

Management Report 3Q 2017

Individual and Consolidated Report

Investor Relations

Bogotá D.C, November 2017

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1. Basics

Economic environment

Global economic growth keeps stabilized at around 1% quarter-on-quarter until June. Available indicators suggest that this advance will have kept in the second part of the year. This positive dynamic shows a better economic performance in all areas; therefore, allowing having the most synchronized recovery of the financial crisis of 2008-2009.

This positive and synchronized economic environment come with a moderate levels of inflation, even though the abundance of liquidity in markets, while we have not signals of inflationary pressures. Therefore, Central Banks in the emerging economies have more capabilities of reaction, using monetary policy in order to help the economic growth, while advanced economies are able to be cautious at the time to implement normalization

With an economic growth that keep being dynamic and without surprises respect to the low inflation, Central Banks of developed countries continue forward with the gradual process of takeoff monetary incentives. In particular, in the Federal Reserve (Fed) we hope an increase in the interest rate of 25 basis points in December 2017 and two more rate increases until 2% in 2018. However, uncertainty of this increases is high, due to inflation keeps in low levels and changes in some members of the Fed.

2. Individual Figures

Individual Results

Total assets of BBVA Colombia for the third quarterly of 2017 showed an annual growth of 4.5%, closing with a balance of \$53.5 billion and a variation of \$2.3 billion.

Balance Sheet

Million COP

	3Q16	3Q17	TAM	
			abs	%
Cash	3.227.752	3.420.312	192.560	6,0
Active Positions in monetary market	846.593	1.374.349	527.755	62,3
Investment Securities & Derivatives	7.501.803	6.315.276	(1.186.527)	(15,8)
Loan Portfolio and Leasing Operations	38.690.474	42.066.154	3.375.680	8,7
Impairment	(1.481.006)	(2.159.345)	(678.340)	(45,8)
Other Assets	2.408.866	2.461.727	52.862	2,2
Total Assets	51.194.482	53.478.473	2.283.991	4,5
Deposits and Financial Claims	42.811.537	44.383.955	1.572.418	3,7
Passive Positions in monetary market	753.843	785.031	31.188	4,1
Financial Instruments at Fair Value	954.604	845.439	(109.165)	(11,4)
Banks And Other Financial Obligations	1.201.244	1.782.546	581.302	48,4
Other Liabilities	1.648.148	1.638.862	(9.286)	(0,6)
Total Liabilities	47.369.376	49.435.833	2.066.457	4,4
Suscribed and Paid-in-Capital	89.779	89.779	-	-
Specific Destination Reserves and Funds	2.279.237	2.535.777	256.539	11,3
Surplus	1.097.139	1.120.518	23.379	2,1
Gains or Losses	358.950	296.565	(62.385)	(17,4)
Stockholder's Equity	3.825.106	4.042.640	217.534	5,7
Total Liabilities and Stockholder's Equity	51.194.482	53.478.473	2.283.991	4,5

In relation with the liquidity resources of the Bank, the available register an increase of \$0.2 billion in relation with the last year, explained for a decrease in the deposits of the Central Bank of \$0,3 billion, an increase in the deposits in banks and other financial entities of \$0,5 billion and in the cash of \$0,05 billion.

On the other hand, active positions in market operations show an increase of 62.3% with a balance of \$1,4 billion at the close of September 2017, as a result of the increase in the simultaneous operations

in 68,8%. On the other hand, investments and operations with derivatives registered a negative interannual variation of 15.8%, explained mostly for increments in the positions of representative instruments of debt, in the reasonable value Portfolios with changes in the results and a reasonable value with changes in the OCI.

The gross Loan and Leasing Portfolio registered an annual growth of 8.7% or \$3.4 billion, closing in the third quarterly with a balance of \$42.0 billion. On the other hand, the loan Portfolio that corresponds to the generics provisions and specifics of portfolio presents an increasing of 45.8%. The account of other assets, registered a growth of 2.2% or \$0.1 billion, due to an increasing in the accounts receivable

In relation with liability accounts, deposits and liabilities present an annual growth of 3.7% or \$1.6 billion, achieving \$44.4 billion. The increment is explained mostly by current accounts that increased \$0.9 billion and CDT'S \$1.0 billion. Liability positions in operations of market increased 4.1% explained by the increment in interbank funds, closing at September of 2017 in \$0.8 billion.

Financial instruments at fair value closed at the third quarterly with a balance of \$0,8 billion and present a decrease in 11.4% compared with the same period in 2016, principally for less volume of trading options and cash options.

The credit line with Banks and other financial obligations, registered an increase of 48.4%, explained for increments in the lines of Bancoldex, Finagro and Findeter and financing with overseas financial entities for \$581 M.

Payable accounts decreased 11.4%, while labor obligations showed an increment of 8.0%. Other liabilities increased 0.1 billion or 27.6%, achieving a balance of \$0.5 billion.

Finally, the equity showed an increment of 5.7% with a balance of \$4.0 billion at the close of the September 2017.

Loan Portfolio

For September of 2017 the gross loan Portfolio closed with a balance of \$42.1 billion of COP, that represents an interannual growth of 8.7%.

The net loan Portfolio of provisions achieved \$39.9 billion, with a growth of 7.2% or \$2.7 billion compared with the third quarterly of 2016.

The Portfolio of BBVA Colombia keep its attention in the particular segment, which represent 57.0% of the gross Portfolio at the close of September 2017, with an increment of 8.2% in relation with the last year and a balance of \$23.9 billion

LOAN PORTFOLIO

Million COP

	3Q16	3Q17	Var TAM	
Gross Loan Portfolio	38.690.474	42.066.154	3.375.680	8,7
Consumer	12.950.166	13.949.805	999.639	7,7
Commercial	13.878.365	14.548.547	670.182	4,8
Microcredit	-	-	-	N.C
Mortgage	9.203.609	10.028.913	825.304	9,0
Leasing	1.617.544	1.604.122	(13.421)	(0,8)
Overdue Loans	287.340	371.139	83.799	29,2
Non-performing loans	753.450	1.563.628	810.178	107,5
Loan -Loss Provision	(1.481.006)	(2.159.345)	(678.340)	(45,8)
Net Loan Portfolio	37.209.468	39.906.809	2.697.340	7,2

On the other hand, the consumer portfolio composed by payroll loans, vehicle, free investment, revolving credit, credit cards and overdrafts showed an increment of 7.7% compared with the same period of 2016. Payroll has the biggest participation in the consumption portfolio with a 57.0%, followed by unrestricted consumption (26.2%) and vehicle (12.2%) that keeps their positive trend of the beginning of the year. The Mortgage portfolio growth to 9.0% or \$0.8 billion compared with the third quarterly of 2016 and it amounts to \$10.0 billion. The mortgage portfolio represents 23.8% of the gross portfolio at the close 3Q17.

Commercial portfolio showed an annual decrease of 4.8% or \$0.6 billion, ending September of 2017 with a balance of \$13.3 billion. On the other hand, leasing portfolio decreased 0.8%, closing with a balance of \$1.6 billion.

Client's Resources

During the third quarterly, resources keep adjusted to the needs of liquidity of the Bank, and funding followed the line with the dynamic growth of the Portfolio. Resources of the clients increased 3.7 % or \$1.6 billion, ending the quarterly in \$44.4 billion. Savings deposits represent 37.2% of the total of the resources and registered a decrease of 0.8% achieving \$16.5 billion.

CLIENT'S RESOURCES

Million COP

	3Q16	3Q17	Var TAM	
Checking Accounts	4.725.936	5.605.543	879.607	18,6
Saving Accounts	16.654.136	16.520.411	(133.725)	(0,8)
Term Deposits Certificates	18.541.943	19.511.339	969.395	5,2
Other Deposits	451.864	465.369	13.506	3,0
Total Client's Deposits	40.373.880	42.102.663	1.728.783	4,3
Investment Securities in Circulation	2.437.657	2.281.293	(156.365)	(6,4)
Total Resources	42.811.537	44.383.955	1.572.418	3,7

Investment Securities in circulation closed the quarterly in \$2.3 billion and decreased 6.4% compared with the third quarterly of 2016.

Eligible Capital and Solvency Ratio

For the third quarterly of 2017, the entity statement achieved to \$4.0 billion, and increased 5.7% in compare with 2016. This variation is explained by the increment in the reserves in \$257 M that is partially counter with a decrease in the surplus and the utilities of the exercise. The technical equity closed at September 2017 in \$5.3 billion and increase 2.0% compared with the third quarterly of 2016.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	3Q16	3Q17	%
Accounting Equity	3.825.106	4.042.640	5,7
Eligible Capital	5.198.566	5.302.219	2,0
Ordinary Basic Equity	2.917.543	3.031.033	3,9
Additional Basic Equity	2.994	2.994	-
Additional Equity (Tier II)	2.278.029	2.268.193	(0,4)
Technical Equity	5.198.566	5.302.219	2,0
Required Equity	3.680.623	3.740.395	1,6
Surplus Equity	1.517.943	1.561.824	2,9
Risk weighted assets including market risk	40.832.523	41.559.947	1,8
Value at Risk (VeR)	216.955	160.520	(26,0)
Solvency Ratio without VeR	13,51	13,33	(18)
Solvency Ratio with VeR (minimum 9%)	12,73	12,76	3
Tier 1 (%)	7,15	7,29	15

¹Basic Equity against risk-weighted assets

Assets weighted by credit and market risk levels closed in \$41.6 billion and growing in 1.8% or \$0.7 billion, in line with the growth in the activity. On the other hand, the value in market risk (VeR) decreased 26.0%.

The relation of solvency of the Bank close in 12.76% with an increment in 3 basis points compared with the third quarterly of 2016 and this is 373 basis points above the minimum regulatory

Income Statements

Following are the BBVA Colombia Accumulated Results at the end of the third quarterly of 2016 and 2017:

Accumulated Income Statement

Million COP

	3Q16	3Q17	Var TAM	
Loan Portfolio	3.214.904	3.530.197	315.294	9,8
Interest Expense	(1.660.771)	(1.714.510)	(53.740)	3,2
NET INTEREST INCOME	1.554.133	1.815.687	261.554	16,8
NET COMMISSION INCOME	86.505	118.448	31.943	36,9
Investment Portfolio	300.146	387.795	87.649	29,2
Dividends	9.929	10.940	1.011	10,2
Other Incomes	129.403	82.084	(47.320)	(36,6)
OTHER OPERATING INCOME	439.478	480.818	41.340	9,4
GROSS MARGIN	2.080.116	2.414.953	334.837	16,1
Net Asset Allocation	(471.198)	(883.471)	(412.273)	87,5
Administration General Expenses	(1.046.752)	(1.122.477)	(75.725)	7,2
Personal Expenses	(393.099)	(424.063)	(30.964)	7,9
General Expenses	(228.316)	(252.295)	(23.979)	10,5
Taxes	(106.024)	(97.935)	8.089	(7,6)
Other	(315.329)	(344.788)	(29.459)	9,3
Operational Risk	(3.984)	(3.397)	587	(14,7)
NON-INTEREST EXPENSES	(1.517.950)	(2.005.948)	(487.998)	32,1
INCOME BEFORE TAX	562.166	409.005	(153.161)	(27,2)
Income Tax	(203.216)	(112.440)	90.776	(44,7)
NET PROFIT	358.950	296.565	(62.385)	(17,4)

Net interest income registered an interannual of 16.8%. On the other hand, the incomes for loan portfolio registered a growth of \$315.294 M, while the interest expense increased \$53.740M. So at the end the net interest incomes increased \$261.554M

Net incomes for commissions closed in the third quarterly with a positive variation of 36.9%. On the other hand, incomes generated for the investment portfolio showed a growth of 29.2% or \$87.649M, explained principally for bigger incomes obtained in securities. Dividends received until the third quarterly of 2017 amount to \$10.940M, with an increment of \$1.011M, that is explained principally for major dividend income for Deceval concept, that for this year is registered accumulated until the third quarterly of \$6.323 M, with an increment of \$3.608M compared with the same period of the last year.

On the other hand, the line of the rest of the incomes include operational incomes for financial services and recoveries of operational risk and others, registered a decrease of 36.6%, basically because during the first quarterly of 2016 registered sells of the participation of the Bank in CIFIN, that originated an extraordinary gain for \$48.392m.

In relation with the net assets provision, it was registered an interannual increase of 87.5% in line with the growth in the loan portfolio and deterioration of the indicators of portfolio quality. It is important to say that at the close of September 2017, the Bank had an extraordinary spend for concept of provisioning of Electricaribe for a value of \$133.648M that means a hedging of 55% of the total of the exposure.

Administration expenses registered an increase of 7.2% compared with the last year. Personal expenses increased 7.9% compared with 2016. On the other hand, general expenses grew 105%. Expenses for contributions and taxes show reduce of 7.6%.

Income tax decreased 44,7%, and the effective tax rate decreased 866 basis points, being located in 36.1% in the third quarterly of 2016 to 27.5 % in 2017

Finally, BBVA Colombia registered a net profit at the close of September of 2017 for a value of \$296.565M

In that way, it is showed the results of BBVA Colombia at the close of the third quarterly of 2016 and 2017 not accumulate:

Income Statement

Million COP

	3Q16	3Q17	Var TAM	
Loan Portfolio	1.128.642	1.172.450	43.808	3,9
Interest Expense	(623.321)	(523.251)	100.070	(16,1)
NET INTEREST INCOME	505.321	649.200	143.878	28,5
NET COMMISSION INCOME	31.305	39.079	7.774	24,8
Investment Portfolio	87.065	107.800	20.735	23,8
Dividends	-	-	-	-
Other Incomes	25.443	14.553	(10.890)	(42,8)
OTHER OPERATING INCOME	112.508	122.354	9.846	8,8
GROSS MARGIN	649.134	810.632	161.498	24,9
Net Asset Allocation	(151.430)	(373.274)	(221.844)	146,5
Administration General Expenses	(351.993)	(395.211)	(43.218)	12,3
Personal Expenses	(129.662)	(137.660)	(7.998)	6,2
General Expenses	(76.444)	(89.775)	(13.331)	17,4
Taxes	(37.250)	(33.063)	4.187	(11,2)
Other	(105.469)	(133.400)	(27.931)	26,5
Operational Risk	(3.168)	(1.313)	1.855	(58,5)
NON-INTEREST EXPENSES	(503.423)	(768.485)	(265.062)	52,7
INCOME BEFORE TAX	145.711	42.147	(103.564)	(71,1)
Income Tax	(66.729)	28.714	95.443	(143,0)
NET PROFIT	78.982	70.861	(8.121)	(10,3)

The interest margin registered an interannual increase of 28.5%. In one site, incomes for concept of loan portfolio registered a growth of \$43.808M, while expenses decreased \$100.070M. In that way, net incomes for interest increased to \$143.878M

Net incomes for commissions closed in the third quarterly with a positive variation of 24.8%. As well as other operational incomes that showed an increment of \$9.846M compared with the same period of the last year. On the other hand, operational expenses growth to 52.7%.

Income tax decreased 143% and the effective rate of taxes increased 866 basis points, being located in 36,1% in the third quarterly of 2016 to 27.5 % for 2017.

Finally, BBVA Colombia registered a net profit at the end of the third quarterly 2017 for a value of \$70.861M

Performance Measures and Indicators

The accurate management of the risk that is followed in BBVA Colombia, allow the bank to develop a commercial operation keeping well quality indicators of the portfolio and a profile of risk prudent and competitive. The exhaustive processes of admission and recover have given as a result and interannual growth of the gross portfolio, accompanied with competitive indexes of non-performing portfolios.

NON-PERFORMING LOANS AND COVERAGE

Million COP

	3Q16	3Q17	Var T AM
Gross Loan Portfolio	38.690.474	42.066.154	8,7%
Total Overdue loans	1.040.790	1.934.767	85,89%
Non-performing loans	753.450	1.563.628	107,53%
Non-performing loans ratios	%	%	%
Overdue Loans ratio	0,74	0,88	0,14
NPL ratio	1,95	3,72	1,77
Loan -Loss Provision	1.481.006	2.159.345	45,80%
Coverage overdue loans	196,56	138,10	-58,46

At the close of September of 2017, the NPL ratio was located in 3.72%, registering an increment of 177 basis points. On the other hand, the hedging indicator of the default portfolios is located in 138.10%.

Statements of changes in stockholders' equity

Next, it is showed the statement of changes in stockholders' equity of BBVA Colombia for the year ended at 31 of December 2016 and an intermediate period of 30 September 2017

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 FOR THE MONTHS ENDED 2016 AS OF SEPTEMBER 30, 2017**
 (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	Premium on share Placement	Net Profit For the period	Retained Earnings (NICF Application)	Accumulated Earnings - Process Convergence to IFRS	Other comprehensive Income (OCI)	Article 6 Law 4 of 1980	
	Number	Value	Number	Value								
Balance of December 31 of 2016	\$ 479.760	\$ 2.994	\$ 13.907.929	\$ 86.785	\$ 2.279.237	\$ 651.950	\$ 512.928	\$ 342.876	\$ 116.475	\$ 16.951	\$ 506	\$ 4.010.702
Transfers	-	-	-	-	-	-	(512.928)	512.928	-	-	-	-
Dividends paid in cash, preferred and common shares	-	-	-	-	-	-	-	(256.389)	-	-	-	(256.389)
Appropriation for legal reserve	-	-	-	-	256.540	-	-	(256.539)	-	-	-	1
Release of reserves	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	-	296.565	-	-	-	-	296.565
Fixed asset valuation update	-	-	-	-	-	-	-	(3.370)	-	-	-	(3.370)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	-	-	(14.874)	-	(14.874)
Defined Contributions Pensions	-	-	-	-	-	-	-	-	-	-	-	-
Investments by equity method	-	-	-	-	-	-	-	-	-	(104)	-	(104)
Participation in the OCI of investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	3.439	-	3.439
Accumulated unrealized gains on investments - Debt securities	-	-	-	-	-	-	-	-	-	3.761	-	3.761
Deferred Tax	-	-	-	-	-	-	-	983	-	1.926	-	2.909
Balance of September 30 of 2017	\$ 479.760	\$ 2.994	\$ 13.907.929	\$ 86.785	\$ 2.535.777	\$ 651.950	\$ 296.565	\$ 340.489	\$ 116.475	\$ 11.099	\$ 506	\$ 4.042.640

3. Consolidated Figures

Consolidated Results

Total assets of BBVA Colombia for the third quarterly of 2017 showed an annual growth of 4.8%, closing with a balance of \$54.0 billion and a variation of \$2.5 billion.

BALANCE SHEET - Consolidated Million COP

	3Q16	3Q17	abs	%
Cash and cash equivalents	4.078.951	4.802.052	723.101	17,7
Investments	6.583.800	5.597.552	(986.248)	(15,0)
Derivative Financial Instruments and Cash Operations	862.046	709.668	(152.378)	(17,7)
Gross Loan Portafolio and Leasing (Net)	38.843.812	42.258.074	3.414.262	8,8
Provision for credit losses	(1.155.945)	(1.735.799)	(579.854)	50,2
Other	2.370.272	2.411.094	40.822	1,7
Assets	51.582.937	54.042.640	2.459.704	4,8
Deposits	40.345.940	42.111.371	1.765.431	4,4
Money Market Operations	753.843	705.008	(48.835)	(6,5)
Financial instruments at fair value	954.605	845.439	(109.166)	(11,4)
Payable accounts	870.347	826.817	(43.530)	(5,0)
Other	4.216.702	4.676.906	460.204	10,9
Labor Obligations	194.318	210.151	15.833	8,1
Other Liabilities	173.561	222.739	49.178	28,3
Liabilities	47.509.315	49.598.432	2.089.117	4,4
Paid-in Capital	89.779	89.779	-	-
Reserves	2.279.237	2.535.777	256.540	11,3
Surplus	1.325.149	1.489.524	164.375	12,4
Net Profit for the period	379.456	329.128	(50.328)	(13,3)
Stockholder's Equity	4.073.621	4.444.208	370.587	9,1
Total Liabilities and Stockholder's Equity	51.582.936	54.042.640	2.459.704	4,8

In relation with the liquidity resources of the Bank, the Cash and cash equivalents registered an increase of \$0.7 billion compared with the last year, explained by an increment in cash and deposits in banks (6.0%), compensated with an annual increase of monetary market operations and related (62.3%).

On the other hand, derivatives financial instruments and cash operations show an annual decrease of 17.7% with a balance of \$0.7 billion at the close of September 2017, as a result of the decrease in the negotiation operations. Meanwhile, investments registered a negative interannual variation of 15.0%, explained principally for increments in positions of representative instruments of debt, in the portfolios of fair value with changes in OCI, investments at amortized cost and investments in affiliates not controlled, subsidiaries and joint ventures.

The gross loan portfolio and leasing registered an annual growth of 8.8% or \$3.4 billion, closing in the third quarterly with a balance of \$42.3 billion. On the other hand, the Provision for credit losses account that corresponds to generics provisions and specifics of the portfolio had an increase of 50.2%. The account of other assets, registered a growth of 1.7%, due to the increment in payable accounts in 2.8% and in advances to contractors and suppliers in 48.2%

In relation with the liability accounts, deposits and claims showed an annual growth of 4.4% or \$1.7 billion, achieving 42.1 billion. The increment explained principally for the increase in deposits (3.7%) and a term (5.2%). Liabilities positions in market operations decreased 6.5%, closing the third quarterly of 2017 in \$0.7 billion.

Financial instruments at fair value closed the third quarterly with a balance of \$08 billion and showed a decrease of 11.4% compared with the same period of 2016, principally for a less volume in trading operations. On the other hand, in line with the credits of the banks and other financial obligations registered an increase of 48.4% or \$0.6 billion.

The payable accounts decreased 5.0%, while labor obligations showed an increment of 8.1%. Other liabilities showed an increment of 28.3%, achieving a balance of \$0.2 billion. Additionally, deferred tax liabilities showed a decrease of 3.7% and estimate liabilities and provisions 26.2% respectively

Finally, the equity showed an increment of 9.1% reporting a balance of \$4.4 billion at the close of the third quarterly of 2017.

Loan Portfolio

For September of 2017, Gross loan portfolio closed with a balance of \$42.2 billion COP that represents an interannual growth of 8.8%

The net loan portfolio of provisions achieved \$40.5 billion, with a growth of 7.5% or \$2.8 billion compared with the third quarterly of 2016.

The portfolio of BBVA Colombia keeps its attention in the particular segment that represents 59.2% of the gross portfolio at the close of September 2017, with an increment of 9.3% in relation with the last

year, and a balance of \$25 billion. On the other hand, the mortgage portfolio represents 23.9% of the gross portfolio at the close of the quarterly.

LOAN PORTFOLIO

Million COP

	3Q16	3Q17	Var TAM	
Gross Loan Portfolio	38.843.812	42.258.074	3.414.262	8,8
Consumer	13.623.418	14.945.360	1.321.942	9,7
Commercial	15.787.076	16.834.471	1.047.395	6,6
Microcredit	2	2	-	-
Mortgage	9.277.878	10.091.226	813.348	8,8
Leasing	155.438	387.015	231.577	149,0
Loan -Loss Provision	(1.155.945)	(1.735.799)	(579.854)	(50,2)
Net Loan Portfolio	37.687.867	40.522.274	2.834.408	7,5

The commercial Portfolio showed an annual increment of 6.6% or \$1.0 billion, ending September of 2017 with a balance of \$16.8 billion. On the other hand employee portfolio achieved \$0.4 billion at the end of September 2017.

Client's Resources

During the third quarterly of the year, the resources have kept adjusted to the needs of liquidity of the Bank and funding kept in line with the dynamic of growth of the Portfolio. The resources of the clients increased 3.8% or \$1.6 billion, closing the quarterly in \$44.3 billion, the deposits represent 50.9% of the total of the resources and registered an increase of 3.7% achieving \$22.6 billion.

CLIENT'S RESOURCES

Million COP

	3Q16	3Q17	Var TAM	
Checking Accounts	21.803.997	22.600.032	796.035	3,7
Saving Accounts	18.541.943	19.511.339	969.396	5,2
Total Client's Deposits	40.345.940	42.111.371	1.765.431	4,4
Investment Securities in Circulation	2.437.657	2.281.293	(156.364)	(6,4)
Total Resources	42.783.597	44.392.664	1.609.067	3,8

Investment securities in circulation closet the quarterly in \$2.2 billion and decrease 6.4% compared with the third quarterly of 2016.

Eligible Capital and Solvency Ratio

For the third quarterly of 2017, the equity of the entity increased to \$4.4 billion and increased 9.1% compared with 2016. This variation is explained for the increment in reserves in \$0.2 billion that was countered with a decrease in the profit of the exercise.

Technical equity closed in September of 2017 in \$5.3 billion and increased 2.0% compared with the third quarterly of 2016.

ELIGIBLE CAPITAL AND SOLVENCY RATIO

Million COP

	3Q16	3Q17	%
Accounting Equity	4.073.621	4.445.691	9,1
Eligible Capital	5.200.107	5.301.972	2,0
Ordinary Basic Equity	2.920.198	3.032.429	3,8
Additional Basic Equity	2.994	2.994	-
Additional Equity ¹ (Tier II)	2.276.915	2.266.549	(0,5)
Technical Equity	5.200.107	5.301.972	2,0
Required Equity	3.673.670	3.613.752	(1,6)
Surplus Equity	1.526.437	1.688.220	10,6
Risk weighted assets including market risk	40.818.559	40.152.797	(1,6)
Value at Risk (VeR)	217.827	159.705	(26,7)
Solvency Ratio without VeR	13,54	13,82	27
Solvency Ratio with VeR (minimum 9%)	12,74	13,20	46
Tier 1 (%) ¹	7,15	7,55	40

¹ Basic Equity against risk-weighted assets

Risk weighted assets including market risk closed in \$40.1 billion and decreased 1.6% or \$0.7 billion. On the other hand, the value of the market risk (VeR) decreased 26.7% in compare with the last year

The relation of solvency of the Bank closed in 13.20%, with an increase of 46 basis points in comparison with the third quarterly of 2016 and It is 420 basis points above to the regulatory minimum.

Income Statement

Next, it is showed the results of BBVA Colombia accumulated at the end of the third quarterly of 2016 and 2017:

Net interest income registered an interannual increase of 16.9%. On one side, incomes for loan portfolio concept registered an increase of \$315.293M, while expenses increased \$52.653M. In that way, net incomes for interest increased \$262.641M.

Accumulated Income Statement

Million COP

	3Q16	3Q17	Var TAM	
Loan Portfolio	3.214.904	3.530.197	315.293	9,8
Interest Expense	(1.659.060)	(1.711.713)	(52.653)	3,2
NET INTEREST INCOME	1.555.844	1.818.485	262.641	16,9
NET COMMISSION INCOME	136.341	178.579	42.238	31,0
Investment Portfolio	302.558	379.329	76.771	25,4
Dividends	10.336	11.444	1.108	10,7
Other Incomes	132.644	84.463	(48.181)	(36,3)
OTHER OPERATING INCOME	445.538	475.236	29.698	6,7
GROSS MARGIN	2.137.723	2.472.300	334.577	15,7
Net Asset Allocation	(471.405)	(883.482)	(412.077)	87,4
Administration General Expenses	(1.063.932)	(1.136.818)	(72.886)	6,9
Personal Expenses	(402.604)	(431.365)	(28.760)	7,1
General Expenses	(229.603)	(253.480)	(23.877)	10,4
Taxes	(108.035)	(99.644)	8.391	(7,8)
Other	(319.105)	(348.932)	(29.827)	9,3
Operational Risk	(4.584)	(3.397)	1.187	(25,9)
NON-INTEREST EXPENSES	(1.535.337)	(2.020.300)	(484.963)	31,6
Minority Interest	(799)	(892)	(93)	11,6
INCOME BEFORE TAX	601.587	451.108	(150.479)	(25,0)
Income Tax	(222.131)	(121.980)	100.151	(45,1)
NET PROFIT	379.456	329.128	(50.328)	(13,3)

Net incomes for commissions closed in the third quarterly with a positive variation of 31.0%. Moreover, incomes generated for the investment portfolio show a growth of 25.4% or \$76.771M, explained mainly for higher incomes obtained in securities. Dividends received until the third quarterly of 2017 achieved to \$11.444M, with an increment of \$1.108M.

On the other hand, the line of the rest of the incomes that include operational incomes for financial services provided and recoveries of operative risk and others, registered a reduction of 36.3 %

basically because during the first quarterly of 2016 it was registered the sale of the part of the Bank's in CIFIN, in consequence generating an extraordinary gain for \$63.363M.

In relation to the net assets provisions, it was registered an interannual increment of 87.4% in line with the growth of the loan portfolio and the deterioration of the quality indicators of the loan portfolio. It is important to remark that at the end of 3Q17 the Bank had an extraordinary expense for concept of provisioning of Electricaribe for a value of \$136.950M that means a hedge of 55% of the total of the exposure.

The administration general expenses registered and increment of 6.9% compared with the last year. Personal expenses increased 7.1% compared with 2016. On the other hand, general expenses growth to 10.4%. Expenses for contributions and taxes registered a reduction of 7.8%.

The income tax decreased 45.1%, and the effective rate of taxes decreased 988 basis points, being located in 36.9% in the third quarterly of 2016 to 27.0% for 2017.

Finally, BBVA Colombia registered a net profit at the end of September of 2017 for a value of \$329.128M. Of this value, +90.1% corresponds to registered profit for the Bank, the +5.7% for the BBVA Asset Management and -0.8% to the lost registered for BBVA Valores. Finally, it is done an adjustment of consolidation of -4.9% (16.281 M) and an adjustment for application of IFRS of +9.9% (32.562M).

In the same way, it is showed the results of BBVA Colombia at the end of the third quarterly of 2016 and 2017 not accumulated

Net interest income registered an interannual increase of 28.5%. On the other hand, incomes for loan portfolio concept registered an increase of \$43.807 M, while expenses decreased \$100.584 M. In that way, net incomes for interest increased \$144.392M.

Income Statement

Million COP

	3Q16	3Q17	Var TAM	
Loan Portfolio	1.128.644	1.172.451	43.807	3,9
Interest Expense	(622.828)	(522.244)	100.584	(16,1)
NET INTEREST INCOME	505.816	650.208	144.392	28,5
NET COMMISSION INCOME	39.333	58.090	18.757	47,7
Investment Portfolio	72.510	106.052	33.542	46,3
Dividends	8	81	73	909,7
Other Incomes	26.372	15.119	(11.253)	(42,7)
OTHER OPERATING INCOME	98.890	121.252	22.362	22,6
GROSS MARGIN	644.039	829.550	185.511	28,8
Net Asset Allocation	(151.388)	(373.092)	(221.704)	146,4
Administration General Expenses	(358.175)	(397.871)	(39.696)	11,1
Personal Expenses	(133.000)	(137.633)	(4.632)	3,5
General Expenses	(76.798)	(90.212)	(13.414)	17,5
Taxes	(37.931)	(33.697)	4.234	(11,2)
Other	(106.677)	(135.016)	(28.339)	26,6
Operational Risk	(3.768)	(1.313)	2.455	(65,1)
NON-INTEREST EXPENSES	(509.563)	(770.963)	(261.400)	51,3
Minority Interest	(265)	(335)	(70)	26,3
INCOME BEFORE TAX	134.211	58.252	(75.959)	(56,6)
Income Tax	(69.492)	17.300	86.792	(124,9)
NET PROFIT	64.719	75.552	10.833	16,7

Net incomes for commissions closed the third quarterly with a positive variation of 47.7%. As well as other operational incomes that showed an increment of \$22.362M compared with the same period of the last year.

Income tax decreased 124.9% and the effective rate of taxes decreased 988 basis points, being located in 36.9% in the third quarterly of 2016 to 27.0% for 2017.

Finally, BBVA Colombia registered a net profit for the close of September 2017 for a value of \$75.552M.

Consolidated Statements of changes in stockholders' equity

Next, it is showed the consolidated statement of changes in stockholders' equity of BBVA Colombia for the year ended at 31 of December 2016 and an intermediate period at 30 of September of 2017

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 FOR THE MONTHS ENDED 2016 AS OF SEPTEMBER 30, 2017**

(Amounts stated in millions of Colombian pesos and thousands of shares)

Concept					Retained Earnings					Total Shareholder Equity
	Number of Shares	Subscribed and paid capital	Premium on share Placement	Non controlled Participation	Legal and Occasional Reserves	Net Profit For the period	Retained Earnings (NICF Application)	Other comprehensive Income (OCI)	Article 6 Law 4 of 1980	
Balance of December 31 of 2016	\$ 14.387	\$ 89.779	\$ 651.950	\$ 5.838	\$ 2.279.237	\$ 572.567	\$ 489.701	\$ 209.538	\$ 506	\$ 4.299.116
Non controlled interest (Minority Interest)	-	-	-	(245)	-	-	-	-	-	(245)
Transfers	-	-	-	-	-	(572.567)	572.567	-	-	-
Dividends paid in cash, preferred and common shares	-	-	-	-	-	-	(256.389)	-	-	(256.389)
Appropriation for legal reserve	-	-	-	-	256.540	-	(256.540)	-	-	-
Release of reserves	-	-	-	-	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	329.128	-	-	-	329.128
Retained Earnings Sales Force	-	-	-	-	-	-	(2.828)	-	-	(2.828)
Other comprehensive results	-	-	-	-	-	-	(17.192)	92.617	-	75.425
Fixed asset valuation update	-	-	-	-	-	-	(3.370)	-	-	(3.370)
Hedging with derivatives cash flow	-	-	-	-	-	-	-	(14.874)	-	(14.874)
Defined Contributions Pensions	-	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	464	-	464
Participation in other comprehensive Income of the noncontrolled investments, internal model	-	-	-	-	-	-	-	32.026	-	32.026
Loan portfolio measurements Incurred Loss	-	-	-	-	-	-	-	66.022	-	66.022
Accumulated unrealized gains on investments - Debt securities	-	-	-	-	-	-	(11.570)	3.029	-	(8.541)
Deferred Tax	-	-	-	-	-	-	(2.252)	5.949	-	3.697
Balance of September 30 of 2017	\$ 14.387	\$ 89.779	\$ 651.950	\$ 5.593	\$ 2.535.777	\$ 329.128	\$ 529.319	\$ 302.155	\$ 506	\$ 4.444.207

Subsidiaries

BBVA Asset Management

The main objective of the society is the celebration of the trust company contracts, in terms of the title XI of the Book IV of the commerce code, the celebration of the trust businesses based in the law forty five (45) of one thousand nine hundred twenty three (1923) in the chapter IV, the state contracts celebration of Trust company based in the law eighty (80) of one thousand nine hundred and three (1993) and, in general, the celebration of all business for legal provisions.

For 2017, BBVA Asset Management S.A -Trust company, keeps their strategy of being a enhancing of the banking business of BBVA Colombia through the business line, so:

Collective investments Funds: The FCI's will impulse the acquisition of the resources of the competence, supporting the strategic approach in liabilities resources of the group, in the same way, it has looked to extend the catalog of products especially for the clients segment of huge value, all taking into account the different profiles of risk of our clients.

Structured trust company: Through different trust schemes, it is looked to make easier the banking business of credit operations in their different modalities taking into account the presence of guarantees business and the source of payment, deepen the constructor credit and in that way strengthening and improving the trust schemes , and supporting all business that involve the develop and modernization of the infrastructure of the country through schemes of administration and payments, even though it is interesting for the group.

Additionally, the company strengthens technological platforms that will support the growth and focus of the business, looking better standards in the quality of the service, the operative efficiency and transactional security, in direction of the positioning of the brand and the profit of our clients.

Results

At the end of the third quarterly of 2017, the Trust company present a value of the asset for \$133.584M, liabilities for \$41.868M and equity for a value of \$91.716M. On the other hand, in the statement of income is registered a net profit for a value of \$18.905M, that represent the 5.74% of the profits of consolidated Bank.

BBVA Valores

BBVA Valores Colombia S.A is a brokerage society; whose principal shareholder is BBVA Colombia and its main objective consist in the development of the commission contracts for the sell and buy of the securities.

This count with authorization of the Superintendencia Financiera de Colombia to do its own activities of the securities market and for the advising in activities related with capital market, allowed for the law to the brokerage society. They have a huge trajectory from 1990 in the Colombian stock market, it account with a M1 qualification (superior) in the assets administration of investment given by Fitch Ratings and a qualification AAA (triple AAA) in counterparty risk given by BRC Investor Services S.A.

During 2017 the brokerage continues with its strategic plan oriented to the attention of the following segments: Clients of the premium and personal banking, institutional clients, international clients, clients for contracts with investment banking.

Apart from develop the area of business with commission agreement for the purchase and sell of securities, BBVA Valores also give advising in activities related with the capital markets, being the client its bigger priority, for that reason, products are designed for the satisfaction of the clients in general.

Shares: Shares are aimed at all type of natural or legal person with capacity of investment and take the risk of the shares purchased, giving an alternative of investment for a more aggressive profile, prepare to support a major volatility in its portfolio, in change of a major yield.

Administration of Securities: BBVA Valores is in charge of the custody of the values administered, doing a dividend payout, coupons etc. It is aimed to all type of long term investors that wish to preserve their securities and its yield is composed only by dividends and coupons paid by the issuer. These investors would not like to be exposed to marker risk.

Investment Banking: It is a product that offer different solutions to companies in accordance with their needs, BBVA Valores is in charge of structuring of issuances of fixed and variable rent, also ensuring the operability in the placement of the issuances and valuation of companies in an objective way and under acceptable standards, this valuation can be used with the objective of structure an issuance, or with the objective of optimize the administration of itself. It is aimed to institutional clients, real and financial sector companies.

Fixed Income: It is an option of investment that can be adjusted in accordance with the risk profile, the maturity and cash flow of each client. Some securities such as TES IPC allow keeping the purchasing power of investment. Securities of fixed rent are aimed to companies and natural people, with the possibility of attending particular needs of each client.

Results

At the end of September, BBVA Valores showed a value of the asset for \$14.189M, liabilities for \$1.147M and equity for a value of \$13.042M. On the other hand, in the statement of results is registered a lost for a value of \$2.624M, tan decrease the profits of the Bank in -0.8%.

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