

BBVA COLOMBIA

Results 4Q18

March 14th 2019



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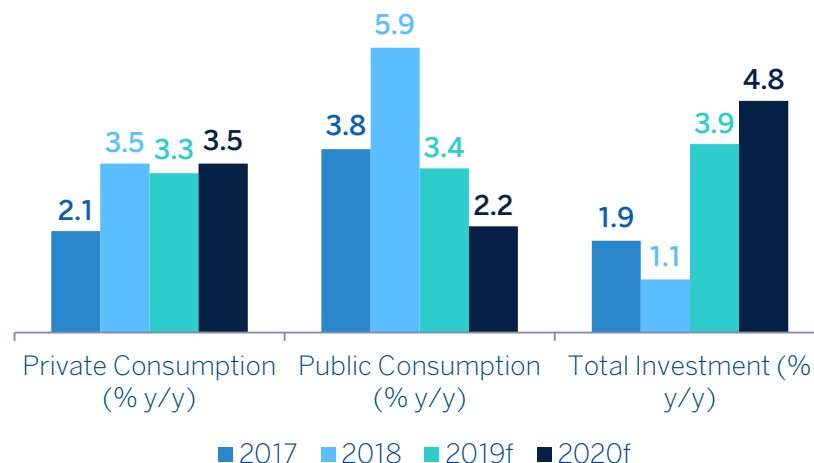
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Private Consumption and Investment Will be Key for the Acceleration of Growth in 2019 and 2020

GDP
(y/y, %)



Consumption and Investment
(y/y, %)



Global growth will decrease in 2019 and 2020 respect to our 2018 estimate, **due to the lower expected expansion in the US** (deterioration of trade, fading fiscal impulse)

In private consumption, durable goods and spending on services will be important for the acceleration of growth in 2019 and 2020

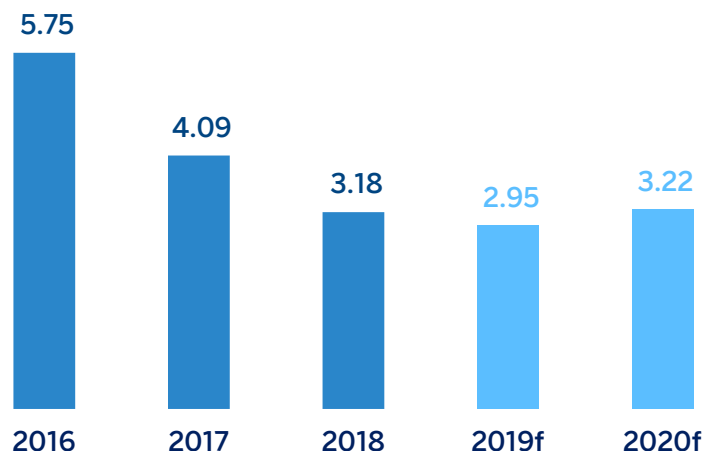
In Colombia, we anticipate growth of 3.0% for 2019 and of 3.3% for 2020. **Investment, driven by construction, will be key to accelerating growth.** Private consumption will maintain its recovery trend

Public consumption wouldn't have room to repeat the high growth of 2017 and 2018 due to fiscal adjustments

The Central Bank Will Increase Interest Rates Once in 2019 by 25 bps

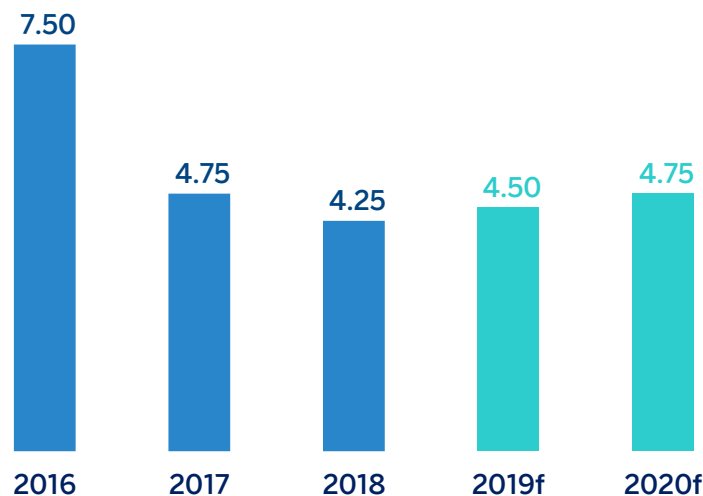
Inflation

% y/y



Policy Interest Rates

(%, nominal interest rates)



Without domestic demand pressures and lower fuel prices, **inflation will remain stable**, ending 2019 at 2.95% and 2020 at 3.22%

BanRep will increase its policy rate once to 4.50% in 2019 and to 4.75% in 2020 **driven by current account in balances**

Main Consolidated Figures 4Q18

Results (Billion)

\$ 2,662,370	\$ 3,537,439	\$ 563,653
+10.8% YoY	+5.1% YoY	+14.8% YoY
Net Interest Income	Gross Margin	Net Profit

Continued growth in our NII

Balance Sheet (Billion)

\$ 62,867	\$ 4,633	\$ 45,573	\$ 45,621
+8.3% YoY	+4.0% YoY	+4.4% YoY	+3.7% YoY
Total Assets	Equity	Gross Loan Portfolio	Customer Deposits*

Stable growth with **market share gains in SMEs**

Risk Ratios

3.96%	2.46%
+50 bps YoY -6 bps QoQ	-40 bps YoY
NPL Ratio%	Cost of Risk%

Improvement in our risk ratios

Solvency

12.35%	6.88%
+9 bps YoY	+7 bps YoY
Total Solvency	Basic Solvency

Solvency ratios well above minimum requirements

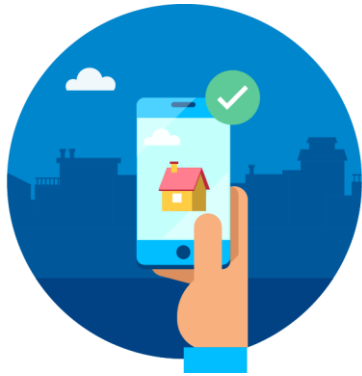
Efficiency

44.02%
-225 bps YoY
Efficiency Ratio

Significant improvement in efficiency

*Excluding other deposits, individual figures

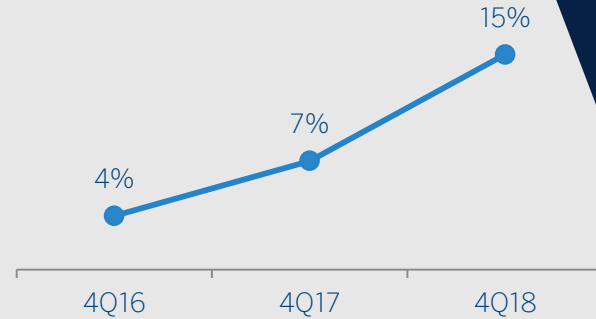
We continue to move forward in our digital and transactional transformation



+1 Million Digital Customers

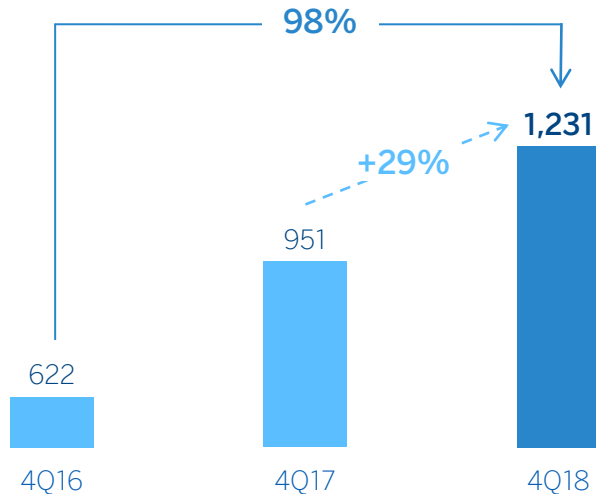
Digital Sales

Digital Sales (Ex insurance) / Total Sales



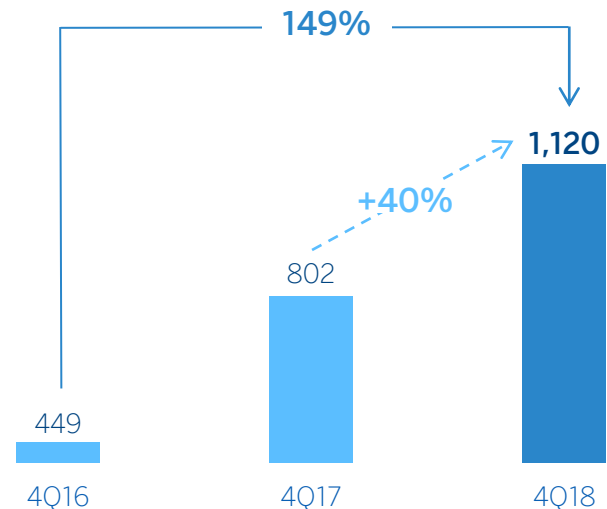
Digital Customers

Thousands of Customers



Mobile Customers

Thousands of Customers





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- 2 Balance Sheet and Business Activity
- 3 Solvency

Annex



1

Consolidated Results 4Q18

Continued Positive Trend in Net Interest Income

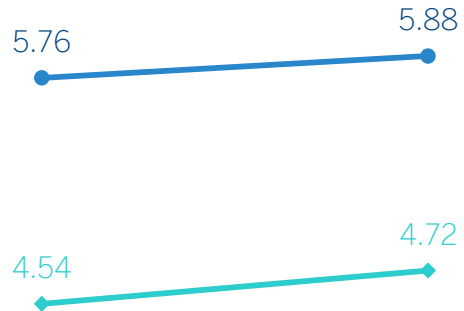
Net Interest Income

Billion COP



Spreads

—◆— NII/Spread —●— Costumer/Spread



+12 bps
YoY

NII continues to benefit from high commercial spreads and reduced cost of funds

4Q17

4Q18

Strong Fee Income Growth

Net fee income

Billion COP



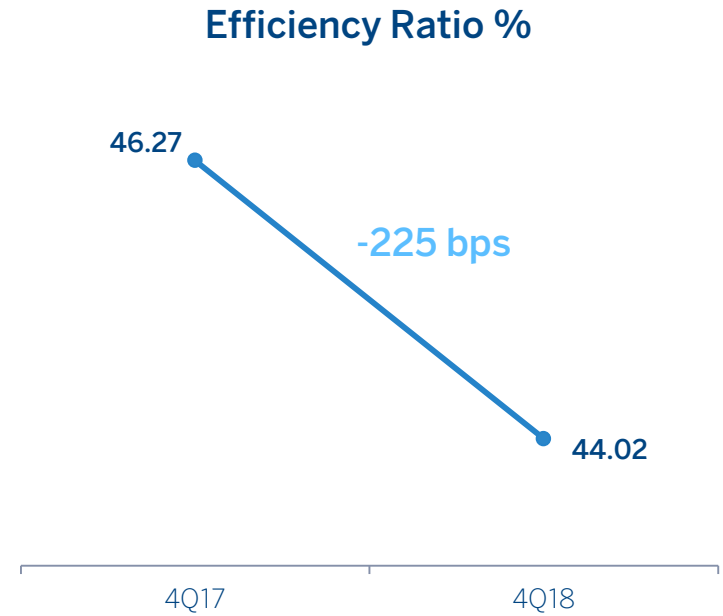
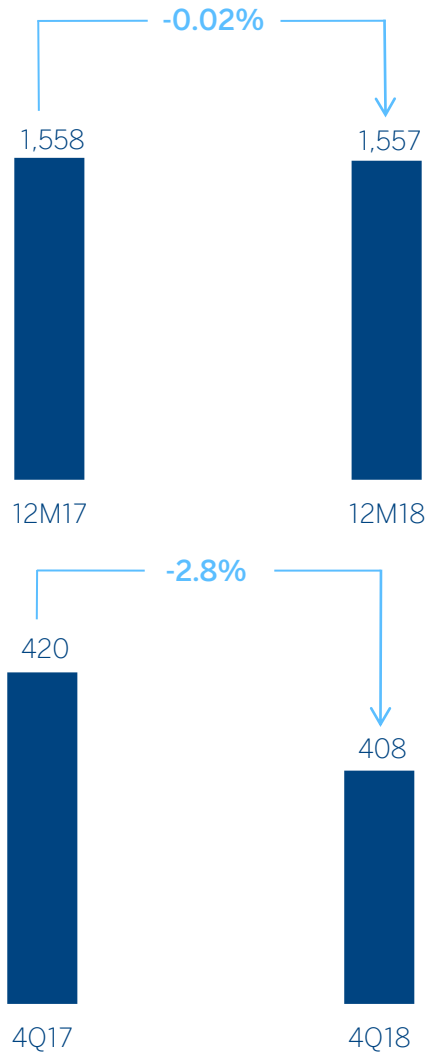
Annual fee income driven by:

- Reduction in fees paid to our external sales force
- Reduction in fees paid due to lower cash purchases
- Increase in investment banking fees and insurance fees

Expenditure Decrease and Efficiency Improvement

Operational costs

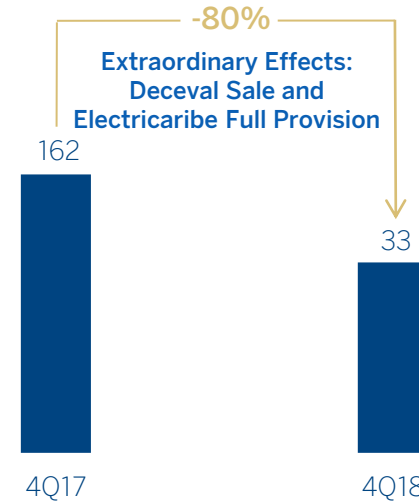
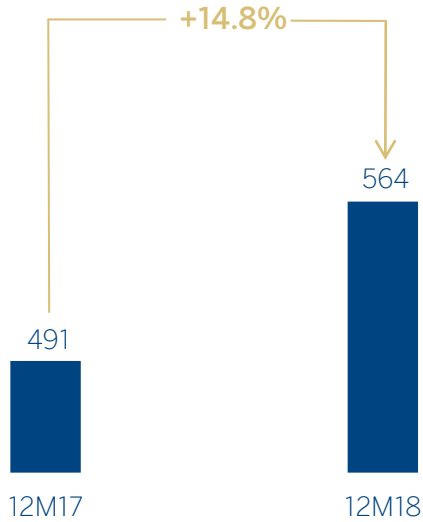
Billion COP



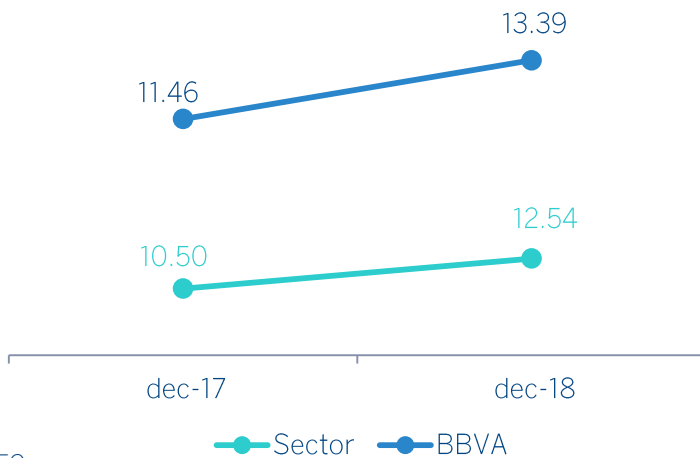
Favorable Performance During the Year

Net Income

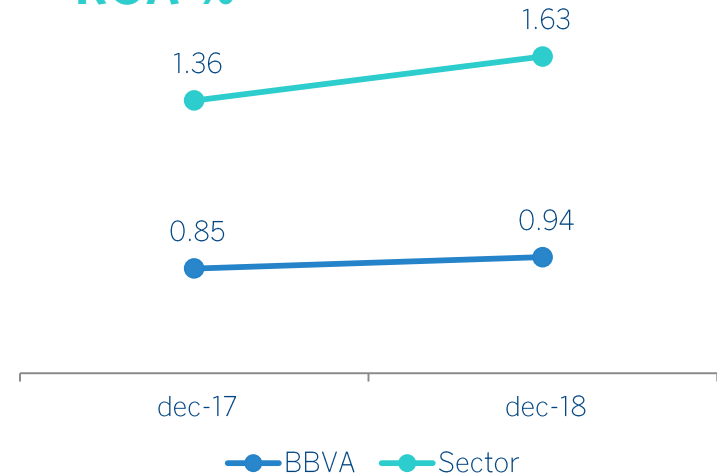
Billion of COP



ROE %



ROA %



Consolidated Income Statement

Accumulated – Million COP

	4Q17	3Q18	4Q18	Var TAM	
				abs	%
Loan Portfolio	4,637,679	3,524,595	4,720,124	82,445	1.8
Interest Expense	(2,233,769)	(1,540,884)	(2,057,754)	176,015	(7.9)
Net interest income	2,403,910	1,983,711	2,662,370	258,460	10.8
Net commission income	329,514	261,618	367,098	37,584	11.4
Investment Portfolio	484,658	281,311	400,760	(83,898)	(17.3)
Dividends	11,430	17,070	17,860	6,430	56.3
Other Incomes	136,913	68,866	89,351	(47,562)	(34.7)
Other operating income	633,001	367,247	507,971	(125,030)	(19.8)
Gross margin	3,366,425	2,612,576	3,537,439	171,014	5.1
Net Asset Allocation	(1,186,080)	(641,468)	(1,107,670)	78,410	(6.6)
Administration General Expenses	(1,557,648)	(1,149,133)	(1,557,341)	307	(0.0)
Personal Expenses	(583,457)	(432,892)	(576,115)	7,342	(1.3)
General Expenses	(364,133)	(271,008)	(381,681)	(17,548)	4.8
Taxes	(136,156)	(93,185)	(122,405)	13,751	(10.1)
Other	(468,937)	(345,443)	(467,688)	1,249	(0.3)
Operational Risk	(4,965)	(6,605)	(9,452)	(4,487)	90.4
Non-interest expenses	(2,743,728)	(1,790,601)	(2,665,011)	78,717	(2.9)
Minority Interest	(1,356)	(1,348)	(2,148)	(792)	58.4
Income before tax	621,341	820,627	870,280	248,939	40.1
Income Tax	(130,174)	(289,574)	(306,627)	(176,453)	135.6
Net profit	491,167	531,052	563,653	72,486	14.8

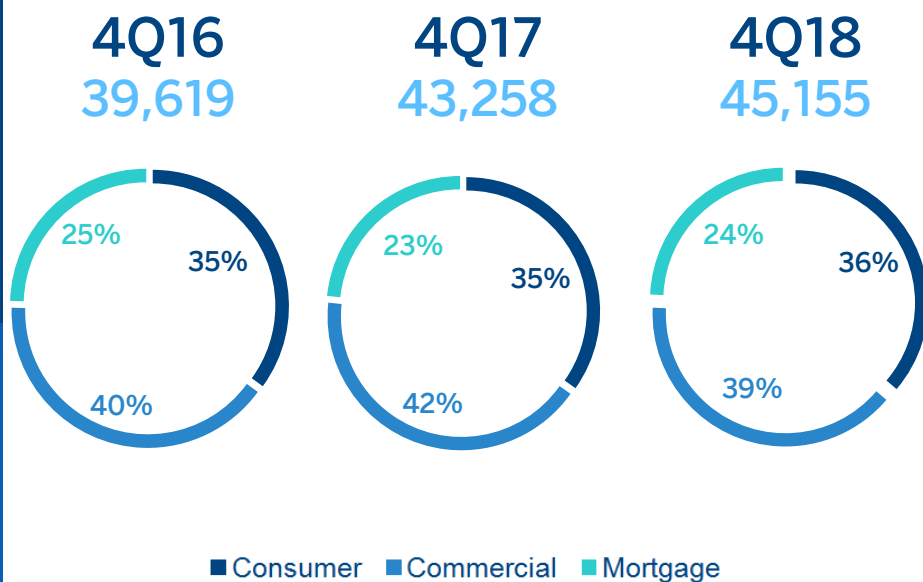


2

Balance Sheet and Business Activity

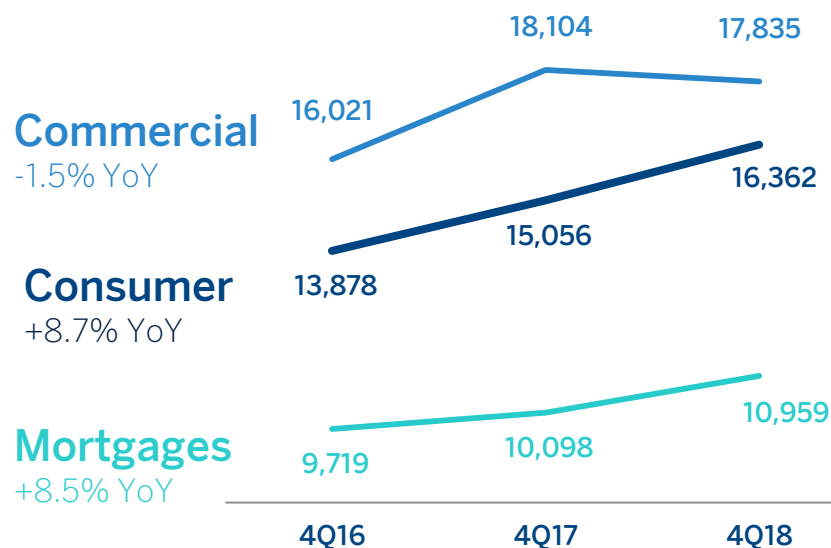
Portfolio Growth Driven by Our Retail Portfolio

Portfolio Composition



Gross Loan Portfolio +4.4% yoy

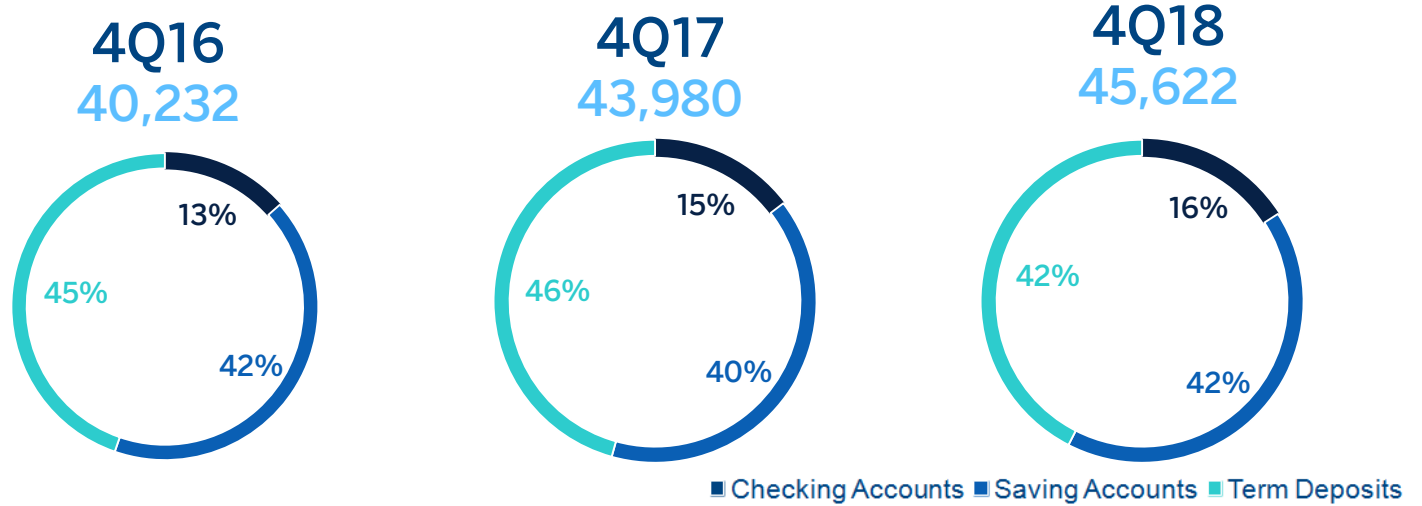
Billion



- Activity focused on the retail segment, which represents 60% of the gross loan portfolio at the end of December 2018
- Significant growth in the consumer and mortgages portfolio in 4Q18

Strategic Management of Our Funding Sources

Deposits Composition



Deposits Growth +3.7% yoy

Billion



Deposits growth driven by an increase in saving and checking accounts

Focus on Strong Returns on Capital Market Shares

Loan Portfolio

\$46
Trillion

Market Share **10.21%**
-16 bps YoY

Individuals*

Market Share
14.57%
-17 bps YoY

Commercial

Market Share
6.96%
-34 bps YoY

Consumer**

Market Share
13.11%
-3 bps YoY

Credit Cards

Market Share
7.21%
+4 bps YoY

Mortgages***

Market Share
16.66%
-49 bps YoY

Deposits

\$47
Trillion

Market Share **11.85%**
+0.15 bps YoY

Saving Accounts

Market share
10.66%
YoY Growth +25 bps

Checking Accounts

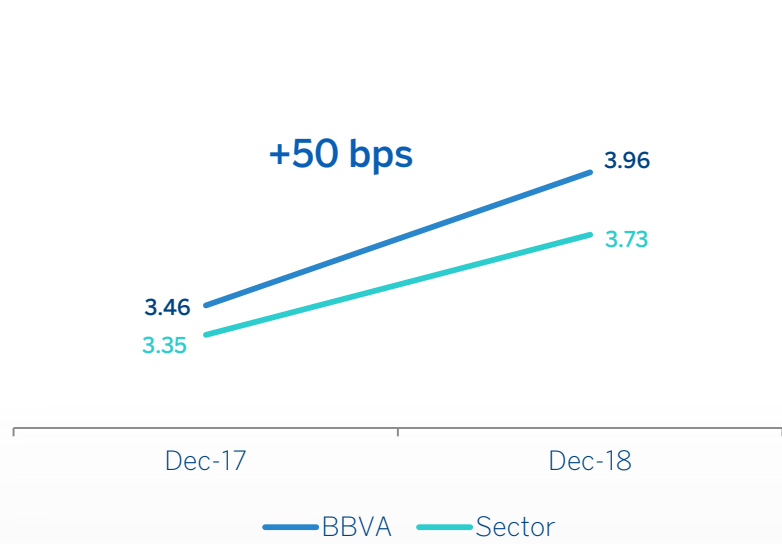
Market share
12.88%
YoY Growth +78 bps

Term Deposits

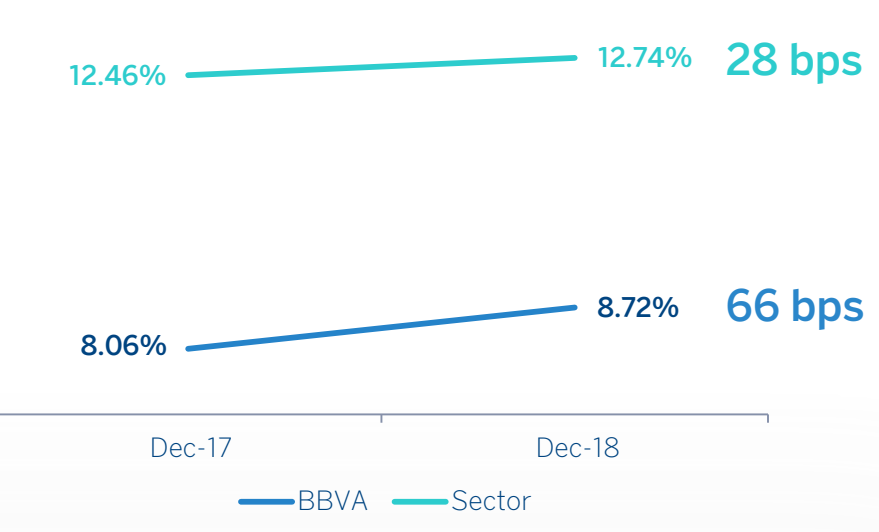
Market share
12.98%
YoY Growth -94 bps

BBVA Colombia's Write-offs Policies are Tighter than the Sector

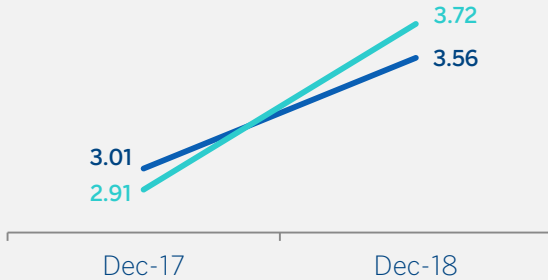
NPL (%)*



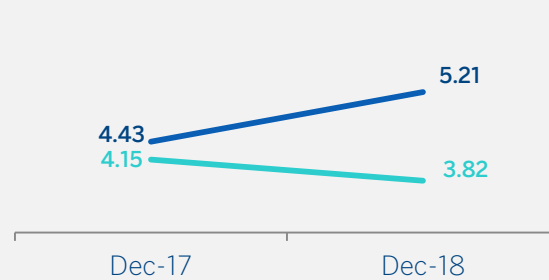
NPL + Write-offs (%)



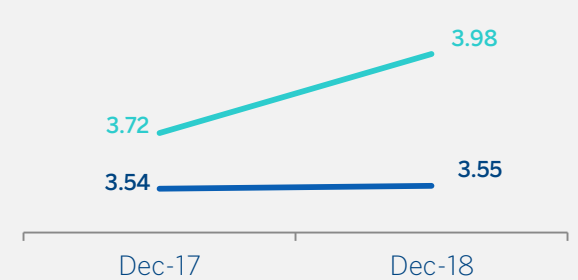
COMMERCIAL



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

	4Q17	3Q18	4Q18	Var TAM	
				abs	%
Cash and cash equivalents	5,777,721	5,233,422	8,461,493	2,683,772	46.5
Investments	7,611,552	7,398,935	8,148,586	537,034	7.1
Derivative Financial Instruments and Cash Operations	688,630	781,680	1,292,073	603,443	87.6
Gross Loan Portafolio and Leasing	43,649,649	44,949,470	45,573,222	1,923,573	4.4
Provision for credit losses	-1,836,638	-2,656,066	-2,776,476	-939,838	51.2
Other	2,176,446	2,361,918	2,167,829	-8,617	-0.4
Assets	58,067,360	58,069,359	62,866,727	4,799,367	8.3
Deposits	44,530,966	46,107,461	47,246,048	2,715,082	6.1
Money Market Operations	2,635,115	363,076	3,343,616	708,501	26.9
Financial instruments at fair value	840,021	942,900	1,307,567	467,546	55.7
Banks and other financial obligations	1,842,312	2,329,938	2,519,646	677,334	36.8
Investment in debt securities	2,277,963	2,162,141	2,282,854	4,891	0.2
Liabilities by deferred tax	394,314	376,319	263,317	-130,997	-33.2
Estimated liabilities and provisions	224,100	273,108	255,735	31,635	14.1
Payable accounts	449,048	627,916	528,195	79,147	17.6
Labor Obligations	215,054	228,484	222,361	7,307	3.4
Other Liabilities	203,129	216,427	264,215	61,086	30.1
Liabilities	53,612,022	53,627,770	58,233,554	4,621,532	8.6
Paid-in Capital	89,779	89,779	89,779	-	-
Prima en colocación de acciones	651,950		651,950	-	-
Participaciones no controladas	6,231		6,972	741.0	11.9
Reserves	2,536,283	2,764,985	2,764,985	228,702	9.0
Surplus	679,928	1,055,772	555,834	-124,094	-18.3
Net Profit for the period	491,167	531,053	563,653	72,486	14.8
Stockholder's Equity	4,455,338	4,441,589	4,633,173	177,835	4.0
Total Liabilities and Stockholder's Equity	58,067,360	58,069,359	62,866,727	4,799,367	8.3



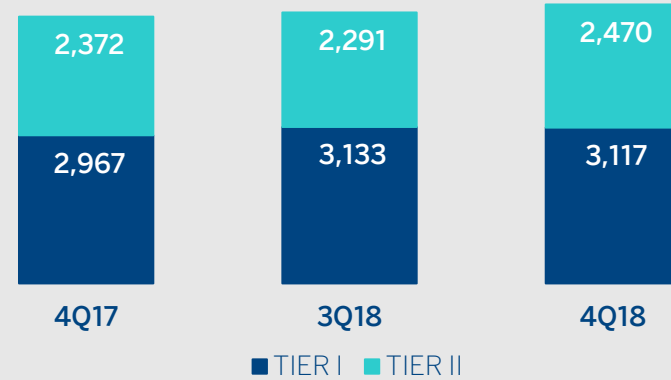
3

Solvency

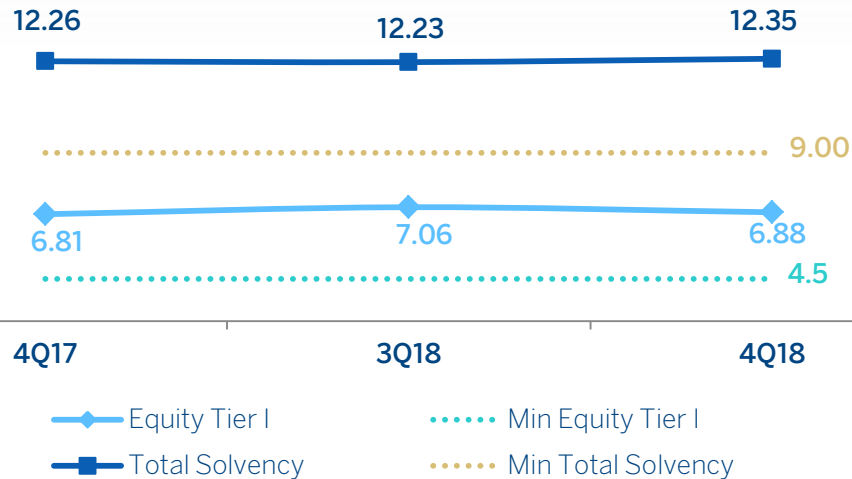
Capital Adequacy

Billion of COP

Strong
Capital Position



Evolution of the capital ratio %



335 bps
Above the Minimum
Regulatory Level

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Annex

Main Macroeconomic Variables

Macroeconomic Forecast

	2015	2016	2017	2018	2019	2020
GDP (% YoY)	3.0	2.1	1.4	2.7	3.0	3.3
Private Consumption (% YoY)	3.1	1.4	2.1	3.5	3.3	3.5
Public Consumption (% YoY)	4.9	1.8	3.8	5.9	3.4	2.2
Investment (% YoY)	2.8	(2.7)	1.9	1.1	3.9	4.8
Inflation (% YoY, eop)	6.8	5.8	4.1	3.2	3.0	3.2
Inflation (% YoY, average)	5.0	7.5	4.3	3.2	3.0	3.1
Exchange rate (eop)	3,149	3,001	2,984	3,212.000	3,150	3,020
Depreciation (% eop)	31.6	(4.7)	(0.3)	7.3	(1.9)	(4.1)
Exchange rate (average)	2,742	3,055	2,951	2,956	3,137	3,088
Depreciation (% eop)	37.0	11.4	(3.4)	0.2	6.1	(1.6)
BanRep Rate (% eop)	5.75	7.50	4.75	4.25	4.75	5.00
DTF Reference Rate (% eop)	5.2	6.9	5.3	4.5	4.7	5.2
Central Gvt. Fscal Bal. (% of GDP)	(3.0)	(4.0)	(3.6)	(3.1)	(2.4)	(2.2)
Current Account (% of GDP)	(6.5)	(4.4)	(3.3)	(3.5)	(4.1)	(3.8)
Urban Unemployment Rate (% eop)	9.8	9.8	9.8	9.9	9.7	9.5

Source: Banco de la Republica, DANE, BBVA Research

Consolidated Income Statement of the Quarter

Million COP

	4Q17	3Q18	4Q18	Var TAM	
				abs	%
Loan Portfolio	1,186,482	1,173,219	1,195,529	9,047	0.8
Interest Expense	(522,056)	(516,239)	(516,870)	5,186	(1.0)
Net interest income	664,425	656,980	678,659	14,234	2.1
Net commission income	71,935	85,405	105,480	33,545	46.6
Investment Portfolio	105,329	98,224	119,449	14,120	13.4
Dividends	(14)	263	790	804	(5,833.4)
Other Incomes	51,659	22,705	20,485	(31,174)	(60.3)
Other operating income	156,974	121,192	140,724	(16,250)	(10.4)
Gross margin	893,334	863,577	924,863	31,529	3.5
Net Asset Allocation	(302,598)	(191,686)	(466,202)	(163,604)	54.1
Administration General Expenses	(420,039)	(386,682)	(408,208)	11,831	(2.8)
Personal Expenses	(152,092)	(140,458)	(143,223)	8,869	(5.8)
General Expenses	(110,653)	(94,417)	(110,673)	(20)	0.0
Taxes	(36,512)	(31,274)	(29,220)	7,292	(20.0)
Other	(119,214)	(117,810)	(122,245)	(3,031)	2.5
Operational Risk	(1,568)	(2,723)	(2,847)	(1,279)	81.6
Non-interest expenses	(722,637)	(578,368)	(874,410)	(151,773)	21.0
Minority Interest	(464)	(421)	(800)	(336)	72.3
Income before tax	170,233	284,788	49,653	(120,580)	(70.8)
Income Tax	(8,194)	(126,065)	(17,053)	(8,859)	108.1
Net profit	162,039	158,722	32,601	(129,438)	(79.9)

Individual Balance Sheet

Million COP

	4Q17	3Q18	4Q18	Var TAM	
				abs	%
Cash	4,735,857	2,767,226	7,908,659	3,172,803	67.0
Active Positions in monetary market	1,032,004	2,460,482	514,422	-517,582	-50.2
Investment Securities & Derivatives	8,409,898	8,318,944	9,591,623	1,181,724	14.1
Loan Portfolio and Leasing Operations	43,649,649	44,949,470	45,573,222	1,923,573	4.4
Impairment	-2,290,570	-2,824,216	-2,944,928	-654,358	28.6
Other Assets	1,890,374	1,909,811	1,758,909	-131,466	-7.0
Total Assets	57,427,212	57,581,716	62,401,906	4,974,694	8.7
Deposits and Financial Claims	46,866,106	48,333,041	49,559,346	2,693,240	5.7
Passive Positions in monetary market	2,635,115	363,098	3,345,050	709,935	26.9
Financial Instruments at Fair Value	840,020	942,900	1,307,567	467,547	55.7
Banks And Other Financial Obligations	1,842,312	2,329,938	2,519,646	677,334	36.8
Accounts payable	581,558	758,032	625,419	43,861	7.5
Labor obligations	212,217	225,753	218,954	6,738	3.2
Other Liabilities	425,892	448,753	479,168	53,276	12.5
Total Liabilities	53,403,220	53,401,514	58,055,151	4,651,931	8.7
Suscribed and Paid-in-Capital	89,779	89,779	89,779	0	-
Specific Destination Reserves and Funds	2,535,777	2,764,479	2,764,479	228,702	9.0
Surplus	956,523	917,590	958,739	2,216	0.2
Gains or Losses	441,913	408,354	533,758	91,845	20.8
Stockholder´s Equity	4,023,992	4,180,203	4,346,755	322,763	8.0
Total Liabilities and Stockholder´s Equity	57,427,212	57,581,716	62,401,906	4,974,694	8.7

Our Bank...

December 2018

ATM's



1,344

YoY Growth variation
-0.67%

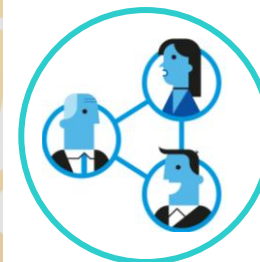
Branch Offices



552

YoY Growth variation
+8.24%

Employees



5,238

YoY Growth variation
+0.33%

Banking Agents

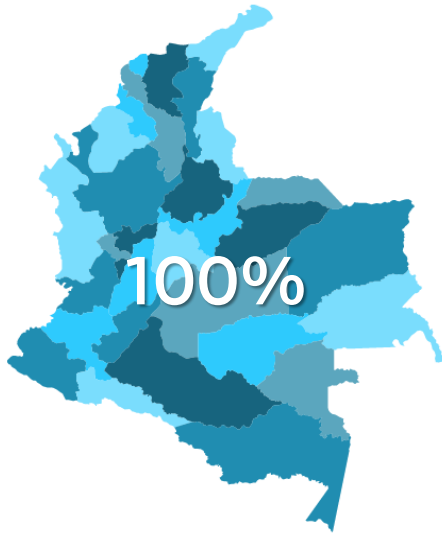


14,106

YoY Growth variation
+139.98%

Participation in Colombia

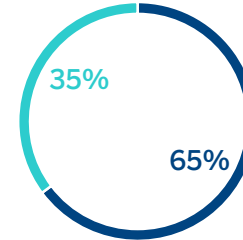
BBVA



Focused on the Local Market

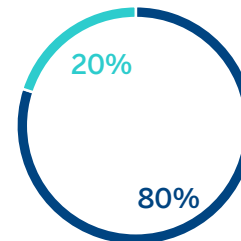
Sector

Peer 1



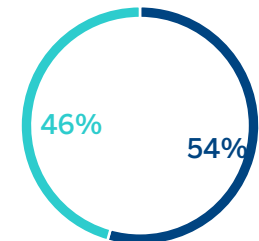
■ Col ■ Central America

Peer 2



■ Col ■ Central America

Peer 3



■ Col ■ Central America

Source: Annual Report of each bank, December 2017