with 10.0%. The growth of payroll advance stands out with 59.7% over the previous year.

Mortgage loans grew by 8.6%, which represented a variation of COP 893,9 billion. At the end of the second quarter of 2019, it represents 24.1% of the gross loan portfolio.

Commercial portfolio showed an annual increase of 1.5% with a positive variation of COP 236,2 billion. For its part, the leasing portfolio showed a decrease of 1.6% with a variation of COP 27,7 billion.

Client's Resources

At the end of the second quarter of 2019, client's resources keep adjusted to the needs of liquidity of the Bank and funding grew in line with the dynamic growth of the loan portfolio. Resources of the clients increased by 0.6%, that represents a variation of COP 292,7 billion, closing the quarter at COP 46,7 trillion. Term deposits represented 38.5% of total resources and registered a negative variation of 14.1%, achieving a balance of COP 18.9 trillion.

Transactional deposits (checking and saving accounts) increased by 13.3%, which represents a positive variation of COP 3,2 trillion. These deposits represented 55.0% of the total of the client's resources.

CLIENT'S RESOURCES
Million COP

	2Q18	2Q19	Var TAM	
Checking Accounts	6,395,938	6,763,537	367,599	5.7
Saving Accounts	17,402,509	20,202,946	2,800,438	16.1
Term Deposits	21,981,543	18,881,448	(3,100,096)	(14.1)
Other Deposits	611,420	836,143	224,723	36.8
Total Client's Deposits	**46,391,410**	**46,684,073**	**292,663**	**0.6**
Investment Securities in Circulation	2,241,006	2,303,181	62,175	2.8
Total Resources	**48,632,416**	**48,987,255**	**354,838**	**0.7**

Investment securities in circulation closed at COP 2,3 trillion, equivalent to an increase of 2.8% compared to 2018.

Eligible Capital and Solvency Ratio

The accounting equity registered a positive variation of 9.2% and closed in COP 4,4 trillion. This increase is primarily explained by the increase in reserves of COP 274,7 billion, due to the increase of COP 71,8 billion in fiscal year earnings, and by the increase of COP 27,7 billion in Surplus.

The technical equity closed in the second quarter of 2019 with a balance of COP 5,7 trillion and registered a variation of 6.3%. According to the Colombian regulation, the required equity reached in COP 4,3 trillion, which implies an excess of equity over the required amount of COP 1,4 trillion.

ELIGIBLE CAPITAL AND SOLVENCY RATIO
Million COP

	2Q18	2Q19	%
Accounting Equity	**4,057,260**	**4,431,474**	**9.2**
Eligible Capital	5,368,784	5,705,781	6.3
Ordinary Basic Equity	3,143,155	3,377,639	7.5
Additional Basic Equity	2,994	2,994	-
Additional Equity (Tier II)	2,222,636	2,325,148	4.6
Technical Equity	**5,368,784**	**5,705,781**	**6.3**
Required Equity	4,008,494	4,315,099	7.6
Surplus Equity	1,360,291	1,390,682	2.2
Risk weighted assets including market risk	**44,538,820**	**47,945,543**	**7.6**
Value at Risk (VeR)	243,592	361,389	48.4
Solvency Ratio without VeR	12.83	12.99	15 pbs
Solvency Ratio with VeR (minimum 9%)	12.05	11.90	-15 pbs
Tier 1 (%)[1]	7.06	7.04	-1 pbs

[1]Basic Equity against risk-weighted assets

Risk-weighted assets including market risk (RWA's) closed at COP 47,9 trillion, equivalent to growth of 7.6% in line with the growth in the activity. On its part, the value in market risk (VeR) increased by 48.4%.

The Bank's solvency ratio closed at 11.90%, with a decrease of 15 bps compared with the same period in 2018.

Income Statement

Net interest income registered an interannual increase of 5.6%. Loan portfolio revenues increased by COP 29,9 billion, while expenses decreased by COP 47,7 billion. The above was driven by the scenario of lower interest rates, which leads to deposits being re-priced more quickly than portfolio. For this reason, net interest income increased by COP 77,6 billion.

Net fee income closed with a negative variation of 3.6%. On its part, incomes generated for the investment portfolio increased by COP 21,4 billion or 10.8%, explained by an increase in incomes in derivatives and incomes obtained in securities. Dividends registered an increase of 10.8% and closed with a balance of COP 18,1 billion. Furthermore, the line of other incomes, which includes operational incomes from financial services provided and recoveries of operative risks and other, registered a 53.6% increase.
Net provisions closed with a balance of COP 534,2 billion and showed a decrease of 3.0%.

Next, it is showing the results of BBVA Colombia accumulated at the close of the second quarter of 2018 and 2019:

Accumulated Income Statement

Million COP

	2Q18	2Q19	Var TAM	
Interest Income	2,406,797	2,436,729	29,932	1.2
Interest Expense	(1,025,829)	(978,168)	47,661	(4.6)
NET INTEREST INCOME	**1,380,968**	**1,458,561**	**77,593**	**5.6**
NET FEE INCOME	**82,857**	**79,862**	**(2,995)**	**(3.6)**
Investment Portfolio	197,662	219,063	21,401	10.8
Dividends	16,418	18,189	1,771	10.8
Other incomes	44,780	68,780	24,000	53.6
OTHER OPERATING INCOME	**258,860**	**306,032**	**47,172**	**18.2**
GROSS MARGIN	**1,722,685**	**1,844,455**	**121,770**	**7.1**
Net Provisions	**(550,981)**	**(534,228)**	**16,753**	**(3.0)**
Operational Costs	**(750,386)**	**(781,025)**	**(30,639)**	**4.1**
Personal Expenses	(284,668)	(296,981)	(12,313)	4.3
General Expenses	(175,785)	(192,456)	(16,670)	9.5
Taxes	(60,982)	(62,862)	(1,879)	3.1
Other	(225,068)	(225,055)	13	(0.0)
Operational Risk	(3,882)	(3,671)	210	(5.4)
OPERATING EXPENSES	**(1,301,367)**	**(1,315,253)**	**(13,887)**	**1.1**
PROFIT BEFORE TAX	**421,318**	**529,202**	**107,883**	**25.6**
Income Tax	(135,376)	(171,441)	(36,065)	26.6
NET INCOME	**285,943**	**357,761**	**71,818**	**25.1**

Operational cost registered an increase of COP 30,6 billion compared with the last year. Personal expenses increased by 4.3% compared with 2018. Furthermore, general expenses increased by 9.5% and expenses on taxes and fees increased by 3.1%.

Finally, BBVA Colombia registered a net income at the end of the second quarter of 2019 of COP 357,8 billion which was 25.1% higher than the profit of the previous year.

In that way, it is showed the results of BBVA Colombia at the close of the second quarterly of 2018 and 2019 not accumulated:

Income Statement

Million COP

	2Q18	2Q19	Var TAM	
Interest Income	1,211,556	1,225,747	14,192	1.2
Interest Expense	(515,988)	(485,417)	30,570	(5.9)
NET INTEREST INCOME	**695,568**	**740,330**	**44,762**	**6.4**
NET FEE INCOME	**38,056**	**38,574**	**517**	**1.4**
Investment Portfolio	104,107	106,210	2,103	2.0
Dividends	-	44	44	N/A
Other incomes	21,564	29,366	7,802	36.2
OTHER OPERATING INCOME	**125,671**	**135,620**	**9,949**	**7.9**
GROSS MARGIN	**859,295**	**914,524**	**55,229**	**6.4**
Net Provisions	**(318,547)**	**(283,890)**	**34,657**	**(10.9)**
Operational Costs	**(372,649)**	**(387,697)**	**(15,048)**	**4.0**
Personal Expenses	(139,298)	(146,141)	(6,842)	4.9
General Expenses	(86,215)	(96,715)	(10,501)	12.2
Taxes	(30,248)	(30,399)	(151)	0.5
Other	(114,784)	(112,391)	2,392	(2.1)
Operational Risk	(2,105)	(2,050)	54	(2.6)
OPERATING EXPENSES	**(691,196)**	**(671,587)**	**19,609**	**(2.8)**
PROFIT BEFORE TAX	**168,099**	**242,937**	**74,838**	**44.5**
Income Tax	(39,773)	(81,929)	(42,156)	106.0
NET INCOME	**128,326**	**161,008**	**32,682**	**25.5**

The interest margin registered an interannual increase of 6.4%. For one side, interest income registered an increase of COP 14,2 billion, while interest expense increased COP 30,6 billion. In that way, net interest income increased to COP 44,8 billion.

Net fee income closed in the second quarterly with a positive variation of 1.4%. As well as other operating incomes that showed an increase of COP 9,9 billion compared with the same period of the last year. Furthermore, operating expenses showed an increase of COP 19,6 billion compared to the second quarter of last year.

Finally, BBVA Colombia registered a net income at the end of the second quarterly 2019 for a value of $161,0 billion.

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

	2Q18	2Q19	Var TAM
Gross Loan Portfolio	**44,854,296**	**46,771,521**	**4.27**
Total Overdue loans	2,033,444	2,135,604	5.02
Overdue loans	360,417	378,555	5.03
Non-performing loans	1,673,027	1,757,049	5.02
Non-performing loans ratios	**%**	**%**	**%**
Overdue Loans ratio	0.80	0.81	0.73
NPL ratio	3.73	3.76	0.67
Loan -Loss Provision	2,632,548	2,825,716	7.34
Coverage overdue loans	157.35	160.82	2.20

At the end of June 2019, the NPL ratio was located at 3.76%. Also, the coverage overdue loan indicator is located at 160,82%.

Individual Statement of Changes in Equity

Below is the statement of changes in shareholders' equity of BBVA Colombia for the year ended on December 31th, 2018 and June 30th 2019.

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									
	Number	Value	Number	Value	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	
Balance of December 31 of 2018	**$ 479,760**	**$ 2,994**	**$ 13,907,929**	**$ 86,785**	**$ 2,764,479**	**$ 651,950**	**$ 549,312**	**$ -**	**$ 273,676**	**$ 17,054**	**$ 506**	**$ 4,346,756**
Transfers	-	-	-	-	-	-	(549,312)	549,312	-	-	-	-
Cash dividends paid in preferred and common shares	-	-	-	-	-	-	-	(274,661)	-	-	-	(274,661)
Appropiation for legal reserve	-	-	-	-	274,651	-	-	(274,651)	-	-	-	-
Net profit for the period	-	-	-	-	-	-	357,761	-	-	-	-	357,761
Fixed asset valuation update	-	-	-	-	-	-	-	-	(3,412)	-	-	(3,412)
Net deferred tax (Net effect of labor obligations and net fixed assets)	-	-	-	-	-	-	-	-	(5,071)	-	-	(5,071)
Hedging with cash flow derivatives	-	-	-	-	-	-	-	-	-	3,397	-	3,397
Actuarial gains and losses on defined contributions pensions	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income:												
Investments by equity method	-	-	-	-	-	-	-	-	-	611	-	611
Deferred tax on defined contributions pensions	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on equity investment management	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on equity instruments	-	-	-	-	-	-	-	-	-	(671)	-	(671)
Deferred tax on investments available for sale	-	-	-	-	-	-	-	-	-	(1,178)	-	(1,178)
Deferred tax on cash flow hedge	-	-	-	-	-	-	-	-	-	(1,257)	-	(1,257)
Unrealised retained earnings in equity instruments	-	-	-	-	-	-	-	-	-	6,016	-	6,016
Retained earnings by new measurements of financial assets on investments available for sale	-	-	-	-	-	-	-	-	-	3,183	-	3,183
Balance of June 30 of 2019	**$ 479,760**	**$ 2,994**	**$ 13,907,929**	**$ 86,785**	**$ 3,039,130**	**$ 651,950**	**$ 357,761**	**$ -**	**$ 265,193**	**$ 27,155**	**$ 506**	**$ 4,431,474**

3. Consolidated Figures

Consolidated Results

Total assets of BBVA Colombia closed the second quarter of 2019 with a balance of COP 63,9 trillion. This showed an annual growth rate of 10.3%, which represented a variation of COP 5,9 trillion.

BALANCE SHEET - Consolidated
Million COP

			TAM	
	2Q18	2Q19	abs	%
Cash and cash equivalents	4,951,806	5,869,562	917,756	18.5
Investments	7,677,266	9,373,636	1,696,370	22.1
Derivative Financial Instruments and Cash Operations	758,997	1,990,072	1,231,075	162.2
Gross Loan Portafolio and Leasing	44,854,297	46,771,522	1,917,225	4.3
Provision for credit losses	(2,498,435)	(2,543,968)	(45,533)	1.8
Other	2,259,896	2,497,925	238,029	10.5
Assets	**58,003,827**	**63,958,749**	**5,954,922**	**10.3**
Deposits	46,333,626	46,615,280	281,654	0.6
Money Market Operations	506,161	4,523,919	4,017,758	793.8
Financial instruments at fair value	890,283	1,963,230	1,072,947	120.5
Banks and other financial obligations	2,128,343	1,664,988	(463,355)	(21.8)
Investment in debt securities	2,241,006	2,303,181	62,175	2.8
Liabilities by deferred tax	273,047	474,870	201,823	73.9
Estimated liabilities and provisions	297,176	318,852	21,676	7.3
Payable accounts	619,068	670,303	51,235	8.3
Labor Obligations	198,604	206,774	8,170	4.1
Other Liabilities	227,674	444,500	216,826	95.2
Liabilities	**53,714,988**	**59,185,897**	**5,470,909**	**10.2**
Paid-in Capital	89,779	89,779	-	-
Additional-paid in capital	651,950	651,950	-	-
Noncontrolling interests	5,753	6,207	454	7.9
Reserves	2,764,985	3,039,636	274,651	9.9
Surplus	404,042	644,510	240,468	59.5
Net income	372,330	340,770	(31,560)	(8.5)
Stockholder´s Equity	**4,288,839**	**4,772,852**	**484,013**	**11.3**
Total Liabilities and Stockholder´s Equity	**58,003,827**	**63,958,749**	**5,954,922**	**10.3**

In relation to the Bank's liquidity resources, cash and cash equivalents showed an increase of COP 917,8 trillion compared to 2018. This increase was the result of a COP 1,3 trillion in cash and deposits in banks and a negative variation of COP 368,9 billion in money market operations.

Derivative financial instruments and cash operations closed with a balance of COP 1,9 trillion, showed a positive variation of COP 1,2 trillion.

Investments showed a positive variation of COP 1,7 trillion closing with a balance of COP 9,4 trillion. This variation is mainly explained by the increase in investments at fair value with a change in results in the money market operations of COP 2,5 trillion and 83,5 billion in investments at amortized cost. Furthermore, investments at fair value with a change in results showed a decrease of COP 544,2 billion, investments with change in other comprehensive income showed a decrease of COP 300,6 billion and investments delivered in guarantee operations showed a decrease of COP 24,8 billion.

The gross loan and leasing portfolio grew at an annual rate of 4.3% or COP 1,9 trillion closing in June 2019 with a balance of COP 46,8 trillion. On its part, the impairment account, this includes specific and general provisions on the loan portfolio, increased by 1.8%. The other assets account decreased by 10.5% or COP 238,0 billion.

In relation to the liability accounts, deposits and claims showed an annual growth of COP 281,7 billion, closing with a balance of COP 45,6 trillion. This growth is explained mainly by a COP 3,4 trillion increase in checking accounts and a decrease of COP 3,1 trillion in term deposits. Liability positions in market operations increased by COP 4,0 trillion, due to an increase of COP 4,0 trillion in repo operations and an increase of COP 70 billion in interbank funds. Furthermore, there was a decrease of COP 83,2 billion in simultaneous operations and a decrease of COP 22,5 billion in short positions.

Financial instruments at fair value closed with a balance of COP 1,9 trillion, which represented an increase of 120.5% compared with the same period in 2018. This variation is primarily the result of an increase of COP 1,2 trillion in trading swaps and by the decrease of COP 127,6 billion in hedging instrument.

Credit lines with banks and other financial obligations decreased by COP 463,4 billion as a result of a decrease of COP 466,8 billion with international financial entities, a decrease of COP 67,6 billion with Bancoldex and a decrease of COP 10,2 billion with Finagro. In addition, obligations with Findeter showed a positive variation of COP 80,8 billion.

Accounts payable showed a positive variation of 8.3%, while labor obligations showed an increase of 4.1%. Other liabilities increased by 95.2% or COP 216,8 billion, closing at COP 444,5 billion.
Finally, Equity increased by 11.3%, closing with a balance of COP 4,8 trillion in June 2019.

Loan Portfolio

In June 2019, the gross loan portfolio closed at COP 46,8 trillion, equivalent to a 4.3% increase compared to the same period in 2018. Similarly, the net loan portfolio increased by 4.4%, closing at COP 44,2 trillion.

LOAN PORTFOLIO
Million COP

	2Q18	2Q19	Var TAM	
Gross Loan Portfolio	**44,854,297**	**46,771,522**	**1,917,225**	**4.3**
Consumer	15,900,194	16,773,557	873,363	5.5
Commercial	18,194,898	18,257,797	62,899	0.3
Microcredit	2	2	-	-
Mortgage	10,356,075	11,305,096	949,021	9.2
Leasing	403,128	435,070	31,942	7.9
Loan -Loss Provision	**(2,498,435)**	**(2,543,968)**	**(45,533)**	**1.8**
Net Loan Portfolio	**42,355,862**	**44,227,554**	**1,871,692**	**4.4**

The loan portfolio of BBVA Colombia keeps its attention in the particular segment, which accounts for 60,0% of its total gross loan portfolio at the end of June 2019. This segment increased by 6.9% compared to 2018, closing with a balance of COP 28,1 trillion.

The consumer portfolio, which includes payroll loan, vehicle, free investment, revolving credit, credit cards and overdrafts increased at an annual rate of 5.5%.

Mortgage loan portfolio grew by 9.2%, equivalent to an increase of COP 949,0 billion, and at the end of June 2019 it accounted for 24.2% of the total gross loan portfolio.

Commercial portfolio showed an annual rate of 0.3% increase with a positive variation of COP 62,9 billion.

Client’s Resources

At the end of the second quarter of 2019, client’s resources keep adjusted to the liquidity needs of the Bank and funding grew in line with the dynamic growth of the loan portfolio. Client’s resources increased by COP 343,8 billion, closing the quarter at COP 48,9 trillion. Term deposits represented 38.6% of total of the resources and showed a negative variation of 14.1%, closed with a balance of COP 18,9 trillion.

CLIENT'S RESOURCES
Million COP

	2Q18	2Q19	Var TAM	
Checking Accounts	24,352,083	27,733,832	3,381,749	13.9
Saving Accounts	21,981,543	18,881,448	(3,100,095)	(14.1)
Total Client's Deposits	**46,333,626**	**46,615,280**	**281,654**	**0.6**
Investment Securities in Circulation	2,241,006	2,303,181	62,175	2.8
Total Resources	**48,574,632**	**48,918,461**	**343,829**	**0.7**

Checking account increased 13.9%, which represented a positive variation of COP 3,4 trillion. These deposits represented 56.7% of total client’s resources.

Investment securities in circulation closed at COP 2,3 trillion, equivalent to an increase of 2.8% compared to 2018.

Eligible Capital and Solvency Ratio

The accounting equity increased by 11.3%, closing at COP 4,8 trillion. This increase is primarily explained by the increase in reserves in the amount of COP 274,7 billion, by the increase of COP 240,5 billion in surplus and by the increase of COP 454 million in non-controlled investments. Furthermore, there was a decrease of COP 31,6 billion in fiscal year earnings.

Technical Equity closed in June 2019 with a balance of COP 5,7 trillion, equivalent to an increase of 7.5%. Required equity according to the Colombian regulations was COP 4,3 trillion, which implies an excess of equity over the required amount of COP 1,4 trillion.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	2Q18	2Q19	%
Accounting Equity	**4,288,839**	**4,772,852**	**11.3**
Eligible Capital	5,308,082	5,705,720	7.5
Ordinary Basic Equity	3,145,003	3,379,498	7.5
Additional Basic Equity	2,994	2,994	-
Additional Equityl (Tier II)	2,160,085	2,323,229	7.6
Technical Equity	**5,308,082**	**5,705,720**	**7.5**
Required Equity	4,001,645	4,326,958	8.1
Surplus Equity	1,306,437	1,378,762	5.5
Risk weighted assets including market risk	**44,462,725**	**48,077,312**	**8.1**
Value at Risk (VeR)	241,648	362,372	50.0
Solvency Ratio without VeR	12.71	12.95	24.7
Solvency Ratio with VeR (minimum 9%)	11.94	11.87	(7.0)
Tier 1 (%)[1]	7.07	7.03	(4.4)

[1] Basic Equity against risk-weighted assets

Risk-Weighted Assets closed at COP 48,1 trillion, equivalent to growth of 8.1%, reflecting the growth of the business. On its part, the Market Value at Risk (VeR) increased by 50.0%.

The Group's solvency ratio closet at 11.87% with a negative variation of 7 bps compared to the same period of 2018.

Income Statement

Net interest income registered an interannual decrease of 3.2%. Loan portfolio revenue showed a decrease of COP 90,6 billion as well as expenses, which registered a decrease of COP 47,6 billion. Loan portfolio showed a decrease driven mostly by consumer (COP 27,6 billion); mortgages (COP 40,2 billion) and commercial (COP 44,2 billion). For this reason, the net interest income showed a decrease of COP 43,1 billion.

Net fee income closed in June 2019 with a positive variation of COP 88,4 billion. On its part, Investment portfolio revenues increased by COP 22,9 billion or 12.5%, explained by the increase in incomes from derivatives (COP 66,4 billion), securities (COP 49,7 billion) and by the decrease in difference of net change (COP 93,2 billion). Dividends increased by 10.8%, closing with a balance of COP 18,6 billion. Furthermore, the other revenues line, which includes operating revenues from financial services and recoveries of operating and other risks, posted a 52,5% increase.

Next, it is showing the results of BBVA Colombia accumulated at the end of June 2018 and 2019:

Accumulated Income Statement

Million COP

	2Q18	2Q19	Var TAM	
Interest Income	2,351,376	2,260,769	(90,607)	(3.9)
Interest Expense	(1,024,645)	(977,089)	47,556	(4.6)
NET INTEREST INCOME	**1,326,731**	**1,283,680**	**(43,051)**	**(3.2)**
NET FEE INCOME	**176,213**	**264,607**	**88,394**	**50.2**
Investment Portfolio	183,087	206,051	22,964	12.5
Dividends	16,807	18,617	1,810	10.8
Other Incomes	46,161	70,392	24,231	52.5
OTHER OPERATING INCOME	**246,055**	**295,060**	**49,005**	**19.9**
GROSS MARGIN	**1,748,999**	**1,843,347**	**94,348**	**5.4**
Net Provisions	**(449,782)**	**(534,508)**	**(84,726)**	**18.8**
Operational Costs	**(762,452)**	**(794,734)**	**(32,282)**	**4.2**
Personal Expenses	(292,435)	(304,906)	(12,471)	4.3
General Expenses	(176,591)	(193,922)	(17,331)	9.8
Taxes	(61,911)	(63,863)	(1,952)	3.2
Other	(227,633)	(228,372)	(739)	0.3
Operational Risk	(3,882)	(3,671)	211	(5.4)
OPERATING EXPENSES	**(1,212,234)**	**(1,329,242)**	**(117,008)**	**9.7**
Minority Interest	(927)	(919)	8	(0.9)
PROFIT BEFORE TAX	**535,838**	**513,186**	**(22,652)**	**(4.2)**
Income Tax	(163,509)	(172,416)	(8,907)	5.4
NET PROFIT	**372,330**	**340,770**	**(31,560)**	**(8.5)**

Operational costs registered an increase of COP 32,3 billion compared to the previous year. Personal expenses increased by 4.3% compared to 2018. Furthermore, general expenses grew by 9.8%. Taxes and contributions expenses registered an increase 3.2%. The net provisions showed an increase of 18.8% and closed with a balance of COP 534,5 billion. This variation is explained by the greater activity of the Banking Group, by the deterioration of the macroeconomic environment and by higher write-offs in commercial loans made in the year.

Lastly, BBVA Colombia posted a net profit at the end of June 2019 in the amount of COP 340,8 billion. This profit is 8.5% lower than that registered in the second quarter of 2018. It was important to emphasize that for the second quarter of 2018, adjustments were recorded in the income statement (provisions) under IFRS9 regulations. Since December 2018, the adjustments were included in the balance sheet. Discounting this effect, the Group's profit showed an increase of 18.0%.

In that way, it is showed the results of BBVA Colombia at the close of the second quarterly of 2018 and 2019 not accumulated:

Income Statement

Million COP

	2Q18	2Q19	Var TAM	
Interest Income	1,186,413	1,188,511	2,098	0.2
Interest Expense	(515,414)	(484,741)	30,673	(6.0)
NET INTEREST INCOME	**670,999**	**703,770**	**32,771**	**4.9**
NET FEE INCOME	**140,309**	**56,912**	**(83,397)**	**(59.4)**
Investment Portfolio	96,706	98,065	1,359	1.4
Dividends	125	45	(80)	(64.0)
Other Incomes	22,784	30,430	7,646	33.6
OTHER OPERATING INCOME	**119,615**	**128,540**	**8,925**	**7.5**
GROSS MARGIN	**930,923**	**889,222**	**(41,701)**	**(4.5)**
Net Provisions	**(258,679)**	**(284,049)**	**(25,370)**	**9.8**
Operational Costs	**(379,052)**	**(395,296)**	**(16,244)**	**4.3**
Personal Expenses	(143,193)	(150,161)	(6,968)	4.9
General Expenses	(86,678)	(97,685)	(11,007)	12.7
Taxes	(30,729)	(30,929)	(200)	0.7
Other	(116,347)	(114,471)	1,876	(1.6)
Operational Risk	(2,105)	(2,050)	55	(2.6)
OPERATING EXPENSES	**(637,731)**	**(679,345)**	**(41,614)**	**6.5**
Minority Interest	(484)	(466)	18	(3.7)
PROFIT BEFORE TAX	**292,708**	**209,411**	**(83,297)**	**(28.5)**
Income Tax	(81,042)	(72,670)	8,372	(10.3)
NET PROFIT	**211,668**	**136,742**	**(74,926)**	**(35.4)**

The interest margin registered an interannual increase of 4.9%. For one side, interest income registered an increase of COP 2,1 billion, while interest expense increased COP 30,7 billion. In that way, net interest income increased to COP 32,8 billion.

Net fee income closed in the second quarterly with a negative variation of 59.4%. As well as other operating incomes that showed an increase of COP 8,9 billion compared with the same period of the last year. Furthermore, operating expenses showed a decrease of COP 41,6 billion compared to the second quarter of last year.

Finally, BBVA Colombia registered a net income at the end of the second quarterly 2019 for a value of $136,7 billion.

Consolidated Statement of Changes in Equity

Below is the statement of changes in shareholders' equity of BBVA Colombia for the year ended on December 31th 2018 and June 30th 2019.

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**	**$ 2,764,479**	**$ 563,653**	**$ 130,462**	**$ (24,582)**	**$ 449,954**	**$ 506**	**$ 4,626,201**	**$ 6,972**	**$ 4,633,173**
Non controlled interest (minority interest)	-	-	-	-	-	-	-	-	-	-	(765)	(765)
Transfers	-	-	-	-	(563,653)	563,653	-	-	-	-	-	-
Dividends paid in cash, preferred and common shares	-	-	-	-	-	(274,661)	-	-	-	(274,661)	-	(274,661)
Appropiation for legal reserve	-	-	-	274,651	-	(274,651)	-	-	-	-	-	-
Release of reserves	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	340,770	-	-	-	-	340,770	-	340,770
Retained earnings sales force	-	-	-	-	-	-	-	-	-		-	-
Deferred tax	-	-	-	-	-	-	(5,071)	-	-	(41,667)	-	(41,667)
Unrealised retained earnings in new measurements of financial	-	-	-	-	-	-	-	-		(14,341)	-	(14,341)
Other comprehensive income	-	-	-	-	-	-	-	-	-		-	-
Fixed asset valuation update	-	-	-	-	-	-	(3,411)	-	-	(3,411)	-	(3,411)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	3,397	-	3,397	-	3,397
Actuarial losses	-	-	-	-	-	-	-	-	-	-	-	-
Defined contributions pension	-	-	-	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Participation in other comprehensive income of the noncontrolled investments - internal model	-	-	-	-	-	-	-	32,459	-	32,459	-	32,459
Loan portafolio measurements Incurred Loss	-	-	-	-	-	-	-	-	-	-	-	-
IFRS 9 Earnings	-	-	-	-	-	-	-	93,696	-	93,696	-	93,696
Unrealised retained earnings in new measurements of financial instruments	-	-	-	-	-	(14,341)	-	3,184	-	3,184	-	3,184
Net deferred tax	-	-	-	-	-	-	-	(36,596)	-	(36,596)	-	(36,596)
Profits (losses) other patrimonial items of subordinates	-	-	-	-	-	-	-	1,018	-	1,018	-	1,018
Balance of June 30th of 2019	**$ 479,760**	**$ 86,785**	**$ 651,950**	**$ 3,039,130**	**$ 340,770**	**$ 130,462**	**$ (33,064)**	**$ 547,112**	**$ 506**	**$ 4,730,049**	**$ 6,207**	**$ 4,736,256**

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