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Letter from the President

GRI-102-14

The year 2020 marked a milestone in the history of mankind and will undoubtedly be remembered as the year in which the arrival of the COVID-19 pandemic changed the plans of companies and individuals and affected the entire world in a way that had never happened before.

The behavior of the COVID-19 pandemic, the measures to contain it and the economic policies to address the economic and social effects determined global performance in 2020. World GDP fell by around 2.6%, with sharp declines in the United States (-3.5%) and Eurozone (-6.8%) and a pronounced slowdown in China, from 6.1% in 2019 to 2.3% in 2020.

Colombia was no stranger to this scenario and faced two shocks: one external and one internal. The external shock, which put upward pressure on the exchange rate, came from the reduction in world demand and growth, lower oil prices, lower foreign investment inflows and greater market volatility. The other shock, the internal shock, was explained by restrictions on mobility, production and consumption, with an unprecedented drop in GDP and the loss of millions of jobs, despite an active economic policy.

Nevertheless, Banco de la República guaranteed the operability of the payment system and then brought the intervention rate to its historical minimum (1.75%). The government also increased public spending and temporarily suspended the fiscal rule to address the economic emergency. Such policies, together with the gradual relaxation of the lockdown measures, allowed the economy to recover, especially in the second half of the year. However, by the end of 2020, the economy had not yet reached pre-pandemic levels.

In the case of BBVA, our entity was not unaware of the arrival of the Coronavirus and from the very first moment and very quickly, having as a priority the protection of our employees, their families and customers, we activated a remote work plan with which around 2,000 employees of the central areas located in Bogota and in the administrative headquarters of the regional management offices of



Medellin, Cali and Barranquilla, began to carry out their work under the 'home office' scheme, always guaranteeing the Bank's operations, a modality that has been maintained up to now.

We also implemented a series of biosafety protocols in our offices to ensure that exposure of employees and customers was minimal, for which we invested \$8 trillion.

In addition, we deployed a large part of our efforts to support our clients, offering them grace periods and tailor-made alternatives to help them meet their financial commitments and, in this way, contribute to the country's economic recovery.

In this regard, in a first stage from March to July 2020, we granted grace periods to 250,000 customers between individuals and companies for COP16.3 trillion pesos, and within the framework of the Debtor Support Program (PAD in Spanish) we have served more than 91,000 individuals and 1,200 companies. As of December 2020, 95% of the relief had expired and approximately 70% of our customers had resumed their payments.

In the case of companies, we supported them with loans for more than \$370,000 million with guarantees from the National Guarantee Fund, and for SMEs we granted loans for \$750,000 million.

2020 was a year in which we continued our transformation, presenting financial solutions aimed at making life easier for our customers and providing a better experience in contracting and transactionality with focus on digitality.

At year-end December 2020, we had an active customer base of 2.7 million, 4% more than in December 2019. From the total number of customers, nearly two million are digital, 23% more than in December of previous year and 1.8 million are mobile customers, 30% more than in December 2019.

During 2020, we made it possible for our customers to make transfers to contacts on their cell phones, we launched a digital portfolio for individuals in which we offer credit cards to customers who open a payroll account through our BBVA Mobile app, we enabled the assignment of passwords for debit and credit cards on their cell phones without the need to go to a branch, and we set up a chatbot on our website to answer our customers' most frequently asked questions.

We also launched an automatic approval tool for vehicle financing, which offers the possibility of accessing a vehicle credit approval in just three minutes from the comfort of the client's home, 100% digital and without requesting any documents, thus avoiding people mobilization.

To complement our digital offer, we conducted a pilot program to offer our customers the possibility of paying for purchases by simply bringing their cell phone close to the dataphone through NFC (Near Field Communication) technology. This year we implemented such service and became the first and only bank in the country to offer such payment method.

2020 was a year in which we took a very significant step forward in our sustainability objectives by putting in the hands of our customers a broad portfolio of sustainable financial products that include mortgage loans for families, housing leasing, financing for builders who develop sustainable housing, as well as loans for electric and hybrid cars to promote the responsible use of resources and practices that help us move towards a greener future.

In addition, we formalized the first line of 'confirming social' that will allow access to cheaper financing alternatives for suppliers of micro, small and medium-sized companies, in line with our commitment to reduce inequalities, promote national production and foster job creation.

In this sense, we carried out operations for 714 trillion pesos in sustainable financing, represented in the issuance of guarantees and green loans for companies and the placement of loans for sustainable construction and housing acquisition, as well as for electric cars and motorcycles.

At year-end December 2020, we were the third leading bank in the consumer portfolio in Colombia, with a market share of 13.10%. The total individual portfolio recorded 14.28% share.

In the corporate segment, we achieved 6.81% market share. We worked on a management model that would allow the branch network to identify the clients' needs according to their economic activity to provide timely and efficient attention during the crisis period.

Thus, amid a very challenging environment, with low demand for credit, a sharp drop in interest rates and enormous economic hardship for our customers to pay their loans, in BBVA Colombia we closed

the year with positive results. In gross margin and net margin, we achieved record results and growth of 6.6% and 8.9% respectively, versus 2019 performance. However, profit after taxes was strongly affected by the growth of provisions and we closed with 36.4% less profit versus previous year. At year-end 2020, we achieved very good solvency and liquidity levels, which far exceeded legal requirements.

On the other hand, 2020 was a year in which we advanced in our goal of being a benchmark organization in terms of diversity, inclusion and equity. To this end, we created nine working groups made up of more than 200 employees who have voluntarily contributed to the implementation of actions that allow us to advance diversity in a cross-cutting manner, with a special focus on gender, sexual orientation and ethnic diversity.

Specifically in gender diversity, currently 60% of our talent is female and 45% of management positions are held by women. In the area of gender diversity, we are working on the Standardization of Differences Manual, which represents a guide to understand concepts related to sexual diversity and thus guarantee its inclusion within BBVA.

In terms of community investment, in 2020 we allocated \$7,081 million in Corporate Responsibility projects, 29% more than in 2019, benefiting more than 536,000 people.

Faced with the emergency caused by the COVID-19 pandemic, we focused all our actions on addressing the different needs caused by the economic closures due to quarantines, and thus we delivered 32,000 food markets that benefited more than 130,000 people in 170 municipalities throughout the country; 10,000 biosafety kits in 50 hospitals of 40 municipalities and four Intensive Care Units (ICU) in Amazonas, Guaviare, Vichada and Guainia departments.

We also showed our solidarity with the inhabitants of San Andres, Providencia and Santa Catalina in the wake of the damage caused by Hurricane Iota and with the Colombians affected by the severe winter wave that affected the country at the end of the year.

I would like to thank specially our employees who were not indifferent to such needs and joined the 'One Day's Pay For' campaign, which allowed us to raise resources and collect 1.3 billion pesos to join the 'Helping makes us well' campaign, through which we were able to bring food to the most vulnerable families.

We were also able to continue with our Financial Education program, where we trained 22,724 Colombians in topics such as savings, financial health and banking security; we supported more than 140 children and young people with educational scholarships and 17,364 kids with school supplies for their studies. In addition, and being aware of the need to address climate change, we developed initiatives in favor of the environment, including reforestation actions in several areas of the country.

In conclusion, at BBVA Colombia, despite a very challenging environment, we successfully managed the crisis, made progress in achieving our strategic objectives and delivered good results. In 2021 we will continue to move forward, supporting economic recovery and job creation in the country.



MARIO PARDO BAYONA
President BBVA Colombia

1. About BBVA

(Figures expressed in millions of pesos -COP-, except the exchange rate and net earnings per share)

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BBVA Colombia Profile

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In Colombia, the BBVA Group is present through Banco Bilbao Vizcaya Argentaria Colombia S.A. - BBVA Colombia, with its subsidiaries BBVA Asset Management S.A. Sociedad Fiduciaria and BBVA Valores Colombia S.A. Comisionista de Bolsa; and also, through BBVA Seguros Colombia S.A. and BBVA Seguros de Vida Colombia S.A.

Banco Ganadero was established in April 1956 within the framework of the First Agricultural Exposition Fair and with the support of the country's cattlemen. Law 26 of 1959 defined the legal nature of the Bank as a mixed-economy bank, with capital from the official and private sectors with 20% and 80% in shares, respectively. In 1992 its legal nature was modified and since then it operates as a joint stock company. In 1996 Banco Bilbao Vizcaya (BBV) acquired 34.70% of the company's capital stock by means of an auction and direct subscription of shares. In 1998 BBV increased its shareholding to 49.14% through an Initial Public Offering (IPO); in the same year it changed its name to BBV Banco Ganadero and in 2000 to BBVA Banco Ganadero. In 2001, a simultaneous takeover bid for Banco Ganadero shares was carried out in the US and Colombia, whereby BBVA acquired common and preferred dividend shares, increasing its shareholding to 94.16% of the Bank's capital. In 2004, the Bank changed its name from BBVA Banco Ganadero S.A. to its current name Banco Bilbao Vizcaya Argentaria Colombia S.A. "BBVA Colombia".

BBVA has a responsible banking model based on the search for profitability in accordance with ethical principles, compliance with the law, good practices and the creation of long-term value for all its stakeholders.

At year-end 2020, BBVA has 95.43% share.

BBVA Colombia's shareholder structure

Total offices

Shareholder	Ordinary shares	Preferred dividend shares	% Share
Banco Bilbao Vizcaya Argentaria S.A.	10,766,099,008	196,857,652	76.20%
BBV America SL.	2,511,124,962	256,150,000	19.23%
Others	630,705,101	26,752,348	4.57%
Total	13,907,929,071	479,760,000	100.00%

In addition, it has 36 contracts for the provision of financial services through Non-Banking Correspondents (NBFC) amounting to 17,758 and 19,925 points of service as of December 31, 2020 and 2019.

It also has investments in the following subsidiaries:

BBVA Subsidiaries	Share	Location
BBVA Asset Management S.A. Trust Company	94.51%	Bogotá
BBVA Valores Colombia S.A. Comisionista de Bolsa	94.44%	Bogotá

The Bank belongs to Grupo Empresarial BBVA Colombia, registered in the commercial registry and has nationwide a staff that at year-end December 2020 and 2019 amounted to 5,137 and 5,402 employees, respectively.

Organizational and Business Structure

The organizational structure of BBVA Colombia is divided into strategic units made up of eight Executive Vice Presidencies: "Client Solutions", "Corporate & Investment Banking", "Network Management", "Financial", "Engineering", "Risks", "Legal Services and General Secretariat", "Talent & Culture", and the presidential areas: "Internal Audit", "Communication and Image", "BBVA Research" and "Internal Control & Compliance", all reporting directly to the Bank Executive Presidency.

1. "Client Solutions": Unit relevant to the Bank's digital transformation, in charge of the following:

- Design and lead the execution of the digital sales strategy with the objective of delivering on strategic priorities, with emphasis on global and local digitization and sales objectives, supporting the marketing focus.
- Maximize the delivery of constant value to customers by making the transformation of the BBVA group in Colombia a reality, through the proposal and prioritization of initiatives that favorably impact the Bank's strategic indicators, the conceptualization and design of solutions focused on customer experience and the planning and execution of projects.
- Focus on product and customer strategy by directing, managing and controlling activities aimed at research, design, development, innovation, implementation and monitoring of banking strategy, products and services for the customer segment, thereby contributing to the experience and satisfaction of customer needs.
- Define new management models for the network to ensure that the customer experience at BBVA is satisfactory and meets the levels defined by the organization.

2. “Corporate & Investment Banking”: Global unit in charge of directing, planning and executing commercial, financial and operational strategies for corporate clients, generating added value in each of its business units through the execution of such strategies, which allow the fulfillment of the proposed objectives, as well as the delivery of integral solutions to the needs of companies and industries.

3. “Network Management”: unit that encompasses the implementation of distribution strategies. It considers and manages segment, product and channel variables to create a value offer to the customer, seeking to enhance and generate value to structured businesses (engagement, deepening, retention, transactionality and profitability) in order to compete in the new environment. His main responsibilities are:

- Ensure the execution, business evolution, income statement and smooth operation of the Network.
- Establish priorities for action for the entire network and dependent areas, within the framework of the guidelines defined by the Business Committee.
- Responsible for the complete application of the management schemes defined by BBVA Colombia for its offices.

4. “Financial”: Unit focused on guaranteeing the correct, timely and adequate control of financial management and the permanent follow-up of financial information systems, leveraging strategic priorities to improve the profitability and sustainability of the business. Likewise, it is the unit in charge of leading the single investment agenda of the Bank’s projects. Also, it coordinates the implementation of strategies to maintain an adequate structure of the Bank’s Balance Sheet, which allows the achievement of the proposed objectives, through the management of the structural risks of the Bank’s Balance Sheet and liquidity.

5. “Engineering”: Includes relevant aspects such as the definition, development and implementation of technological solutions that support business processes, ensuring their correct

and efficient operation. It also contributes to the transformation of the customer experience, both in digital and traditional channels. Its main responsibilities include:

- Manage and control the operational and preventive processes that support the business units and their continuous improvement, to deliver better services to both internal and external customers.
- Manage the installed technology infrastructure in accordance with business and Bank guidelines, setting the latest trends and solutions and required needs.
- Ensure that the organization has the necessary goods and services for its management, as well as those required for external clients, supporting the Bank's income statement. In this sense, it works in the development of an optimal physical infrastructure and certifies that the provisioning of general services has a high level of quality and timeliness.
- Strengthen the data governance model; build the necessary capabilities with the different areas that develop data-driven products and solutions; create and extend a data culture in the Group, accelerating the transformation process towards a data-driven organization.

6. "Risks": It is framed within the preservation of the Bank's solvency, supporting the strategic lines and ensuring the development of the business, efficiently managing and controlling the credit, market, liquidity and structural interest risk of BBVA Colombia, through the adequate implementation of processes, structure, circuits, methodologies, policies, applications and tools. Likewise, it develops the administrative management of risk recovery, directing all efforts to achieve the highest recovery in the shortest possible time..

7. "Legal Services and General Secretariat": Focused on providing optimal legal advice for BBVA Colombia to develop its activity in accordance with the legal provisions; also, defending, in a timely and efficient manner, the interests of BBVA Colombia, and to achieve adequate coverage of legal risk.

8. "Talent & Culture": Focused on BBVA's strategy, as well as on the definition and orientation of

appropriate people policies that incorporate the legal labor framework and facilitate the comprehensive management of employees. T&C ensures that BBVA has the appropriate organization in terms of structure, size, roles, responsibilities, and relationship model to meet its objectives. In addition, it promotes diversity in the attraction, development, retention, and management of people, guaranteeing support for the Group's strategy and transformation.

9. President's Staff Areas:

BBVA Research: Unit responsible for the economic research service and for promoting and developing institutional relations, projecting the key variables of the Colombian economy to foresee opportunities and risks for the business and balance sheet of BBVA Colombia.

Internal Audit: It is framed within the orientation and execution of independent audits that contribute to satisfy the needs of the entity and shareholders' expectations with value added services.

Communication and Image: Focuses on planning and implementing the development of BBVA Colombia's communication and institutional relations with the different stakeholders. It plans and executes the Corporate Responsibility and institutional sponsorship programs, adhering to the Bank's principles and strategic priorities..

Internal Control & Compliance: Unit responsible for the internal control model in BBVA Colombia, achieving a mainstreaming in all areas, which allows mitigating non-financial risks more effectively and leading the second line of defense and promoting the global model of management and control of non-financial risks in the jurisdiction.

Organizational Chart Diagram



VICE PRESIDENTS



CLIENT SOLUTIONS EXECUTIVE VICE PRESIDENT
Guillermo Andrés González Vargas



CORPORATE INVESTMENT BANKING EXECUTIVE VICE PRESIDENT
Carlos Alberto Rodríguez López



NETWORK MANAGEMENT EXECUTIVE VICE PRESIDENT
Hernando Alfonso Rodríguez Sandoval



FINANCIAL EXECUTIVE VICE PRESIDENT
Germán Enrique Rodríguez Perdomo



ENGINEERING & HOD EXECUTIVE VICE PRESIDENT
José María Jiménez Tuñón



TALENT AND CULTURE EXECUTIVE VICE PRESIDENT
Jorge Alberto Hernández Merino



RISK EXECUTIVE VICE PRESIDENT
Alfredo López Baca Calo



LEGAL SERVICES AND GENERAL SECRETARIAT EXECUTIVE VICE PRESIDENT
Ulises Canosa Suárez

CHAIRMAN'S AREAS

BBVA RESEARCH
Juana Patricia Tellez Corredor
DIRECTOR STAFF

COMMUNICATION AND IMAGE
Jeimmy Constanza García Nieto
DIRECTOR STAFF

INTERNAL CONTROL AND COMPLIANCE
Sandra Milena Meza Cuervo
CHIEF EXECUTIVE OFFICER

INTERNAL AUDIT
Carlos Tolosana Gómez
CHIEF EXECUTIVE OFFICER

Environment

1. Macroeconomic environment

In 2020, Colombia's economic growth was determined by the evolution of the pandemic and the measures to stem it, not only in this country, but also in the rest of the world. On March 6, the first positive case was verified in Colombia, while the WHO declared it a pandemic on March 11, certifying the widespread presence of the infection. Since then, the government determined lockdown, restrictions to productive and consumption mobility and closures of the most exposed businesses to social interaction. The months of greatest confinement, corresponding to the period between March and May, saw a sharp fall in economic activity and private spending. Then, with the expansion of the healthcare system and the relaxation of the lockdown measures, the economic recovery began to take shape, especially since the end of the third quarter, when most economic sectors could operate, and the mobility improved thus accelerating the speed of the recovery.

Throughout the year, the government implemented a countercyclical policy and managed to increase the capacity of the country's intensive care systems, a factor that was decisive in alleviating restrictions on productive activities and consumers' mobility. Public spending also increased due to greater monetary transfers to the most vulnerable population, with increases in allocations to population groups that were already being subsidized (Families in Action, Older Adults and Youth in Action) and the new inclusion of a significant number of the informal population that was not enrolled in government social programs. In addition, direct transfers were made to companies to maintain payroll payments, including employee annual bonuses. Finally, the government capitalized the National Guarantee Fund to expand guarantee programs, both in terms of amounts and percentages secured. In total, higher public spending during 2020 managed to offset, albeit only partially, the deep deterioration in private demand, with government consumption being the only major component of GDP to grow during the year.

On the contrary, the GDP components most closely related to private spending fell sharply during 2020. Private consumption declined not only because of restrictions on mobility, but also because of the sharp deterioration in the labor market and the lower household confidence that this implied. In fact, nearly six million jobs were lost at the height of the pandemic and, of these, by the end of the year, 4.7 million jobs had been regained, with a corresponding recovery in consumer expectations and household willingness to buy. However, the new composition of employment depended much more on informality, since the new jobs created were largely self-employed (non-salaried), with the result that productivity, income and job stability declined, on average, in the country. Thus, consumption did not return to pre-pandemic levels in 2020, although it did show a more robust behavior in goods spending, while it was much weaker in the consumption of services.

On the other hand, fixed investment fell even more than consumption in mid-2020, but ended the year with favorable dynamics thanks to the improvement in business confidence and the previous reduction in inventories, the latter enabled by the recovery of domestic demand. In addition, the government launched a new generation of subsidies for the purchase of new mid-priced housing, which significantly boosted home purchases, especially in the fourth quarter of the previous year. However, as in the case of consumption, investment was still below its pre-pandemic shock level and still had some way to go toward full recovery.

In total, GDP fell by 6.8% in 2020, the largest drop since domestic production records began. Domestic demand fell somewhat more, by 7.6%, and exports plummeted 17.4%. Imports also fell by double digits, 18%, and were a major offsetting factor to the final GDP result.

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

In fact, the financial sector, through deferrals of debtors' interest and principal payments, helped improve the cash flow of households and companies. According to data from the Superintendency of Finance, the first set of deferral measures, in line with external circulars 007 and 014 of 2020, covered more than 40% of the country's credit value (equivalent to 225 trillion pesos), benefiting nearly 12 million debtors and almost 17 million credit operations. Additionally, under the debtor support program, established by External Circular 022 of 2020, 1.9 million debtors were accepted, who redefined their credits for a value of 34.6 trillion pesos at year-end of the previous year.

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

Such policy decisions, both monetary and fiscal, helped to reduce market volatility, which had been very high between March and April 2020. At the same time, the electoral definition in the United States, the announcements on the availability of the vaccine before the end of the year, the global economic reactivation, led by Asia, and the recovery of oil prices influenced the better performance of Colombian financial assets in the second half of last year. In particular, the exchange rate ended the year at a level similar to that recorded before the pandemic, after having undergone a strong devaluation at the time of the greatest confinement in the world. Similarly, country risk premiums decreased progressively and allowed the Colombian central government, with a deficit that ended up at close to 9% of GDP, to finance itself well, both in the internal and external markets. In fact, the latter, external resources, at the same time helped the Colombian economy to finance the external deficit, as foreign direct investment resources fell sharply, especially those directed to mining and oil activities.

2. Economic Outlook

In 2021, the Colombian economy will return to its growth path. BBVA Research expects GDP to increase by 4.8%. Domestic demand will be key to achieve this goal, both in the consumption component and in fixed investment. Private consumption will continue to base its recovery on the goods group, with a slightly later rebound in services consumption. In fact, this last group will have a significant slowdown due to the localized restrictions that the country is facing in the first quarter of the year, and then continue its upward dynamic, especially once progress is made in the mass vaccination of the most vulnerable groups. Indeed, at the time of going to press, the government had already announced the purchase of vaccines for 35 million people, a number similar to the number of people who must be vaccinated to achieve herd immunity in the country.

On the other hand, investment will maintain a good dynamism thanks to the reduction in inventories that took place at year-end 2020, which will require business expenditures to recompose inventories and to face the improved dynamics of the economy. Furthermore, housing construction will gradually accelerate thanks to the reduction of unsold finished units, which will be depleted as government subsidies increase their penetration in the residential market. In addition, the execution of civil works underway since 2020, added to the new projects that started at the end of 2020 or that start in 2021, will allow construction to start contributing positively to GDP from this year. Non-residential investment (retail, offices, among others) will be limited due to the presence of high inventories and will have another period of supply adjustment this year to accommodate a still contained demand.

However, private consumption will go from falling 6.5% in 2020 to growing 5.8% in 2021 and investment will go from -18.5% to 5.8% in the same years. Thus, domestic demand will grow 5.2% this year after the 7.8% drop last year.

The net external balance will continue to be heterogeneous, with exports less dynamic than imports, since external demand will still be lower than before the pandemic and because the country's mining production, whose main sales are abroad, will have a weak recovery, even more so in the case of coal;

also, because imports will be driven by the acceleration of domestic demand, among which durable goods and investment in machinery and equipment, two components with a high imported component, will stand out.

The recovery of domestic demand, together with the gradual termination of tax benefits (VAT and consumption tax exemptions), the rebound in the prices of some services that were discounted and the finalization of some arrangements between private sector parties (leases, for example), will determine an increase in inflation, mainly in the second half of 2021. However, the increase will not be to a level beyond the central inflation target of Banco de la República (target: 3.0%). As a result, the Bank will be able to keep the intervention rate stable throughout 2021, allowing the progressive reactivation of credit and the lower cost of money to help the economic reactivation.

Finally, the tax reform that the Government will present to Congress, probably this year and with a possible emphasis on tax exemptions and the universalization of the income tax return, will help to reduce the fiscal deficit that remains. However, at the same time, it may have a negative effect on economic activity, not so much because of the reduction of the private sector's disposable income, but more because of the drop in the confidence of households and companies, which will restrict their spending a little while the discussion of the reform continues and the central points to be approved in the final version of the tax reform are clarified. In addition, lower domestic confidence and the discussion on the country's sovereign rating may imply a devaluation of the exchange rate in the second half of this year, although its average level for the whole of 2021 will be lower than the average observed in 2020.

3. Digitalization, new consumers and sustainability

The health crisis changed many plans and projects, and, during such complex circumstances, there was a digital growth that several sectors were planning to carry out in the medium term, except in banking, where the main technological transformations were taking place already to adapt the financial sector to the new customer dynamics.

In February there were 122,000 teleworkers, e-commerce did not reach 1% of GDP and every patient affiliated to an EPS had to travel to doctors' offices for attention, even for simple check-up appointments. Things have changed since then; it is estimated that between two and three million Colombians were sent to work from home, according to the Federation of Colombian Insurers, online sales soared, with a 12% weekly growth and telemedicine reached indicators that no one could have imagined.

These are changes that will stay for good. 76% of the companies decided that they will keep teleworking for a significant portion of their companies, especially in the mixed modality of two or three days a week. Several large companies confirmed this decision, while medium and small organizations, especially in the orange economy sector (development, ICT, design and advertising companies), and thousands of other SMEs proceeded to reduce or close their offices for good, because they found that remote work does not affect productivity and corporate goals.

E-commerce soared as well, after many years of slow growth. While sales through e-commerce in the country were strongly affected, in the first week of the mandatory social distancing, falling 46% versus the last week of February. In April and May there was sustained growth in the sector of 12% on average each week, according to figures from the most recent report produced by the Colombian Chamber of Electronic Commerce.

Some of the most important challenges in the financial sector continue to be to take advantage of the growth of digital consumption to leverage and mature financial adoption on digital platforms. For this,

the abandonment of the use of cash must be encouraged, increasing the digital offer of products throughout the population pyramid with solutions that contribute to both financial inclusion and to the most advanced profiles and investors. There is also a constant demand for a more personalized offer and a better knowledge of the client, who makes better use of the available information.

As for the use of mobile devices, they have become a centralizing element for user interactions, enabling connection with other channels and devices, as in the case of the use of cell phones to transmit content to smart TVs. There has also been a greater boost in the levels of interaction with banks, allowing customers immediate access to their portfolios and product statistics. Some of the most recent solutions that require greater maturity are the use of QR codes to request appointments in branches, or their use together with NFC technologies to make payments in face-to-face stores, technology that is already available to our clients.

4. Regulatory environment

BBVA Colombia permanently monitors developments in legislative matters, allowing timely adaptation to new regulations and using the most efficient criteria in their implementation. During 2020, BBVA Colombia complied with the legal requirements governing the banking activity, as well as executed its operations in accordance with the instructions issued by the authorities for this purpose, always framing and adjusting its activity to the legal guidelines.

On occasion of the pandemic generated by COVID-19, the National Government decreed an economic, social and ecological emergency throughout the national territory (Decree 417 of March 17, 2020, Decree 637 of May 6, 2020). Within the framework of this emergency, approximately 100 Legislative Decrees were issued to mitigate the economic effects of the pandemic. Although none of them was dedicated to regulating the financial activity, there were several that had a great impact on this activity, for example, those related to the Formal Employment Support Program (PAEF), the Support Program for the Services Premium (PAP), the Solidarity Income Program, the investment in Solidarity Securities (TDS), among others.

In view of the above, the most relevant regulations issued by the Authorities in fiscal year 2020 in relation to the banking activity are presented below:

4.1. Laws

1. **Law 2024 of 2020**, which adopts rules for payment in fair installments in the commercial field. It applies to all payments caused as consideration in trade activities, whether made by traders or by persons who otherwise exercise commercial operations. It also applies to transactions between main contractors, their suppliers and subcontractors.
2. **Law 2060 of 2020**, amends the Formal Employment Support Program (PAEF) and the Support Program for the Payment of the Service Premium (PAP). In both programs, the transfer of resources is made through financial entities; therefore, they have several obligations. This Law extends the validity of such programs and modifies other characteristics such as beneficiaries,

procedure, among others. These programs were created through Legislative Decrees 639 and 770 of 2020.

4.2. Decrees

3. **Decree 222 of 2020, which amends Decree 2555 of 2010** in relation to correspondents, electronic savings accounts, electronic deposits and low amount credit. It establishes the maximum amount of the low amount deposit, orders the establishment of a simplified opening procedure, modifies the content of the contracts entered into between the entities and their correspondents, among other modifications.
4. **Decrees that established mandatory national preventive isolation** and later selective isolation and responsible individual distancing. With compliance with the respective biosafety protocols, authorization for the provision of and access to financial services has been maintained.
5. **Legislative Decree 518 of 2020**, which creates the Solidarity Income Program to meet the needs of households living in poverty and vulnerability throughout the national territory. The transfer of resources is made through the Financial Entities; therefore, they have several obligations.
6. **Legislative Decree 562 of 2020** whereby measures are adopted to create a temporary mandatory investment in Public Debt Securities. Credit institutions are required to invest in Internal Public Debt Securities called Solidarity Securities (TDS).
7. **Decree 1234 of 2020**, which regulates the controlled testing space for financial innovation activities. It establishes the set of rules, procedures, plans, conditions, requirements and prudential requirements that allow testing innovative technological developments in the provision of activities of the entities supervised by the Financial Superintendency of Colombia.
8. **Decree 1235 of 2020 which amends Decree 2555 of 2010** in relation to the rules for

issuance in the securities market. It makes modifications in relation to the activity of collaborative financing and in accordance with Legislative Decree 817, establishes the corporate governance requirements for the issuance of securities in the second market by simplified joint stock companies.

9. **Decree 1332 of 2020, which regulates Legislative Decree 772** on special measures regarding insolvency proceedings. The above, taking into account that the Constitutional Court declared it in accordance with the Constitution, with some exceptions in relation to the payment of the liquidator's fees.
10. **Decree 1429 of 2020 regulating Law 1996 of 2019** (on the exercise of legal capacity of persons of legal age with disabilities).
11. **Decree 1692 of 2020 which amends Decree 2555 of 2010** in relation to low value payment systems. It establishes the separation of the activities carried out within the low value payment systems. It also includes a strengthening of corporate governance standards and a focus on transparency in the requirements for access to the system, commissions and fees charged.
12. **Decree 1733 of 2020. Regulates Law 2024 of 2020, in relation to**, the obligation of payment (in fair terms) in the different commercial operations, the scope of application and the indemnification for collection costs.
13. **Decree 1745 of 2020**, which updates and simplifies several rules contained in Decree 2555 of 2010. It streamlines procedures, considering new technologies, in some cases eliminating requirements of advertising in newspapers, delivery of documentation in offices, seals, among others.

4.3. Banco de la República (Central Bank)

14. **Resolution No. 9 of 2020**, which reduces the ordinary reserve requirement from 11% to 8% on the amount of several demand deposits: current account deposits, savings deposits, among

others. Likewise, it reduces the reserve requirement from 4.5% to 3.5% on several term deposits: Fixed-term deposits (CDTs) of less than 18 months, general guarantee bonds of less than 18 months, among others.

15. **Resolution No. 10 of 2020** which modifies the percentages for the calculation of the mandatory investment requirement in Agricultural Development Securities (TDA). It is reduced from 5.8% to 5.61% with respect to demand deposits and from 4.3% to 4.25% with respect to term deposits.
16. **Modification of October 30, 2020 to External Regulatory Circular DEFI - 360**, regarding transitory liquidity support, establishes that margin calls will be made when the sum of the market value of the investment securities and the receipt value of the promissory notes is less than the disbursed value plus interest increased by 2%.
17. **Modification of November 4, 2020 to the External Regulatory Circular DOAM - 146**, regarding the methodology for calculating the market representative exchange rate to be in accordance with the functioning of the exchange market and in line with international standards.
18. In each of the three meetings of the Board of Directors of Banco de la República (30/10/2020, 27/11/2020, 18/12/2020), the monetary policy intervention interest rate remained at 1.75%.

4.4. Financial Superintendency of Colombia (SFC for its acronym in Spanish)

19. **External Circular 003 of 2020** by means of which instructions are given to supervised entities for the adequate compliance with Law 2009 of 2019 (by means of which a package of financial products and/or services are included at no additional cost for the payment of the handling fee of debit and credit cards). The duty to adequately inform each client of the composition of the minimum package of products and/or services is highlighted.
20. **External Circular 007 of 2020** which establishes prudential measures to mitigate the effects

derived from the situation of the financial markets and the health emergency. One case is that of credit institutions, which must establish effective policies and procedures to identify clients subject to the expeditious application of special measures (for example, grace periods), with emphasis on those segments or sectors determined by the National Government as requiring special attention.

External Circular 014 of 2020 issued instructions for the adequate compliance with the provisions of External Circular 007 of 2020, indicating minimum elements of modifications to credit conditions and basic information for an informed decision by financial consumers

21. **External Circular 015 of 2020** by which instructions are issued regarding the treatment of subsidy resources transferred by the State, through the Credit Institutions or the SEDPES, within the framework of the Solidarity Income Program. It reiterates that the respective resources are unseizable and may not be credited to any type of obligation of the beneficiary with the financial entity through which the unconditional monetary transfer is dispersed.
22. **External Circular 017 of 2020** by which instructions are given to increase availability in the provision of financial services. It orders to keep at least 85% of the offices open, increasing this percentage on the busiest days. Entities must increase the attention capacity of call centers and audio response services during contingency operations.
23. **External Circular 022 of 2020** establishing the Debtors Accompaniment Program (Programa de Acompañamiento a Deudores, PAD) and incorporating complementary prudential measures. During 2020, credit institutions must adopt a program that allows establishing structural payment solutions through the redefinition of the credit conditions of those debtors whose income or payment capacity is affected because of the situation originated by COVID-19.

Its term was extended until June 30, 2021 by External Circular 039 of 2020.

24. **External Circular 027 of 2020** whereby instructions are given regarding the management of the risk of money laundering and financing of terrorism, based on the need to converge to

international standards and the commitment to promote innovation and financial inclusion through the development and adoption of new technologies. One of the measures established is that the information for the procedure of knowing the potential customer depends on the customer's risk profile.

- 25. External Circular 030 of 2020**, whereby instructions are given on related parties, exposure limits and risk concentration of financial conglomerates.
- 26. External Circular 031 of 2020**, which complements External Circular 020 of 2020 related to the reporting of information of the transitory expansion operations (Repos) with loan portfolio and adjusting formats provided by the Superintendency of Finance.
- 27. External Circular 032 of 2020**. Considering the permanence vocation of the Solidarity Income Program, External Circular 15 of 2020 is modified, regarding the instructions related to the treatment of subsidy resources drawn by the State through Credit Establishments or Specialized Electronic Deposit Companies (SEDPE).
- 28. External Circular 033 of 2020**. To continue promoting the adoption of best practices in cybersecurity and information security risk management, it provides instructions related to: (i) single taxonomy of cyber incidents, (ii) form for reporting information security and cybersecurity metrics, (iii) labeling protocol for information exchange.
- 29. External Circular 35 of 2020**, whereby instructions are issued regarding resolution mechanisms (Bridge Bank).
- 30. External Circular 042 of 2020**. Considering the provisions of Decree 222 of 2020, it establishes instructions regarding low amount deposits, ordinary deposits and low amount consumer credit. It defines the maximum amount or quota for low amount consumer credits, indicates the conditions for the opening of low amount deposits, establishes terms for the compliance of certain obligations, among others.

- 31. **Circular Letter 67 of 2020.** It informs the updated amounts of the benefits of unseizability and exemption in inheritance proceedings for the delivery of monies.
- 32. **Circular Letter 76 of 2020.** It publishes the list of systemically important entities for the fiscal year 2021, among which BBVA Colombia is included. As part of the list, the Bank has obligations in relation to: (i) establishment of additional capital buffer, (ii) resolution plan in accordance with the provisions of External Circular 10 of 2020.
- 33. **Resolution 1034 of 2020** whereby, for the month of December, the current banking interest for the modality of consumption and ordinary credit is certified.

4.5. Other Organizations

- 34. **The Office of the Comptroller General of the Republic issued Circular 01 of 2020** urging banking entities in general to refrain from seizing accounts containing resources of the General Social Security Health System (SGSSS), under penalty of the initiation of any criminal or administrative sanction actions that may be applicable.
- 35. **The Ministry of Health and Social Protection issued Resolution 0666 of 2020** establishing the general biosafety protocol for the control and adequate management of the COVID-19 pandemic.

It also issued Resolution 0892 of 2020, which establishes biosafety measures to be adopted by entities that are part of the financial, insurance and stock market sector. It highlights the permanent cleaning of work elements, restriction of the onsite work mode, among others.

- 36. **The Ministry of Health issued Resolution 2230 of 2020**, extending until February 28, 2021, the sanitary emergency due to COVID-19. Thus, extending the validity of several norms associated with the sanitary emergency, for example, Resolution 666 by means of which the general biosafety protocol was adopted.

- 37. Fogafin’s Board of Directors issued Resolution 002 of 2020**, which regulates the deposit insurance system. The return of premiums or the collection of additional premiums will be made based on the rating calculated by each of the registered entities, in accordance with the procedure established by the Fund through External Circular and using the financial indicators listed in the resolution. Fogafin will consider the information provided by the Superintendence of Finance.
- 38. The Superintendency of Industry and Commerce issued External Circular 007**, which refers to the collection and processing of data to comply with biosafety protocols.
- 39. The Mayor’s Office of Bogota issued Decree 293 of 2020**, which establishes, the “pico y cédula” restriction in the city of Bogota for going into establishments open to the public since December 21, 2020 until January 16, 2021.

4.6. Financial Superintendency Fines and Penalties

GRI-419-1

BBVA Colombia was notified of Resolution No. 0487 of May 21, 2020 issued by the Financial Superintendency of Colombia imposing a penalty of \$350,000,000, on the occasion of the statement of objections formulated for the irregular transmission during 2017 to 2018 of Forms 102 and 395 used for the calculation of the TRM.

The Bank filed an appeal in June 2020 and as of December 31, 2020, the Authority has not issued an administrative act resolving such appeal.

The penalty is provided for in accordance with legal regulations and the procedures established by the Bank.

Strategy and Business Model

1. Our purpose and strategic priorities GRI-102-15 • GRI-102-16

BBVA's strategy has evolved with six strategic priorities that seek to accelerate and deepen the Group's transformation and the achievement of its purpose: "Making the opportunities of the new era available to everyone".

1. Improving the financial health of customers

To assist clients, through personalized advice, in making decisions and managing their finances, so that they can achieve their life and business objectives.

2. Helping customers transition to a sustainable future.

Gradually align the business to the Paris Agreement and assist clients in their transition to a more sustainable future, inspired by the selected Sustainable Development Goals.

3. Customer growth

Accelerate profitable growth, positioning the Bank where customers are, supporting them through the Bank's own digital channels and those of third parties.

4. Pursuit of operational excellence

Provide the best customer experience, with simple and automated processes, while maintaining robust risk management and optimal capital allocation.

5. The best and most committed team

A diverse and empowered team, guided by the purpose, values and behaviors established by the entity and driven by a talent development model that provides growth opportunities for everyone.

6. Data and technology

Advanced data analytics capabilities, coupled with secure and reliable technology that allows us to create high-quality, differentiated solutions and deliver on strategy.

2. Progress in the transformation

GRI-102-16

The year 2020 was the year in which many Colombians, because of COVID-19, embraced digital channels to carry out their operations, becoming part of the “new normal”. On that path, we worked hard from the entity’s purpose of “making the opportunities of this new era available to everyone”, so that customers can meet their goals and positively impact people’s lives.

Thus, the Bank focused its campaigns and actions to provide the best customer experience. Among the different actions, the following stand out:

- Traffic to the different digital channels grew significantly, leveraged by an effort in Search Engine Optimization - SEO in the public page (bbva.com.co), which is evidenced by the increase in the number of visits:
- Public page traffic: 25M visits (2019) vs 33M visits (2020) +33%.
- BBVA Mobile Traffic: 182M visits (2019) vs 241M visits (2020) +32%.
- Work on hybrid initiatives (digital and non-digital) to accompany the efforts of both communication platforms and deliver various channels of access to information and offerings (e.g., use of automated calls to increase sales volume in pre-approved “Grupo MV” loans, in-office communications and alliances with third parties to drive the use of digital channels by delivering incentives).
- Development of Journeys in Salesforce in order to schedule emailing, SMS and push notifications of products to customers, taking into account their interaction with other

messages sent. The foregoing with the purpose of making a timely and relevant accompaniment to the customer's approach of messages.

- A tool was implemented to manage conversations in social networks, Sales Force's Social Studio, which allows monitoring of user conversations in social networks and interactions with the entity's publications, and thus manage the different concerns that may arise regarding products or services.
- During 2020, different tests were conducted using Adobe Target, our experience customization tool. Among the positive experiments that took place during the year, we highlight the one related to the impulse of the covered credit card, by creating an experience that makes it easier for users to find the path to purchase this product. This test generated a lift of 119.355% in the product funnel and an Opportunity Gap of €26,729.599 was identified.
- In this process, the results achieved in favor of mobile and digital customers stand out, where steady growth has been observed since 2017.
 - 1.9M digital customers - 1.8M mobile customers - 80% of digital customers use cell phones
 - Mobile customer growth: 30% (Nov 2019 vs Nov 2020)
 - Digital customer growth: 23% (Nov 2019 vs Nov 2020)
 - In the pandemic months (March to Oct) we grew by more than 529,000 digital customers.
- At the same time, digital channels have driven the growth of sales of certain digital products. Digital sales accounted for 39% of total sales in 2020 in terms of value, versus a 28% share of digital sales over the rest of the Bank. Although it was an atypical year in which the economy and employment were affected, growth was identified in products such as Mutual Funds and FX, which grew by 73% and 65% respectively vs 2019.

3. Values

BBVA's values were identified through an open process that included the opinion of employees from all the Group's geographies and units. They define the Bank's identity and are the pillars for making the Bank's purpose a reality:

1. The customer comes first: BBVA has always focused on the customer, but now this value takes precedence over others, thus achieving a holistic view of the customer and therefore, not only financial. This means, among other things, working with empathy, agility and integrity. This value is reflected in this way:

The customer comes first

We are empathetic: we incorporate the client's point of view from the first moment, putting ourselves in their shoes to better understand their needs.

We have integrity: everything we do is legal, publishable, and morally acceptable to society. We always put the client's interests first.

We solve your needs: we are fast and agile and executives in solving the problems and needs of our customers, exceeding any difficulties we may encounter.



2. We think big: This value is not only about innovating, but also represents having a significant impact on people's lives, increasing their opportunities. BBVA works with ambition, questioning everything and not settling for doing things reasonably well, as it always seeks excellence as a standard. This value is reflected in this way:

We think big

We are ambitious: we set ambitious and aspirational challenges to make a real impact on people's lives.

We break the mold: We question everything we do in order to consider new ways of doing things, innovating and testing ideas that allow us to learn.

We surprise the customer: we strive for excellence in everything we do to surprise our customers, creating unique experiences and solutions that exceed their expectations.



3. We are a single team: People are the most important thing for BBVA, and all employees are owners and co-responsible for this project. We break down silos and trust in others as in ourselves. This value is reflected in this way:

We are one single team



I am committed: I am committed to my role and my objectives and I feel empowered and fully responsible for achieving them, working with passion and enthusiasm.

I trust each other: I trust others from the very beginning and work with generosity, collaborating and breaking down silos between areas and hierarchical barriers.

I am BBVA: I feel I am the owner of BBVA. I assume the objectives of the organization as my own and I do everything in my power to achieve them and make our Purpose a reality.

These values are reflected in the daily work of all BBVA employees, influencing all their decisions. Their implementation and activation are supported by the entire organization, including Global Leadership, launching local and global initiatives to ensure their homogeneous activation in BBVA.

In line with the above, in 2020, the third version of Values Day was held, a special event held worldwide, with the purpose of pausing the normal activity of employees to reflect on the importance of BBVA Values in the life of the organization.

This edition of Values Day was held on September 23 and was, for the first time, 100% digital. It was attended by 89,491 employees, an additional 23% versus 2019, and also achieved an employee satisfaction rate of close to 94.8%

Among the most relevant events of this edition was the use of the Values App as a tool for recognition among employees, which had the highest participation (63,174). Similarly, the Values Workshop was also relevant, in which more than 65,845 people participated in more than 6,700 sessions held in all geographies of the Group. In Colombia, 250 workshops were held with more than 2,300 participants.

The local actions were very well received by the staff, with a significant number of views of the different webinars held in Colombia, with the active participation of the Executive President and other members of the Management Committee.

4. Materiality

GRI-102-40 • GRI-102-42 GRI-102-43 • GRI-102-44 GRI-102-46
GRI-102-47 GRI-103-1 • GRI-103-2 GRI-103-3

In 2020, BBVA updated the materiality analysis with which it aims to prioritize the most relevant issues, both for its key stakeholders and for its business. The materiality matrix is one of the sources that feeds the Group's strategic planning and determines the priority aspects to be reported. This analysis integrates the perspective of Colombia's stakeholders.

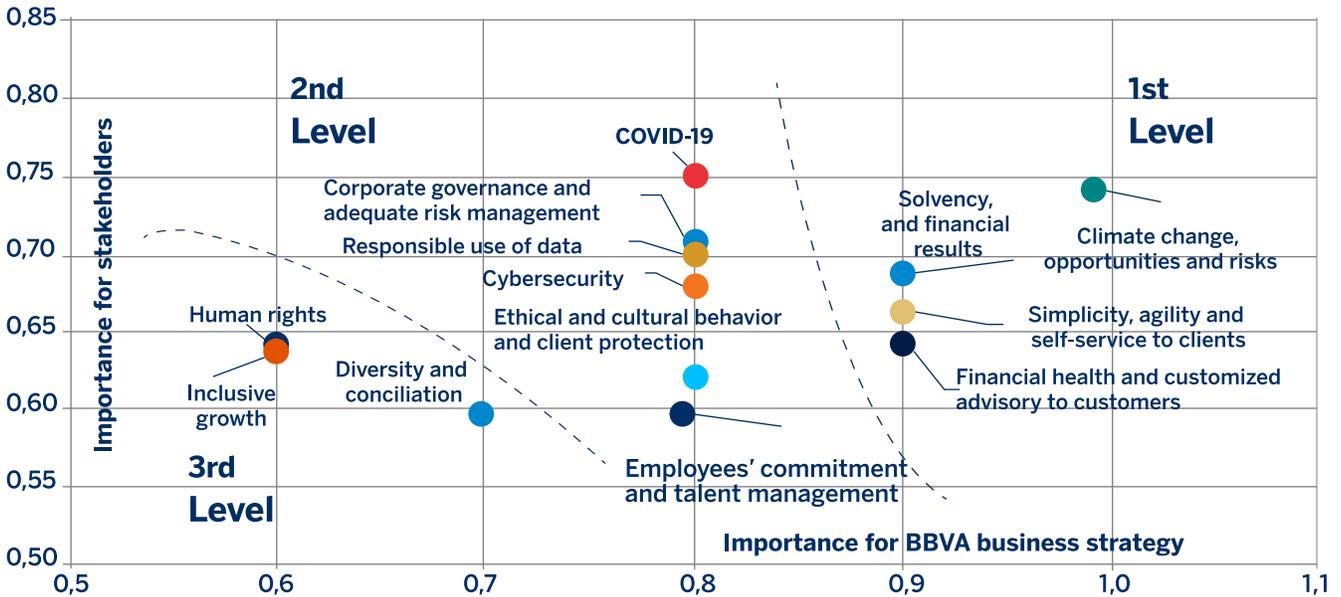
The phases of the materiality analysis were as follows:

1. Identification of material issues in 2020. Based on the material issues for 2019, the different sources of stakeholder feedback managed by the Bank were reviewed, as well as the most recent trend studies, and this list was updated. The main new development is the management of COVID-19 as a new issue.

2. Prioritization of issues according to their importance for stakeholders. To determine the priorities of some stakeholders (customers, employees and investors), interviews and ad-hoc surveys were conducted. For other stakeholders such as regulators, NGOs, media and social networks, Datamaran was used as a data analysis tool.

3. Prioritization of issues according to their impact on BBVA's business strategy. An assessment was made of how each of the issues impacts the six Strategic Priorities. The most relevant issues for BBVA are those that help it to achieve, to a greater extent, its strategy.

The result of this analysis is the materiality matrix for Colombia:



Therefore, the four most relevant issues for BBVA in 2020 are:

Climate change, opportunities and risks: climate change is one of the main concerns of stakeholders who expect BBVA to contribute to an orderly transition to a low-emission economy, which slows it down. This requires the appropriate management of risks and opportunities.

Solvency and financial results: Stakeholders expect BBVA to be a bank with wide capital and liquidity, thus contributing to the system stability. They also expect BBVA to be a bank with good results over time. In other words, they demand a sustainable business model in the current ecosystem, characterized by the continuous development of disruptive technologies and the consolidation of Big Techs as competitors. A more competitive environment, with more opportunities and also with more risks.

Simplicity, agility and self-service for customers: Stakeholders expect BBVA to continue putting technology and digitalization at the service of customers and the business. Thus, it will be much

simpler and more agile for customers to operate with the Bank at any time and in any place (mobile banking, fully digital contracting processes ...). In addition, the new technologies will allow BBVA to be more efficient in its operations and create value for its shareholders.

Financial health and personalized advice to customers: Stakeholders expect the Bank to know its customers and where appropriate, propose customized solutions and recommendations to better manage their financial health and achieve their life goals. All this in a proactive and friendly manner.

The information regarding BBVA's performance in such relevant matters in 2020 is reflected in the different chapters of this Management Report.

5. Customer Relationship

5.1. Transparent, Clear and Responsible Communication (TCR)

GRI-FS-4

In Colombia, TCR (Transparent, Clear and Responsible) communication focuses on helping customers make informed decisions, improving their relationship with the entity, looking after their interests and making BBVA the most transparent and clear bank in the markets in which it operates. Even so, it was possible to increase the attraction of new customers and the recommendation of existing ones.

As part of the advances in the TCR communication process, focused on PQR responses, during this year the approximately 220 models defined for the different typologies were adjusted, including the new ones that are delivered according to new cases or incidents arising during the year.

In 2020, reinforcement in writing and reading comprehension was provided from the corporation, focused on the TCR written communication style, so that the process resolvers may have a clear structure and adjust it to particular cases.

Work continues incorporating TCR principles into key customer content, updating TCR materials (customer deliverables, contracts and letter of complaint responses) on a permanent basis and focused on improving the customer experience.

The PQR area (formerly Quality) continues to coordinate the TCR project together with the Marketing, Digital Sales and UX teams as local owners who, through their various tasks with financial consumers, contribute to the positive transformation of the customer experience.

5.2. Consumer Service System

During 2020, the Consumer Service System, SAC per its acronym in Spanish, has maintained its strategy of ensuring attention to “Financial Consumers (customers and users) with Disabilities” and in February a virtual interpreter service in Colombian Sign Language (CL) was hired to communicate with deaf people through a video call. Due to biosafety issues, it has not been possible to provide the interpreter guide service for the deaf-blind.

The legal proceedings derived from disability issues serviced in 2020, have been favorable to our interests.

In the current year, the Superintendency of Finance, through its Consumer Protection Office, has issued more than 1,100 requirements, all of which have been fully addressed and most of them related to the emergency caused by COVID-19.

In the Financial Education area, the defined programs have been implemented, reaching remote populations in the country, especially the school-age population and members of public entities.

For 11 months of this year, the Legal Challenge 19/20 training course was in force, with compliance rates above 80%, due to the strategy of associating its implementation with the variable incentive. In December, the 20/21 Legal Mystery course was launched, which we hope will maintain the same levels of compliance.

Finally, constant communication is maintained with the Financial Consumer Ombudsman's Office and only one management report has been received so far this year, which was presented to the Board of Directors in July.

5.3. Complaints and Claims Management

In association with the Experience Discipline, we continue to attend the working groups with the different areas to identify the root cause of each of the most important typologies and from there generate action plans that allow us to provide an in-depth and timely solution, avoiding reprocessing.

Bearing in mind such task and given the specific circumstances that have accompanied us this year, the next step was to design a strategic plan to mitigate specific typologies:

1. Review and liquidation,
2. Unrecognized transactions and
3. Collection of services and commissions.

This is how the Experience Plan was born, which seeks to mitigate complaints and improve management attention. Considering the proposed goal, compliance objectives are defined in terms of reduction and KPIs that allow us to measure the results in dealing with complaints:

- Reduction of replications
- Reduction of extensions
- Increased first contact solution

Tasks were defined by work group to be developed in 6 months. First Level (served by the Call Center) and Second Level (served by the Marketing Department) with a work plan divided into 3 phases:

1. Phase I aims to reinforce the integral quality of responses, with the goal of reducing the number of replications. To this end, training for the resolution group, updating of protocols and response models, follow-up committees and the Catas process have been reinforced.
2. Phase II aims at the timeliness and fulfillment of the promise, which is reported to the customer in the response. They have focused on creating more effective PQR attention circuits, through first contact solution, reinforcement with the offices with the highest concentration of complaints, analysis of filing and replicas.
3. Phase III seeks immediate reimbursement for monetary typologies, at least for those with the greatest impact, reinforcing the accounting and PMM circuits, as well as the attributions of the offices.

We have received several alerts from the Superintendency of Finance, given the circumstances that have generated a substantial increase in complaints. With the regulator, the following plan has been defined to attend financial consumers in a timely manner.

It is divided into the following actions:

-  1. Root Cause Plan
-  2. Best quality plan
-  3. On-time Plan
-  4. Collaborative Work

Plan Name	Typology	Actions
<p>Root Cause Plan The three main causes generate 56% complaints</p>	Transaction not recognized	Intelligent notifications
		Dynamic CVV, single-use CVV via cell phone
		Monitoring evolution
	Reliefs	Reinforcement of customer service channels (Branch Network, Call Center, social media) with protocols so that customers can manage themselves on the gateways and identify their movements.
		Completion of communications and statements sent one month prior to the payment date.
		Developments in virtual channels with relief information.
		Complaints and claims squad by the Quality and Recoveries areas, to mitigate complaints through: Training, Consultation Bases, Reporting and Team Reinforcement. Allocation of 5 resources
		Training for the Network, Channels, Complaints and Claims Teams in Emerge Plan and in line with Circular 022.
	Tool for consultation of customer conditions and reliefs, Circular 007/014 and circular 022 redefined	
	Review and/or Settlement	Periodic training and certification by positions for the sales force in product operation, which allows us to have a greater number of doubts resolved in the first contact with the customer.
		Delivery of additional information to customers at the times identified as critical within the Journey Map.
		Phase 1: Credit Card, 7 Moments of Truth, Phase 2: Housing loan
		Delivery of a credit card purchase settlement simulator to all customer service channels, which will allow us to explain at the first level our customers' doubts about minimum payment and balance.
		Frequently Asked Questions section at www.bbva.com.co with didactic explanation of settlement, statements and other recurring credit card issues.

Nombre Plan	Actuaciones
Better Quality Plan	Catas quality system, 15% control of daily responses. Phase 1 A posteriori. Initiated on September 23, 2199 responses evaluated, 1756 (79.85%), 443 (20.15%) not applicable.
	Phase 2 A priori. Review before sending the response to the client, A priori Catas started on October 29th, 1337 responses evaluated, 1230 (92%) are correct, 107 (8%) are not correct.
	A posteriori Catas, first contact solution responses sent by Call Center. Phase 1 a posteriori started on October 5, 532 responses evaluated, 387 (75%) were successful, 145 (25%) were unsuccessful.
	Assessment - reiterative cases by typology evaluated with the team. One workshop per month.
	Working groups with specialized topics, to accelerate closure, with measures to avoid replications.
	Adjustment of response letters ensuring the inclusion of commitments, if necessary.
	Enrichment of virtual library for consultation by case resolution analysts.
	Creation of a specialized replication team that analyzes response quality, provides timely feedback and identifies training opportunities, with the most experienced resolvers.
	57% increase in capacity as of September, leaving 51 people dedicated to case resolution. Increase of 5 productive people (Nov).
On- time plan	First contact with office network training, office-targeted correction, target 13 offices, 30 no.v closed, target at 30 Dec/20, 20 offices
	Plan of attributions for the network and the complaints and claims area, in order to respond in less time with an analysis of objective causes.
	Decision committee to avoid expirations,
	Claims management follow-up and bi-weekly report to the EC for blockers removal. Daily review of critical indicators.
Collaborative work	Benchmark of numbers, extensions and average response times with support from the SFC

To provide the required standards of quality and timeliness, especially with the number of claims arising from the application of financial relief and massive incidents, the plant has been increased by 52%, to maintain a controlled stock.

In terms of figures, the following results are presented:

Number of complaints regarding privacy concerns
and personal data leakage

GRI-418-1

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Personal Data Protection Act	7	6	5	0	0	0	3	1	1	2	0	1	26

* Out of the 26 complaints received on personal data protection issues, 4 were filed directly with the Superintendency of Finance in March, July and September 2020.

Despite the different circumstances, the number of cases presented for such typology was reduced versus the result of the previous year. In addition, the data protection protocol was designed, which involves the different areas, allowing greater control and assurance over the different requests submitted by the client.

Claim resolution time

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Days	2.3	2.9	3.7	5.2	5.0	7.3	9.3	8.9	10.4	9.3	7.2	7.7	6.8

*Only claims are considered for this calculation, not requests.



The increase in the average resolution time is due to the impact in this year with the volume of complaints for financial relief. The incidents arising from such applications have brought the participation of the Risk and Operations areas. However, we have worked with the different areas to set up protocols and processes that allow us to control the management and we have created a specialized area for the attention of PQRs.

Percentage of claims resolved in a timely manner

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Total Managed	10,392	10,578	10,641	7,582	8,023	9,242	11,980	12,771	13,663	12,592	10,828	14,126	6.8
Total Management on time	10,335	10,437	10,366	6,904	7,316	8,459	10,353	11,550	12,575	11,320	9,639	12,588	6.8
Opportunity	99.5%	98.7%	97.4%	91.1%	91.2%	91.5%	86.4%	90.4%	92.0%	89.9%	89.0%	89.1%	6.8

Petitions, Claims, Complaints (PQR per its acronym in Spanish) - Opportunities

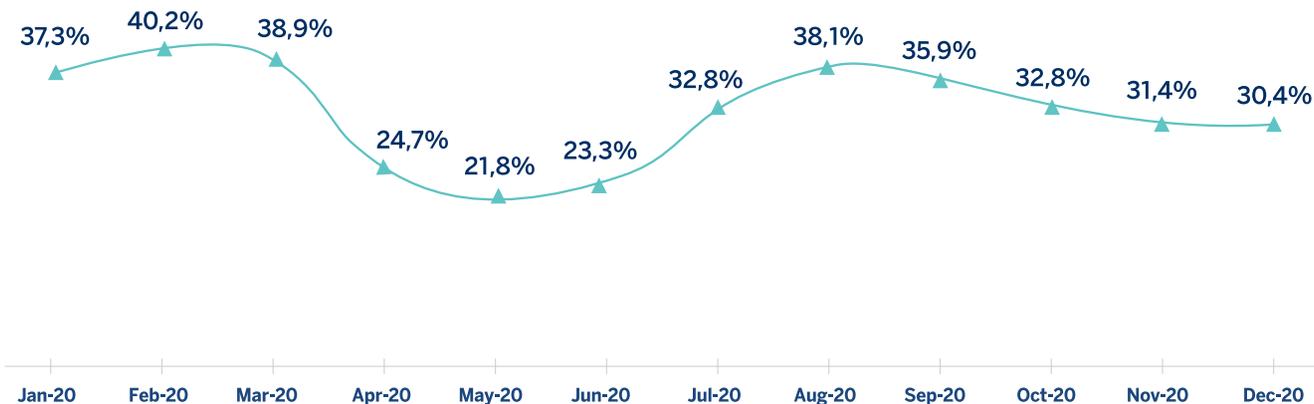


Despite the different impacts, which are still under process, the percentage of timely attention to complaints has not been affected. The greatest impact was in November due to the volume of complaints filed with the Superintendency of Finance and the reduction of time imposed on Express complaints, with 5 days for their resolution.

Percentage of complaints and claims with First Contact Solution (FCS)

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Complaints filed SPC	10,556	9,190	8,734	5,244	7,802	8,994	10,002	9,385	9,232	8,105	7,392	9,027	103,663
Claims Managed SPC	3,940	3,690	3,394	1,294	1,699	2,096	3,281	3,577	3,316	2,659	2,324	2,743	34,013
Participation SPC	37,3%	40,2%	38,9%	24,7%	21,8%	23,3%	32,8%	38,1%	35,9%	32,8%	31,4%	30,4%	32,8%

Participation of SPC



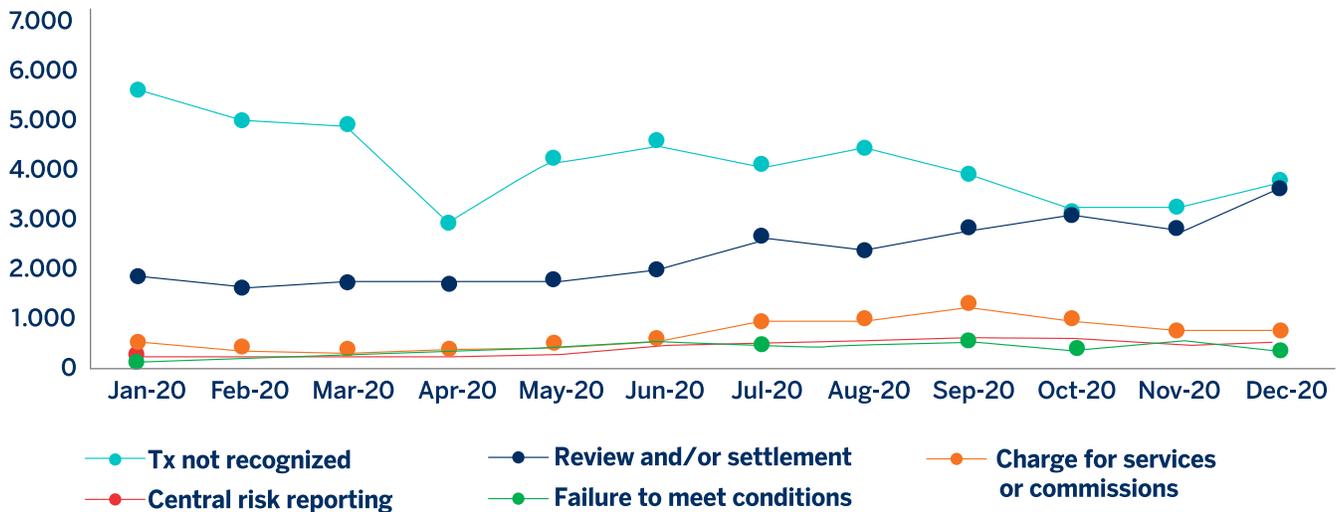
The results of attention in SPC were impacted due to the increase in complaints before the control entities, in which the first level group does not interfere. However, an attention protocol was designed between the Recovery, Operations and Complaints and Claims areas to deal with the different incidents presented, with the application of reliefs that allowed addressing more than 45,000 requests at this first level, which prevented them from becoming complaints.

Typologies with the greatest impact in 2020

As mentioned in the previous point, the increase presented in the year reflects its greater participation in the typologies of unrecognized Tx, review, reliquidation and commissions. Below is a description of their impact, both in terms of growth and timeliness of service.

Top Typology

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Tx not recognized	5,910	5,300	5,198	3,104	4,465	4,818	4,328	4,703	4,080	3,367	3,423	3,974	52,670
Revision and/or liquidation	1,953	1,696	1,837	1,826	1,902	2,133	2,820	2,532	3,002	3,302	2,950	3,820	29,773
Charge of services or commissions	536	501	394	400	505	612	979	1,031	1,339	1,035	808	754	8,894
Central risk report	300	299	353	182	259	476	566	548	717	688	531	583	5,502
Non-compliance with conditions	221	269	348	334	526	623	541	470	611	459	604	352	5,358
Other	2,942	2,656	2,394	2,079	2,444	2,459	3,426	2,841	3,014	2,871	2,780	3,213	33,119



Top 5 Typologies

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Tx not recognized	2.0	1.8	2.3	4.0	3.8	5.8	7.4	4.3	3.3	3.4	3.0	2.9	52,670
Revision and/or liquidation	3.1	4.7	5.6	6.4	6.5	10.1	12.9	15.9	19.5	15.6	10.9	10.2	29,773
Charge of services or commissions	1.3	2.9	3.5	3.4	4.1	5.5	3.9	3.3	4.1	3.5	3.6	5.0	8,894
Non-compliance with conditions	3.8	4.7	6.6	8.8	8.1	12.0	18.2	17.8	21.3	19.5	14.0	13.5	5,502
Central risk report	2.2	3.3	4.7	3.3	6.3	11.5	12.5	15.9	12.0	5.3	5.7	4.6	5,358

Time of attention by typology

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Tx not recognized													
Total Managed	5,406	5,339	5,240	3,071	3,623	4,456	4,756	5,311	4,185	3,481	3,283	4,004	52,155

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Total Managed on time	5,388	5,276	5,154	2,935	3,523	4,277	4,088	5,062	4,074	3,382	3,207	3,959	50,325
Opportunity	99.7%	98.8%	98.4%	95.6%	97.2%	96.0%	86.0%	95.3%	97.3%	97.2%	97.7%	98.9%	96.5%
Revision and/or liquidation													
Total Managed	1,569	1,697	1,754	1,794	1,427	1,428	2,150	2,454	3,074	3,791	3,136	4,302	28,576
Total Managed on time	1,550	1,672	1,692	1,536	1,189	1,227	1,835	2,158	2,768	3,315	2,635	3,600	25,177
Opportunity	98.8%	98.5%	96.5%	85.6%	83.3%	85.9%	85.3%	87.9%	90.0%	87.4%	84.0%	83.7%	88.1%
Charge of services or commissions													
Total Managed	502	490	407	319	467	595	957	1,032	1,365	1,040	782	835	8,791
Total Managed on time	500	486	399	295	401	534	906	954	1,292	962	706	727	8,162
Opportunity	99.6%	99.2%	98.0%	92.5%	85.9%	89.7%	94.7%	92.4%	94.7%	92.5%	90.3%	87.1%	92.8%

Concept	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Central risk report													
Total Managed	268	248	412	187	107	300	475	551	948	721	569	641	5,427
Total Managed on time	267	246	404	180	100	280	424	491	878	681	532	618	5,101
Opportunity	99.6%	99.2%	98.1%	96.3%	93.5%	93.3%	89.3%	89.1%	92.6%	94.5%	93.5%	96.4%	94.0%
Non-compliance with conditions													
Total Managed	171	236	271	332	378	390	527	469	638	624	555	628	5,219
Total Managed on time	170	232	260	308	335	318	376	316	513	441	418	512	4,199
Opportunity	99.4%	98.3%	95.9%	92.8%	88.6%	81.5%	71.3%	67.4%	80.4%	70.7%	75.3%	81.5%	80.5%

During the year, the number of transactions in the different channels increased substantially. The results are as follows:

Transactional scorecard in November 2020

Summary of channels

Desired

Channel	November transactions	Growth vs. February	Growth vs. October	% Participation Tx November	% Variation Participation vs February	% Variation Participation vs October
 POS	6.221.496	15,04%	10,41%	18,58%	↑ 49 pb	↑ 96 pb
 Net cash	3.154.586	20,82%	11,64%	9,42 %	↑ 69 pb	↑ 59 pb
 BBVA Móvil	3.718.669	43,59%	-2,46%	11,10%	↑ 244 pb	↓ -81 pb
 Net	1.327.966	120,32%	6,24%	3,96%	↑ 195 pb	↑ 6 pb
 Correspondents	206.885	48,95%	3,19%	0,62%	↑ 15 pb	↓ -5 pb
Total desired channels	206.885	28,89%	6,50%	43,68%	↑ 572 pb	↑ 74 pb

Not desired

Channel	November transactions	Growth vs. February	Growth vs. October	% Participation Tx November	% Variation Participation vs February	% Variation Participation vs October
 Own self	6.232.253	-2,86%	5,87%	18,61%	↓ -285 pb	↑ 21 pb
 Offices	1.055.703	-29,82%	-4,39%	3,15%	↓ -188 pb	↓ -30 pb
 Not own	609.333	26,37%	-6,87%	1,82%	↑ 21 pb	↑ 4 pb
 Service centers	37.586	-58,20%	-0,69%	0,11%	↓ -19 pb	↓ -1 pb
Total unwanted channels	7.934.875	-6,57%	4,42%	23,69%	↓ -471 pb	↓ -6 pb

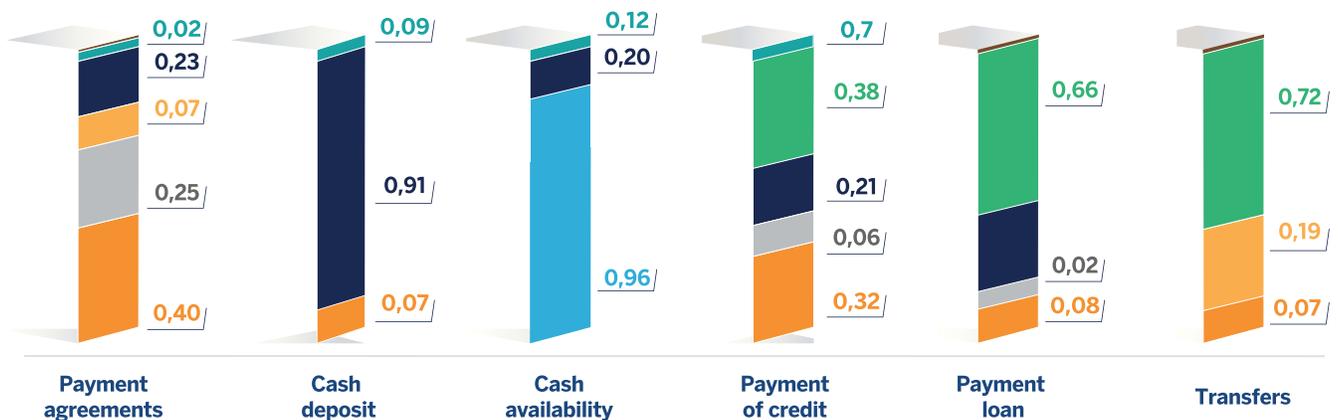
Others

Channel	November transactions	Growth vs. February	Growth vs. October	% Participation Tx November	% Variation Participation vs February	% Variation Participation vs October
 H2H	10.928.329	8,70%	2,57%	32,63%	↓ -100 pb	↓ -68 pb
 Phone banking	182	-91,09%	-	0,00%	↓ -1 pb	0 pb
Total other channels	10.928.329	8,68%	2,57%	32,63%	↓ -100 pb	↑ -68 pb

Summary of main desired transactions:

Transactions	% Participación Tx Noviembre	Variación % Participación vs Febrero	Variación % Participación vs Octubre
Transfers	46,67%	249 ↑ pb	7 ↑ pb
Cash availability	19,19%	-232 ↓ pb	38 ↑ pb
Purchases in POS	18,54%	49 ↑ pb	97 ↑ pb
Collections	8,27%	158 ↑ pb	-55 ↑ pb
Payment of credit	2,67%	-25 ↓ pb	-25 ↑ pb
Payment loan	2,11%	-50 ↓ pb	-5 ↑ pb
Cash deposit	0,70%	-59 ↓ pb	-7 ↑ pb

Kiosk channel transactions as of February 2020



■ ATM ■ Mobile Banking ■ Net ■ Net Cash ■ Offices+Service Centers ■ H2H ■ Correspondents ■ Others

6. Technology and innovation

Working as a single team, thinking big and putting the customer as the top priority, BBVA Colombia managed to be a pioneer in creating and providing as many digital opportunities to its customers as possible, in a year marked by the global pandemic of COVID-19.

6.1. Systems

Although 2020 represented a great challenge for all the Bank's units and for society in general, the digitalization strategy developed by BBVA in recent years made it possible to provide customers with the necessary alternatives to carry out most of their transactions without having to go to a bank branch.

Once the pandemic was declared in Colombia, two main priorities were established with customers in mind; the first one was to guarantee the stability of digital channels, foreseeing an exponential growth in their use in view of the restrictions imposed by lockdown. In this sense, a plan was implemented that included more than 60 lines of action focused on the optimization of the most used functionalities of Mobile Banking and on the increase of capacity, both in hardware and in the necessary pieces of software to allow a greater number of customers and simultaneous transactions. Along the same lines, the PSE payment processes were optimized to initially reduce rejections. Its volume practically doubled versus 2019. As a second phase, the entire experience was changed by making it more intuitive and user-friendly.

The second priority focused on supporting customers during the economic situation, by offering them more options to maintain their obligations with the Bank, granting grace periods in the event of a drop in their income, being one of the first banks to offer this option in the Colombian financial system. In this sense, more than 100 deliverables were made in the different products such as loans, means of payment, leasing, factoring and confirming, among others. The improvements implemented included, for example, electronic forms to allow customers to apply for financial relief or for companies to process subsidies for the Formal Employment Support Plan (PAEF per its acronym in Spanish),

changes in products for freezing installments, disabling automatic collections and elimination of reports to credit bureaus.

In parallel to such two priorities, some of the most relevant projects that had been planned were maintained, mainly aimed at improving the customer experience, both in the use of the channels and in contracting of products. It is worth highlighting the modifications made, both in Mobile and Net Banking, to change the way of making transfers. These changes included the possibility of selecting recipients from the contact book, avoiding the need to have data such as the type and number of the beneficiary's account. This new functionality is aimed at promoting the use of electronic transactions as a way of avoiding face-to-face cash transactions, which is undoubtedly quite relevant in the new normality. In addition, the functionality for service and tax payments was improved, incorporating a greater number of agreements so that customers can make their payments anywhere.

Digital sales were also maintained as a focus, and improvements were made in the presentation of product offers, customizing them pursuant to the client's needs and risk profile. The initial engagement offer was also improved in the digital channels to offer customers additional products to the account, such as a credit card or a payroll advance as part of the same process. Thus, in the world of non-customers, the possibility of applying for a credit card online was incorporated.

In the corporate area, more and more options were offered for customers to carry out their transactions without going to the Bank offices or request the support of an executive (Do It Yourself). Among the improvements, new functionalities in electronic banking, loan payments and NetCash were implemented. Options were also incorporated in the Mobile Banking for companies, such as the consultation of transactions carried out in their dataphones.

As part of the activities and to be able to offer products to customers in increasingly shorter terms and with better quality in their operation, we continued working on the implementation of DevOps as a reference framework for the implementation of best practices in software development, which allow, among other things, the proper management of the applications' source programs, version management and test automation.

6.2. Data Transformation

Data Ingeniería maintained its assistance for the consolidation of the Data Driven Transformation Plan through three work lines:

Use Cases: 8 use cases were finalized in the different vice-presidencies of BBVA Colombia, becoming a real lever to cover needs related to data, generating value to the business and above all, training human talent for the development of such capabilities in data analytics.

These use cases have been implemented in the Datio platform, ensuring processes, training and the correct use of analytical techniques for information exploitation.

Data Hub: We began the deployment of global data models on the new Datio platform (Alpha and CDD), with the CDD BR, PFM, Glomo and Gema enabling projects as pillars, which will allow us to be aligned with BBVA's global data models, improve Data Quality processes, and additionally facilitate the alignment of new projects and data analytics with the Group's global initiatives. At the same time, work was carried out to stabilize the platform with a view to the new capabilities delivered corporately and its operational management model, presenting an uptime of close to 99% and batch effectiveness of 99.35%.

For the structuring of the information repository on the new platform, at the end of 2020 there are 417 table ingest processes through the development of 22 projects that correspond to nearly 19,000 processes that are executed monthly.

Data governance: We continued with the identification, conceptualization and definition of gray areas together with the domains of each Vice-presidency leveraged in the CDD - BR project, with the purpose of establishing ownership, processes and quality of the data associated with each of the non-agreements or lack of definition areas.

Additionally, the data governance strategy was adjusted to the global model supported in the Data Governance 2.0 framework, which defines priorities, roles and responsibilities of the data domains (by

2021 and as identified in the BCBS239 project, improvements will be made to the process and scope).

In 2020, the BCBS239 project was initiated, which develops a self-assessment methodology to determine the level of compliance with the Data Quality principles required by the ECB and to define the GAPS resolution, with the purpose of Compliance with this regulation (recurring projects over time).

With respect to the Sales Force discipline, in 2020 the Digital Workplace strategy was stabilized, not only for Corporate and Institutional Banking, but developments were initiated to enable Government Banking.

We have also started the productive pilot of the new “PQR” complaints and claims tool, which is 100% leveraged on Ether technology, combining Datio, Salesforce, ASO and Cells. This tool will facilitate the management of customer complaints and their follow-up; initially for individuals and is being managed to enable the SME segment.

6.3. IT Operations

During 2020, we focused on two main initiatives. The first one was to accompany the implementation of the Home Office strategy from the technological point of view for all employees who, due to their role, could perform under this work model; and additionally, the adaptation of all central areas for those employees who, due to their role, should continue to attend the Bank’s headquarters.

The second one consisted of implementing initiatives for continuous improvement and strengthening of the digital services used by customers, thus ensuring their availability due to the growth in usage throughout the year.

In parallel to these initiatives, all plans to eliminate obsolescence, both in hardware and software, were continued.

6.4. Architecture

During 2020, the Architecture discipline continued with the evolution of the transformation process, in line with the Group's strategic priorities. The achievements of the team in 3 strategic lines are consolidated: Technology and Data, the Best Team, and Business Innovation. The technological transformation initiated in 2018 achieved a breakthrough in 2020, resulting from the use of the Ether platform with the following achievements: migration of 17% of channels, line processing migration of 20%, batch processing migration of 3% and availability of data ingested in NextGen of 4.6% for analytics.

We have addressed various challenges supported with the new capabilities of the platform, providing coverage with Ether to 65% of the projects. In addition, it has provided high-impact and agile benefits to the business in terms of efficiencies, reuse and ease in the execution of development processes, leveraging high-impact projects in digital sales (with solutions such as electronic promissory notes and document management), complaints and claims management, launching global projects such as Glomo and Gema, among others.

On arrival of the pandemic, new Ether capabilities were deployed with a focus on the continuity of the Bank's operations, such as AWS AppStream, allowing employees to securely access the Bank's applications from the Home Office, and new forms of customer service in social networks with Salesforce Social Studio. The consolidation of collaborative work as a single team continues, implementing solutions with global architectures and achieving increases in the contribution and adoption of the global catalog by +12%, reaching 212 APIs, implemented with reusable business functionalities in 39% for ASO, 23% for APX, 87% for Cells and 73% for Salesforce.

In the Steel program, 85% of the 41 KPIs that make up this portfolio were mobilized, generating contributions to the Bank's stability, security and reliability strategy. It is worth highlighting progress above the goal set in the transformation of the channels and the Online Backend, progress in the ATLAS program for channel availability, the elimination of Shadow IT, the reduction of more than 50%

of legacy vulnerability and automation of the software life cycle, bringing 85% of susceptible applications to a global repository and 42% of them, incorporating traceability.

In the Global Data Models (Alpha), progress in enabling capabilities by 27%, making available the core entities of persons, contracts and movements (the latter two with account and card information).

6.5. Engineering CIB

Within the CIB Global Markets business, the necessary functionalities were implemented for inflation swaps negotiations. We made inroads into the electronic closing of fixed income operations, implementing the Fixed Income project, and developed improvements in FX trading flows in digital channels, improving the customer experience and optimizing trading times. SWIFT messaging was also developed for the confirmation of Forward operations, allowing the preservation of these businesses with pension funds and thus improving operational excellence.

In the area of Market Risks, External Circular 031 of 2019 of the Superintendency of Finance of Colombia was implemented, which modifies the formulation of credit exposure, which allows determining the Bank's technical equity and solvency ratio for the different Treasury products; thus improving regulatory consumption with the BBVA Group and economic solvency.

6.6. Corporate Security - Security and Customer Protection

Our priority is to provide our customers with secure and reliable transactions through all physical and digital channels provided by the Bank. BBVA Colombia's security model is composed of different layers of protection that secure the technologies, processes and information involved in banking operations.

Our main efforts have been dedicated to:

Cybersecurity: we focus on the protection of our technological assets and the proper detection of cyber threats. During 2020, we worked hard to facilitate secure remote work for our employees.

Fraud prevention: our work has focused on the comprehensive securitization of business products with 360-degree vision and intensive use of data analytics. With the accelerated digitalization during the pandemic, fraud detection adapted to the new habits of our customers and detected the emergence of new modes of fraud.

Protection of sensitive data: with the deployment of best practices for the protection of personal information, our work has focused on identifying and implementing secure operating procedures and on the continuous training of employees and customers on the different modalities of theft of personal information for fraud materialization.

Physical security: we have prioritized the securitization of our customers' ATM operations and contributed to the management of pandemic care plans in 2020 for our employees.

Business Continuity: we have focused on crisis management for COVID-19, developed through lines and action plans for customer service, implementation of biosafe buildings, adoption of special regulations, and contingency operations.

Security data analytics: to make better decisions in the different areas of security and fraud prevention, we have implemented the data analytics team. Its main objective is the development of advanced analytical models to optimize decisions and security layers to prevent the materialization of security breaches and contribute to a better customer experience.

We constantly strive to incorporate the best practices of the BBVA Group and the sector in all our areas of action, seeking excellence in security management.

6.7. Business Process Engineering

The Processes discipline continued with the execution of the plan to extend the process culture in the organization. To this end, the year closed with 512 employees pollinated, who after completing the training cycles of the academy, have the tools and methodologies knowledge for the process transformation management. On the other hand, Process Owners were identified for 218 processes,

mainly in the Talent & Culture, Risks, Finance, Engineering and Legal Services areas.

The conceptualization of 132 projects was carried out, including the contribution to the transformation of processes in areas such as Reliefs (COVID-19 contingency), the government's non-VIS frech rate mortgage process, the Remote Model for Retail and SMEs, optimization of the DWP tool for companies and the use of the Digital Document Manager for PQRs, the employee's digital folder and ATDP models. Also noteworthy is the active participation in the transformation of the biometric model aligned with the requirements of the RNEC and the implementation of 16 robots that support processes with RPA technology, generating significant savings in the BPO. Regarding the continuous improvement process of the Business Execution (BEx), the methodology of the operational excellence model was implemented in conjunction with the BEx units of the different areas, resulting in an inventory of more than 200 initiatives, which made it possible to ensure the responsibilities of their roles.

With regard to channel service as a result of the COVID-19 contingency, actions were taken to guarantee channel operations, including the Call Center Plan, to give continuity to the customer service and management models in the channel, managing to maintain the abandonment rate in single digits, as well as the Friendly Office Plan, through which synergies are established between offices to guarantee collaborative customer service.

In addition, the ATM monitoring tool was implemented, which improved the uptime indicator by 0.5 percentage points during the first year, increased and more accurately identified new developments in the machines and optimized the operational efficiency of monitoring. On the other hand, adjustments were made to the ATM accounting process, enabling transactions and because of the offloading of activities in the branch network, as well as in the segregation of responsibilities. Finally, with respect to the MST service, the necessary activities were applied to guarantee the proper service, among them, the configuration of portable equipment due to the contingency, equipment platforming: Emerge plan, reorganization of workstations and movement of equipment in the Headquarters and singular buildings.

6.8. Operations

The Operations area contributed to the growth of new business models by participating in more than 80 cross-cutting projects, as well as the incorporation of solutions and initiatives aimed at strengthening operational processes, making them simpler and improving the internal and external customer experience. We considered the impact of the contingency experienced and made the opportunities of this new era available to our clients.

As achievements and strategic contributions, we highlight the excellent work of all the Operations teams, which allowed a quick adaptation and management of each of the different requirements of the National Government focused on the attention of the COVID emergency, achieving the opening of payroll accounts, enhancement and delivery of cards for more than 105,000 pensioners, more than 2.800 cash remittances delivered to the homes of senior citizens, management of government subsidies with more than 520,000 payments, more than 18,000 reimbursements for relief in the different credit facilities, 11 trillion pesos in promissory notes of the Transitional Liquidity Support (ATL) process and more than 914 billion pesos in disbursements of special FNG lines, among others.

On the other hand, different disruptive initiatives were implemented with positive impacts on expenses and process management, timely attention to the needs of the economic situation and the measures taken by the Bank in favor of caring for and maintaining the health of its employees. In this sense, the decentralization of supplier activities was achieved, going from two locations to more than ten, and the continuity of processes with 63% of the Bank's employees working from home, without affecting daily management and customer service.

6.9. RCS (Risk Control Specialist)

RCS IT Management and Assurance focused on:

- Information leakage risk management through the on-site challenge of the technical circuit analysis of the initiatives and technological components, 1,119 IT assets were managed in 11 areas of the Bank, with 80% risk mitigation for 276 IT assets with critical and significant risk.

- Definition of Global Mitigation and Control Frameworks covering physical and logical security risks, incident management and change management, among others.
- Challenge in Home Office technological risks for COVID-19, Assessment of Third Parties and Technological Assets, generating a permanent follow-up in the mitigation actions of the identified risks. In total, 31 initiatives were managed.

7. Omnichannel

In 2020, branch transactions showed a historical drop of 59%, versus 2019 and average 6% drop in the previous two years, a situation largely leveraged by the pandemic faced since April, where strict quarantines and partial closures of branches made it necessary for the Bank to resort to digitalization.

With respect to the behavior in transactionality in digital channels, in Mobile Banking there was a 64% growth and 122% Net of versus the end of 2019, also supported by the new functionalities that were delivered to customers such as: money transfers to customers and non-customers by entering only the recipient's cell phone number, after which they receive a notification of the transfer through a text message. This has encouraged customers to become more transactional. For those who do not have an account, they are invited to sign up for an online account or mobile money. Similarly, for cardholders, we implemented smart notifications for declined purchases, payment with points and a change in the global position in BBVA Net that improves the experience.

In addition to the above, the payment of taxes and university fees on the Net was encouraged, with a special benefit in rates for customers who decided to pay by credit card. A communication plan was generated to encourage customers to pay their utilities by direct debit, where BBVA Net's results showed (+132%) growth with respect to collections.

For cardholders, in 2020 the "BBVA Weekend" campaign was also launched, which provides direct benefits to customers for their credit card purchases, with a direct cashback to their card of up to 30% of the value of their purchase in allied brands. In addition, the BBVA Mobile points payment

option was incorporated with the push notification, to facilitate the exchange of accumulated points for purchases in allied stores; this action is maintained for 2021.

Transactional activity in banking correspondents, being a physical channel, was also strongly affected during the first half of 2020, due to restrictions on the opening of stores. Around July of the same year, traders were gradually implementing their biosafety measures required to be able to operate, resulting in +25% growth in TX versus 2019 and closing the year with 17,803 enabled CBs Points.

Finally, in 2020, the focus for companies continued to be on digitalization. The Bank offers its customers new transactions that avoid the need to visit branches. Launches for the Net Cash Mobile App were: Download of account certificates and online opening of savings accounts. For BBVA Net Cash Web, the following new feature was registered: Online registration of net cash for SME customers. Customers from www.bbva.com.co will be able to sign up for the portal 100% online.

In terms of portal sign-ups, the year ended with 4,932 new portals (71% TAM) signed up through the assisted sign-up circuit, and the Net Cash Mobile App registered 3,613 new customers (42% TAM).

Percentage share of operations in each channel

Concept	2020	2019
H2H	31.87%	25.80%
Own ATM	18.91%	24.76%
POS	17.16%	19.72%
BBVA Mobile	12.54%	8.10%
Net Cash	9.68%	10.22%
BBVA Net	3.78%	1.90%
Offices	3.44%	6.48%
ATM External	1.90%	2.07%
Non-Banking Network	0.73%	0.94%
Telephone Banking	0.00%	0.01%

Distribution of BBVA Colombia by department

Concept	ATM	Offices	Banking Correspondent
Amazonas	4	1	6
Antioquia	126	53	1.410
Arauca	9	3	58
Atlántico	69	22	674
Bogotá, D.C.	372	119	7.341
Bolívar	47	12	337
Boyacá	25	8	458
Caldas	29	9	196
Caquetá	8	3	101
Casanare	22	6	172
Cauca	17	5	228
Cesar	31	11	179
Chocó	5	1	40
Córdoba	30	9	241
Cundinamarca	69	18	1.477
Guaviare	2	1	13
Huila	26	7	394
La Guajira	26	7	74
Magdalena	31	8	275
Meta	33	10	442
Nariño	19	6	310
Norte de Santander	32	8	357
Putumayo	13	4	23
Quindío	13	6	131
Risaralda	32	11	176
San Andrés Providencia y Santa Catalina	3	1	10
Santander	87	23	1.007

Concept	ATM	Offices	Banking Correspondent
Sucre	17	4	99
Tolima	38	8	426
Valle del Cauca	123	45	1.139
Vichada	4	1	9
Grand total	1.362	430	17.803

Staff issues

1. The best team

The cultural transformation of BBVA Colombia during 2020 has been taking place in the face of the constant evolution of the different levers that drive it; the most relevant corresponds to the actions carried out in the organization through the Agile Office, thus achieving important steps towards this new culture. The results obtained by BBVA are shown in the following items:

1. **Positioning and strengthening of the Maturity Model of the agile teams**, which leads to the advancement process in the adoption of agile practices and mindset in the teams. This allows a better relationship and the fulfillment of their proposed objectives according to their maturity level.
2. **Implementation of the Agile Continuous Improvement Model**, which allows measuring the progress of the organization's transformation and, through the information gathered, creating plans adjusted to the reality of each of the domains, assigning responsibilities to the owners of the processes or drivers of the levers.

This is a model that brings together most of the T&C levers and is carried out in biannual cycles. By 2020, the measurement and generation of plans was carried out on the domains found in Agile Organization, with the participation of 87% of employees and the generation of more than 40 action plans, some of which will be finalized by March 2021.

3. **In addition, the deployment of Agile Practices** by BBVA's Management Committee to the teams responsible for the strategic lines has allowed, through dynamics, a biweekly synchronization of the organization around BBVA's objectives, breaking down the existing silos and generating important synergies in the teams. This has been a great boost to the

transformation of BBVA's culture, changing the collective mindset by linking it to change, commitment, new ways of working and appropriate relationships.

4. **The promotion of the Product Owner's** role has also been important, which has been given through an advanced training program, allowing people to perform their role with better results, which is evident in the projects they lead.
5. **On the other hand, we have created and deployed the Global Agile Webinar** in all geographies, a fortnightly space in which coaches from all countries have the opportunity to give training or share knowledge focused on agile transformation. By 2020 we expect to hold more than 12 webinars, with 2,000 attendants.
6. **In addition to the above, we have had the push for the fulfillment of commitments of Value Areas and Solutions Development,** through the accompaniment of teams and exhaustive follow-up of the progress and blocks that are managed through the network of coaches.
7. **Finally, the optimization and establishment of the Governance Model in each of the domains** has been achieved, which has allowed significant progress in the agile culture of the organization.

2. The team

GRI-103-2 • GRI-103-3

Throughout 2020, Talent and Culture committed to the materialization of the Bank's strategic priority of having the Best and Most Committed Team. To this end, the action plans were aligned in four chapters that guided the activity of collaborators and leaders to face the challenges of this new era, turning opportunities into realities and, in this way, as an area, bring value to the business to fulfill the Organization's strategic mission. All this was done based on the following blocks:

- 1.** Continue with the strategic role that Talent and Culture has assumed as an area that drives results through a leading role in the transformation of the business, creating new capabilities, promoting leadership, identifying the existing analytical role, and enhancing the transformation of processes to a Data Driven Model. This, to add value as partners of the different departments of the entity.
- 2.** Ensure that Talent and Culture models and processes are incorporated into the daily activities of all BBVA Colombia employees as a Growth Lever and as an enabler of the fulfillment of personal and organizational goals.
- 3.** Turn the Organizational Culture into a fundamental element in the establishment of goals and the way to achieve them, being the framework of action and guide for all the activities developed by BBVA Colombia.
- 4.** Generate, through Diversity and Inclusion, different spaces to reinforce the strategy of attracting and retaining the best talent, highlighting the promotion of female talent at different levels and departments of the Organization and also of minority groups.

During 2020, strategies were created that were integrated into the following management focuses: professional development model, diversity and inclusion, and organizational transformation at the sites, which will be discussed in greater depth as explained below.

3. Professional development model



At Talent & Culture we strive to have the best and most committed team. To achieve this objective, we deepened throughout 2020 the use of such elements of our professional development model, incorporating four new tools that facilitate access, consultation and use of the model.

The strategy was designed based on the Bank’s values, incorporating the experience of its collaborators through the application of user design tools. Goals were set and exceeded thanks to teamwork and the incorporation of agile frameworks to orchestrate the different areas of the Bank.

Thus, significant progress was made in consolidating the model in each of its stages, which can be summarized as follows:

Explore: is the route that allows identifying new paths of interest and the improvement, knowledge and skills areas that need to be developed under a context of transformation and growth.

Actions

1. Opportunity was launched in November, a tool that, through the use of data analytics and artificial intelligence, becomes the navigation compass and advisor of growth paths for employees. In its first month of operation, it showed a positive evolution and at the end of November it already had the participation of 1,568 employees.
2. On the other hand, Mobility has continued to deepen the ten basic policies for people recruiting, and consolidating the image of transparency, flexibility, trust and effectiveness in all the processes for filling vacancies.

Some figures to highlight in such process in 2020 are:

- 308 internal processes through Mobility tool
- 163 external engagement processes, which derived from the need to cover with New Capabilities talents for the development of new technologies, such as software architects and developers, as well as the incorporation of expert profiles in User Experience design.

Know yourself: allows identifying the employee's current situation and the way he/she is seen with respect to his/her role, this being the main objective of this stage. Core input for the employee to decide the focus of his professional development, identifying the starting point to meet the objectives set and thus, the strengths and areas for improvement, to make the best professional decisions.

2020 Actions

1. In March, the construction of the Talent Map was completed, making the final adjustments to the statistical model and allowing us to distribute 4,302 employees in 9 boxes, which significantly facilitates decisions regarding routes and processes for the development of the headcount (official publication Q1, 2021).
2. The individual performance evaluation and the evaluation of people processes were unified in the “Annual Evaluation”. Such action was carried out from November 16 to December 11, covering the entire BBVA staff in Colombia.

Improvement: Corresponds to the elements that allow the employee’s capabilities and skills to evolve, with the objective of closing gaps in the current or desired role to focus on the continuous development of intrinsic and technical skills, and thus grow professionally.

2020 Actions

1. In July, the Open Mentoring tool was launched, a program that helps develop skills, acquire and share new knowledge by facilitating relationships between mentors and mentees globally. As a result, 786 users were active at the end of November.
2. We continued developing the Opportunities Path program for 305 service agents (8-hour training per person for 2,440 hours total) and 329 assistant managers (10-hour training per person for 3,290 hours total), thus complementing the training provided to other roles in the branch network during 2019, which purpose is to provide tools and develop relationship skills with our customers and have the best commercial force in Colombia and BBVA globally.

On the other hand, the training program for the creation of Government Banking was developed since July, which included 50 participants and provided the necessary knowledge to generate the best experience for the client segment that make up the Government Banking.

3. As a complement of the aforementioned, the Path of Opportunities process was launched in September to standardize the knowledge of the six main positions of the commercial network, a program called “La Aventura de los Nevados”, in which gamified training routes were created with topics of culture, role knowledge, products, risks and commercial management for 2,700 people. As a result, collaborators who perform the roles of integral service advisor, service managers, managers, Personal Banking executives, Business executives, assistant managers and managers were certified, accumulating 41,343 training hours at the end of November 2020.
4. As part of the health crisis management process that was undertaken throughout the year, a training strategy was generated to deepen virtual learning tools through the CAMPUS tool and the execution of 330 webinars on different topics, with the participation of 12,435 people.

In conclusion, in 2020 BBVA Colombia energized the professional development model, having as protagonists the employees, facilitating their growth through the incorporation of new tools that allowed identifying the roles and paths that may be interesting to explore their possibilities within BBVA and thus, have more customers and the best and most committed team.

4. Organizational transformation

To offer a better customer experience, BBVA Colombia transformed the organizational structure in 2020 and consolidated the banking comprehensiveness by segments: Retail Banking, Government Banking, Corporate Banking, SME Banking and Wealth Management, which allows boosting synergies between each of them and ensuring teamwork, which clearly brought excellent results for BBVA in Colombia.

Likewise, we continue to permeate the Agile Culture through organizational structures in agile model, distributed in strategic Building Blocks, which allow us to enhance teamwork, breaking down organizational silos and focus on customer needs.

5. Diversity and Inclusion

For T&C, diversity and inclusion in BBVA are part of its purpose and are integrally aligned with the Bank's values. Therefore, in 2020, we are committed to showing how diverse the headcount is, which a lever for attracting and retaining the best talent represents and thus, promoting a culture of respect for diversity, inclusion and equality for all employees.

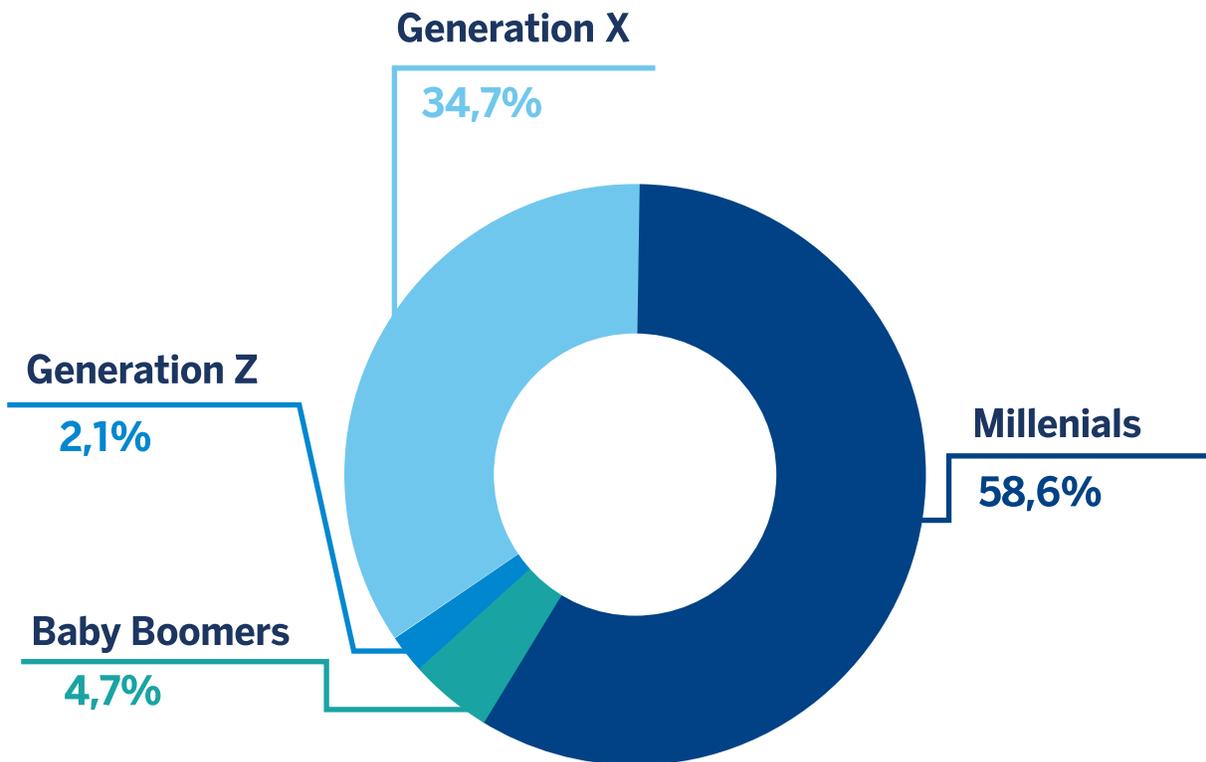
To this end, the following actions were implemented:

- The creation of an internal diversity and inclusion policy that has led to a commitment to diversity being accepted as part of the culture by members of the Management Committee and front-line leaders.
- The organization and implementation of nine ERG (Employee Resource Group) Be Yourself groups, focusing the priority of actions on the development of female talent, LGTBI, ethnic groups and people with disabilities.
- All ERGs are organized as multidisciplinary work teams, facilitating diverse interaction and innovative proposals. In fact, each group has a leader belonging to the Management Committee, which will make diversity and inclusion an increasingly cross-cutting issue for the organization.
- In addition, there are 45 initiatives that were defined by all ERG groups; of these, 18 are being developed as priorities within the T&C and BBVA strategy, with plans to continue working on them by 2021.
- Among the actions and groups prioritized, there are those related to female talent; therefore, it has been defined that by 2024 there will be a significant growth in the participation of women at different levels of the organization where their presence could be low. In this regard, the area is committed to ambitious indicators based on talent rotation, rooney rule and a gender-focused succession plan; this will make BBVA a more inclusive company.

6. The team in figures

The results of Talent & Culture management in figures are presented below.

At December 31, 2020, the headcount was 5,137 people. Women made up 57.8% of the headcount. Likewise, the BBVA team reflects an important generational diversity, as shown in the graph below, highlighting the significant representation of Millennials and Generation X, a situation that allows us to enhance team performance and boost employee engagement.



Supporting the transformation and implementation of the agile model, BBVA has nine Scrum Masters, who accompany the different groups in terms of team coaching, mentoring and facilitation. They also support the digital transformation, with which BBVA has strengthened the new capabilities, with at least 258 roles focused on digitality, such as Software Engineers, Designer User Experience, Infrastructure Engineers, Agile Coach, Security Engineers, among others.

By professional category, the staff core is found in basic positions, with 35% of the headcount, together with specialists and managers with 32%, respectively.

In terms of compensation and benefits, the Bank’s salary is 2.39 times higher than the Colombian minimum wage. In addition, the Bank has benefits for employees, among which we can highlight the extra-legal, seniority and vacation bonuses, as well as optical, educational, maternity, and funeral benefits for the death of parents, siblings, spouse or children. In addition, there are exclusive benefits for auxiliary positions, such as the food allowance for employees who work a continuous workday and the incentive for cashiers.

Breakdown of employees by gender

GRI-102-7

Concept	Quantity	%
Men	2,165	42.15%
Women	2,972	57.85%
Total employees Banco BBVA Colombia 2020	5,137	100%

Personnel turnover (new hires and terminations)

GRI-401-1

Gender	High	Low	Turnover Percentage
Women	88	222	10.97%
Men	102	177	12.5%
Grand Total	190	399	
Turnover Rate			11.06%

Breakdown of headcount by employee category and age

GRI-401-1

Positions	Under 25	Between 25 to 45	Over 45	Total	Quantity
Senior Managers	-	2	8	10	2,165
Management Level	-	102	134	236	2,972
Middle management	-	188	186	374	2,972
Middle Management II	-	806	449	1,255	2,972
Base Positions	227	2,258	777	3,262	2,972
Grand total	227	3,356	1,554	5,137	5,137

Breakdown of headcount by employee category and gender

GRI-405-1

Positions	Female	Male	Total
Directivos	-	10	10
Management Level	106	130	236
Mandos medios	182	192	374
Mandos medios II	718	537	1,255
Puestos Base	1,966	1,296	3,262
Total general	2,972	2,165	5,137

Gender ratio broken down by occupational category - Average

GRI-405-2

Positions	Female	Male	Average income	Total
Senior Managers	\$ -	\$ 763,376,955	\$ 763,376,955	N/A
Management Level	183,965,701	239,577,331	214,599,226	76.8%
Middle management	128,826,705	133,471,264	131,211,078	96.5%
Middle Management II	81,815,601	90,114,590	85,366,642	90.8%
Base Positions	51,299,517	56,322,104	53,295,002	91.1%
Grand total	\$ 68,151,170	\$ 82,289,384	\$ 74,109,751	82.8%

Ratio of down payment salary and legal minimum wage

GRI-202-1

Minimum wage BBVA Colombia 2020	SMLV	Salary Ratio
\$ 2,111,158	\$ 877,803	2.41

Training and Employee Benefits 2020

Social benefits

GRI-401-2

Benefit	Valor Pagado (Cifras en Millones)
Food aid	\$ 1,032
Eye surgery aid	\$ 86.4
Maternity allowance	\$ 135
Death assistance for family members	\$ 105.9
Educational assistance for children	\$ 621.3
Educational assistance for disabled children	\$ 23.1
Optical aid	\$ 1,298.3
Postgraduate study credit	\$ 1,616.2
Pre-degree study credit	\$ 1,802.8
Cashier Incentive	\$ 252.4
Seniority premium	\$ 10,763.5
Vacation bonus	\$ 8,290
Vacation bonus seniority benefit	\$ 129
Extra-legal premium	\$ 65,510.8

Average annual training hours

Social benefits

GRI-404-1

Training hours	Total Hours
BBVA Colombia	215,218.04
Average per person	36.88

Average number of courses by gender

GRI-404-1

Gender	Hours	%
Women	128,821.08	59.86%
Men	86,396.96	40.14%
Total Hours	215,218.04	100.00%

Average number of courses by gender

GRI-404-1

Gender	Promedio Cursos
Women	47.30
Men	38.02
Average	43.44

Average number of courses by gender

GRI-404-1

Gender	Hours	%
Gender	Average Courses	59.86%
Women	47.30	40.14%
Men	38.02	40.14%
Average	43.44	40.14%

Training hours by employee category

GRI-404-1

Employee category	Hours	%
Senior Managers	124.56	0.06%
Management Level	3,056.50	1.42%
Middle management	16,156.15	7.51%
Middle Management II	24,350.10	11.31%
Base Positions	171,530.73	79.70%
Grand Total	215,218.04	100.00%

Employee segmentation by gender who received performance and professional development evaluations in 2020. This figure excludes the number of employees who were not rated or scored 0, and the segment of Unit Managers (Senior Managers).

People Assessment

GRI-404-3

Segments	Women		Men		Total	
	Number	%	Number	%	Number	%
Management Level	102	3.51%	125	6.08%	227	4.57%
Middle Management	177	6.09%	192	9.34%	369	7.44%
Middle Management II	706	24.29%	522	25.39%	1,228	24.74%
Base Positions	1,922	66.12%	1,217	59.19%	3,139	63.25%
Total	2,907	58.57%	2,056	41.43%	4,963	100%

Performance Assessment

GRI-404-3

Segments	Women		Men		Total	
	Number	%	Number	%	Number	%
Management Level	103	3.52%	125	5.98%	228	4.54%
Middle Management	178	6.08%	192	9.19%	370	7.37%
Middle Management II	712	24.31%	531	25.41%	1,243	24.77%
Base Positions	1,936	66.10%	1,242	59.43%	3,178	63.32%
Total	2,929	58.36%	2,090	42.11%	5,019	100%

Number of employees by type of workday and gender

GRI-102-8

Time	Women	Men	Total
Part Time	71	26	97
Full Time	2,901	2,139	5,040
Grand total	2,972	2,165	5,137

Employees by type of contract and gender on the payroll

Contract*	Women	Men	Total
Long-term contract	2,972	2,165	5,137

Note 1: Additionally, at the end of December, BBVA had hired 278 people between SENA apprentices and trainees (182 women and 96 men).

Note 2: Likewise, as of December 31, BBVA had 1,125 employees (925 women and 200 men) on assignment who basically support the organization in covering absences due to vacations, incapacities, leaves of absence, among others, as well as in carrying out the necessary activities to comply with the biosafety protocols in offices to ensure an adequate customer service.

Headcount by type of contract and region

GRI -102-8

City	Long-term	Learning	Total
Bogotá	2,825	153	2,978
Cali	214	9	223
Medellín	304	6	310
Barranquilla	191	11	202
Otras ciudades	1,603	99	1,702
Total	5,137	278	5,415

Percentage of employees covered by collective agreement (Convention)

GRI-102-41

Empleados	Total
In Agreement	99.9%
Out of Agreement	0.1%

100% of employees are covered by collective agreements; only five expatriate employees are not covered by such agreements.

Accident rate

GRI-403-2

Types of Accidents	With Disability	No Disability	Total
Number	38	87	125
Accident frequency rate			18.58
Absenteeism rate			2.47%

7. Real Estate and Services

Being a year framed by the COVID-19 pandemic, BBVA directed its actions to protect the health of employees, their families and customers, generating the necessary actions to have biosafety protocols and ensure their implementation in all branches, in-houses, service points and central buildings nationwide.

Accordingly, the following actions were carried out:

- All the plans were sent indicating the distance between collaborators and clients, with the definition of the maximum capacity in the offices.
- In central buildings, a plan was implemented to relocate 169 employees among premises with a higher occupancy rate to those with space available, in order to ensure the assistance to such roles that, based on their activity, are deemed critical for the organization and therefore had to be present at the headquarters.
- Additionally, an occupancy control was generated, accompanied by a protocol of care, cleanliness and signage, intended to the people well-being and in compliance with resolutions 666 of 2020 of the Ministry of Health and Social Protection and 892 of June 2020, applicable to financial institutions.
- As a complement to the biosafety protocols, all service points and central buildings were equipped with elements such as:
 - Protection acrylic panels between customers and employees (5,373).
 - Gel dispensers with foot pedal (562).
 - Tapes for floor signage to ensure proper distancing of people in the public and access hall.
 - Portable hand-washing sink in the offices where required by the local authorities (9 offices).
 - Antibacterial gel (51,779 units).

- Provision of hazardous waste bins for surgical masks.
 - Provision of disinfectant mats for the entrance of some headquarters where the control entities required it (59).
 - Changes in cleaning protocols, intensifying labor and increasing the use of supplies such as alcohol, hypochlorite, atomizers and disposable towels.
 - Hiring of specialized services for disinfection of areas with positive cases of COVID-19.
- On the other hand, and within the development of the improvement and refurbishment plan for BBVA's headquarters, 2 floors of the Teusaquillo headquarters were remodeled under the Open Space model, improving the facilities, lighting, wiring and workstations for employees.
 - As for the Branch Network, investments were made in branches that required improvements, adaptations and physical recovery. Thus, conservation and heritage offices such as Cartagena, Mompós and San Francisco, in Santa Marta, were intervened. Likewise, the Coltejer branch offices in the city of Medellín, the Plato Branch and Puente Aranda Branch in Bogotá were adapted, and the Bavaria inhouse in Yumbo was moved.
 - With respect to the ATM project, in 2020, 115 ATMs were renewed, 19 were expanded and 9 were relocated.
 - In addition, the equipment in the network and central buildings was replaced, as follows: 307 items including televisions, UPS, coin and bill counters, motor pumps, power plants, 59 air conditioners and 10 compressors.
 - An improvement plan was developed for ATM equipment in order to reduce customer service and attention times by replacing 218 UPS and 78 air conditioners.
 - The rebranding project was completed, updating 14 buildings, 550 satellite ATMs and 516 network service points.

7.1. Negotiation of rents

In view of the situation generated by the pandemic, BBVA took the initiative to manage the reduction of rent payments. This process was carried out from February through November, renegotiating 232 contracts, which resulted in savings of \$4,913 MM.

Additionally, as part of the redistribution of people between buildings and the new modality of working at home, the following actions were carried out by 2020:

- A 1,726 M2 headquarters was freed up, with 425 workstations occupancy, and critical positions were relocated to the General Management building.
- The building of the Northern Territorial Office in Barranquilla was handed over and relocated in own premises.

Said two facts allowed for an overall projected savings of \$1,299 MM for the year 2021.

8. Occupational health and safety

On the other hand, biosafety protocols were developed in all work centers, which are currently in operation, with the purpose to mitigate the risk of infection by COVID-19. With such protocols, a model was also created for the assessment and care of suspected and positive cases of COVID-19 from a comprehensive approach of medical and psychosocial assessment, with total control of the process, guaranteeing the care of people and BBVA's productivity.

Additionally, in the face of the pandemic, a new action framework was developed with virtual strategies that have allowed us to maintain the continuity of activities focused on the wellbeing and health of workers such as: virtual physical exercise days, entrepreneurship dissemination, mindfulness webinars, virtual game tournaments, reading club, actions for pets, among other educational topics. With the support of pension funds and family compensation funds, it has allowed, in turn, to integrate workers and their families from different spaces.

On the other hand, since the prevention of occupational accidents and work-related diseases is of great importance, as well as environmental protection, quality of services and cost control, the National Risk Prevention Strategy has been developed to identify, quantify and control the risk factors present in the work environment.

Through this strategy, we visit all work centers nationwide to develop face-to-face activities focused on occupational risk prevention and the dissemination of tools to protect our employees' health by promoting the adoption and maintenance of healthy lifestyles and work.

Work-related injuries

All employees (Calculated Rate x1000000)

GRI-403-9

Concept	BBVA 2020
Number and rate of fatalities resulting from occupational injuries.	Deaths: 0
Number and rate of occupational injuries with major consequences (excluding fatalities).	Accidents: 0
	Occupational injury rate: 0
Number and rate of recordable occupational injuries.	Accidents: 44
	Injury rate per occupational accident: 0.81
Main types of work-related injuries.	Blow, contusion or crushing are the main injuries that occur as a result of work-related accidents.
Number of hours worked	10,553,976 hours per year
Occupational hazards that present a risk of injury due to occupational accidents with major consequences	-
How are these hazards determined?	Through the National Risk Prevention Strategy, where all work centers are visited, updating the matrices for hazard identification, risk assessment and control is carried out.
Which of such hazards have caused or contributed to high consequence workplace injuries during the reporting period?	During 2020 there were no serious accidents. However, the most relevant accident is falls on the same level.
Measures taken or planned to eliminate such hazards and minimize risks through the control hierarchy.	Recreational activity for all employees focused on prevention of falls on the same level.
	Sending communications with information related to fall prevention.
In Collective Agreement	99.9%

Concept	BBVA 2020
Out of Collective Agreement	-0.1%
In Collective Agreement	99.9%
Out of Collective Agreement	-0.1%

Occupational diseases and illnesses

GRI- 403-10

Concept	BBVA 2020
Number of deaths resulting from an occupational disease or illness.	Deaths: 0
Number of cases of recordable occupational diseases and illnesses.	Cases: 1
Main types of occupational diseases and illnesses.	Reported occupational disease due to musculoskeletal injury.
The measures taken or planned to eliminate such hazards and minimize risks through the control hierarchy.	Definition of workplace standards for biomechanical risk mitigation in BBVA workers.
	Get active program for active and mental breaks
	Vive Mindful Program, providing tools to find focus in daily activities.
	As for Covid-19, more than 100,000 masks, 250,000 gloves, 50,000 liters of antibacterial gel were delivered, safety screens were installed, new organizations were set up to monitor and clean the work centers, a psychological support line was set up, and the medical scheme was expanded for care and direct cases related to the pandemic.

Employee participation, consultation and health communication and safety at work

GRI- 403-4

Concepto	BBVA 2020
Description of the processes for employee participation and consultation in the development, implementation and evaluation of the occupational health and safety management system, as well as the processes for communication of relevant information.	Employees from each work center participate in the updates of the hazard identification, risk assessment and control matrices to complement the information evaluated by the professional. BBVA has communication channels such as daily mail, COPASST mailbox and Whatsapp where important issues of the SG-SST are communicated.

Concepto	BBVA 2020
Existence of a formal worker-company health and safety committee, a description of its responsibilities, frequency of meetings, decision-making authority, and whether workers are represented on the committee and, if not, the reason why this is the case.	The COPASST is made up of the employees' representatives (4 with their respective alternates) and the employer (4 with their respective alternates), who meet monthly and receive training and also, are involved in several processes of the occupational health and safety management system.

9. T&C evolves in the face of challenges

In 2020, priority was given to protecting the health and safety of employees, customers and the continuity of the operation. The T&C area focused on projects aligned with strategic priorities, also seeking to optimize investment and expenses, generating the greatest possible efficiencies.

In line with the above, the following projects will be developed in 2020:

- 1. Home Office (Diversity and Conciliation):** The Home Office project was started, which consists of building the future of our work Post COVID-19, articulating everything from labor, organizational, technological, economic, use of physical spaces, health and welfare, communication, training and methodologies. Work was done on the development of shift schedules, the policy for the remote work modality, the segmentation proposal for the new ways of working at BBVA and the proposal for blue work areas in the buildings, including the policy for the use of common areas, in order to continue protecting the employees' health and safety. The moving of the different groups of the Media building to the Headquarters was completed and the proposal to release 17th and 18th floors of the Venados Building was delivered to the General Management, which will be carried out in the first quarter of 2021. In addition, progress was made in all the definitions related to the job reservation application and the communication and training plan that will accompany this process has already been defined to be able to offer a hybrid work model, once the social distancing measures are completed.

Meanwhile, BBVA has defined the purpose of "making the opportunities of this new era available to all", which involves implicit actions to promote a culture of respect for diversity,

inclusion and equality for all employees. For this reason, during this year, we created nine interest groups or groups (ERGs) that, due to their identity in terms of diversity, will allow us to have in 2021 spaces for interaction and learning to ensure the generation and implementation of inclusive actions, regardless of factors of discrimination by race, gender or social level, and maintain KPIs and monitoring in terms of gender equity. Finally, we have been working locally and globally to ensure that the entire leadership model has clear guidelines on inclusion, diversity, inclusive language, good working environment and respect. In addition, actions were promoted for the balance between personal life and work, generating tools that facilitate the professional development of employees in the best work environments, which is closely connected to the new ways of working that are coming in 2021 with the hybrid model.

- 2. COVID-19 Solutions:** A series of tools were developed that facilitated monitoring, data production and timely action in this pandemic, among which the following stand out: (a) tool for managing new developments in the Network, which have provided first-hand knowledge of the current status of the Commercial Network employees at each of the work points; (b) tool for managing lunch schedules to manage employee access to the canteen at Headquarters; (c) tool to identify unused paid vacation, in order to consider their enjoyment during this quarantine time; d) tool to manage the demand for biosafety elements for the protection of employees and clients in the work centers; e) flexible schedules site that enables different work time slots for employees who, due to their role, must attend the Bank's facilities; f) self-service #Undiadesueldopor, where, through the voluntary donation of more than 3.200 employees and the Bank, food assistance was provided to vulnerable families; g) local funnel tool, which has allowed the management of health information to better respond to the current pandemic context, eliminating the operational burden of the medical team, ensuring data quality and generating timely reports.

- 3. New Training Model (La Aventura de los Nevados):** Comprehensive training protocol and certification of positions 100% online, in digital and gamified form, which is addressed in this first version to colleagues of the Commercial Network and will undoubtedly allow them to develop the necessary skills to reduce their learning curve and maximize their performance. The development of this project has been an example of teamworking where the Network, CS, Risks and SSJJ have worked as a single team.
- 4. Function Manuals:** They were fully updated in the Bank and its subsidiaries, aligning them with the 'agile' structure and transforming this process into something much more agile, practical and simple for customers.
- 5. TMP:** We successfully worked on the Transformation of the Business Execution Production Model, with the clear objective of turning it into a center of operational excellence. Thus, through different initiatives, we increased the maturity level from 49% in 2019 to 70% at year-end 2020, becoming a benchmark at local and global level.
- 6. Electronic/digital contracting and virtual folder:** Significant progress was made in this project, which during the first months of 2021 will allow the contracting process to be carried out in full digital manner, optimizing a process that today is 100% manual and with an excess of paper documentation.
- 7. Workday:** Finally, during 2020, work began on the change of the global Talent & Culture core platform, which not only represents a change in technology, but will drive the transformation of Talent management to achieve a more liquid and flexible management and continue to evolve the role of T&C towards a function closer to employees, with greater empowerment of leaders in talent management and a higher level of self-management for all employees.

10. Volunteering and social engagement

A total of 3,065 BBVA employees in Colombia joined the #UnDiaDeSueldoPor movement, and managed to raise 537,741,617 pesos, to provide markets to the people most in need during the COVID-19 pandemic.

Such monies were delivered to the campaign “Ayudar nos hace bien”, led by the First Lady of the Nation, through the Fundación Solidaridad por Colombia, to provide food assistance to vulnerable families within the framework of the preventive quarantine.

11. Ethical behavior

11.1. Compliance system

The Compliance System is one of the bases on which BBVA consolidates its institutional commitment to conduct all its activities and businesses in accordance with strict standards of ethical behavior. The Compliance Area continues to articulate its activity around the development and implementation of policies and procedures, the dissemination and training in compliance matters and the identification, assessment and mitigation of possible compliance risks, understood as those affecting the following issues:

- Conduct in the markets.
- Treatment of conflicts of interest.
- Prevention of money laundering and terrorist financing.
- Consumer protection.

During 2020, with an adequate organizational structure and a clear assignment of roles and responsibilities BBVA Colombia fully complied with the objectives focused on aspects such as: adequately managing and mitigating compliance risks; actively participating in the Operational Risk

Admission and Product Governance Committee; providing support and accompaniment to BBVA's commercial management; sending internal and external reports with strict compliance; timely meeting the requirements of the State's control and oversight entities; maintain training and communication strategies on Compliance issues to further strengthen the ethical culture in the entity and review the contents of the policies, procedures and manuals related to the function, in order to verify the effectiveness of the proposed preventive measures, their validity and effective compliance, making the modifications that were found to be appropriate in each case.

During the health emergency, adjustments were made to the way the teams worked to guarantee the continuity of the function, maintaining a control framework in accordance with the demands of the global situation, in strict compliance with local regulations and requirements.

11.2. Business integrity

The year 2020 has been important for BBVA Colombia in its ongoing commitment to business integrity, continuing its efforts for the continuous improvement of the model for which the following activities, among others, were developed:

- The modification to the Overall Anti-Corruption Policy was approved, which replaced the regulation that had been approved on the matter in 2018 and which aims to establish BBVA's framework action to prevent, detect and promote the communication of corrupt practices or risk situations; set specific conduct guidelines in sensitive activities or areas; facilitate the recognition of assumptions that require special caution and, in case of doubt, provide appropriate advice.
- We continued with the design and implementation of an Anti-Corruption program to develop the Anti-Corruption Policy. To this end, in accordance with corporate guidelines and those of the BBVA Board of Directors, once the process established for the selection of suppliers had been completed, a law firm was hired to obtain an expert and independent opinion on the measures established in BBVA entities in Colombia to mitigate the risk of corruption and to identify the relevant opportunities for improvement.

In conjunction with such law firm, an analysis was made of the national and international anti-corruption regulations applicable to BBVA. In addition, the areas or activities most exposed to corruption risks were identified, conducting interviews to obtain detailed knowledge of the processes, which allowed the preparation of the diagnostic report, which, in turn, facilitated the design of the risk matrix and the proposal to strengthen existing measures and controls and the adoption of some new elements to mitigate risks adequately, according to the best practices in the industry.

In 2021, the Program will continue to be implemented as part of the BBVA Group's firm commitment to legality and its ethical principles, which require acting with the utmost honesty, integrity and transparency, both within the entity and with customers, agents, intermediaries, business partners, public or private institutions and other related third parties.

- The Reporting Channel continued to be managed in compliance with the principles established in the Code of Conduct, related to the protection of the bona fide whistleblower, the confidentiality of complaints and complainants, as well as objectivity and impartiality in the proceedings. In addition, training and permanent communication to employees on the contents of the Code and the use of the Channel was encouraged.
- The design and implementation of individual and synthetic indicators for the prevention and detection of possible bad sales practices, non-compliance with regulations and for the causal analysis of complaints filed by BBVA customers continued.
- The requested reports were sent to the Corporate Department, related to: Code of Conduct, Complaint Channel, Complaints and Regulations related to the Health Emergency and Global Model of Customer Compliance Indicators.
- We participated in the review of risks and controls aimed at updating the matrices of the Corporate Compliance and Customer Compliance areas and their adaptation, according to corporate guidelines, in order to align them with the methodological criteria, structures and new tools implemented in the entity.

- As a result of the continuous and permanent efforts to improve the function, based on the review and analysis of risks, controls were reinforced, and measures were established to strengthen the three lines of defense model.
- A review of the regulations applicable to the Integrity areas was carried out, and no modifications were found to be appropriate, since their content and orientation are adequate for the management of the areas.

11.3. Securities and Derivatives

As a consequence of the expansion of the activities of the Business Integrity areas and the specificity of the knowledge required to perform the functions of Trade Surveillance, in compliance with the provisions of the Compliance Policies and corporate guidelines, the decision was made jointly with Talent & Culture to separate the Securities & Derivatives discipline, and therefore, as from the second half of 2020, separate management reports were submitted to the Board of Directors. The following activities were carried out, among others:

- We continued with the training and communication of the contents of the Internal Code of Conduct (IRC) to the persons subject to the Code, as well as on Market Abuse.
- Monitoring scenarios were designed and implemented to prevent market abuse practices under patterns associated with spoofing and layering, in order to comply with internal regulations and the recommendations contained in the Securities Market Self-Regulator's Guidance Manuals. Likewise, keyword scenarios have been implemented to generate alerts on collusion and other improper practices.
- The information in the Internal Rules of Conduct in the Securities Market (ROC) was updated.
- The requested reports were sent to the Corporate Department, related to: ROC, Own-Account Operations, Management Limits, Separate Areas and Special Operating Measures

for the proper management of the units in the new work modalities required on the occasion of the sanitary emergency.

- Participated in the design and reporting of the Market Abuse indicators and the new Risk Appetite Framework (RAF) indicators in accordance with the parameters defined by the corporation.
- Assistance was provided in the review of risks and controls aimed at updating the matrices of the area and their adaptation, in accordance with corporate guidelines, in order to align them with the methodological criteria, structures and new tools implemented in the entity.
- The regulations applicable to the Integrity areas were reviewed and no modifications were found to be appropriate, since their content and orientation are adequate for the management of the areas.

11.4. Standards of conduct

GRI-205-1 • GRI-205-2 • GRI-205-3

BBVA's Code of Conduct provides behavioral guidelines that are in line with our principles of prudence, transparency and integrity and with corporate values, seeking to ensure that the customer comes first in the development of the functions of a team that thinks big and directs its actions in a coordinated manner towards the achievement of local and corporate goals, under strict and high standards of conduct.

The Code incorporates commitments that contribute to the prevention of corruption in BBVA, as well as guidelines that promote transparency, inclusion and financial responsibility.

In addition, BBVA has Anti-Corruption Policies, Product Governance Policies, Conduct in the Securities Markets, Competition Policies and the Governing Document of the Money Laundering and Terrorist Financing Risk Management System, which develop the principles contained in the Code of Conduct, incorporating specific rules and establishing the guidelines expected from the members of BBVA's Entities in Colombia in each area of action.

During 2020, BBVA carried out communication and training activities for its employees related to anti-corruption policies and procedures. As of December 2020, 10 communications related to the Code of Conduct were sent to employees via e-mail and 100% of them were enrolled in the training courses on the General Anti-Corruption Policy, Conflicts of Interest and Code of Conduct, through the Campus platform. In addition, specific training on said matters is given to the office network employees.

Regarding training and communication to all members of the Board of Directors and the Management Committee, the Anti-Corruption Program was launched during the year and socialized in the meetings of the bodies of all BBVA entities in Colombia.

11.5. Reporting Channel

GRI-205-3

During 2020, the Compliance Area disseminated the Reporting Channel as the main mechanism for the conduct risk management in BBVA, mainly through virtual training, reviewing and reinforcing the legal update contents “Legal Challenge” of which 88% of the employees have completed the training. Also, information in e-mails was shared with the support of the Talent & Culture area through the Business Partners and the ALDÍA mailbox.

In the different campaigns, it was emphasized that through the Reporting Channel, employees, customers and suppliers of BBVA Entities can report any non-compliance they observe or are informed of, reminding them of their obligation not to tolerate behavior that deviates from the Code.

Likewise, the form in which communications may be sent was reiterated, as follows:

- Supervisor or your Talent & Culture partner
- E-mail to canaldedenuncia.co@bbva.com
- To the mailbox (57) 1+ 380 81 71.
- To the corporate mailbox canaldenuncia@bbva.com

The Compliance Area has handled the complaints received diligently and promptly, promoting their verification and promoting the measures for their resolution, in accordance with the procedures for managing the complaint channel, and analyzing the information objectively, impartially and confidentially.

Main issues that can be reported through the Reporting Channel

 Intellectual property	 Frauds	 Market integrity	 Law violation
Provide confidential information to third parties Sales of data bases Appropriation of entity applications	Appropriation of collections Appropriation of clients' accounts Lending concessions Appropriation of inactive accounts Accounting manipulation Favoring third parties	Preferential use Conflicts of interest Market manipulation	Laws or Decrees Resolutions or Circulars Supervising bodies

11.6. Anti-Corruption and Other Aspects

The year 2020 has been important for BBVA in its ongoing commitment to integrity in business, in a challenging and innovation environment, continuing its efforts in the dissemination of the Code of Conduct, designing training programs for members of the Board of Directors, Management Committee and officers; and updating its contents taking into account internationally recognized standards as best practices in Anti-Corruption and integrity and promoting the implementation of the BBVA Anti-Corruption Program.

In conjunction with the SSJJ, T&C and Business areas, the Compliance area designed specialized training sessions aimed at selected groups, according to their level of risk exposure to Anti-Corruption, consumer protection, conflicts of interest, prevention of money laundering and financing of terrorism, market conduct, as well as aimed at optimizing the handling of requests, complaints and claims.

In addition, the Compliance area has continued its advisory work and answering queries to the different areas of the BBVA entities in Colombia, regarding the application of the Code of Conduct, fundamentally regarding objectivity in the selection, hiring and promotion, the development of other professional activities, acceptance of gifts or personal benefits, treatment and management of potential conflicts of interest and management of personal assets.

In the area of consumer protection, we continued the implementation of the Product Governance Policy previously approved by the Board of Directors, which establishes the principles that BBVA must observe when evaluating the characteristics and products and services risks, as well as when defining their distribution conditions and their follow-up. The foregoing to take into account at all times the interests of customers and ensure compliance with applicable regulations on customer protection, observing the principles of transparency, appropriateness and fair treatment.

On the other hand, the action plans established by the control entities, under the responsibility of the Compliance Area, were met within the deadlines, and the other areas of the entity were permanently followed up and accompanied in the fulfillment of the commitments undertaken by them.

Regarding the Conduct in the Securities Markets area, the information in the Internal Rules of Conduct in the Securities Market (ROC) was updated and situations that may generate market abuse were analyzed, designing and implementing monitoring scenarios to strengthen the control framework, adjusted to the highest industry standards.

Also, the Compliance Area managed the Privileged Information and Special Confidential Projects Files, in order to ensure compliance with the obligations related to the information confidentiality and mitigate the risk of improper use of privileged information by the persons aware of them. It also actively participated in the generation of concepts related to the areas under its responsibility when required.

In addition, it was involved actively in the Committees and meetings that through the different entities and at different levels, have required the issuance of concepts involving those aspects that are within its competence, as well as in all those in which it is entitled to speak, and vote given the nature of its functions.

11.7. Money laundering and financing of terrorism risk management

The prevention of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction (hereinafter, AML&FT) is, above all, a constant in the objectives that BBVA Colombia connects with its commitment to improve the different social environments in which it operates.

For BBVA Colombia, preventing its products and services from being used for criminal purposes is also an essential requirement for preserving corporate integrity and one of its main assets: the trust of the people and institutions with which it has relationships (customers, employees, shareholders, suppliers, etc.) on a daily basis.

For such purpose, BBVA Colombia, as member of a global financial group with branches and subsidiaries operating worldwide, has a corporate risk management model that encompasses all compliance issues (see description in the Compliance System section).

This model not only takes into consideration Colombian regulations, but also incorporates the best practices of the international financial industry in this area, as well as the recommendations issued by international organizations such as FATF (Financial Action Task Force).

In addition, it should be noted that AML&FT's risk management model is constantly evolving and is subject to continuous independent review.

In particular, the risk analyses carried out make it possible to reinforce controls and establish, if necessary, additional mitigating measures to strengthen the model.

During 2020, BBVA Colombia has continued to strengthen the aforementioned model, for which it carried out important actions focused on preventing funds of illicit origin from accessing and using the financial system. The following activities stand out:

- The database of shareholders/beneficial owners of legal entities continued to be populated, and follow-up was carried out by banking, achieving an acceptable percentage of database population.
- A database was designed and implemented to facilitate the management of half-yearly control monitoring and the corresponding risk and control survey.
- A complete review of sources, methodologies and models for segmentation of LAFT risk factors was carried out and the risk level based on the segmentation was integrated into the calculation of the entity's consolidated risk profile.
- The new methodology for the valuation of the Employee ML/FT Risk Factor was implemented, which is part of the Entity's Consolidated Risk valuation.
- The Area's internal process management application was strengthened, automating sources and establishing controls in the tool to guarantee the integrity and traceability of management in each of the operating lines.
- The requirements of the Colombian Superintendency of Finance and the information requirements of the State's investigative agencies were met in a timely manner.
- Specific controls are maintained to identify and prevent possible transactions related to Virtual Currencies.

- Local monitoring scenarios were designed to detect possible terrorist financing operations.
- The operation of credit and debit cards issued abroad in own ATMs located in Colombia was monitored and a new criterion for reporting suspicious transactions was established. Additionally, a local monitoring scenario was designed to follow up on the operation of own cards using ATMs located abroad.
- The Annual Training Plan was carried out for all the Bank's staff, mainly through virtual channels. During the year, new training contents were developed in the different areas of the Compliance Function according to the risk level of the employees.
- The SARLAFT Basic Course was updated, which must be taken by all persons joining the entity.
- The AML-MIS corporate report was adapted to comply with European Union Delegated Regulation 219/758 of the European Commission.
- The action plans of the control entities were implemented within the established deadlines.
- Special quarterly risk analyses were conducted for specific groups: customers with activities related to Medical Cannabis, Gold Trading and Gambling.
- We participated in the review of risks and controls aimed at updating the matrices of the area and their adaptation, in accordance with corporate guidelines, in order to align them with the methodological criteria, structures and new tools implemented in the entity.
- Synthetic indicators were implemented for the management of suspicious activities and customer documentation.
- Actively participated in the Admission and Operational Risk and Product Governance Committee, issuing concepts for new products and services, mainly in digital channels, in order to ensure compliance with applicable SARLAFT regulations.

- As a result of the issuance of the regulations related to the health emergency situation, support was provided in the processes of verification of PAEF applicants and review of clients registered in mass processes for pensioners.
- Upon the issuance of External Circular 027 of 2020 of the Superintendency of Finance of Colombia, which conveyed the “Instructions related to the money laundering and financing of terrorism risk management”, an analysis was made to establish the main impacts and its implementation (September 2021) was approved by the Regulatory Projects Committee.

Legal status of BBVA Colombia

1. Disclosure and control of financial information (Art. 47 of Law 964 of 2005)

BBVA Colombia's Management maintained adequate disclosure, monitoring and control systems for financial information during 2020, relying on the control and monitoring systems and processes implemented by the Bank and areas specialized in risk management, all of which is aimed at ensuring that the financial and accounting information is presented in an adequate manner and in compliance with legal requirements.

Specifically, the financial information prepared by BBVA Colombia is subject to an Internal Control System (ICS), to provide reasonable assurance of its reliability and integrity and ensure that transactions are performed and processed in accordance with the criteria established by the applicable local regulations, by corporate policies and by the Senior Management of BBVA Colombia. The ICS -which is described in section 2.15.3 "Operation of the Internal Control System" of this report- was developed by the Group's Senior Management, in accordance with the international standards established by the "Committee of Sponsoring Organizations of the Treadway Commission" (hereinafter, "COSO"), which establishes five components on which the effectiveness and efficiency of the internal control systems must be based:

1. Establish an adequate control environment for the follow-up of all these activities.
2. Evaluate all the risks that an entity could incur in the preparation of its financial information.
3. Design the necessary controls to mitigate the most critical risks.

4. Establish adequate information circuits for the detection and communication of weaknesses or inefficiencies in the system.
5. Monitor such controls to ensure their operability and the validity of their effectiveness over time.

In compliance with the aforementioned policies, mechanisms were defined for the analysis and control of accounting information systems, among which the following stand out:

- The purpose of the Accounting Incidents Committee is to review, analyze and evaluate the impacts on accounting circuits arising from failures in IT processes and identify solutions to mitigate operational and legal risks.
- The Strategy, Governance and Culture area has among its functions the control, monitoring and alerts on issues related to accounting and financial information management. In addition, there is an exclusive position for the inspection of information reports to control entities, in order to improve the interface mechanisms and the extraction of accounting information in a more agile and secure manner.
- Internal Audit constantly evaluates the effectiveness of the procedures and controls established for the operation of the information systems of BBVA Colombia. In this regard, it indicates that the information system is adequate and secure, and that plans have been implemented to address the recommendations for improvements identified, without evidence of a significant risk to the Entity.

Finally, taking into account the evaluations and controls performed on the accounting and financial information systems, the Board of Directors and Management of BBVA Colombia have verified that

the information disclosure and control systems reasonably comply with the quality, sufficiency and timeliness of the financial information of the BBVA Colombia Group.

2. Intellectual Property and Copyright

In accordance with the provisions of article 47 of Law 222 of 1995, as amended by Law 603 of 2000, BBVA Colombia strictly complied with the legal provisions related to intellectual property and copyrights for the different services, products and operations. Regarding the trademarks and other intellectual property used by the Entity, we have the ownership or the appropriate licenses and authorizations to exploit them.

With respect to the software installed, in use or in the possession of BBVA Colombia, it has the corresponding licenses and controls have been implemented so that the processes of purchase, development, installation, adaptation and maintenance of the software comply with the legal requirements on copyright, privacy and electronic commerce.

The Internal Control and Operational Risk areas, as well as the business and audit areas, have evaluated and monitored the status of compliance with intellectual property and copyright regulations, in accordance with the methodology established for such purpose, to mitigate the materialization of the respective risks. On the other hand, in compliance with the provisions of Circular Letter 016 of 2011 of the Superintendence of Finance of Colombia, it is stated for the record that the evidence of these evaluations is contained in the tools and worksheets used by the Internal Control and Operational Risk unit, for the development of its function.

3. Evaluation of other reports

BBVA Colombia declares that in accordance with the provisions of Article 57 of Decree 2649 of 1993, the information and statements contained in the Financial Statements, both individual and consolidated, have been duly verified and obtained from the Bank's accounting records, do not

contain material defects or errors and have been prepared in accordance with the applicable accounting standards and principles.

Likewise, it states that the other reports required by Article 446 of the Code of Commerce are disclosed in the Financial Statements and the Notes thereto.

Finally, it is stated for the record that BBVA Colombia does not limit the free circulation of invoices issued by suppliers or vendors, in accordance with article 87, paragraph 2 of Law 1676 of 2013.

Internal Control and Operational Country Risk

BBVA has a general risk management and control model appropriate to its business model and its organization, which allows it to develop its activity within the framework of the risk management and control strategy and policy, as well as to adapt to a changing economic and regulatory environment. The Internal Control and Operational Country Risk area is in charge of defining the instruments, methodologies and procedures for the entity to effectively manage operational risks, in accordance with the guidelines, stages and elements set forth in the local regulation of operational risk and internal control, particularly in Chapter XXIII of the Basic Accounting and Financial Circular and in Section I, Title I, Chapter IV of the Basic Legal Circular.

The internal control and operational risk management model is based on the regulatory definition, which establishes that Operational Risk “is the possibility that the entity incurs operational losses due to deficiencies, failures or inadequate functioning of processes, technology, infrastructure or human resources, as well as the occurrence of external events associated with them, including legal risk”. It has an anticipatory and preventive approach (ex ante) of the analysis of the causes for its mitigation, and another one that measures the consequences (ex post), through the effectiveness of the established controls, to define cross-cutting action plans and achieve a continuous improvement of the control environment.

1. Governance Model

Corporate Assurance Committee: Its main function is to have a comprehensive and homogeneous vision of the situation of the main non-financial risks and relevant situations of the control environment. Knowledge of the above allows it to make decisions in an agile and proactive manner to

implement measures to mitigate such risks, or to assume them within the Group's appetite thresholds.

Operational Risk Admission and Product Governance Committee: Aims to ensure the proper evaluation of initiatives with significant operational risk (new businesses, products, outsourcing, process transformation, new systems, among others) from the perspective of operational risk and the approval of the proposed control environment.

Area Internal Control and Operational Risk Committee: Its purpose is to ensure the correct implementation of the operational risk management model in the areas and to promote its active management, making mitigation decisions in the event that control weaknesses are identified and monitoring them.

During 2020, BBVA Colombia has continued to strengthen the aforementioned model, for which important activities were carried out, among which the following stand out:

- The Internal Control and Compliance Unit was created, which reports directly to the Executive President's Office and has a functional report with the Regulation and Internal Control Holding Department. This new unit was incorporated into the sessions of the Bank's Management Committee and is responsible for directing BBVA's second line of defense in Colombia and for promoting the global model of management and control of non-financial risks in the jurisdiction.
- The Third-Party specialty continued to transform and introduce governance elements, controls in the outsourcing flow, specific control frameworks, best practices based on the guidelines required by the EBA (European Banking Authority) and training in order to anticipate risks, provide greater assurance and anticipate regulatory requirements.
- The Process Specialty (RCS) was incorporated, which mainly covers risks due to deficiencies in design, delivery of products and services, unauthorized activities performed by employees and data governance.

- The resourcing process was continued and the RCA and RCS teams were formed and/or reinforced. This made it possible to activate the necessary levers to support the entity's operational transformation during the pandemic, to maintain recurrent follow-ups of the main risks identified in the processes, their mitigation measures and to strengthen the evolution of the three lines of defense control model.
- The operational risk appetite was monitored through the operational risk appetite indicator (ORA) as well as different management limits associated with relevant risks, with follow-up in different committees, Board of Directors and corporate bodies.
- As for management tools, progress was made in several milestones aimed at transforming them through the integration of the risk and control model and the admission of operational risks, bringing with it the updating of the methodological components of risk management, which will be further deployed in the next fiscal year.
- In relation to the culture for risk prevention, in conjunction with the Talent & Culture area, training activities were carried out for the entire headcount (Bank and Subsidiaries). Since November 2019, the virtual course "The Legal Challenge" (executed in 2020) was made available to employees, and as of December 2, the new virtual course "The Legal Mystery" was launched, to be executed in 2021. SARO training to third parties (Outsourcing) was carried out through Asobancaria and terminated in September with the participation of the entity as an expert trainer.

2. Internal Risk Control

The Internal Risk Control area acts as a control unit in the activities of the Risk area. In this sense, it verifies that the regulatory framework and the management and control measures established are sufficient and adequate for each type of financial risk. It also controls their application and operation and confirms that the decisions of the Risk area are made independently of the business lines. In

addition, in the new control model implemented, it acts as a control specialist (RCS) to establish the mitigation and control frameworks, as well as to challenge the non-financial risks assigned to its area.

It has the following divisions:

CIR Processes: It is responsible for reviewing that the operation of the financial risk control and management processes is adequate and in accordance with the regulations, detecting possible opportunities for improvement. For this purpose, it has a main work methodology through assessments framed in each type of risk, Credit, Issuer, Counterparty, Liquidity, IFRS9, among others, and with coverage in the Bank and Subsidiaries where such types of risks are originated and managed.

Technical Secretariat: It is responsible for promoting the consistency and completeness of the regulations, coordinates the definition and structure of Risk Committees, contrasts their application and proper functioning; in this sense, the work in the Risk area is framed on nine (9) committees established for decision making on financial risk management in terms of: policies, processes, regulations, new products and credit admissions of customers in all segments.

Internal Validation: Its main function is to independently contrast the models of the Risk area, to ensure their accuracy, robustness and stability; for this purpose, an annual plan is established to cover the models focusing on the regulatory models and those of greater relevance and/or materiality. In any case, the full coverage of the models should be ensured.

In the management for the year 2020, characterized by the COVID-19 contingency, a follow-up and assurance methodology was established through a dashboard and contrast activities on the processes derived from the crisis, mainly on issues such as: management of credit relief (SFC External Circulars 007 and 014), new credit sourcing, National Government programs through the National Guarantee Fund for loans to SMEs and Companies, SFC External Circular 022 - Debtors' Assistance Program (DAP), among others.

3. Operation of the Internal Control System (ICS)

Below is the report on the ICS prepared by the Audit Committee, in accordance with paragraph 6.1.2.1, Chapter IV, Title I, Part I of the Basic Legal Circular of the SFC.

4. General policies established for the implementation of the entity's ICS

BBVA has a corporate internal control model, which main purpose is aimed at reinforcing the scope of action of the Internal Control and Country Operational Risk unit (Non-Financial Risk - NFR), the Risk Control Specialists (RCS), areas that make up the second line of defense (2LoD), and the Front Line, business units that make up the first line of defense (1LoD), which execute and support the processes of identification, monitoring and mitigation of operational risks. This model is based on the principles of self-control, self-management and self-regulation, complemented by the BBVA Code of Conduct approved by the Board of Directors.

The application of the model is based on anticipatory management, allowing control and business decisions to be made, under the protection of three lines of defense in line with the best international practices, as follows:

First line: Composed of the Business and Support Areas, responsible for the management of operational risks in their products, activities, processes and systems, as well as for the identification and evaluation of operational risks, for which they must implement controls and mitigation plans for such risks with a residual level higher than the affordable one. To support the units in risk management and ensure a control environment within them, there is a Risk Control Assurer (RCA).

Second line: Composed of Internal Control and Operational Country Risk, Compliance and the Risk Control Specialists - RCS (Risk, Finance, Processes, Technology, Legal, Third Party, Talent and Culture,

and Responsible Business), who are in charge of identifying and defining the control and mitigation frameworks in the area of their specialty and of contrasting it with the one implemented by the first line. They act in a transversal manner, exercising their function in those areas where the operational risks specific to their field may materialize.

Third line: Performed by Internal Audit, which carries out an independent review of the management model.

The internal control model is coordinated, at the corporate level, from the Internal Control and Regulation Department and at the local level from the Internal Control and Compliance Unit, responsible for directing BBVA's second line of defense in Colombia and for promoting the global model of management and control of non-financial risks in the country, reporting directly to the Executive Chairman's Office.

In the business or support areas there are RCAs that are part of the Front Line of the 1LoD and are responsible for ensuring adequate operational risk management in their respective areas, extending the risk identification methodology, establishing controls and promoting mitigation measures.

5. Process used for the review of ICS effectiveness

The evaluation of risks and the effectiveness of their controls is based on Senior Management's knowledge and understanding of the business and the operating process under analysis, taking into account both quantitative materiality criteria, likelihood of occurrence and economic impact, and qualitative criteria associated with the type, complexity, nature of the risks or the structure of the business or process itself.

The internal control risk identification and evaluation system is dynamic and evolves continuously over time, always reflecting the reality of the business, changes in operating processes, the risks that

affect them and the controls that mitigate them. All this is recorded in the Storm corporate management tool, where the processes, risks and controls managed by the different control specialists (RCS) are documented.

Additionally, Internal Audit annually issues its opinion on the effectiveness of the ICS. Regarding the year 2020, Internal Audit reported that the ICS implemented by the Bank reasonably complies with the criteria established by the Financial Superintendency of Colombia in Chapter IV, Title I, Part I of the Basic Legal Circular and that the improvement plans established by the Bank to mitigate risks identified in the evaluations carried out during 2020 are implemented or in the process of implementation.

Responsible Banking

GRI 103-2 • GRI 103-3

BBVA has a differential way of banking based on the purpose of making the opportunities of this new era available to all, always acting under its corporate values, and with the objective of generating a positive impact on the lives of people, companies and society as a whole.

A commitment to responsible banking and the creation of long-term value for all stakeholders is reflected in the Bank's various policies and, most particularly, in the General Sustainability Policy and the Corporate Social Responsibility Policy. Both policies define and establish the general principles, main objectives and management and control guidelines followed by the Group:

- In the General Sustainability Policy on sustainable development, seeking to achieve a balanced approach to economic development, social development and environmental protection.
- In the Corporate Social Responsibility (CSR) Policy for managing responsibility for BBVA's impact on people and society.

These two policies were approved by the Board of Directors in 2020. In the case of the General Sustainability Policy to precisely define BBVA's aspiration by defining sustainability as a strategic priority. In the case of the Corporate Social Responsibility Policy to update it to the evolution of the expectations of all its stakeholders and the Bank's strategy.

All business and support areas of the Group integrate such two policies into their internal regulations and activities. The Global Sustainability Office (GSO) and the Responsible Business department coordinate their implementation and work to support them respectively.

BBVA will follow the general principles of action in matters of corporate social responsibility stated below:

1. Orientation to generate positive impact on society.
2. Respect for the dignity of persons and their inherent rights.
3. Community investment
4. Involvement as an agent of social change.

It will also develop its activities in the field of sustainability and corporate social responsibility based on the following general principles, which it already applies in its various management policies:

1. Integrity
2. Prudence in risk management
3. Transparency
4. Achievement of a profitable and sustainable business in the long term.
5. Long-term value creation for all stakeholders.
6. Compliance with applicable legislation at all times.

1. Products with high social and environmental impact

BBVA-2 • BBVA-3 • BBVA-4
BBVA-5 • GRI-FS1 • GRI-FS14
GRI 201-2 • GRI-203-1

One of the strategic priorities of the Responsible Banking model has to do with high social impact products, which are developed as financial products and services that integrate differential social and environmental attributes.

The objective is to integrate differential social and environmental attributes into the products and initiatives that are part of the Bank's daily activity. In this way, in addition to the social impact generated by the ordinary activity, products and services with a higher social and environmental impact can be designed.

Said products include those that favor sustainability, financial inclusion, those for individuals with special needs, among others.

1.1. Sustainable finance products

GRI-203-1

Sustainable finance products are instruments that channel funds to finance customer transactions in sectors such as renewable energy, energy efficiency, waste management, water treatment, as well as access to social goods and services, such as housing, education, health and employment. BBVA wants to contribute to creating the capital mobilization needed to curb climate change and achieve the SDGs established by the United Nations.

In 2020 BBVA launched in Colombia a portfolio of sustainable financial products in which mortgage loans for families and housing leasing and financing for builders who develop sustainable housing and loans for the acquisition of electric and hybrid cars and electric motorcycles stand out.

Thus, in sustainable housing, BBVA disbursed loans for \$1.036 billion to builders and families; in loans for hybrid and electric vehicles, the disbursements were close to \$35 billion.

Among other results of last year, BBVA issued an endorsement line for more than \$290.42 billion for the construction, operation and maintenance of the first line of the Bogotá subway. The operation was the result of a joint effort between the BBVA Asia and Colombia teams.

Additionally, it issued a guarantee to the company Tigo (Colombia Móvil SA ESP) for \$161.2 billion for the execution of one of the radioelectric spectrum blocks authorized by the Ministry of Information Technologies (MinTic) in the auction held in February 2020. The project contemplates the expansion of 4G internet and telephony coverage in approximately 400 municipalities in rural areas of the country that did not have this service.

BBVA also developed other sustainable products such as green loans for the company Colombina, to which it disbursed long-term resources for more than \$45 billion; working capital loans to Nestlé, for more than 115 billion pesos; and it also opened a social confirming line for the company Jerónimo

Martins, which will allow the suppliers of this supermarket chain to access advance resources for more than \$26 billion.

Key figures

- Financing of hybrid and electric vehicles: \$34.9 billion
- Sustainable Housing: \$1.036 billion
- Guarantees: Metro de Bogotá \$290.4 billion
Colombia Móvil SA: \$161.2 billion
- Leaseback: BIOS Group - \$39.5 billion
- Confirming: Jeronimo Martins - \$26 billion
- Working Capital: Nestlé - \$115 billion
- Long-term financing (KPI Link loan): Colombina \$45 billion

1.2. Fundación Microfinanzas BBVA

Within the framework of its commitment to financial inclusion, the Fundación Microfinanzas BBVA was created in 2007, a non-profit organization whose purpose is to promote the sustainable development of people in vulnerable situations who are involved in productive activities. Through Productive Finance, its specialty and methodology, it seeks the development of such people, to whom it offers personalized assistance, bringing a complete range of financial products and services to their homes and businesses, as well as training and advice on the administration and financial management of their small businesses.

In 2020, despite the crisis generated by COVID-19, FMBBVA has continued its work and has remained close to the more than 2.6 million entrepreneurs it serves thanks to the digital transformation process,

which it had initiated years ago. Fifty-seven percent of them are women, which contributes directly to reducing gender inequality and adds to the ongoing efforts of FMBBVA to reach the most remote and needy geographic areas.

Since its incorporation, the entities of the Fundación Microfinanzas BBVA have disbursed an aggregate volume of US\$ 15,224 million in Latin America to people with few resources for the development of their productive activities (2007-2020) and has become the largest private philanthropic initiative in the region. According to OECD statistics, which collect data from more than 30 of the world's largest foundations, FMBBVA is the international leader in contribution to development, second only to the Bill & Melinda Gates Foundation (gross disbursements 2017-18).

Under the name "Measuring what really matters", the Foundation publishes its annual Social Performance Report, which summarizes the social and economic impact of its activity on the lives of the entrepreneurs it serves and whose ultimate goal is to become a reference to improve the service and support provided to them. This system for measuring social impact has been highlighted by the UN and the OECD and has become a benchmark for the sector.

In Colombia, Fundación Microfinanzas is present through its entity, Banco de las Microfinanzas Bancamía with the purpose of improving the quality of life of low-income families in urban and rural areas of the country who have difficulty accessing formal banking. Bancamía offers them financial and non-financial products and services tailored to their needs, including microcredits for productive activities, savings accounts, long-term deposits, insurance (operated by third parties) or international money transfers, channels and services such as mobile banking and financial education. At year-end December 2020, Bancamía served 1,422,185 people (57% women). Forty-four percent of the microentrepreneurs with credit at Bancamía live in rural areas.

The Foundation's mission and methodology have been recognized on several occasions by the United Nations for their contribution to the Sustainable Development Goals (SDGs) of the 2030 Agenda; in

fact, these directly impact SDG 1, eradicate poverty; SDG 2, end hunger and promote sustainable agriculture; SDG 4, promote inclusive education; SDG 5, achieve gender equality; SDG 6, promote access to water and sanitation; SDG 8, promote sustainable and inclusive economic growth and decent work; SDG 10, reduce inequality; SDG 11, sustainable cities and communities; SDG 12, responsible production and consumption; SDG 13, take action to combat climate change and its impacts; SDG 16, promote peace; and SDG 17, enable partnerships to achieve the goals, among others.

In 2016, the United Nations Economic and Social Council, ECOSOC, granted FMBBVA consultative status, a recognition of the Foundation's work in its field of action: microfinance for development. In this regard, FMBBVA participates in various meetings at the UN to recommend actions that contribute to sustainable development.

During 2020:

The FMBBVA participated in the XIV Regional Conference on Women in Latin America and the Caribbean of the United Nations Economic Commission for Latin America and the Caribbean, in the XXXVI Regional Conference of the FAO -Food and Agriculture Organization of the United Nations- for Latin America and the Caribbean and in the forum "Solutions to climate change five years after the Paris Agreement in Latin America and the Caribbean" organized by the UN Environment Program.

H.M. the Queen of Spain presided over the event "Persistent women: challenges and achievements to reinvent themselves in times of crisis", organized by the FMBBVA, with the participation of a Colombian entrepreneur assisted by Bancamía.

The FMBBVA participated, at the invitation of the OECD, in the Leading Foundations Roundtable with the Secretary General, the annual event on Private Finance for Development, the Global Environment Forum and other important events organized by this organization.

Bancamía and BBVA Colombia awarded 5 university scholarships to daughters of low-income microentrepreneurs served by Bancamía.

Bancamía organized together with the United States Agency for International Development (USAID), Corporación Mundial de la Mujer Colombia and Corporación Mundial de la Mujer Medellín the event “Empropaz transforming realities in the territories”, in which the results of the first two years of the Empropaz program were presented; also, with Mapfre Colombia they organized an event for the launch of the agricultural insurance “Mi siembra protegida” (My protected sowing).

FMBBVA’s work was recognized with the 2020 Ibero-American Award, granted by ASICOM together with the University of Oviedo (Spain). In addition, it was awarded in the 2020 Go! SDG Awards of the Spanish Network of UN Global Compact in SDG 5 for its women’s empowerment strategy.

Bancamía was recognized by Fintech Americas for financial innovators, and granted the Iconic Companies Creating a Better World for All Award by the Women Economic Forum, the CEMEX-TEC 2020 Award for the best Collaborative Action and the Andesco 2020 Award for Sustainability in the environment. It also received an award from Asobancaria in the “Social Dimension” category for “Bancamía Digital”, an award for the best communication piece for the Nosotros con Ellas initiative, in the PAR Aequales 2020 Ranking, and the Portafolio Award in the Customer Service category, for digitalization and customer service amid the pandemic.

Looking ahead to 2021, the Foundation will continue working to contribute to a sustainable and inclusive recovery. It will continue to deepen its scale and scope with an expanded value proposition for the progress of its entrepreneurs, through technology and digitalization as tools for development, in addition to improving efficiency, processes and leveraging synergies.

1.3. Banking Correspondents

In 2020 we continued to leverage the alliances we have made with networks with nationwide

coverage; today we have more than 17,803 correspondent points with a transactional growth of +25% versus the previous year.

With correspondents such as Baloto and Tiendas ARA, which this year achieved a 40% share of the channel's total transactions.

In 2020 alone, there were 2,323,406 transactions worth \$1.108 billion.

Our customers can also find us in regional allies such as Paga Todo with 544 points in Cundinamarca, and EDEQ in 18 points in Quindío, where transactions such as: Collections, credit card payments and BBVA loans, deposits to accounts and withdrawals are enabled..

1.4. Support for individuals with special needs



“Heroes” affinity card: BBVA continued to strengthen the commercial relationship with active and administrative members of the National Police and the Colombian Armed Forces, making their goals easier to achieve, through preferential products and services in payroll, savings, credit cards and other products for active and passive members. In 2020, more than 30,000 new customers became part of the Héroes portfolio, ending with 78,096 cardholders and purchases of more than \$53.5 million. The portfolio, apart from promoting the new Héroes Credit Card exclusively for this group, is focused on promoting products such as savings, payroll and leveraged loans; it also promotes the use of our transactional channels such as BBVA Móvil, BBVA Net, among others.

At year-end 2020, the BBVA Heroes Program, in agreement with the Ministry of Defense, has contributed more than \$321.5 million through the Matamoros Foundation.

World Vision co-branded credit card: This is an international humanitarian NGO dedicated to aid, development and advocacy for children, families and communities in situations of poverty and injustice. BBVA Colombia and World Vision have developed an alliance to provide a better future for

Colombian children, through a credit card through which, for each purchase, BBVA Colombia donates 0.5% of the interest received to support the World Vision Program, with a contribution of \$31M in 2020, the year in which customers who have the World Vision card supported Colombian children. Currently, there are more than 20,000 cardholders.

2. Management of environmental impacts and risks

GRI-102-12 • GRI-FS1
GRI-103-2 • GRI-103-3

BBVA approaches environmental and social risks from the perspective of impact prevention and mitigation. To this end, it uses tools such as the Environmental and Social Framework and the Equator Principles, which have an environmental and social focus and are described below. The management of the impacts generated by customers on the environment is part of the 2025 Commitment. To manage them, BBVA has implemented a series of initiatives and tools.

3. Environmental and Social Framework

In 2020, the Environmental and Social Framework for Due Diligence in the Mining, Agribusiness, Energy, Infrastructure and Defense Sectors was approved, which integrates and involves the revision of the previous Sector Standards (approved in 2018) and the Defense Performance Standard (existing since 2012).

In line with previous regulations, this Framework provides guidance for decision making in relation to operations and clients operating in such five sectors (mining, agribusiness, energy, infrastructure and defense) as they are deemed to have a greater social and environmental impact.

To ensure the effective implementation of this Framework, BBVA has an independent external expert. This Framework is public and is available on BBVA's shareholder and investor website. With the assistance of such external expert, BBVA performs enhanced due diligence on its customers and

operations to mitigate the risks associated with said sectors and contribute to compliance with the Group's General Sustainability Policy and Corporate Social Responsibility Policy.

For the revision of the Framework, new market trends in this area, stakeholder expectations and the strengthening of implementation procedures have been considered.

Among the most important changes of the 2020 revision is the restriction of the application of the exceptions contemplated in mining and energy for countries with high energy dependence, only to cases of clients or projects already existing or under construction.

In addition, the threshold for the exclusion of customers with high exposure to coal has been lowered from 35% to 25%, applicable to both extractive and power generation activities.

In addition, the prohibition related to oil sands has been extended to any activity of customers with this type of fuel that does not have a diversification strategy and where this activity represents more than 10% of total production.

Finally, new prohibited activities have been added to projects such as deep-sea mining, Arctic oil and gas transportation (which complements the existing one on Arctic oil and gas exploration and production), as well as large dams that are not built under the World Commission on Dams (WCD).

4. Equator Principles

GRI-102-11

Energy, transportation and social services infrastructures, which drive economic development and generate employment, can have an impact on the environment and society. BBVA's commitment is to evaluate the financing of these projects to reduce and avoid negative impacts and thus enhance their economic, social and environmental value.

All project financing decisions should be based on the criterion of principled cost-effectiveness. This

implies meeting the expectations of stakeholders and the social demand for adaptation to climate change and respect for human rights.

In line with this commitment, since 2004 BBVA has adhered to the Equator Principles (EP), which include a series of standards for managing environmental and social risk in project finance. The EPs were developed based on the International Finance Corporation (IFC) Policy and Performance Standards on Social and Environmental Sustainability and the World Bank's General Guidelines on Environment, Health and Safety. These principles have become the benchmark for responsible financing.

Project analysis consists of submitting each operation to an environmental and social due diligence process. The first step consists of assigning a category (A, B or C) that represents the project's risk level. The review of the documentation provided by the client and the independent advisors makes it possible to assess compliance with the requirements established in the EPs according to the project's category. Financing contracts incorporate the customer's environmental and social obligations. The application of the SPs in BBVA is integrated into the internal processes of structuring, approval and monitoring of operations and is subject to periodic controls by the Internal Audit area.

BBVA has reinforced due diligence procedures associated with the financing of projects whose development affects indigenous communities. When this circumstance arises, the free, prior and informed consent of such communities must be obtained, regardless of the geographical location of the project.

In 2020, the fourth version of the SPs came into force. This update, after an extensive public consultation period, incorporates new and more demanding requirements in the review of projects in relation to human rights and climate change. BBVA has actively participated in the updating process and its contribution over the last few years has been recognized with a new mandate on the Steering Committee of the Equator Principles Association.

5. Eco-efficiency

GRI-FS1 • BBVA-10 • GRI-306-1 • GRI-306-2
GRI-301-1 • GRI-302-1 • GRI-303-1 • GRI-305-1
GRI-305-2 • GRI-305-3

In order to reduce its environmental footprint, BBVA is promoting the Global Eco-efficiency Plan (GEP) 2016-2020. This plan seeks to position itself among the world's leading entities in eco-efficiency by supporting the commitment to responsible banking and taking advantage of the economic benefits derived from an optimal operation of the properties. This policy considers compliance with environmental standards, ecological risk management and sustainable development commitments. In this sense, BBVA conducts its operations by controlling environmental risk, minimizing negative impacts, enhancing sustainable opportunities, and advancing in environmental protection.

6. Environmental Management System

In Colombia, the headquarters and four other buildings in Bogota were certified with the ISO 14001 standard, as environmentally sustainable for the period 2018-2020, thus benefiting 32.6% of its collaborators who support the operation in these facilities. Because of the COVID-19 pandemic, there was a reduction versus the previous year, considering that the administrative employees worked in Home Office mode and those who were inside the facilities complied with the 2m x 2m distance biosafety standard.

7. Training and environmental awareness

We continued to comply with the social and environmental policies and procedures applicable to the business lines.

- Assignment of a recycling expert, who is in the collection center of the Headquarters and is responsible for reviewing the material submitted, separating the waste by type and generating a report to analyze the employees' cultural evolution in waste disposal. The report is used to feed the "Ecological Traffic Light", which is a rating reported through internal communication and

notices located on each floor, as follows: Green: excellent waste management, Yellow: good waste management and Red: poor waste management.

- Compaction of non-recoverable waste to reduce the environmental impact in the Headquarters building.
- Awareness campaigns with employees of certified buildings to improve waste separation at source.
- BBVA Colombia continues changing air conditioners in the offices and administrative main offices of the regional offices, as a commitment to reduce CO2 emissions and energy consumption, in the latter case, the lightings have also been replaced with LEDs.

8. Ecoefficiency Data

2020

Material	Recycled type	Jan	Feb	Mar	Apr	May	
Archive	paper	455	512	346	252	197	
Cardboard		232	268	156	210	125	
Newspaper		49	27	35	-	-	
Folding		216	126	92	26	41	
Pet	plastic	175	105	120	88	56	
Plastic		68	45	41	31	27	
Glass	glass	225	1,264	146	62	34	
Scrap	other		33			2,093	
Toner						337	
Batteries	Hazardous	-	168	-	800		
WEEE							
Total weight in Kilos		1,42	2,548	936	1,469	2,91	

The Bank continued to join the Earth Hour global event in which the buildings of the General Directorate, Media, Mortgage Center, Teusaquillo and the Territorial Directorate of Cali were completely shut down as a symbol of commitment to the environment, as well as the strengthening of internal communication to continue raising awareness among employees in the responsible use of water, paper, energy and toner.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	216	3,229	237	209	1,7	1,334	1,902	10,589
	484	331	165	105	512	167	540	3,295
	-	-	-	-	-	-		111
	208	421	36	47		165	900	2,278
	62	46	80	19	42	48		841
	28	183	29	21	40	3		516
	513	448	2	20	26	9		2,749
	7,189	2,469	8	294		35		12,121
	-	-	-	-	598	6		941
								968
	10,146							10,146
	18,845	7,127	557	715	2,918	1,767	3,342	44,554

9. Main consumption indicators in BBVA

Concept	2020	2019
Paper consumption (Kg)		
Total paper consumption	204,384	259,287
Consumption per employee	22	32
Energy consumption of the organization (MJ)		
Diesel fuel consumption	1,934,240	2,009,454
Power consumption	64,754,552	94,714,621
Total consumption	66,688,792	96,724,075
Water consumption (m3)		
Total consumption	251,665	164,749
Consumption per employee	26	20
Waste managed (kg)		
Paper waste	16,273	8,380
Other wastes	28,281	50,241
Scope 1 emissions (tons of CO2 equivalent)		
Emissions from diesel consumption	135	141
Total	135	141
Scope 2 emissions (tons of CO2 equivalent)		
Emissions from electricity consumption	2,900	3,552
Scope 3 emissions (tons of CO2 equivalent)		
Emissions from air travel for trips of less than 500 km	245	999
ISO 14001 Certification		
Number of people working in certified buildings	3,100	2974
Percentage of total headcount	32.6%	36.3%

Paper consumption: Strategies have been implemented to reduce the stationery budget by 25% for the office network and in central areas no requests for orders have been authorized.

Water Consumption: The methodology for calculating indicators is adjusted, which consists of extracting a real sample of the historical bill in major cities (60% of all offices in the country), taking only the water consumption, generating an impact on the increase in consumption in M3.

Paper waste: All types of waste generated (file, cardboard, newspaper and folding paper).

Other Waste: Due to the COVID-19 pandemic, the Bank decided to change the work modality to Home Office for the administrative areas, thus reducing the generation of usable waste.

10. Investment in social programs

BBVA-1



In 2020 BBVA invested in Colombia \$7.081 bn to develop their Corporate Responsibility projects, benefiting more than 536.000 people.

In the face of the emergencies caused by COVID-19, the passage of Hurricane Iota through the San Andres archipelago and the winter wave that affected several departments of the country, BBVA had to focus its efforts on responding to the different population groups that at the time required food aid, biosafety equipment and intensive care units, among others.

And although most of the Corporate Responsibility budget was allocated to respond such emergencies, BBVA continued to support some initiatives focused on higher education through scholarships, entrepreneurship, financial education and environmental care, among others.

10.1. Pandemic Emergency Response

Food aid: From the first moment of the emergency decreed by the National Government after the arrival of COVID-19 in the country, BBVA joined the campaign 'Ayudar nos hace bien' (Helping is good for us) led by the office of the First Lady of the Nation and coordinated by the Fundación Solidaridad por Colombia. The objective is to provide food aid to the most vulnerable communities in the country. As part of this campaign, the Bank delivered more than 32,000 markets in 170 municipalities in Colombia, benefiting more than 130,000 people.



In addition, as part of this campaign and to raise funds, BBVA made available to its customers the Bank's transactional channels, which include the ATM network throughout the country, the PSE payment button on its website and the option of transfers from cell phones using the BBVA Mobile app. This made it possible to collect more than \$240 million, which were destined to deliver food aid to indigenous and peasant families living in Bogotá and other municipalities of the country in a situation of displacement.

On the other hand, BBVA Fiduciaria created the “BBVA Digital Solidarity Fund”, through which it allocated the resources corresponding to the administration of the funds opened digitally between May and August 2020, to meet the needs of families affected by the pandemic. More than 20,000 customers were involved in this initiative, which raised more than \$158 million delivered to the Departmental Network of Chocóan Women, which acquired 800 markets to deliver to the same number of families throughout the department, especially in the municipalities of Quibdó, Lloró, Tadó and Tutunendo.

Biosafety for doctors and hospital staff: BBVA delivered 10,000 biosafety kits to medical personnel in more than 50 hospitals in Colombia, located in 40 municipalities throughout the country. The kits included face masks, face shields, safety goggles, gloves and an anti-fluid gown.



ICUs for Amazonia and Orinoquia: BBVA delivered through the Colombian Red Cross three intensive care units (ICUs) for the departments of Amazonas, Vichada and Guaviare, as well as complementary equipment to strengthen the existing unit in Guainía. This equipment has enabled the hospital entities to face the COVID-19 pandemic and optimize their care areas.





Emergency response to Hurricane Iota and winter wave: In November, the archipelago of San Andres, Providencia and Santa Catalina was severely affected by Hurricane Iota, a category five hurricane, which left thousands of victims and severely affected infrastructure. In addition, the strong winter generated floods, landslides and avalanches in the departments of Antioquia, Chocó, Norte de Santander, Guajira and Bolívar, among others.

In response to this new emergency, BBVA joined the Colombian Red Cross and the Fundación Solidaridad por Colombia and delivered food aid to 4,200 affected families and Christmas gifts for more than 10,000 children.

10.2. Other initiatives

Financial Education Program: In 2020, the BBVA Financial Education program in Colombia had two scenarios. The first was face-to-face training in personal finance for customers and non-customers, through the mobile classroom, in different areas of the country, between January and March. Then, it went virtual due to the expansion of COVID-19, which forced the closure of face-to-face activities.



In the first quarter of the year, 4,900 people were trained in person (auditorium and mobile classroom) and between the end of March and December, another 17,842 were trained virtually, for a total of 22,742 people trained in 2020.

Scholarships for young leaders from the Pacific: Eleven young people from the Colombian Pacific region finished their second semester classes at the Universidad Icesi in Cali, thanks to scholarships awarded by the II Fondo Juventud y Construcción de Paz, made up of BBVA, the Corporación Manos Visibles and the Universidad Icesi.

This is a program that seeks to empower youth peace-building leaders from community organizations in the Colombian Pacific region by providing scholarships to enable them to obtain undergraduate academic training, strengthen their leadership skills and receive psychosocial support.



Fundación Solidaridad por Colombia Scholarships: BBVA in Colombia continued to support a group of 17 students from the Fundación Solidaridad por Colombia, who thanks to this contribution have been able to receive training in different subjects at the School of Youth Participation, Jóvenes Solidarios.

The young people supported by BBVA belong to the municipalities of Lorica and Montería, in the department of Córdoba, who are in grade 11 and were selected in 2019 under the supervision of Bank



BBVA and Bancamía Transforming Realities Scholarships: The Transforming Realities Scholarship is an initiative in which BBVA and Bancamía have joined forces with the purpose of facilitating the academic progress of a group of microentrepreneurs' children and as a recognition of the effort, dedication, creativity and discipline of the entrepreneurs served by the Fundación Microfinanzas BBVA in Colombia, through Bancamía.

The call was attended by 610 children of microentrepreneurs who applied from 111 municipalities in Colombia. Five winners were chosen from the departments of Cesar, Antioquia, Caldas and Tolima, who will receive their scholarships in 2021.

In addition to said scholarships, Angie Hincapié, daughter of a microentrepreneur from Medellín, a Bancamía client, is supported by BBVA. In the second half of 2020, the young woman finished her third semester of medicine at the Remington University in the capital of Antioquia. This young woman, who was awarded a full scholarship, enjoys the support of the Fundación Solidaridad por Colombia, through which she receives the resources for her academic and living expenses.

Women's Entrepreneurship Forums: More than 700 people from Colombia's entrepreneurial ecosystem attended the XX Women's Entrepreneurship Forum, which was held to celebrate the International Day of Women and Girls in Science, days before the COVID-19 emergency was declared.

BBVA has been a pioneer in Colombia in supporting women's entrepreneurship and through the 20 editions of this forum, more than 5,000 women entrepreneurs in Medellin, Cali and Bogota have been impacted. They have had the opportunity to participate in the Entrepreneurial Leadership training program, through which they have strengthened their enterprises and businesses.



10.3. Initiatives in favor of the environment



United by the Zapatosa Swamp: BBVA signed an agreement with the Fundación Alma that fosters joint work for environmental recovery in the forests surrounding the Ciénaga de Zapatosa, Colombia's largest inland freshwater wetland, which in 2018 achieved Ramsar status.

Among other actions, it seeks to strengthen the work of ecological recovery of some native forest areas surrounding this swamp, particularly in the municipality of Chimichagua (Cesar). It also focuses on boosting the region's economy through the strengthening of productive projects that the communities develop in their backyards and that relate to food crops, such as bananas, cassava, corn, etc.

Recovery of the Bogotá River: BBVA has been working for several years on initiatives focused on the care of natural resources, including reforestation programs developed in several municipalities in the country, such as Sopó and La Calera, Cundinamarca, and in Melgar, Tolima.

In 2020, together with the Fundación Al Verde Vivo, the Bank focused on sowing 400 trees in the upper basin of the Bogotá River, in the municipality of Suesca. It also participated in the planting of



100 species in the main square of the municipality of Madrid, Cundinamarca.

Preservation of the moors: Similarly, in its strategic line of generating social and environmental impact, BBVA Fiduciaria launched the BBVA Páramo investment fund, with which it seeks to contribute directly to the conservation of the moors in Colombia. With this initiative, the entity will allocate 25 percent of the fund's management fees to the preservation of these ecosystems in the country. Since its launch, the fund has had an outstanding growth, closing 2020 with more than 3,000 new participants and \$100 bn in assets under management.

11. Responsible procurement

GRI-102-9 • GRI 204-1

During 2020 BBVA Colombia continued strengthening the relationship with its suppliers to guarantee an adequate supply circuit. To this end, bids are based on an approval process in which aspects such as: productive, technical, financial, legal, commercial and reputational capacity are evaluated, guaranteeing compliance with the contracted commitments, as well as validating that suppliers are guided by the Responsible Purchasing Policy, the Corporate Standard for the Acquisition of Goods and Contracting of Services and the BBVA Code of Conduct. These documents establish criteria that affect the approval process as well as the specifications and contracts. On the other hand, the Purchasing Policy was updated in everything related to the internal request process of a good or service, reducing the steps to be congruent with the Agile culture, on which the organization is focused.

The transfer of the principles contained in the Code of Conduct to the procurement function is carried out through the Principles of Application to those Involved in the Procurement Process (IPA), which are applicable to all units involved in this process, as well as to BBVA companies in Colombia.

At the same time, the Suppliers Portal was updated (it allows online interaction between BBVA companies in Colombia and their suppliers, through a collaborative environment; it covers the main scenarios of the procurement process, from the issuance of orders to the registration of invoices, and allows the electronic exchange of documents, eliminating paper documents), and consists of the following collaborative environments:

Public environment: This is a website that provides general information on the procurement process and other relevant aspects of the purchasing model, making it easier for companies that intend to offer their products and services to self-register and keep their information updated.

Private environment: Allows suppliers who are registered at www.adquira.es to operate electronically with the Bank for the integral management of the procurement cycle, covering the processes of negotiation, issuance, dispatch, receipt of orders and issuance of electronic pre-invoices.

Likewise, suppliers are now integrated into the GMI (Facilities Maintenance Management) module, a tool for preventive and corrective maintenance services for all BBVA Colombia facilities nationwide, which is now 100% implemented.

Benefits:

- Control, traceability, and visibility of the status of pre-approval and negotiation processes.
- Automatic updating of company information.
- Online management by the user areas of the orders, as well as the acceptance of the delivered goods and/or services.
- Reduction of errors as a result of process integration and automation.

- Training and integral support for portal operations.

BBVA complies with the payment commitments contractually stipulated with the suppliers of goods and services, as well as the obligations with the Tax Authorities and Withholding Agents according to the tax status of each of the suppliers at the time of settling their payment.

On the other hand, the Bank attended once again the course on Sustainable Procurement conducted by the Financial Superintendency of Colombia, in order to incorporate shared responsibility into the area's processes and thus guarantee a sustainable circuit from beginning to end.

Proportion of spending on local suppliers

GRI-204-1

Concept	2020	2019
Percentage of payment to local suppliers*	74.14%	81.29%

* Individual or legal entities that supply goods, products or services and are legally incorporated in Colombia.

Supplier information

Concept	2020	2019
Number of negotiations on-line ADQUIRA (1)	168	305
Number of requests registered in Neon	305	430
Number of requests registered by GPS (2)	862	848
Approved suppliers at year-end	455	392

(1) Number of ADQUIRA on-line negotiations. HUB and Colombia processes are reported throughout 2020, as well as corporate processes as of September.

(2) Number of requests registered by GPS. Actual requests are reported. Rejected requests and requests being created by the user areas are dismissed.

(3) Increase in suppliers %. 2020 variation is reported based on registered suppliers.

Share and relational capital

Concept	2020	2019
Invoiced volume by suppliers (millions of pesos)	\$ 1,007,661	\$ 959,753
Invoiced volume by suppliers (millions of USD) *	282	267
Invoiced volume by suppliers (millions of Euro) *	244	232
Average payment time to suppliers (days)**	22	20

*The TRM indicated by the Economic Studies area is taken.

US Dollar: \$ 3,573

Euro: \$ 4,133

** Payment Policy (Cash 30 days)

12. Involvement in global initiatives

GRI-102-12

As part of the 2025 Commitment, BBVA has actively participated in numerous initiatives and always in close collaboration with all stakeholders such as the industry itself, regulators and supervisors, investors and civil society organizations. These initiatives revolve around the following five priority areas:

1. Universal reference frameworks: BBVA was one of the 28 founding banks of the Principles for Responsible Banking promoted by the United Nations alliance with the financial sector, UNEP FI. This is the reference framework for corporate responsibility in the banking sector, to which more than 190 entities around the world have already subscribed, approximately 40% (by volume of assets) of the banking system. BBVA also participates in global initiatives such as the United Nations Global Compact, the Principles for Responsible Investment, and the Thun Group, which describes how the United Nations Guiding Principles on Business and Human Rights should be applied in the banking sector.

2. Alignment with the Paris Agreement: BBVA signed the Katowice Commitment in December 2018 along with other major international banks with the aim of developing a methodology to help align lending activity to the Paris Agreement. This commitment has inspired the Collective Commitment to Climate Action launched by 31 international financial institutions in the framework of the UNEP FI Principles for Responsible Banking at the United Nations climate summit held in New York in September 2019. BBVA has also joined the Science Based Target Initiative and participates in the Alliance CEO Climate Leaders of the World Economic Forum (WEF) as well as in other initiatives focused on environmental issues or the fight against climate change, such as the Carbon Disclosure Project (CDP) and RE100.

3. Market standards: BBVA has been very active in promoting the Green Bond Principles, the Principal Social Bonds, the Green Loan Principles and other similar standards developed by the industry itself, which have allowed the creation of an orderly and growing market for sustainable financial instruments.

4. Transparency: BBVA committed in September 2017 to the FSB's TCFD recommendations and has been reporting on its objectives, plans and performance in line with its utmost commitment to transparency. In November 2020, BBVA published its first TCFD report.

5. Financial regulation: BBVA has been participating in consultation processes and in different activities with regulatory and supervisory bodies to promote sustainable finance regulation.

BBVA co-chairs the steering committee of UNEP FI and represents European banks in this forum. BBVA also chairs the sustainable finance working group of the European Banking Federation and is a member of the steering committee of the Equator Principles. For years, BBVA has been actively participating in various supranational initiatives and wants to continue to play a leading role in the international agenda to combat climate change.

Among others, BBVA has signed its commitment to the following initiatives:

Collective commitments

(8 signed)



■ No formal signature

BBVA in Colombia continued to work in 2020 to connect the Sustainable Development Goals (SDGs) approved in September 2015 by the UN, with its initiatives and their materiality.

Social and relational capital

BBVA Initiatives	SDGs impacted
Delivery of food for COVID-19 emergency and those affected by winter wave and hurricane Iota	SDG 2
Financial Education Program	SDG 1, SDG 4, SDG 8, SDG 10
School for Entrepreneurship	SDG 1, SDG 4, SDG 8, SDG 10
Scholarship program	SDG 1, SDG 4, SDG 5, SDG 10
Provision of ICUs and biosafety kits	SDG 3
Kits with school supplies	SDG 4, SDG 10
Environmental program	SDG 13, SDG 15
Sustainable financing (\$560 trillion)	SDG 7, SDG 13
Reduction in paper consumption (-21%)	SDG 12, SDG 13
Reduction of energy consumption (-31%)	SDG 7

BBVA Initiatives	SDGs impacted
Scope 1 emissions reduction (tons of CO2 e) (-4.2%)	SDG 13
Scope 2 emissions reduction (tons of CO2 e) (-18.3%)	SDG 13
Emission reduction scope 3 (tons of CO2 e) (77.4%)	SDG 13
Number of people working in certified buildings 3,100 (32.6% of the headcount)	SDG 12

13. Economic value and tax contribution



BBVA is committed to maximizing the creation of sustainable and shared value for its shareholders and society, through its Corporate Social Responsibility policy. A sustainable and shared value that, as a whole and according to the methodology established by GRI, can be measured and detailed as economic value generated, distributed and retained by BBVA Colombia.

Economic value generated and distributed (Millions of pesos)

Value Indicator	2020	2019	Var. %
Economic Value Generated (EVG)	\$ 3,550,513	\$ 3,318,933	7.0%
Interest Margin	3,092,598	2,894,009	6.9%
Net commissions	324,976	347,586	(6.5)%
ROF	300,179	221,360	35.6%
Other net income or loss (1)	(167,239)	(144,022)	16.1%
Economic Value Distributed (EVD)	1,616,153	1,830,567	(11.7)%
Dividends	224,190	352,314	(36.4)%
Minority Attributed Results	10,735	16,870	(36.4)%
Suppliers and Other Administrative Expenses (Excluding Wages and Salaries)	500,780	474,910	5.4%
Taxes	294,639	389,557	(24.4)%
Personnel Expenses	585,809	596,915	(1.9)%
Economic Value Retained (ERV=EVEG-VED)	1,934,360	1,488,366	30.0%
Reservations	234,925	369,185	(36.4)%
Provisions and depreciation (2)	\$ 1,699,435	\$ 1,119,181	51.8%

(1) Includes Disposals, Leases, Corporate Dividends and Operational Risk.

(2) Includes Income Tax and Other taxes.

Note: Data from the Bank's Income Statement according to IFRS and SFC methodology.



Creation of tangible direct value: detail by stakeholder
 (Millions of pesos)

Group	Value Indicator	2020	2019	Var. %
Shareholders	Dividends 1	\$ 234,925	\$ 369,185	(36.4)
Employees	Personal expenses	618,502	601,344	2.9
Customers	Interest and Assimilated Charges	1,899,076	1,995,475	(4.8)
Providers	Other Administration Expenses ²	850,744	776,615	9.5
Societies	Contributions, Taxes on Profits and other Taxes	\$ 335,026	\$ 428,910	(21.9)

2. Financial Information

(Figures expressed in millions of pesos -COP-, except the exchange rate and net earnings per share)

Relevant data	156
Business	174
Risk Management	191
Subsequent events.....	227



Month	Value
Jan	0.17
Feb	0.05
Mar	1.26
Apr	2.26
May	2.80
Jun	2.15
Jul	2.46
Aug	3.16
Sep	4.01
Oct	4.57
Nov	5.46
Dec	6.18



Month	Value
Jan	1.5
Feb	0.75
Mar	7.25
Apr	7.51
May	0.24
Jun	0.95
Jul	0.51
Aug	0.06
Sep	0.06



10/12/2016
11/12/2016
12/12/2016
1/12/2017
2/12/2017
3/12/2017
4/12/2017
5/12/2017
6/12/2017
7/12/2017
8/12/2017
9/12/2017
10/12/2017
11/12/2017
12/12/2017

Relevant data

1. Management report

The management report submitted for approval to the General Shareholders' Meeting and approved by the Board of Directors, according to minute No. 1686 of February 23, 2021, contains the economic-financial analysis of the balance sheet and income statement of Bae Comercio.

In accordance with Article 57 of Decree 2649 of 1993, the information and assertions related to the financial statements have been duly verified and obtained from the Bank's accounting records, prepared in accordance with international financial reporting standards and the guidelines established by the Financial Superintendency of Colombia.

The financial statements include descriptive notes on the accounting standards and accounts required for their preparation. Specifically, note 43 discloses the balances and transactions with related parties (subsidiaries, partners and directors) as of December 31, 2020.

The figures of the income statement and balance sheet included in this management report were taken from the audited financial statements. They are classified and grouped in accordance with the methodology of the Financial Superintendency of Colombia, considering the convergence to International Financial Reporting Standards.

2. Highlights

GRI-203-2

2.1. Evolution of the macroeconomic environment and the financial sector

Global GDP contracted severely in 2020 due to the effects of the COVID-19 pandemic. Global growth will turn positive again in 2021, but the recovery will be incomplete (except for China) and heterogeneous

across countries. After declining by about 2.6% in 2020, global GDP is projected to expand by 5.3% in 2021 and 4.1% in 2022.

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

On an annual basis, growth will be strongly positive in 2021, but without returning to pre-pandemic levels soon (except in China). Significant and rapid fiscal and monetary stimulus has been put in place to support economic activity and reduce financial stress, especially in developed countries, and is being further expanded. In addition, the massive deployment of effective vaccines will likely allow for a gradual relaxation of social distancing rules over the course of the year, first in major global economies and then in other countries, gradually supporting economic activity. However, this year's growth figures will be pressured downward by the effect of the spread of the pandemic on growth during the first few months of the year.

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

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

In the case of Colombia, since the end of the third quarter, when most economic sectors could operate and households became more mobile, the speed of economic recovery accelerated. In addition, the government maintained its aid plans for the most vulnerable households and direct transfers to companies to maintain payroll payments, including employee bonuses. All in all, higher government spending during 2020 managed to offset, albeit only partially, the deep deterioration in private demand, with government consumption being the only major component of GDP to grow during the year.

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

At year-end, fixed investment had a favorable dynamic thanks to the improvement in business confidence and the previous reduction in inventories, the latter made possible by the recovery of domestic demand. In addition, the government launched a new generation of subsidies for the purchase of new middle-priced housing, which significantly boosted home purchases, especially in the fourth quarter of the previous year. However, as in the case of consumption, investment was still below its pre-pandemic shock level and still had some way to go toward full recovery.

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

Monetary policy played an outstanding role. The Central Bank sought to guarantee the functioning of the payment system and the liquidity of the financial system at the beginning of the pandemic, when

uncertainty was very high and economic agents demanded large amounts of precautionary liquidity. In addition, it progressively reduced interest rates to an all-time low to allow the subsequent recovery to proceed at a faster pace. Banco de la República's early actions helped reduce the Colombian economy's risk premiums and improve the financial system's response capacity.

In fact, the financial sector, through deferrals of debtors' interest and principal payments, helped improve the cash flow of households and companies. According to data from the Superintendency of Finance, the first set of deferral measures, in line with external circulars 007 and 014 of 2020, covered more than 40% of the country's credit value (equivalent to 225 trillion pesos), benefiting nearly 12 million debtors and almost 17 million credit operations. Additionally, under the debtor support program, established by External Circular 022 of 2020, 1.9 million debtors were accepted, who redefined their credits for a value of 34.6 trillion pesos at the end of previous year.

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

These policy decisions, both monetary and fiscal, helped to reduce market volatility, which had been very high between March and April 2020. At the same time, the electoral definition in the United States, the announcements on the availability of the vaccine before the end of the year, the economic reactivation of the world, led by Asia, and the recovery of oil prices influenced the better performance of Colombian financial assets in the second half of last year. In particular, the exchange rate ended the year at a level like that recorded before the pandemic, after having undergone a strong devaluation at the time of the greatest lockdown in the world. Similarly, country risk premiums decreased progressively and allowed the Colombian central government, with a deficit that ended up at close to 9% of GDP, to

finance itself well, both in the internal and external markets. In fact, the latter, external resources, at the same time helped the Colombian economy to finance the external deficit, as foreign direct investment resources fell sharply, especially those directed to mining and oil activities.

2.2. Market and competitive position

BBVA Colombia retained its fourth position in the market, with an asset share of 9.55% as of October 2020, while its main competitor, Bancolombia, remained in first place, with a share of 25.35%.

In Loans and Receivables, BBVA remained in fourth position with a market share of 10.15%, which presented a variation of -9bps versus the same period of 2019.

The individual portfolio retained the third position in the market, with a share of 14.33%. This presented a variation of +8 bps when versus the same month of 2019. The market share of the Corporate Portfolio, stood at 6.86% and decreased 14 bps versus the same period of the previous year, retaining the fifth position in the market.

Regarding Customer Resources, BBVA ranked fourth in the market in October 2020, with a market share of 11.10%, which presented a variation of -25 bps versus the same period of 2019. The share of Demand resources presented a variation of +38 bps and ranked third in the market, with a share of 11.51%. Savings recorded a decrease in its share of 64 bps and was positioned in fourth place with a share of 10.43%. Finally, the CDT's market share was 12.43%, an increase of +12 bps, placing it in fourth place in the market.

3. Balance sheet and activity

3.1. Balance

BBVA Colombia's total assets closed the fourth quarter of 2020 with a balance of \$68,231,926, with 4.7% annual increase, which represented a variation of +\$3,069,793.

Balance
 (Balance - Millions of pesos)

Concept	Dec-20	Dec-19	Var TAM
Cash	\$ 5,745,189	\$ 5,140,987	\$ 604,202 11.8%
Asset positions in mdo operations	484,399	499,032	(14,633) (2.9)%
Investments and derivative transactions	11,421,427	10,904,928	516,499 4.7%
Loan and Leasing Portfolio	50,983,302	49,656,631	1,326,671 2.7%
Impairment	(3,431,013)	(2,947,629)	(483,384) 16.4%
Other Assets	3,028,621	1,908,183	1,120,438 58.7%
Assets	68,231,926	65,162,133	3,069,793 4.7%
Deposits and Liabilities	54,291,221	49,535,580	4,755,641 9.6%
Liability positions in mdo operations	506,348	4,411,631	(3,905,284) (88.5)%
Financial instruments at fair value	4,107,191	2,039,138	2,068,053 101.4%
Banks and other financial obligations	2,606,926	2,607,156	(230) -
Accounts payable	868,097	782,403	85,693 11.0%
Labor obligations	237,716	250,835	(13,120) (5.2)%
Other liabilities	618,106	656,103	(37,997) (5.8)%
Liabilities	63,235,604	60,282,848	2,952,757 4.9%
Capital Stock	89,779	89,779	- -
Reserves and earmarked funds	3,408,311	3,039,130	369,181 12.1%
Surplus	1,043,935	1,027,561	16,374 1.6%
Profit or Loss	454,296	722,815	(268,519) (37.1)%
Shareholders' Equity	4,996,322	4,879,285	117,036 2.4%
Total Liabilities and Shareholders' Equity	\$ 68,231,926	\$ 65,162,133	\$ 3,069,793 4.7%

In relation to the Bank's liquidity resources, the available assets presented an increase of +\$604,202 with respect to 2019. This increase was due to a variation of -\$363,828 in banks and other financial entities, of +\$654,197 in Banco de la República and of +\$313,911 in the Bank's cash.

Asset positions in market operations closed with a balance of \$484,399 and presented a 2.9% decrease versus the same period of 2019. This decrease of \$14,633 was due to a higher volume in simultaneous operations, which presented a variation of +\$35,380 and to the decrease of -\$50,013 in interbank operations.

On the other hand, investments and operations with derivatives presented a positive variation of 4.7% versus December 2019, closing with a balance of \$11,421,427.

The gross loan and leasing portfolio recorded an annual growth of 2.7% or \$1,326,671, closing December 2020 with a balance of \$50,983,303. The impairment account, which corresponds to specific and generic portfolio provisions, showed 16.4% growth. The other assets account presented an increase of 58.7% (+\$1,120,438).

Regarding liabilities accounts, deposits and current liabilities presented an annual growth of 9.6% or +\$4,755,641, thus closing with a balance of \$54,291,221. This increase is due to a variation in special deposits of +\$252,939, in current account deposits of +\$2,084,852, in investment securities of +\$124,638, a growth of +\$2,607,248 in savings deposits, -\$387,514 in Term Deposit Certificates (CDT's) and +\$14,407 in demand deposits for services.

Liabilities positions in market operations decreased by -\$3,905,284, due to a variation of -\$1,372,815 in simultaneous operations, -\$260,198 in interbank funds, +\$11,722 in commitments of short positions and -\$2,283,992 in Repo operations.

Financial instruments at fair value closed with a balance of \$4,107,191, which represented an increase of 101.4% with respect to 2019. This variation is explained by the increase in trading swaps (+\$1,618,042) and trading forwards (+\$484,777). On the other hand, trading options presented a decrease (-\$20,134) and hedging swaps (-\$14,521).

The line of credit with banks and other financial obligations presented a reduction of -\$230, due to a

decrease of -\$428,053 in foreign financial entities and in obligations with Findeter and Finagro (+\$262,593 and +\$170,192, respectively). On the other hand, there was a decrease of \$5,526 in Bancoldex.

Accounts payable presented a variation of +11.0% while labor obligations presented a decrease of 5.2%. Other liabilities decreased 5.8% or -\$37,997, closing with a balance of \$618,106.

Finally, shareholders' equity increased by 2.4% and closed at \$4,996,322.

3.2. Loan Portfolio

In December 2020, the gross loan portfolio closed with a balance of \$50,983,303 and presented a variation of +2.7% versus the same period of 2019. The net loan portfolio presented a positive variation of 1.8% and closed with a balance of \$47,552,289.

Loan portfolio

(Balance - Million of Colombian pesos)

Concept	Dec-20	Dec-19	Var TAM	
Gross Loan Portfolio	\$ 50,983,302	\$ 49,656,631	\$ 1,326,671	2.7%
Consumption	18,900,896	17,998,790	902,106	5.0%
Commercial	16,723,869	16,256,143	467,726	2.9%
Mortgage	12,156,191	11,754,653	401,538	3.4%
Leasing	1,573,017	1,604,495	(31,479)	(2.0)%
Past Due Portfolio	198,839	268,652	(69,813)	(26.0)%
Non-performing Portfolio	1,430,491	1,773,898	(343,406)	(19.4)%
Provisions	(3,431,013)	(2,947,629)	(483,384)	(16.4)%
Net Loan Portfolio	\$ 47,552,289	\$ 46,709,002	\$ 843,287	1.8%

BBVA Colombia's portfolio maintains its focus on the Individuals segment, which represents 60.9% of the gross portfolio at the end of December 2020. This segment presented an increase of 4.4% with respect to 2019 and closed with a balance of \$31,057,087.

The consumer portfolio, composed of money orders, vehicle, free investment, revolving quota, private credit cards and individual overdraft loans, presented an annual increase of 5.0%. Money orders present the largest share in the consumer portfolio, followed by Free consumption and Vehicle. The growth of money orders with respect to the previous year is noteworthy.

The mortgage portfolio presented an increase of 3.4%, representing a variation of \$401,538. At the end of the fourth quarter of 2020, it represented 23.8% of the gross portfolio.

The commercial portfolio presented an annual variation of +2.9% with a variation of +\$467,726. The leasing portfolio presented a 2.0% decrease with a variation of -\$31,479.

3.3. Performance Measures and Indicators

The adequate risk management carried out at BBVA Colombia allows the Bank to develop its commercial operations while maintaining good portfolio quality indicators and a prudent risk profile.

Non-performing loans and coverage

Concept	Dec-20	Dec-19	Var TAM	Var TAM
Gross Loan Portfolio	\$ 50,983,302	\$ 49,656,631	\$ 1,326,671	2.7%
Consumption	18,900,896	17,998,790	902,106	5.0%
Commercial	16,723,869	16,256,143	467,726	2.9%
Mortgage	12,156,191	11,754,653	401,538	3.4%
Leasing	1,573,017	1,604,495	(31,479)	(2.0)%
Past Due Portfolio	198,839	268,652	(69,813)	(26.0)%
Non-performing Portfolio	1,430,491	1,773,898	(343,406)	(19.4)%
Provisions	(3,431,013)	(2,947,629)	(483,384)	(16.4)%
Net Loan Portfolio	\$ 47,552,289	\$ 46,709,002	\$ 843,287	1.8%

3.4. Customer Resources

At the end of the fourth quarter of 2020, customer funds remained in line with the Bank's liquidity needs. Total customer funds presented an increase (9.6%), which represented a variation of +\$4,755,641, closing the quarter at \$54,291,221. CDT's represented 35.4% of the total funds and presented a variation of -2.0%, reaching a balance of \$19,194,165.

Customer resources				
Concept	Dec-20	Dec-19	Var TAM	
Demand Deposits	\$ 8,632,106	\$ 6,547,255	\$ 2,084,852	31.8%
Savings Deposits	23,109,180	20,444,113	2,665,068	13.0%
Term Certificates of Deposit	19,194,165	19,581,927	(387,761)	(2.0)%
Other Deposits	1,051,507	782,662	268,845	34.4%
Total Customer Deposits	51,986,959	47,355,956	4,631,003	9.8%
Outstanding Investment Securities	2,304,263	2,179,625	124,638	5.7%
Total Customer Resources	\$ 54,291,221	\$ 49,535,580	\$ 4,755,641	9.6%

Transactional deposits (demand and savings) increased 17.6%, representing a variation of +\$4,749,919. These deposits represented 58.5% of total customer funds.

Outstanding investment securities closed at \$2,304,263 and presented a variation of +5.7% versus 2019.

4. Solvency

4.1. Adequate Equity and Solvency Ratio

Net book equity showed a positive variation of 2.4% and closed at \$4,996,322. This increase is mainly explained by the increase in reserves of \$369,181, by the decrease of -\$268,519 in the profit for the year and by the increase of \$16,374 in the surplus.

The technical equity closed the fourth quarter of 2020 with a balance of \$6,389,435 and presented a variation of +9.6%. The required equity according to Colombian standards was \$4,180,787, which implies an equity surplus of \$2,208,648.

Adequate equity and solvency ratio

Concept	Dec-20	Dec-19	%
Net book equity	\$ 4,996,322	\$ 4,879,285	2.4%
Computable Adequate Equity	6,389,435	5,830,336	9.6%
Ordinary Basic Equity	4,452,921	3,292,885	35.2%
Additional Basic Equity	2,994	2,994	-
Additional Equity	1,940,690	2,534,457	(23.4)%
Technical Equity	6,389,435	5,830,336	9.6%
Adequate Equity Required	4,180,787	4,535,912	(7.8)%
Surplus Equity	2,208,648	1,294,424	70.6%
Assets and Contingency Weighted by Risk Level	43,414,193	50,399,021	(13.9)%
Value at risk (VaR)	\$ 336,344	\$ 381,384	(11.8)%
Solvency ratio without VaR	17,18%	12,63%	455 pbs
Solvency to VaR ratio (minimum 9%)	14,72 %	11,57 %	315 pbs
Tier 1 (%) ¹	10,26 %	6,53 %	372 pbs

*Basic equity versus risk-weighted assets

Assets weighted by risk level closed at \$43,414,193 and presented a decrease of 13.9%. On the other hand, the market risk value (VeR) decreased 11.8%.

The Bank's solvency ratio closed at 14.72%, up 315 pbs versus the same period of 2019.

5. Results

The accumulated results of BBVA Colombia at year-end 2020 and 2019 are presented below.

Income statement

Concept	Dec-2020	Dec-2019	Var TAM	Var TAM
Loan Portfolio	\$ 5,053,725	\$ 4,961,507	\$ 92,218	1.9 %
Interest Expense	(1,899,076)	(1,995,475)	96,399	(4.8)%
Net interest income	3,154,650	2,966,032	188,617	6.4 %
Net commission income	143,960	121,918	22,042	18.1 %
Investment portfolio	511,770	419,766	92,004	21.9 %
Dividends	14,512	16,402	(1,891)	(11.5)%
Other income	71,979	136,916	(64,937)	(47.4)%
Other operating income	598,261	573,085	25,176	4.4 %
Gross margin	3,896,870	3,661,035	235,835	6.4 %
Net asset allocation	(1,500,858)	(982,631)	(518,227)	52.7 %
General administrative expenses	(1,699,364)	(1,616,096)	(83,268)	5.2 %
Net Asset Allocation	(1,500,858)	(982,631)	(518,227)	52.7 %
Administrative Overheads	(1,699,364)	(1,616,096)	(83,268)	5.2 %
• Personnel Expenses	(618,502)	(601,344)	(17,158)	2.9 %
• Overheads	(444,321)	(404,197)	(40,124)	9.9 %
• Contributions and taxes	(126,482)	(118,608)	(7,874)	6.6 %
• Others	(490,318)	(480,615)	(9,703)	2.0 %
• Operational risk	(19,741)	(11,332)	(8,409)	74.2 %
Operating expenses	(3,200,222)	(2,598,727)	(601,495)	23.1 %
Income before income tax	696,648	1,062,309	(365,660)	(34.4)%
Income tax	(226,798)	(323,939)	97,142	(30.0)%
Net income	\$ 469,850	\$ 738,369	\$ (268,519)	(36.4)%

Net interest income recorded 6.4% interannual increase. Loan portfolio income grew by \$92,218 and expenses decreased by \$96,399, driven by the Bank's good management. As a result, net interest income increased by \$188,617.

Net fee and commission income closed with a positive variation of 18.1%. Income generated by the investment portfolio increased by \$92,004 or 21.9%. Dividends recorded a decrease of 11.5% and closed with a balance of \$14,512. On the other hand, the other income line, which includes operating income from financial services rendered and recoveries of operating risk and others, recorded a decrease of 47.4%.

Net assets closed with a balance of \$1,500,858, an increase of 52.7%.

Administrative overheads recorded an increase of \$83,268 versus the previous year. Personnel expenses increased 2.9% versus 2019. On the other hand, overheads increased 9.9%. Contributions and taxes expenses recorded an increase of 6.6%.

Finally, BBVA Colombia recorded a net income for the end of December 2020 of \$469,850, which was 36.4% lower than the previous year's income.

6. BBVA share

6.1. Performance of the main stock market indexes

2020 will go down in history as one of the most volatile years in the history of stock markets around the world. Colombia was no exception and the Colombian Stock Exchange (BVC), which was aiming to close at record highs in 2020, closed with a drop of more than 10%. After the sharp drop in March, which led the COLCAP index (the BVC's main stock market indicator) to fall more than 45% to its lowest point on March 18 at 894.03 points, it began a slow road to recovery. A large part of the sharp fall of the Colombian index was due to the mass exit of foreign investors, due to a strong rebound in risk aversion in the face of global uncertainty about the effects of the pandemic on the world economy.

Subsequently, as the outlook became clearer due to the progress with vaccines and the trillions of dollars that central banks around the world injected into the world economy, again foreigners returned to the Colombian stock market. Due to this sharp fall in stock markets around the world, assets listed on the Colombian Stock Exchange also plummeted and of the 26 stocks that make up the COLCAP index, 17 ended the year with devaluations without considering the Avianca stock that left the index when it filed for Chapter 11 corporate reorganization in the United States.

In December 2020, the COLCAP index presented a monthly appreciation of 14.3%, reaching above 1,400 points and maintaining a positive path. The performance continues to be influenced by the gradual economic reopenings in different sectors, the recovery of shares in pro-cyclical sectors and the expectation of the first doses of vaccines against COVID-19 in the first quarter of 2021 and their application in the most vulnerable population. The three stocks that appreciated the most in December were Cemex Latam Holdings (43.3%), Avianca Holdings (32.7%) and PF Davivienda (29.5%), while the stock that fell the most during the month was Canacol (-6.6%). Finally, the COLCAP index in 2020 presented a devaluation -13.51%, where the three most valued shares in the year were ISA (31.1%), Mineros (28.2%) and GEB (19.4%), while the most devalued shares were Ecopetrol (-32.2%), Grupo Sura (-25.6%) and PF Grupo Sura (-24.9%).

6.2. BBVA Colombia share price performance

The common share price closed in 2020 at \$306, 18% decrease considering the price as of December 31, 2019, which was \$374. The common stock of BBVA Colombia is considered by the Colombian Stock Exchange as a Continuous Trading Instrument, due to its stock market presence.

This same dynamic is present with the price of the preferred dividend share without voting rights, with little transactionality in the market, and which did not present any variation in its closing price, which was \$ 385 in 2019 and 2020, this type of shares are deemed as an Instrument by Auction.

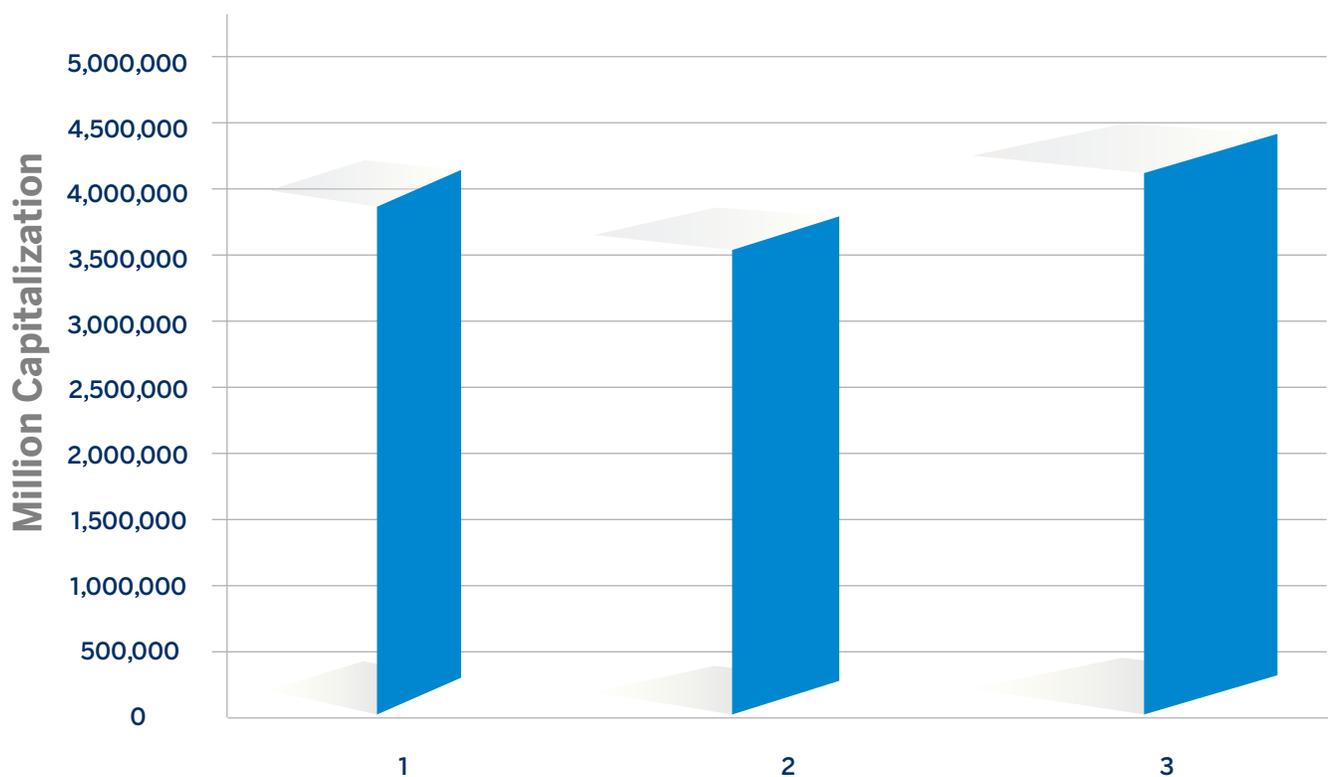
The Bank's free float is 4.57% and is detailed below:

Type of share	Quantity
Ordinary	630,705,101
Preferred dividends without voting rights	26,752,348

Market capitalization of BBVA Colombia
(in million Colombian pesos)

2020	2019	2018	2017
\$ 4,440,533,00	\$ 5,386,273,00	\$ 3,817,535,20	\$ 4,084,179,55

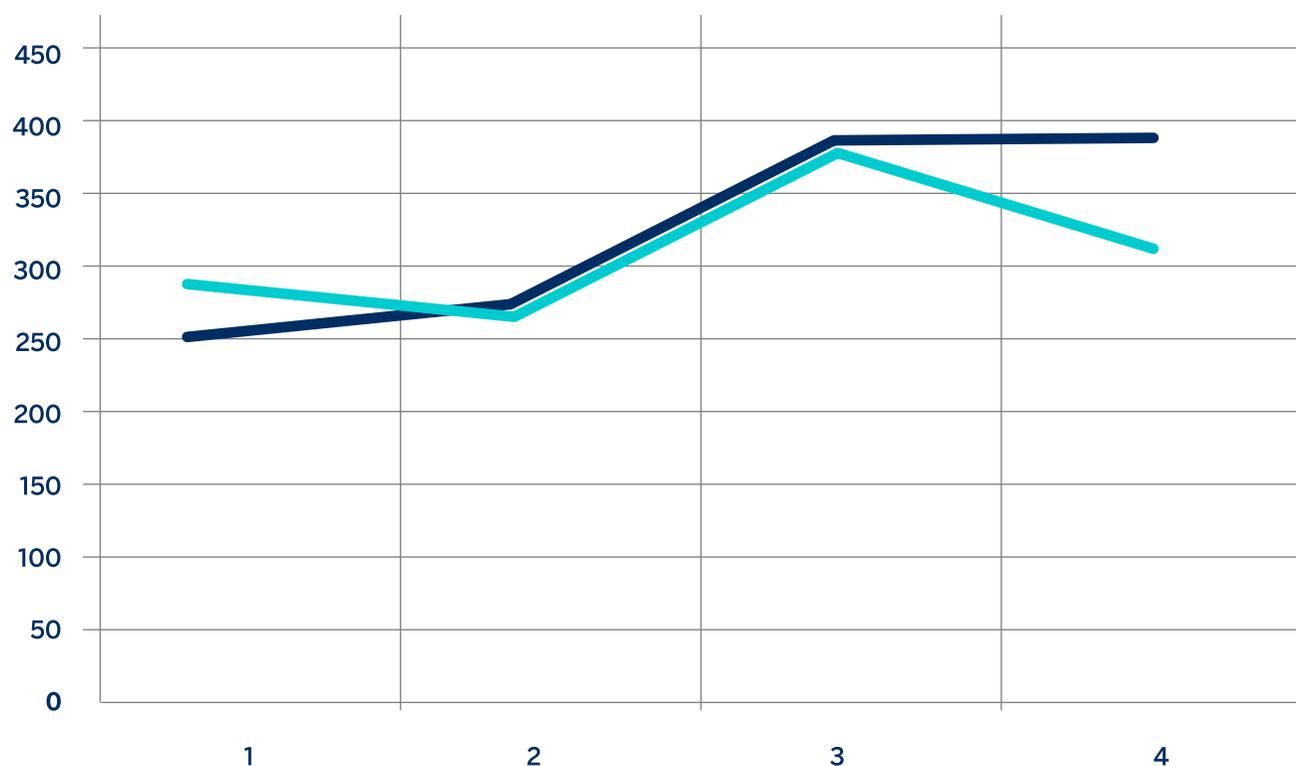
Market capitalization



Evolution of BBVA Colombia's Stock Market Price
(in million Colombian pesos)

Years	2020	2019	2018	2017
Final price (common stock)	306	374	265	285
Final share price (Non-voting preferred stock)	385	385	275	251

Stock price



6.3. BBVA Colombia's share and stock market ratios

Concept	Dec-2020	Dec-2019
Number of shareholders	65,169	65,172
Number of shares outstanding	14,387,689,071	14,387,689,071
Maximum price (common stock)	\$ 425	\$ 385
Final price (common stock)	\$ 306	\$ 374
Minimum quotation (Ordinary share)	\$ 281	\$ 265
Maximum price (Non-voting Preferred Stock)	\$ 385	\$ 385

Concept	Dec-2020	Dec-2019
Final price (Preferred Stock without voting rights)	\$ 385	\$ 385
Minimum price (Non-voting Preferred Stock)	\$ 320	\$ 270
Book value per share	\$ 347,26	339,13
Market capitalization (Million of pesos)	\$ 4,440,533	\$ 5,386,273
Price / Book value Common share	\$ 0,881	\$ 1,103
Price / Book value -- Preferred Dividend Stock	\$ 1,109	\$ 1,135
Per (Price/earnings) -- Common Stock	\$ 5,96	\$ 9,80
Per (Price/earnings) -- Preferred dividend stock	\$ 7,50	\$ 10,08
Dividend yield (Dividend / Price) Common stock	\$ 0,0839	\$ 0,0510
Dividend yield (Dividend / Price) Preferred Dividend Stock	\$ 0,0666	\$ 0,0496
Dividends declared	\$ 25,66	\$ 19,09
Earnings per share	\$ 51,3195	\$ 38,1793

Since 2007 and consecutively, the General Shareholders' Meeting has approved the payment of cash dividends for both types of shares, both preferred shares without voting rights and common shares, and the payout has been 50%.

Dividends declared during 2020 were at the rate of COP \$25.66 per share payable in two installments, in June and October 2020.

Stock tranches	Shareholders		Shares	
	Number	%	Number	%
up to 1,000	28,192	43.26%	9,373,802	0.07%
1,001 to 10,000	27,243	41.81%	98,461,932	0.68%
10,001 to 50,000	8,177	12.55%	174,436,698	1.21%
from 50,001 to 100,000	1,039	1.59%	70,679,215	0.49%
from 100,001 to 1,000,000	477	0.73%	94,428,849	0.66%
more than 1,000,000		0.06%	13,940,308,575	96.89%
Total	65,169	100%	14,387,689,071	100%

BBVA Colombia shares are listed on the Colombian Stock Exchange, with the mnemonics for BBVACO common shares, and for the non-voting preferred dividend share PFBBVACOL. Specifying that with the

new classification of the Colombian Stock Exchange, they are classified as follows:

The common stock as a continuous mode instrument and the preferred stock without voting rights as an auction mode instrument, this new classification is made considering their stock market presence.

The BBVA Colombia share is part of the COLEQTY benchmark index, which is a general indicator composed of the 40 shares with the best selection function of the Colombian Stock Exchange, where the participation of each share within the index is determined by the float (adjusted capitalization) of each of the species. In this basket published by the Colombian Stock Exchange, which contains the 39 main stocks listed on the Stock Exchange, BBVA is included with a participation within the basket of 0.08%.

It is also part of the COLIR index, composed of companies with IR issuer recognition that are part of the COLEQTY, where the participation of each share in the index is determined by the float of each of the species. The 28 companies that have IR recognition are in this basket, including BBVA Colombia with a 0.08% participation.

Business

1. Individuals

GRI-FS-14

The year 2020 has been characterized as the most challenging year in the history of BBVA, and although important advances were made in new customer service models, in a short period of time adjustments had to be made to provide quality service to customers, in an easy and safe way to access products and services, accompanied by financial solutions such as relief for the management of their credits, as well as the delivery of aid at the national level to cope with the emergency, consolidating position and commitments to the country.

The investment behavior of the individual segment in the first quarter of the year had a positive curve, closing March with a growth in balances of 15%, mainly driven by total consumption, with a growth in balances of 22.3%. However, due to the entry into quarantine and peak of the pandemic, the confidence of Colombians decreased, generating a slight drop in the curve to an average of 10.5%, focusing investment in public and private sector clients, mainly through the Money orders product.

At year-end 2020, the business volume of the individual segment recorded a 4.7% growth, leveraged mainly on resilient products such as housing, which recorded historic billings in the last quarter, driven by an attractive offer and the launch of the advertising campaign in digital and traditional media emphasizing the expert role of the Bank. It is worth highlighting the housing leasing turnover, which closed the year with \$703mM, establishing itself as one of the strategic lines for BBVA. It is important to highlight that during 2020, 2,456 coverage assignments were made (1,101 of Frech non VIS and 1,355 of the different modalities of VIS), a figure that ratifies BBVA's interest in the housing programs promoted by the National Government. And finally, the outstanding performance of the Money orders product for its historical result with 12.2% TAM due to the focus on strategic groups and which maintains the Bank as one of the benchmarks in such product.

On the other hand, in the vehicle line, we implemented an automatic credit application and approval platform at the point of sale, which allows customers to self-manage, without documents, and with faster response times. This tool came into operation in March and to date 10% of the invoicing has been disbursed through this channel.

Resources in the individual segment have presented a significant growth, thanks to the 100% digital portfolio of Accounts, CDT and Funds, which allows the Bank to reach customers and non-customers in a timely and agile manner, being a powerful tool in the current emergency. Thus, the entity recorded a TAM of 19.5%, where in active payroll over \$1m presented a 1.3% TAM despite recording a drop in May of -12.8% due to the effects of the quarantine. However, growth was resumed by strengthening the synergy with specialized banks through strategies for specific groups such as the Government, active sectors of the economy, and by strengthening the benefits of the offer, achieving an important engagement of 70% of the pensioners' group.

Within the strengthening of the offer, we sought to provide alternatives to a group highly exposed to the current pandemic risks so that they could use the Bank's services from the comfort of their homes, through the centralized opening of more than 100,000 pension accounts, of which 59% have been delivered the debit card directly to the holder's home and 71% have received at least one credit during the months from March to October. An exclusive line was created for pensioners, through which advice is provided to resolve concerns and the authorization of a third party to withdraw the pension allowance was enabled. At the end of October, 8,839 third parties were authorized. In addition, during the months of March and April, more than 700 pensioners received their pension allowance directly at their homes. Finally, for those who approached the Bank's network of offices, the service hours were extended with preferential lines, protocols for more agile payments at the teller window and nursing staff for their attention.

Transactional operations recorded a significant growth of TAM +62.5%, mainly in transfers, where the Bank is a leader due to its zero-cost offer. Digitalization grew TAM +51.4%, leveraged by the pandemic situation and campaigns promoting the payment of taxes and services through digital channels, notwithstanding having a robust channel available to customers with new functionalities such as transfers without account registration, assignment of passwords for credit cards, among others, which represented a competitive advantage by providing timely solutions.

1.1. Banking Insurance

With respect to insurance, with the negotiation of the bidding conditions in the Bank's different lines of credit, we improved the conditions of insurability, automatic coverage, coverage and time in the attention of claims and accidents, in order to provide better service to our customers.

As is well known by all, 2020 was a year marked by the effects of the pandemic derived from COVID-19. As of December 2020, the Bank and the insurer, through its different products for debtors and free contracting, have attended around 250 cases of clients with said antecedent, with payments in excess of \$7,200 million and another 77 are under study, involving projected payments of more than \$1,800 million, which, added to the payments already made, are projected at \$9,000 million. It is expected that with the latest infection and death figures recorded in the country, this trend will intensify in the coming months.

In association with the car insurance partner, premium refunds have been made to customers and donations to the Food Bank, in accordance with the lower risk exposure during the quarantine.

By virtue of the provisions of the Superintendency of Finance, related to the decrease in activity and therefore in risk, the insurance company covered more than 3,900 policyholders, offering extensions of coverage and giving relief in the payment of insurance premiums.

In addition to the effects of COVID-19, the Bank's customers affected by the winter wave and hurricanes

Iota and Eta have been specially assisted by the group's insurance company. So far, 45 claims have been handled through the insurance company, for an estimated value of \$2.8 billion.

During 2020, the processes of collection and sale of insurance offered to customers were improved, to reduce complaints for alleged mis-selling and guaranteeing the validity of the insurance policies to insure customers for a longer period. On the other hand, the digital portfolio has been strengthened with the launching of the Unemployment and Temporary Total Disability Insurance, which is fully contracted through the Bank's mobile app, providing customers with the possibility of covering themselves against this risk due to the effects of the pandemic.

2. Entities

The year 2020 was identified as a year of change, transformation and challenges. During the first half of the year, Client Solutions carried out several activities that allowed reaching customers in a timely manner to support them during the pandemic through different solutions according to their portfolio. We sought to transform impediments into new opportunities, thus fulfilling the corporate purpose of "Making the opportunities of this new era available to all".

In October, organizational and structural changes were made to consolidate and unify the "what and how to do" of the Strategy and Execution areas by unifying them into a single Management for the Legal Entities segment called "Bex Enterprises". Five management areas are linked, two of which are focused on the ideation and execution of strategic plans for the SME and Corporate Segments, and which interact in parallel with two transversal management areas focused on transactional and credit products, with the main function of implementing and improving competitive products that meet the customers' needs. The latest innovation is the creation of the Strategic Business Alliances Management, which seeks, through synergies with large companies and franchisers, to generate customer or supplier and franchisee loyalty programs.

In addition, the management circuit for the Formal Employment Support Program, PAEF, was created. Working in synergy between different areas of the Bank and the Commercial Network, more than 45,000 applications were received between May and November 2020, corresponding to companies interested in receiving the payroll subsidy, thus managing the delivery of \$433mM, a task that during 2021 will continue with the support and management for the delivery of these subsidies.

The management focuses for the year 2020 were concentrated on strategic and customer support priorities, which are explained below for each Segment:

2.1. SMEs

BBVA-2 • BBVA-3

In 2020, a plan leveraged on the Group's globality is initiated, which aims to position the SME business with seven strategic pillars in the country, with clear and ambitious milestones among them: updating segmentation; transformation of the relationship model; implementation of a management model as specialized banking; updating risk policies; definition and implementation of a new value offer adapted to the opportunities of the new era, among them, some implementations delivered as opening of the second online account. Finally, in Data and Technology, the SME journey was developed, based on analytical models to identify the propensity and opportunities in the next best customer offer.

In November, SMEs Banking was created, with the purpose of continuing to advance and become a reference in Colombia in said segment. The organizational structure is concentrated in a National Direction, where three regional managements are linked, a transactional management and the integration of promotion teams, product specialists and executives, who allow providing a specialized management of the segment, thus consolidating the Bank's integrity and offering a better experience to customers.

The year 2020 did not stop, with the work of interdisciplinary teams and in synergy with different leaders of the commercial areas, opportunities were identified despite the adversities and this led to the construction of different commercial actions focused on supporting the financing of companies in

different sectors, the creation of new Payroll and Working Capital products, “Colombia Avanza”, linked to the State guarantees with disbursements of \$572,000 million pesos and thus accompanying customers during the pandemic. The resumption of the Agro-industrial sector was another lever, which through a structured plan of committees with risks, focus and agro-industrial fairs allowed the Bank to close a successful year in Agro lines, with a budget compliance of 130% and +45% TAM. Other activities such as Emerge Plan, where through a personalized accompaniment and understanding of financial needs given the crisis generated by the pandemic and a constant monitoring of financial obligations, allowed the entity to achieve positive results.

The Agribusiness sector was the protagonist in the fourth quarter of 2020. During this quarter and for the first time, we participated in virtual fairs of this sector and events of different associations such as Fedegan, Procaña and the Cordoba sin Fronteras event, increasing the brand presence in the sector, in addition to strengthening the relationship with the different associations.

These activities allowed us to close the year with outstanding budgetary compliance, with 14 TAM % and 42bp in quota gain. In terms of fund gathering, we were able to achieve a 7.5% TAM, a positive result given the expectations of the economic environment.

Other results of the comprehensive management developed in the SME segment include: 25% growth in users of the SME mobile application; 1,619 new customers who now buy and sell foreign currency with BBVA; migration of 73% of operations that were performed in branches and are now performed on the digital platform; good dynamics in the Derivatives business, contributing profits of \$12,791 million; and 495 new customers in Insurance and a 16% TAM in the collection of insurance premiums.

From the transactional management, in 2020, due to the creation of the new direction focused on transactional management, the efforts of the bank in the fulfillment of new business and the generation of commissions will be increased.

In spite of the impact of the pandemic on the stores linked to the collection world, the growth of the

acquisition turnover stands out, with 136% TAM, an achievement driven by different strategies and transactional actions that allow the results for this product to be notorious due to the hard work of each one of the network's executives.

Likewise, the 167% TAM revenue growth in digital solutions for ecommerce PSE motivates us to continue breaking milestones and in turn accompany customers in the digital transformation.

In the management of commissions, during the second half of 2020, strategic actions were implemented to encourage the growth of agreements that showed a decrease in average balances.

In the last week of December 2020, a tactical action was defined in conjunction with the financial services marketer, which sought to deepen the Net Cash Portal and App registrations.

2.2. Companies

The year 2020 began marked by four strategic axes in the business segment: investment, transactionality, engagement and profitability, and despite the pandemic caused by COVID-19, measures were implemented that helped this plan to be fulfilled. One of them was the Emerge Plan, which was based on the segmentation of customers requesting financial relief; these customers were assigned to commercial managers who were in charge of advising them to normalize their portfolio and improve their liquidity.

As part of this strategy, special rediscount lines (Bancoldex, Finagro and Findeter) were adopted to meet the contingency. A total of \$288,815 million was invoiced, of which \$165,266 million with FNG guarantee coverage as a tool for financing customers that could become financially impaired.

Likewise, Corporate and Institutional Banking was separated to give greater focus to the business and provide customers (corporate and institutional) with better attention and specialization in their needs.

On the other hand, to boost invoicing in the economic sectors where growth potential was found during the contingency, the Winners Plan was created, a strategy that initially proposed to grow in average

balances with a group of customers. The Factoring Plan was also created, where the payers with the largest available quota for invoice negotiation were identified, with the purpose of linking their suppliers to confirming and DTV agreements.

Regarding the foreign currency portfolio, digital sales were boosted, through the FX Digital campaign, achieving a 20% growth in digital operations in foreign currency trading in legal clients, rising from 42% in 2019 to 63% in 2020 and a 94% increase in IRS commissions throughout the year.

Transactional management played a relevant role in the year 2020 within Corporate Banking, despite the impact of the pandemic on related businesses in the collection world. The stabilization of the product turnover during the second half of the year, the growth of the Acquiring turnover with a 101% TAM in 4Q, driven by different strategies and transactional actions that highlight the results of this product due to the hard work of each one of the transactional managers.

Likewise, the TAM revenue growth was 45% in PSE in 2020 vs. 2019. In e-commerce, banking had a great opportunity to grow. During 2020, several businesses that operated in present sales were migrated to e-commerce, thanks to our strategic partner Openpay.

It should also be noted that the development of digital products and sustainability also had great achievements. Firstly, the pilot of the new digital savings account for legal clients was launched, which can be contracted from BBVA Net-cash mobile or BBVA Net-cash portal; secondly, the first loans with sustainable destination were made and the first training was given to the commercial network on financing, business opportunities, types of contracts, insurance and suppliers of this type of credit, which created an agenda of events and alliances to continue developing this business with customers in 2021.

Finally, in the fourth quarter of the year and based on what was learned in 2020, the 2021-2024 commercial plan was launched, which seeks to grow and achieve a better position in the market, with a good team in the commercial network and in central areas.

3. Government Banking

In order to achieve greater positioning in the public sector and guarantee specialized attention, in May 2020 the Government Banking segment was created, oriented to support with products and services to national, departmental and municipal public entities, as well as institutional clients of the following groups: Family Compensation Funds, Universities, Health, Non-Profit Entities, among others.

The structure of Government Banking, which reports directly to the Network Vice-Presidency, is made up of a national direction, three regional managers, 27 account managers, a national transactional manager and 13 transactional managers, supported by an operational support structure to guarantee timely customer service.

In addition, the Vice-Presidency of Client Solutions created the Business Execution Governments Division, to achieve, through the structuring of commercial actions, the fulfillment of banking results in assets, liabilities and transactions.

In 2020, the different sectors of the economy have been affected by COVID-19, to support them the National Government decrees the economic, social and ecological emergency and creates the Emergency Mitigation Fund - FOME, whose purpose is to provide resources to the State to address the pandemic. Therefore, BBVA has focused on actions of permanent and integral accompaniment to public and institutional clients, to guarantee the flow of resources and the accompaniment for the use of special lines established by the Government.

In order to maintain the Bank's positioning in credit investment, BBVA continues to support economic reactivation through the approval of credit operations to different territorial entities, in accordance with the approved Development Plans 2020 - 2024. This placed BBVA in second place, with a 19.6% share in departments and 17.5% in municipalities, according to figures as of September.

On the liabilities side, the strategy has been aimed at strengthening the deepening of the different

groups of the transactional resources flow, with a focus on capturing revenues from territorial entities. This has made it possible to advance in the establishment of the transactional desk for the structuring of tailor-made suits, to offer clients competitive transactional solutions.

On the other hand, synergies with Retail Banking are being strengthened to deepen the relationship with the different groups, being recurrent generators in cross-selling of individuals for the Bank.

4. Corporate and Investment Banking

Corporate and Investment Banking, CIB, is the area in charge of serving the most relevant corporations, multinationals and financial institutions, thanks to its recognition as the largest international bank in the country. Through this coverage model, the Bank offers its clients traditional financial products, high value-added services and products, and differentiating and comprehensive solutions, both locally and internationally. This has positioned BBVA as a strategic ally for customers and has allowed it to participate in their most relevant projects.

In the midst of the pandemic caused by COVID-19, 2020 was a year with multiple challenges for BBVA's Corporate and Investment Banking area, which it had to overcome in order to continue accompanying clients. The entity faced a highly competitive environment in the middle of a very reduced activity, but a strategy was developed that allowed the area to close the year favorably.

All in all, CIB's performance on each of the strategic priorities during 2020 was framed as:

1. Improve the financial health of customers: the situation of the year posed a great challenge to the Bank to continue with the normality of the business. However, CIB highlights the timely management of customers' liquidity needs during the pandemic, supporting more than 30 customers with disbursements in excess of \$2 trillion. The support and closeness to clients at a time of such uncertainty was a differentiating and relevant factor in reinforcing the Bank's position in the market. These results

were reflected in the customer satisfaction survey, with an improvement in the result versus last year, highlighting BBVA's support during the year, especially in the first months of the arrival of COVID-19.

2. Helping clients transition to a sustainable future: COVID-19 and recent natural disasters have highlighted the need for greater organizational commitment to climate change. The goal at CIB is to make the sustainability angle a fundamental part of day-to-day operations. The Bank is currently certified by Vigeo Eiris, a sustainable rating agency, to incorporate the sustainability seal in the Bank's products. During 2020, six businesses were certified as sustainable, aimed at supporting decent work, reducing inequalities, economic growth, reducing energy consumption and clean transportation, reducing the carbon footprint in the companies' processes. The entity's ambition is to position itself as the sustainable financing bank in Colombia, thanks to its experience, both nationally and internationally.

3. Growth in customers: The strategy during the year focused on strengthening synergies with other areas and segments, in products such as digital sales, payrolls and savings accounts, which allow increasing market share, taking advantage of the benefits of an excellent value offer. CIB supports BBVA's initiative to consolidate alliances with large corporate clients and financial institutions, to reach customers with a robust offering of commercial products.

BBVA's innovation pillar has focused on being recognized as a highly digital bank, providing customers with the greatest number of facilities to carry out their transactions quickly, transparently, simply and securely. CIB continues to promote digital sales, with new functionalities and providing greater coverage to the needs of customers. During the year, and because of the COVID-19 situation, foreign exchange transactions through digital channels increased considerably; 80% of individuals are trading foreign exchange through this medium and 63% of legal entities use it as a means of negotiation.

4. Pursuit of operational excellence: In line with the digital transformation and the COVID-19 situation, work models and processes had to be quickly rethought. Home office was successfully implemented for the bulk of employees, allowing the team to continue working normally remotely, meeting all security requirements, both for clients and for the Bank, and without technological incidents.

In addition, within BBVA's agile structure, the objective is to make activities more efficient and to quickly seek solutions that are agreed upon, discussed and negotiated within commercial schemes that evaluate the best alternatives for the business and for the client.

5. The best and most committed team: The CIB Colombia area is constantly promoting the attraction and retention of talent, as well as the development and promotion of the team, in line with new market trends. For 2020, we highlight the significant improvement in the employees' perception of the Bank's work environment, which generates pride, in a year with so many challenges and new work dynamics. On the other hand, the teams have virtual training this year in services, industry and market, in order to have a high-performance interdisciplinary team, focused on achieving the objectives set and positively impacting the results in the short and long term.

6. Data and technology: In line with new market trends, efforts have been focused on data analysis to find business opportunities and offer products that meet customers' needs. During the year, thanks to data analytics, growth potential was identified in products such as factoring and confirming among different customer segments, allowing strategic commercial actions to be taken. CIB has also been working on new collection strategies, through a deep analysis of clients, generating specific solutions to their needs, with the objective of optimizing the balances of resources and the commissions generated by the derived transactionality, making the business profitable and more importantly, being at the service of the clients.

2020 was a challenging year, with a highly volatile macroeconomic environment. Nevertheless, CIB closed with positive results, driven by the Global Markets area, which has had an outstanding performance, along with the transactional business, which benefits from working with the most resilient clients and seeks to make a new service offering, with greater accompaniment and closer proximity during this time.

5. BBVA Valores Colombia S.A.

A subsidiary of BBVA Colombia, offers advisory, investment and support services in the Colombian capital market, aimed at clients of BBVA's premium banking, corporate banking and personal banking in Colombia, as well as direct clients or international clients with interests in the local fixed-income and equity markets.

In addition, BBVA Valores, through its Investment Banking and Structured Finance team, is responsible for providing strategic support and advice to companies in Colombia and the region.

BBVA Valores' strategic priorities for 2020 were developed as follows:

Providing the best possible customer experience: During 2020, BBVA Valores improved its relationship with customers by working hand in hand with the bankers in the Bank's network and offering personalized investment alternatives tailored to the needs of each customer, achieving better interaction within the group and always seeking to meet and provide solutions to all customer needs.

Boosting digital sales: A process is underway to change the technological platform of the broker, to improve the customer experience and customer service. In this way, it is expected to facilitate in the future the 360° visibility of all the customer's products in the Group in a single platform, for a better management of its resources.

New business models: BBVA Valores is currently in the process of implementing its strategic plan, aimed at deepening three lines of business, which reinforce the work of BBVA Valores and complement the work of the Group in Colombia. With differentiated levels of assistance and advisory in accordance with each of the business lines, the aim is to transmit to customers all the potential that a global group such as BBVA can offer them.

Optimization of capital allocation: During 2020, the capital structure of BBVA Valores was strengthened through a process of capitalization of its shareholders, amounting to \$22 billion, allowing it

to be in line with the products offered, the needs of the market and the needs of its customers, thus complying with the legal capital requirements. In this way, and to provide a better service to its customers, BBVA Valores will always be attentive to improve its equity strength.

Likewise, BBVA Valores once again remained as one of the brokerage firms with the lowest administrative expenses in the sector, demonstrating that the optimization of processes initiated in previous years and achieved thanks to the creation of synergies with different areas of BBVA Colombia allowed time and cost savings, which in turn resulted in improved customer service.

Leadership in efficiency: Through teamwork and supporting the work of bankers and the Bank's network, BBVA Valores facilitated throughout the year the offering of portfolio investment products and specific products such as the intermediation of bonds, CDT's and Tidis, as well as the purchase and sale of shares in the local market. During the year, it expanded its services to provide execution to local and international institutional clients in the local fixed-income and equity markets, relying on BBVA's relationship with these clients locally and globally.

On the other hand, and because of the relationship with the Group, BBVA Valores currently has agreements with suppliers of BBVA Colombia, ensuring that the provision of services is of high quality while optimizing costs thanks to this group relationship.

The best team: BBVA Valores has an integral staff committed to the Group's objectives, working as a single team and creating opportunities to offer excellent service to all customers. The internal areas of the brokerage firm work and cooperate permanently with all the Group's subsidiaries in Colombia, always focused on meeting the proposed goals and objectives.

The culture of collaboration, entrepreneurship and transparency promoted by the Group in all areas seeks to improve the customer experience, are and will continue to be paramount.

6. BBVA Fiduciaria

BBVA Asset Management S.A. Sociedad Fiduciaria (“BBVA AM”), a subsidiary of BBVA Colombia, has been in charge of managing resources in Investment Funds and Structured Trust for more than 40 years.

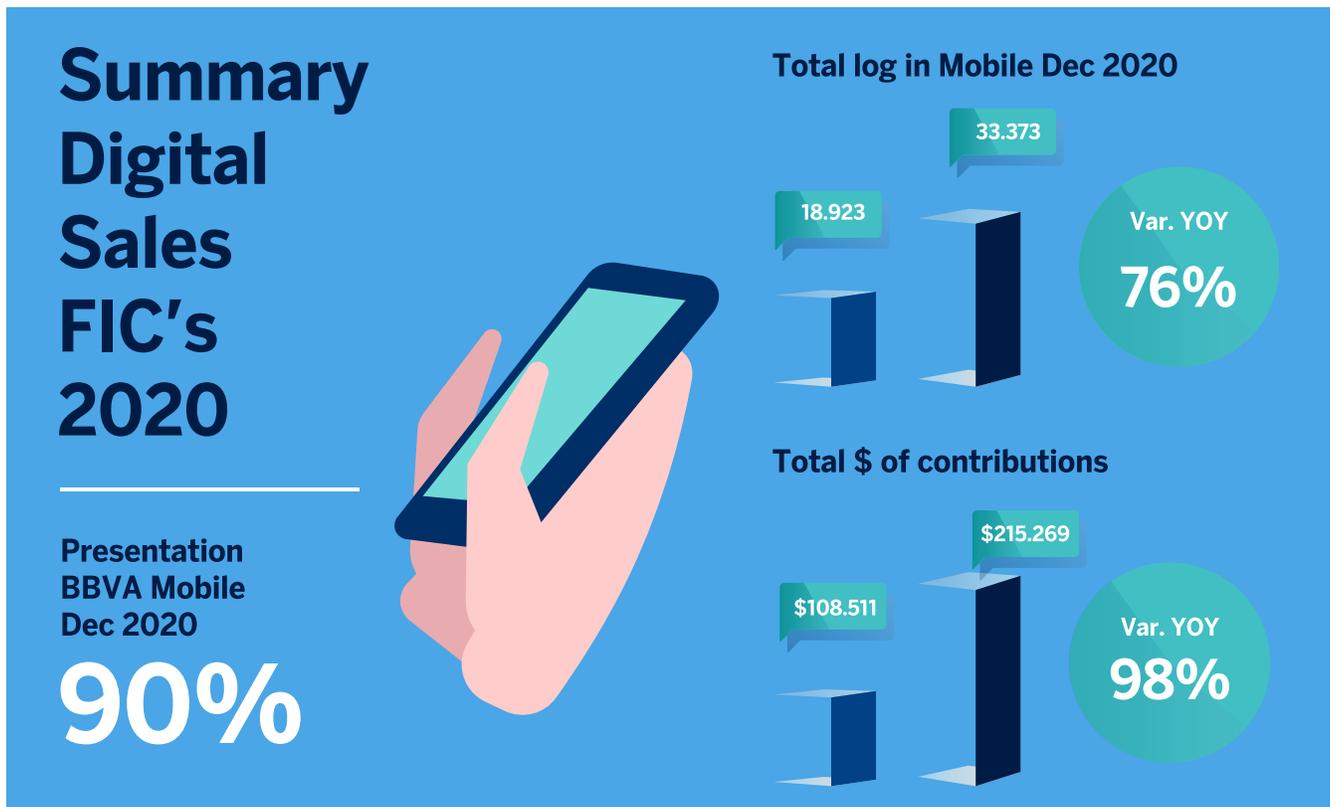
BBVA AM is positioned as one of the top 5 fiduciary companies in the management of Collective Investment Funds (without private equity funds) with a differentiated product offering, being a strategic ally for clients who require fiduciary structures. BBVA AM’s success lies in its team, the investment and global risk control processes it applies, the integral control in the structuring of trust businesses and their execution, and the search for consistent performance over time for its clients.

6.1. Management priorities

BBVA AM, in line with the group’s strategic priorities and with the aim of boosting the profitability of the business, established as a priority focus the promotion of digital metrics, the improvement of the customer experience and the launch of new products with the objective of being a reference in the market and the best ally of our customers.

1. Provide the best possible customer experience: In 2020, BBVA AM has managed to become a benchmark in the Industry, positioning the brand among the entities in recommendation of individual and legal customers of mutual funds and structured trust. This is a consequence of the change in the transformation of the business, thanks to the strategy developed by the entity, which its focus is the customer experience by improving customer service, quality of service and transparency.

2. Boosting digital sales: The new environment imposed by the pandemic forced us to multiply our efforts to improve the customer experience in the digital world. This year we expanded our mobile product offering in response to customer needs, adding four products that helped to boost metrics exponentially. We closed 2020 with a positive variation in additions of 76% versus the previous year and 98% of total contributions.



3. New business models: The commercial distribution model, divided between the two lines of business (FICs and Structured Trust) has been key to achieve and exceed the objectives set, since it has a team of specialized professionals. In terms of efficiency, the transformation process of the technological core will allow a substantial improvement in the procedures, helping the entity to continue meeting the proposed objectives and to be a benchmark in the industry.

4. Efficiency leadership: BBVA AM has consolidated its position as the leading entity in terms of efficiency, thanks to the work carried out by all areas, where priority is given to continuous monitoring and the correct allocation of resources, together with a market-leading sales dynamic.

5. The best team: The development and professional projection of the team is one of the strategic pillars of BBVA AM. In 2020, activities and initiatives have been developed to strengthen their personal and professional growth, which have helped the entity to be a protagonist and benchmark in the sector.

During 2020 BBVA AM performed well in fund management, growing in peak balances by 29% versus 2019 and closing at \$6.5 trillion under management and a gain in quota of 68 bps. In unitholders, the result was even stronger, with a variation of 39% and a gain in share of 100 bps.

The Trust and the funds under its management maintain the highest counterparty risk and portfolio management ratings in the industry. The Trust has a AAA counterparty risk rating and a AAA portfolio management quality rating.



Risk Management

1. General Risk Management and Control Model

BBVA Colombia has a General Risk Management and Control Model aligned with the BBVA Group's general model and locally adapted to its business model and organization. The Model allows it to develop its activity within the framework of the strategy and the risk management and control policy defined by the Board of Directors; and to adapt to a changing economic and regulatory environment, facing management in a global manner and adapted to the circumstances of each moment.

The Model is applied comprehensively in BBVA Colombia and consists of the basic elements listed below:

- Governance and organization.
- Risk Appetite Framework.
- Decisions and processes.
- Assessment, monitoring and reporting.
- Infrastructure.

BBVA Colombia promotes the development of a risk culture that ensures the consistent application of the risk management and control model and guarantees that the risk function is understood and internalized at all levels of the organization.

Governance and organization

The risk governance model in BBVA Colombia is characterized by a special involvement of the Board of Directors, both in the establishment of the risk strategy and in the continuous monitoring and supervision of its implementation.

The Board of Directors approves the risk strategy and supervises the internal management and control systems. Specifically, in relation to the risk strategy, the Risk Appetite statement of BBVA Colombia and its subsidiaries, the key metrics (and their statements) and the main metrics by type of risk (and their statements), as well as the General Risk Management and Control Model.

The Board of Directors is also responsible for approving and monitoring the strategic and business plan, annual budgets and management objectives, as well as the investment and financing policy, all of which are consistent and aligned with the approved Risk Appetite Framework.

The Risk function has a decision-making process supported by a committee structure, with the Risk Management Committee (RMC) as the highest committee in this area, in which the internal risk regulatory framework, the procedures and infrastructure necessary to identify, assess, measure and manage the risks faced by BBVA Colombia in the development of its business and the risk limits per portfolio, among others, are proposed, contrasted and, if necessary, approved for consideration by the Board of Directors.

The person in charge of the Risk Area at the Senior Management level is the Executive Risk Vice President of BBVA Colombia, who is appointed by the Board of Directors and reports directly to the Board of Directors for the performance of his duties. For the best performance of its functions, it is supported by a structure composed of specific units organized as follows: Market & Structural Risk, Internal Risk Control, Internal Control and Operational Country Risk, Portfolio Management & Reporting, Recovery & Workout, Wholesale Credit, Retail Credit, Solutions Development Risk.

Likewise, the risk units have their own risk management committees, with objectives and contents like those of the corporate area, which perform their functions consistently and in line with corporate risk policies and standards, and whose decisions are reflected in the corresponding minutes.

With this organizational scheme, the Risk function ensures the integration and application of the risk strategy, regulatory framework, infrastructure and homogeneous risk controls, while benefiting from the knowledge and proximity to the customer and transmitting to the different levels of BBVA Colombia the

existing corporate culture in this area. Likewise, this organization allows the local Risk function to carry out and report to the Board of Directors of BBVA Colombia an integrated monitoring and control of the risks of the entire Bank.

Risk Appetite Framework

BBVA Colombia's Risk Appetite Framework approved by the Board of Directors determines the risks and their level, which the Bank is willing to assume in order to achieve its objectives, considering the organic evolution of the business. These are expressed in terms of solvency, profitability, liquidity and funding or other metrics, which are reviewed periodically and in the event of substantial changes in the entity's business or relevant corporate transactions.

The Risk Appetite Framework is made explicit through the following elements:

(i) Risk Appetite Statement: It includes the general principles of the Bank's risk strategy and the target risk profile.

(ii) Fundamental statements and metrics: Based on the risk appetite statement, statements are established that specify the general principles of risk management in terms of solvency, liquidity and funding, and profitability and recurrence of results. The key metrics also reflect in quantitative terms the principles and the target risk profile set out in the Risk Appetite statement. Each of the key metrics has three thresholds ranging from business as usual to higher levels of impairment:

- **Management benchmark:** Determines a comfortable level of management for the Bank.
- **Maximum appetite:** Maximum level of risk that the Bank is willing to accept in the normal course of its ordinary business.
- **Maximum capacity:** Maximum level of risk that the Bank could assume which, for some metrics, is associated with regulatory requirements.

(iii) Statements and metrics by type of risk: based on the fundamental metrics and their thresholds, for

each type of risk, statements are established that reflect the general principles of risk management and a series of metrics are determined, the observance of which allows compliance with the fundamental metrics and the Bank's Risk Appetite statement. These metrics have a maximum appetite threshold.

(iv) The core limits structure: They articulate the Risk Appetite Framework at the level of risk types, asset classes and portfolios, ensuring that management is within the metrics by risk type.

In addition to this Framework, there is a level of management limits, which is defined and managed by the risk function in development of the basic structure of limits, to ensure that the anticipatory management of risks by risk subcategories within each type or by subportfolio respects this basic structure of limits and, in general, the established Risk Appetite Framework.

BBVA Colombia has its own Risk Appetite Framework, composed of its local Risk Appetite statement, fundamental metrics, metrics by type of risk and limits, which must be consistent with those set at the Group level, but adapted to its reality and approved by the Board of Directors.

The corporate Risk area works together with the different risk units of BBVA Colombia to define its Risk Appetite Framework, so that it is coordinated and framed within that of the Group and ensuring that its profile is in line with the defined one. Likewise, for local monitoring purposes, the Risk Vice-Presidency will report the evolution of the Local Appetite Framework metrics periodically to the Board of Directors, as well as to the Risk Management Committee (RMC) of the Risk Area, following a scheme like that of the Group, in accordance with its own corporate governance systems.

Decisions and processes

The translation of the Risk Appetite Framework into day-to-day management is based on three basic elements:

- 1. Existence of a homogeneous regulatory body:** The risk units of BBVA Colombia follow and, if applicable, adapt to local requirements the regulatory body defined at the corporate level, in order to have a decision-making process that is appropriate at the local level and

aligned with BBVA Group policies.

- 2. Risk planning that ensures integration in the management of the Risk Appetite Framework**, through a cascade process of establishing limits and returns adjusted to the target risk. It is the responsibility of BBVA Colombia's risk units to guarantee the alignment of this process with the authorized Risk Appetite Framework in terms of solvency, liquidity and funding and profitability and recurrence of results.
- 3. Comprehensive management of risks throughout their life cycle**, with a differentiated treatment in each case according to its typology.

Assessment, monitoring and reporting

Assessment, monitoring and reporting is a transversal function at the BBVA Colombia level that allows the risk management and control model to have a dynamic and proactive vision, making it possible to comply with the Risk Appetite Framework approved by the Board of Directors, even in the face of unfavorable scenarios.

The realization of this process is integrated in the activity of the risk units and is developed in the following phases:

- 1. Identification of the risk factors** that may compromise the Bank's performance in relation to the defined risk thresholds.
- 2. Evaluation of the impact of the materialization of risk factors** on the metrics that define the Risk Appetite Framework based on different scenarios, including stress scenarios.
- 3. Response to undesired situations and proposal of measures** for redirection to the corresponding instance, and that allow a dynamic management of the situation even before it occurs.
- 4. Monitoring of the Bank's risk profile and the risk factors** identified through, among

others, internal, competitor and market indicators, which allow anticipating its future evolution.

- 5. Reporting:** Complete and reliable information on the evolution of risks to the Board of Directors with the frequency and completeness commensurate with the nature, importance and complexity of the risks reported. The principle of transparency governs all reporting of risk information.

Infraestructure

For the implementation of the Risk Management and Control Model, the Bank has the human and technological resources necessary for effective risk management and supervision, and for the achievement of its objectives. In this sense, the risk function of BBVA Colombia:

1. It has adequate human resources in terms of number, capacity and experience.
2. Ensures the integrity of measurement techniques and management information systems and is equipped with the necessary infrastructure to support risk management in accordance with this Model.

A report will be made to the Board of Directors of BBVA Colombia so that it can ensure that the Bank is provided with the appropriate means, systems, structures and resources.

2. Credit risk

Credit risk management at BBVA Colombia is framed within a general model that includes guidelines and policies for each of the stages of risk management.

This set of internal rules establishes the framework within which BBVA Colombia's credit risk management and control must be oriented, determining the respective standards and limits.

The principles underlying credit risk management at BBVA Colombia are as follows:

- The risks assumed must conform to the general risk strategy established by the BBVA Group's Board of Directors and approved by the Board of Directors of BBVA Colombia.
- The risks assumed must be proportional to the level of shareholders' equity, borrowed funds and the generation of recurring results, prioritizing risk diversification and avoiding relevant concentrations.
- The risks assumed must be identified, measured and valued, and there must be procedures for their monitoring and management, as well as solid control and mitigation mechanisms.
- All risks must be managed in a prudent and integrated manner during their life cycle, giving them a differentiated treatment according to their typology, with active portfolio management based on a common measure (economic capital).
- The borrower's payment capacity to meet, in due time and form, the total financial obligations assumed from income from its usual business or source of income, without relying on guarantors, sureties or assets provided as collateral, is the main criterion for granting credit risk.

During fiscal year 2020 and in the development of the prudential supervision activities carried out by the Financial Superintendency of Colombia, a continuous follow-up of the management indicators established by the Bank in relation to the application of the PAD Debtor Accompaniment Program was maintained, in relation to the following topics:

- (i) Financial impact assessment
- (ii) Monitoring of PAD indicators:
 - Non-performing loan portfolio evolution by risk profile
 - Doubtful portfolio evolution by risk profile (internal criteria of the entity)
 - Migration percentages between profiles from one month to the other

- Percentage of contactability
- Percentage of clients with PAD and non-PAD solution
- Evolution of loan loss provisions and Cost of Risk

Credit risk exposure

With figures of November 2020, the latest available at sector level, BBVA is positioned as the fourth largest competitor in the Colombian market, with a 10.2% share in terms of credit investment. The annual growth of lending at the reference cut-off was 2.8%, in the portfolio mix, the share of Commercial and Consumer is 38%. For this period, the annual growth of the consumer portfolio corresponds to +4.2%, Mortgage +2.8%, and Commercial increases +1.5%.

From Retail Risks, in Individuals, aligned with the economic situation of the country, changes were established in the admission and product policies framed within the Global Risk Framework defined by the Holding Company and the national regulatory circulars, based on the pandemic. The main decisions are:

1. The suspension of credit risk attributions in the commercial network, which means that approvals are concentrated in the centralized Risk area.
2. Strengthening of digital culture processes that allowed us to provide business continuity in a secure manner, counteracting mobility restrictions.
3. Creation of documents that regulate and define the performance for the admission of clients in accordance with the circulars established by the regulatory entities.

The following guidelines are defined as a strategy and focus to maintain the placement:

- Pre-approved only to payroll customers in the Public and Private sector (Resilient Companies).

- Money orders on agreements in the public sector, CIB companies and large companies.
- Mortgage, aimed at salaried payroll and non-payroll customers.
- Loans for independent customers centralized in admission and leveraged on government-hedged guarantees.

In Small and Medium Enterprises, the following changes in admission policies are framed:

- 1.** Suspension of Pre-Offered and disposition of authorized quotas subject to risk validation.
- 2.** Restriction in the delegation of activities of savings and credit cooperatives, employee funds or other entities of the real and solidarity sector engaged in lending to salaried individuals, free-lance professionals and/or individuals with business (PNN), attribution concentrated in the area management.
- 3.** Disbursements with FNG guarantee at 80% and 90% in accordance with the SFC's Unidos por Colombia program, taking into account the destination of the resources.

As of year-end 2020, the Power Curve Origination tool for small business is developing the automatic allocation of credit transactions. Requirements are being developed for the last release containing external filter information, sanction flow, information capture for decision making body and delegation control.

In 2020, the Wholesale Risk area managed the admission of credit risks by applying the action guidelines defined in the risk appetite framework defined by Holding, bearing in mind the relief programs and post-Covid solutions associated with the current pandemic.

In this sense, reliefs were authorized to 893 clients for \$3.4 Trillion, of which 90% had been terminated by the end of 2020, with payments outstanding, mainly from territorial entities that for market reasons were granted with longer terms. Additionally, a portfolio segmentation was made based on the

vulnerability of the sector, the stage and the available rating, in order to focus efforts to anticipate actions to contain the overdue portfolio, in line with the Emerge Plan. As for structural solutions, they were granted to 151 clients for \$747 billion (4.3% of the Wholesale EAD), including 130 clients for \$620 billion to whom a previous relief had been authorized.

On the other hand, 2020 ended with a rating validation indicator of 98% in amount and 88% in number of clients, highlighting that since 3Q-2020, a downward adjustment has been made to the ratings of clients classified in subsectors with negative and negative stable Outlook, following the instructions given by corporate, in order to reflect the effects of the COVID-19 pandemic, a procedure that will be maintained until obtaining the fiscal financial information for the year 2020.

During this year and in spite of the current situation, the MD&A had a growth of \$810 billion, which represents an increase of 4.6%, highlighting operations of the Corporate and Government Banks such as: Colombia Telecomunicaciones S.A., \$300 billion; Bogotá Distrito Capital, \$207 billion; Compañía de Cementos Argos, \$161 billion, and Renault, \$121 billion: Colombia Telecomunicaciones S.A., \$300 billion; Bogotá Distrito Capital, \$207 billion; Compañía de Cementos Argos, \$161 billion, and Renault, \$121 billion.

The classification and rating by type of loan portfolio is as follows:

December 31, 2020

Portfolio	Capital	Interests	Others	Capital provision	Interest provision	Provision others	Warranty
Commercial:							
Category "A".	\$ 15,880,959	\$ 107,335	\$ 7,483	\$ 130,279	\$ 1,691	\$ 168	\$11,191,381
Category "B".	1,498,995	32,271	3,823	65,221	2,097	258	2,500,840
Category "C".	728,845	26,398	15,468	66,030	3,799	4,604	1,079,827
Category "D".	59,547	3,308	809	46,201	3,248	788	115,255
Category "E".	657,842	39,983	21,603	617,372	38,785	21,445	1,035,925
Total commercial	18,826,188	209,295	49,186	925,103	49,620	27,263	15,923,228

Portfolio	Capital	Interests	Others	Capital provision	Interest provision	Provision others	Warranty
Consumption:							
Category "A".	16,868,452	326,767	18,142	280,127	8,918	447	722,368
Category "B".	1,052,528	62,296	4,817	83,398	5,749	400	140,279
Category "C".	445,337	26,294	1,913	85,690	7,740	612	57,049
Category "D".	161,137	10,758	760	142,512	10,203	706	16,023
Category "E".	991,322	53,558	5,129	977,080	53,497	5,146	135,610
Total consumption	19,518,776	479,673	30,761	1,568,807	86,107	7,311	1,071,329
Microcredit:							
Category "E".	2	-	-	2	-	-	-
Total microcredit	2	-	-	2	-	-	-
Housing:							
Category "A".	9,358,436	245,171	25,959	94,428	7,203	389	23,527,210
Category "B".	2,177,092	69,195	7,405	71,000	57,340	6,317	4,665,814
Category "C".	109,759	2,832	437	10,430	2,832	430	301,049
Category "D".	191,841	6,177	1,119	38,352	6,181	1,111	805,785
Category "E".	322,166	7,232	5,195	147,122	7,134	5,184	831,088
Total housing	\$ 12,159,294	\$ 330,607	\$ 40,115	\$ 361,332	\$ 80,690	\$ 13,431	\$30,130,946
Employee Housing:							
Category "A".	\$ 358,864	\$ 2,187	\$ -	\$ 3,542	\$ 30	\$ -	\$ 830,753
Category "B".	8,472	316	-	255	282	-	24,500
Category "C".	289	1	-	725	1	-	656
Category "D".	344	2	-	69	2	-	1,206
Category "E".	969	23	-	537	22	-	2,724
Total housing Employees	368,938	2,529	-	5,128	337	-	859,839

Portfolio	Capital	Interests	Others	Capital provision	Interest provision	Provision others	Warranty
Consumption Employees:							
With other guarantees							
Category "A".	107,944	679	-	1,727	11	-	2,179
Category "B".	774	14	-	39	4	-	-
Category "C".	212	3	-	43	1	-	-
Category "D".	419	3	-	209	2	-	-
Category "E".	756	8	-	756	6	-	-
Total Consumption Employees	110,105	707	-	2,774	24	-	2,179
General Provision Housing	-	-	-	121,593	22,502	-	-
General provision Employees	-	-	-	4,790	118	-	-
General provision Consumption	-	-	-	-	28,387	-	-
General Provision Commercial	-	-	-	-	13,894	-	-
Individual countercyclical provision Commercial	-	-	-	118,416	2,078	311	-
Individual countercyclical provisioning Consumption	-	-	-	323,068	9,958	654	-
Others	-	7,794	-	-	-	-	-
Total provisions	-	7,794	-	567,867	76,937	965	-
Total Loan Portfolio	\$50,983,303	\$1,030,605	\$120,062	\$3,431,013	\$ 293,715	\$ 48,970	\$ 47,987,521

Credit risk mitigation, collateral and other credit enhancements

The maximum exposure to credit risk, in most cases, is reduced by the existence of collateral, credit enhancements and other actions that mitigate the Bank's exposure. The credit risk coverage and mitigation policy in BBVA Colombia stems from its conception of the banking business, which is very focused on relationship banking. In this line, the requirement of guarantees may be a necessary but not sufficient instrument for the granting of risks, since the assumption of risks requires prior verification of the debtor's payment capacity or that the debtor can generate sufficient resources to allow the repayment of the contracted risk, under the agreed conditions.

Accordingly, BBVA Colombia's credit risk assumption policy is implemented at three levels:

- Analysis of the financial risk of the transaction, based on the borrower's ability to repay or generate funds.
- If applicable, the constitution of guarantees adequate to the risk assumed; in any of the generally accepted forms: monetary, real, personal or hedging guarantees, and finally.
- Assessment of the recovery risk (liquidity of the asset) of the guarantees received.

BBVA Colombia's approach to risk assessment is based on the generation of resources and not on the collateral provided. In this order of ideas, the Bank does not grant credit operations based solely on collateral.

Considering the macroeconomic environment in Colombia, which is going through indicators with some degree of impairment in specific sectors, the monitoring and analysis processes of the particular portfolio have been oriented to detect possible sources of impairment, mainly in consumer lines, where it has been possible to react by adjusting policies and admission tools to restrict profiles with a higher probability of default.

The strategy of working as a team and transversally throughout the entire value chain, from the client's request to the recovery of the loan, has made it possible to visualize much more efficiently where to direct efforts to achieve the balance of Risk as a fundamental axis in its contribution to the income statement.

Risk concentration

Regarding the mitigation of credit risk concentration, BBVA Colombia maintains updated maximum authorized concentration indexes, both individual and sectorial, based on the different observable variables related to credit risk.

On the other hand, the Bank's financial presence or share in a specific client is conditioned by its credit quality, the nature of the risks held with it and the Bank's presence in the market, in accordance with the following guidelines:

- We try to make the client's financing needs (commercial/financial, short term/long term, etc.) as compatible as possible with the Bank's interests.
- Consideration is given to any legal limits that may exist on risk concentration (the relationship between the risks held with a customer and the own funds of the entity assuming them), the market situation, the macroeconomic situation, etc.

The Bank's loan portfolio as of December 31, 2020, was distributed among debtors engaged in the following economic activities:

Activity	2020	2019
Partnership activities - education - health	\$ 1,614,245	\$ 1,598,022
Leisure activities - cultural activities	214,612	173,671
Real estate activities - companies - rental	1,369,683	1,380,526
Water collection - treatment - distribution	57,192	53,268
Wholesale trade - commission - contracting	\$ 1,724,585	\$ 1,694,241

Activity	2020	2019
Retail trade - non-specialized establishments	\$ 2,038,120	\$ 2,177,555
Construction - fittings - finishes	1,244,520	1,482,006
Mail and telecommunication	615,221	325,214
Processing of food and beverage products	1,447,136	1,507,354
Exploitation public administration and defense	2,260,351	2,075,642
Exploitation of non-metallic minerals	15,715	21,811
Coal mining	6,308	87,381
Extraction of metallic minerals	1,198	3,886
Oil and gas extraction - natural gas	248,624	189,434
Paper - cardboard mill and its products	56,216	53,024
Manufacturing - refining - petroleum - chemicals	759,270	754,895
Non-metallic mineral manufacturing	234,535	140,811
Manufacturing other manufacturing industries	46,959	62,717
Manufacture of metal products - machinery	403,892	378,418
Manufacture of textile products	351,076	301,901
Financing insurance plans	20,263	59,905
Generation - manufacturing electricity - gas - water	2,107,813	1,906,742
Hotels and restaurants	314,287	295,193
Industry - manufacturing - metals	44,965	75,817
Financial intermediation	1,787,232	1,963,967
Salaried employees	28,203,220	26,844,740
Capital investors	376,727	365,014
Printing activities	41,780	29,361
Undifferentiated activities of individual households	1,140	873
Extraterritorial bodies and organizations	6,404	6,715
Other community service activities	1,175,427	1,449,110
Fish production fish hatchery - farm	\$ 14,173	\$ 18,219

Activity	2020	2019
Agricultural and livestock production	\$ 929,150	\$ 928,929
Sanitation and similar services	131,971	113,193
Forestry, timber extraction and services	32,583	36,142
Transformation - factory - wood basketry	15,064	14,152
Transportation	1,071,646	1,086,783
Total	\$ 50,983,303	\$ 49,656,632

Credit quality of financial assets not past due or impaired

BBVA Colombia has rating tools that make it possible to classify the credit quality of its operations or customers based on a valuation and its correspondence with the so-called probabilities of default (“PD”). To study how this probability varies, there are monitoring tools and historical databases that collect the information generated internally, which basically can be grouped into Scoring and Rating models.

Scoring

Scoring is a decision model that helps in the granting and management of retail loans: consumer, mortgages, credit cards for individuals. Scoring is the basic tool for deciding whether to grant a loan, the amount to be granted and the strategies that can contribute to pricing the loan, since it is based on an algorithm that ranks transactions according to their credit quality. This algorithm makes it possible to assign a score to each transaction requested by a client, based on a series of objective characteristics that have been statistically proven to discriminate between the risk quality of this type of transaction. The advantage of this model lies in its simplicity and homogeneity: for each client only a series of objective data is required, and the analysis of these data is automatic through an algorithm.

There are three types of scoring depending on the information used and its purpose:

- **Reactive scoring:** measures the risk of an operation requested by an individual using variables

related to the requested operation as well as the client's socio-economic data available at the time of the request. Based on the scoring score, a decision is made to grant or deny the new operation.

- **Behavioral Scoring:** it rates operations of a certain product of a portfolio of live risk in the entity, allowing the monitoring of credit quality and anticipating the client's needs. To this end, it makes use of transaction and customer variables available internally. Specifically, variables that refer to the behavior of both the product and the customer.
- **Proactive scoring:** provides a score at the client level using variables of the individual's general behavior with the entity, as well as his payment behavior in all the products contracted. Its purpose is to monitor the customer's credit quality and use it to pre-approve new operations.

Rating

The rating, unlike the scoring (which qualify operations), is a tool focused on the qualification of clients: companies, corporations, SMEs, public administrations, etc. A rating is an instrument that makes it possible to determine, based on a detailed financial analysis, the client's ability to meet its financial obligations. Usually, the final rating is a combination of factors of different nature. On the one hand, quantitative factors and, on the other hand, qualitative factors. It is a middle way between individualized analysis and statistical analysis.

The fundamental difference with scoring is that scoring is used to evaluate retail products, while ratings use a wholesale banking customer approach. In addition, scoring only includes objective variables, while ratings incorporate qualitative information. Likewise, although both are based on statistical studies, incorporating a business vision, in the development of rating tools greater weight is given to business criteria than in scoring tools.

In those portfolios in which the number of defaults is very small (sovereign, corporate, financial institution risks, etc.), the internal information is complemented with the benchmarking of external rating agencies (Moody's, Standard & Poor's and Fitch). Therefore, each year the PDs estimated by the

rating agencies for each risk level are compared and an equivalence is obtained between the levels of the different agencies and those of the BBVA Master Scale.

Once the probability of default of the transactions or customers has been estimated, the so-called “cycle adjustment” is performed, since the aim is to establish a measure of the quality of the risk beyond the moment of its estimation, seeking to capture information representative of the behavior of the portfolios during a complete economic cycle. This probability is linked to the Master Scale developed by BBVA to facilitate the classification, in homogeneous terms, of its different risk portfolios.

The following is the reduced scale used to classify BBVA Colombia’s live risks:

External Ratings Standard & Poor’s Scale	Internal ratings Reduced scale (22 groups)	Probability of default (basis points)		
		Medium	minimum from >=	Maximum
AAA	AAA	1	-	2
AA+	AA+	2	2	3
AA	AA	3	3	4
AA-	AA-	4	4	5
A+	A+	5	5	6
A	A	8	6	9
A-	A-	10	9	11
BBB+	BBB+	14	11	17
BBB	BBB	20	17	24
BBB-	BBB-	31	24	39
BB+	BB+	51	39	67
BB	BB	88	67	116
BB-	BB-	150	116	194
B+	B+	255	194	335
B	B	441	335	581
B-	B-	785	581	1,061
CCC+	CCC+	1,191	1,061	1,336
CCC	CCC	1,500	1,336	1,684
CCC-	CCC-	1,890	1,684	2,121

External Ratings Standard & Poor's Scale	Internal ratings Reduced scale (22 groups)	Probability of default (basis points)		
		Medium	minimum from >=	Maximum
CC+	CC+	2,381	2,121	2,673
CC	CC	3,000	2,673	3,367
CC-	CC-	3,708	3,367	4,243

The determination of such different levels and their probability of default (PD) limits was made taking as reference the rating scales and default rates of the external agencies Standard & Poor's and Moody's. In this way, the probability of default levels of the BBVA Master Scale are established. The calibrations (mapping of scores to PD tranches/levels of the Master Scale) are performed at the tool level for BBVA Colombia.

Past due and unimpaired risks

At BBVA Colombia, although there is a segmentation of past-due loans, which is understood as any loan transaction that has exceeded 30 days of non-payment but has not yet gone into default. Monitoring focuses on the doubtful portfolio.

Doubtful or impaired risks

In the classification of a credit operation as doubtful, the portfolio to which it belongs and the days of nonpayment in which it is incurred must be considered, as follows:

Concept	Default Days
Consumption	>60 days
TDC	>60 days
Mortgage	>120 days
Commercial	>90 days

BBVA's doubtful loans portfolio showed a better performance versus the previous year, with a decrease of -14.3%. The Sector variation corresponds to +19.3%.

Local provisioning is carried out in accordance with the Annexes 3 and 5 of Chapter II of the Basic Accounting and Tax Circular of the Superintendency of Finance, regarding the Commercial and Consumer Reference Model with a more prudent management in the severity of the Consumer Portfolio.

The following is a breakdown of the provisions recorded in the balance sheets to cover estimated impairment losses as of December 31, 2020:

Portfolio	Capital provision	Interest provision	Provision others	Warranty
Commercial:				
Category "A".	\$ 130,279	\$ 1,691	\$ 168	\$ 11,191,381
Category "B".	65,221	2,097	258	2,500,840
Category "C".	66,030	3,799	4,604	1,079,827
Category "D".	46,201	3,248	788	115,255
Category "E".	617,372	38,785	21,445	1,035,925
Total commercial	925,103	49,620	27,263	15,923,228
Consumption:				
Category "A".	280,127	8,918	447	722,368
Category "B".	83,398	5,749	400	140,279
Category "C".	85,690	7,740	612	57,049
Category "D".	142,512	10,203	706	16,023
Category "E".	977,080	53,497	5,146	135,610
Total consumption	1,568,807	86,107	7,311	1,071,329
Microcredit:				
Category "E".	2	-	-	-
Total microcredit	2	-	-	-
Housing:				
Category "A".	94,428	7,203	389	23,527,210
Category "B".	\$ 71,000	\$ 57,340	\$ 6,317	\$ 4,665,814

Portfolio	Capital provision	Interest provision	Provision others	Warranty
Category "C".	\$ 10,430	\$ 2,832	\$ 430	\$ 301,049
Category "D".	38,352	6,181	1,111	805,785
Category "E".	147,122	7,134	5,184	831,088
Total housing	361,332	80,690	13,431	30,130,946
Employee Housing:				
Category "A".	3,542	30	-	830,753
Category "B".	255	282	-	24,500
Category "C".	725	1	-	656
Category "D".	69	2	-	1,206
Category "E".	537	22	-	2,724
Total housing Employees	5,128	337	-	859,839
Consumption Employees:				
With other guarantees				
Category "A".	1,727	11	-	2,179
Category "B".	39	4	-	-
Category "C".	43	1	-	-
Category "D".	209	2	-	-
Category "E".	756	6	-	-
Total Consumption Employees	2,774	24	-	2,179
General Provision Housing	121,593	22,502	-	-
General provision Employees	4,790	118	-	-
General provision Consumption	-	28,387	-	-
General Provision Commercial	-	13,894	-	-
Individual countercyclical provision Commercial	118,416	2,078	311	-
Individual countercyclical provisioning Consumption	323,068	9,958	654	-
Others	-	-	-	-
Total provisions	567,867	76,937	965	-
Total Loan Portfolio	\$3,431,013	\$ 293,715	\$ 48,970	\$ 47,987,521

3. Market Risk

Market risk in portfolios

Market risk is generated by movements in market variables that affect the valuation of financial products and assets used in trading activities. The main risks generated can be classified in the following aggregations:

- **Interest rate risk** arises because of exposure to movements in the different interest rate curves in which the Company is operating. Although the typical products that generate sensitivity to interest rate movements are money market products and traditional interest rate derivatives, in practice, all financial products are exposed to interest rate movements due to the effect on their valuation of the financial discount.
- **Exchange rate risk** arises from movements in the exchange rates of the various currencies in which the position is held. As in the case of equities, this risk is generated in spot currency positions, as well as in any derivative product whose underlying is an exchange rate.

The metrics developed for the control and monitoring of market risk in BBVA Colombia are aligned with international best practices, positioning the Bank as a benchmark in the local market.

The measurement procedures are established in terms of how a possible negative evolution of market conditions, both under ordinary circumstances and in stress situations, would impact BBVA Colombia's trading portfolio.

The standard metric for measuring Market Risk is the Value at Risk ("VaR"), which indicates the maximum losses that can occur in portfolios at a given confidence level (99%) and time horizon (one day). This statistical value, widely used in the market, has the advantage of summarizing in a single

metric the risks inherent in the trading activity, considering the existing relationships between all of them, providing the prediction of losses that the trading portfolio could experience as a result of price variations in the interest rate and exchange rate markets. The market risk analysis includes the consideration of the following risks: basis between different instruments and correlation risk.

Most of the items on BBVA Colombia's consolidated balance sheet that are subject to market risk are positions whose main metric for measuring market risk is VaR.

The current management structure includes monitoring of market risk limits consisting of a VaR (Value at Risk) based limit scheme, economic capital (based on VaR measurements) and VaR sub-limits, as well as stop-loss limits for each of the Treasury business units.

The VaR measurement methodology used by the Bank is historical simulation, which seeks to collect the negative impacts that the income statements of the trading portfolio may suffer due to the negative impacts generated by the historical risk factors on the Bank's current position. By using historical data, the correlation that exists between them and their occurrence distributions is naturally included.

VaR figures are estimated following the VaR methodology without smoothing. From a sample of 2 years of simulated results, the fifth worst figure is taken.

Likewise, and following the guidelines established by the European authorities, BBVA Colombia incorporates additional metrics to VaR in order to meet the regulatory requirements of the Bank of Spain, for the purpose of calculating equity for the trading book. Specifically, the metrics incorporated in BBVA Colombia since February 2015 (which follow the guidelines established by Basel 2.5) are:

- **CEMO: Target Average Economic Capital**, a stressed VaR measurement is added to the VaR calculation, resulting in the final measurement being the maximum of the two (VaR and VaR Stress) over a 3-month average. In this way, a greater weight is assigned to current or past market stress events. This

measure is rescaled by the Basel-set multiplier of three times the root of ten to calculate the economic capital charge. The CEMO is consolidated with the IRC as a management measure.

- **Specific Risk:** Incremental Risk Capital (“IRC”). Quantification of the risk of default and downgrade of the credit rating of bond positions.

The incremental capital charge is determined based on the associated losses (at 99.9% over a 1-year horizon under the assumption of constant risk) resulting from rating migration and/or default or default by the issuer of the asset. Additionally, the price risk in sovereign positions is included for the aforementioned concepts.

Periodically, validity tests are performed on the risk measurement models used by BBVA Colombia, which estimate the maximum loss that could have occurred in the positions considered with a given probability level (Backtesting) as well as measurements of the impact of extreme market movements on the risk positions held (Stress Testing).

Market risk in 2020

BBVA Colombia’s market risk remains at stable levels versus 2019 risk levels. This is a result of performing most of the activity as franchise operations resulting in the assumption of low leverage risk in the proprietary position. During 2020, the average VaR has stood at \$5,756 million with a high for the year reached on August 3 which amounted to \$16,261 million. Below is the evolution of BBVA Colombia’s market risk during 2020, measured in terms of VaR (without smoothing), with a confidence level of 99% and a 1-day horizon expressed in millions of pesos.

Var Not Smoothed



During the year, the fixed income trading portfolio was characterized by a concentration of the position in short term, mainly holding TCOs, TES with maturity of less than one year and CDTs. On the other hand, the derivatives portfolio maintained the composition by type of product, the main products being peso dollar forwards and IRS in IBR. In a homogeneous manner with the composition of the portfolio, the sensitivities are concentrated by type in peso and dollar. The characteristics of the portfolio as described above, kept the average VaR low, since the short-term positions produced relatively low sensitivities and the interest deltas had conservative risk consumption throughout the period.

As of December 31, 2020 and 2019, the VaR balance was \$5,060 billion and \$2,621 billion, respectively.

These figures are broken down as follows:

VaR by risk factors	Interest risk	Exchange rate risk	Total
Year 2020			
Average VaR for the period	\$ 5,854	\$ 1,092	\$ 6,946
Maximum VaR for the period	16,329	8,301	19,215
Minimum VaR for the period	1,431	83	1,671
VaR at end of period	4,644	\$ 1,430	\$ 6,074
Year 2019			
Average VaR for the period	\$ 2,980	\$ 182	\$ 2,986
Maximum VaR for the period	2,372	3,376	5,891
Minimum VaR for the period	1,627	46	1,591
VaR at end of period	\$ 2,588	\$ 85	\$ 2,621

Model validation

The internal market risk model is validated periodically through backtesting. The objective of the backtesting tests is to verify the quality and accuracy of the internal model that BBVA Colombia uses to estimate the maximum daily loss of a portfolio, for 99% confidence and a time horizon of 250 days, by comparing the Bank's results and the risk measures generated by the model. These tests found that BBVA Colombia's internal market risk models are adequate and accurate.

In backtesting, the daily VaR is compared with the clean results after subtracting both the results and the portfolio positions generated during the day. In this way, the suitability of the market risk metric is validated in such a way that the VaR model used is adequately capturing the changes in the results of the trading portfolio.

Stress Test Analysis

In BBVA Colombia's trading portfolios, different stress test exercises are carried out. On the one hand,



historical settings are used, both global and local, which replicate the behavior of some extreme past event, such as the bankruptcy of Lehman Brothers. These stress exercises are complemented with simulated scenarios, where the aim is to generate scenarios that have a significant impact on the different portfolios, but without being anchored in any specific historical scenario.

■ 2020 Historical scenarios

The Bank's historical stress scenario of reference is that of Lehman Brothers, whose abrupt bankruptcy in September 2008 had a significant impact on the behavior of financial markets worldwide. The most relevant effects of this historical scenario are the following:

- Increased volatility in most of the financial markets, resulting in a large variation in the prices of different assets (currencies, equity, debt).
- Liquidity shock in the financial systems, reflected in a strong movement of the interbank curves, especially in the shorter sections of the euro and dollar curves.

■ 2020 Simulated scenarios

Unlike the historical scenarios, which are fixed and therefore do not adapt to the composition of the portfolio's risks at any given time, the scenario used to perform the economic stress exercises is based on a resampling methodology.

Said methodology is based on the use of dynamic scenarios that are periodically recalculated according to the main risks held in the trading portfolios. Over a data window wide enough to collect different stress periods (data taken since June 1, 2008), a simulation exercise is performed by resampling historical observations, generating a distribution of profits and losses that allows the analysis of more extreme events than those occurring in the selected historical window. The advantage of this methodology is that the stress period is not pre-established but depends on the portfolio held at any given time, and that by running a large number of simulations (10,000 simulations) it allows expected

shortfall analyses to be performed with a greater wealth of information than that available in the scenarios included in the VaR calculation.

The main characteristics of this methodology are the following: a) the simulations generated respect the correlation structure of the data, b) flexibility in the inclusion of new risk factors and c) it allows introducing a lot of variability in the simulations (desirable to consider extreme events).

4. Structural Risks

The Assets and Liabilities Committee (ALCO) is the main body in the management of structural risks related to liquidity, financing, interest rate and currency. On a monthly basis and with representation from the Financial Management, ALCO, Research, Market and Structural Risks and Business Areas, this is the Committee where the aforementioned risks are monitored and where management proposals are submitted for approval. These management proposals are made by the ALCO Financial Management Area with a forward-looking vision, taking into account the risk appetite framework and seeking to guarantee the recurrence of results and preserve the entity's solvency.

Market and Structural Risks is responsible for identifying, measuring, monitoring and controlling structural risks and submitting them to the corresponding management bodies and committees.

Structural interest rate risk

Structural Interest Rate Risk ("SIR") reflects the potential impact that variations in market interest rates have on net interest income and on the Bank's equity value. In order to adequately measure the SIR, BBVA Colombia considers the following as the main sources of this risk: repricing risk, yield curve risk, optionality risk and basis risk, which are analyzed from two complementary points of view: net interest income (short term) and economic value (long term).

The management objective is to promote the stability of net interest income and equity value in the face

of market rate variations, respecting solvency and internal limits, in addition to complying with requirements to maintain interest rate risk within approved limits, according to regulatory requirements.

The control and monitoring of BBVA Colombia's structural interest rate risk management is based on a set of metrics and tools that allow the appropriate monitoring of the entity's risk profile. Among other aspects, these include sensitivities to parallel movements in the face of different shocks, changes in slope and curvature. In addition, other probabilistic metrics based on statistical scenario simulation methods are evaluated, such as the Margin at Risk ("MeR") and the Economic Risk Capital ("ERC"), defined as the maximum unfavorable deviations in the interest margin and in the economic value, respectively, for a given confidence level and time horizon.

This is done separately for each of the main currencies to which there is exposure on BBVA's balance sheet, subsequently considering the diversification effect between currencies.

The exercises take into account both the analysis of unfavorable macroeconomic scenarios, specifically designed by BBVA Research, and a broad spectrum of potential scenarios, which seek to identify those interest rate environments that are particularly detrimental to the entity. To this end, extreme scenarios are generated for breaking interest rate levels and historical correlations, giving rise to abrupt changes in slopes and even inverted curves.

The model is necessarily based on an elaborate set of assumptions aimed at reproducing the behavior of the balance sheet as closely as possible to reality. Of relevance among these assumptions are those relating to the behavior of "accounts without explicit maturity", for which stability and remuneration assumptions are established in accordance with an appropriate segmentation by type of product and customer, and to prepayment estimates (implicit optionality).

For 2020, a change was made in the tool for calculating the aforementioned metrics, in which the processes are more automated and different types of reports that contribute to the monitoring, control and management of the metrics can be built.

Below are the average levels of interest rate risk, in terms of sensitivity for BBVA Colombia's balance sheet during 2020:

Aggregate interest rate sensitivity analysis	Interest margin impact (*)		Economic value impact (**)	
	100 bp increment	100 bp detriment	100 bp increment	100 bp detriment
January - December 2019	\$ 50,173	\$ 51,904	\$ 54,671	\$ 55,938
January - November 2020	\$ 49,875	\$ 44,070	\$ 147,991	\$ 136,658
% share of portfolio sold	86%	2%	12%	100%

(*) Percentage with respect to the projected "1 year" interest margin of each unit.

(**) Percentage with respect to Core Capital of each unit.

The high uncertainty generated by the health and economic crisis made Banco de la República to reduce its intervention interest rate to levels never seen before, which resulted in high levels of liquidity in the market, as well as low interest of companies in taking on debt.

Structural exchange rate risk

At BBVA Colombia, structural exchange rate risk arises from the structural balance sheet exposure to foreign currency positions and its impact on solvency.

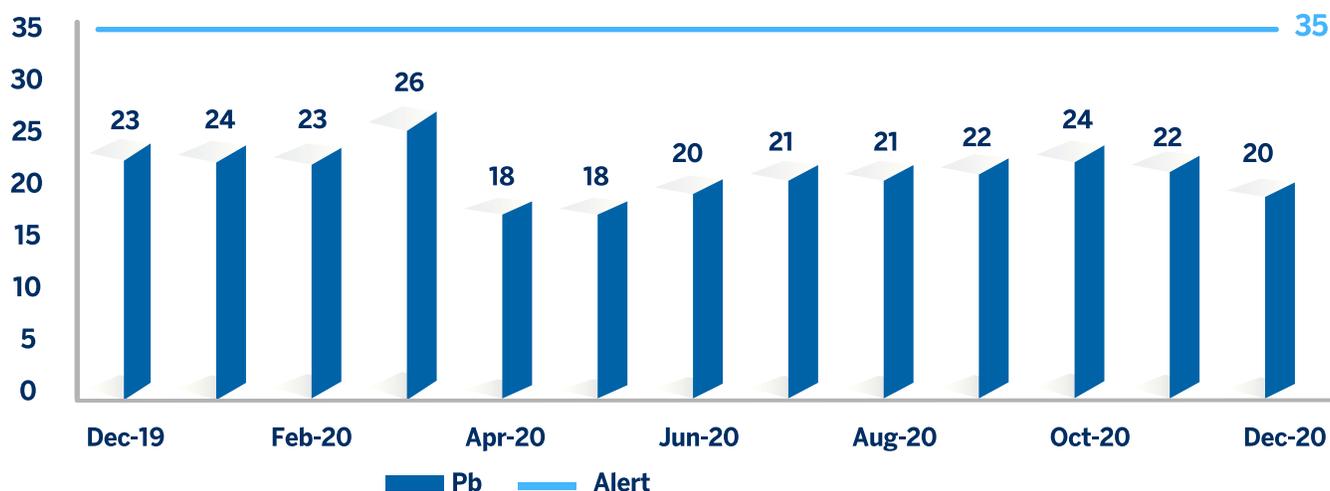
ALCO Financial Management designs and executes strategies to control the potential negative impacts of exchange rate fluctuations on capital ratios. Market and Structural Risks implements and develops the follow-up and control of structural exchange rate risk. Likewise, it periodically controls and monitors the open exposures of the structural balance sheet.

The risk monitoring metrics included are reported in the ALCO Committee, and are complemented with additional indicators to evaluate the Bank's operating position in foreign currencies, to ensure regulatory

compliance with foreign currency position limits and adequate risk management. BBVA Colombia’s level of exposure to structural exchange rate risk is around 22 bp of its solvency in the event of a 10% variation of the Colombian peso.

Throughout 2020 the exchange rate presented a high dynamism, with a variation at year-end of 155 Colombian pesos with respect to the end of 2019. The balance sheet structure maintains limited currency exposure, which allows stability in terms of structural exchange rate risk, and a favorable impact on solvency ratios.

Graph Solvency sensitivity to exchange rate variations



5. Liquidity Risk

The management of liquidity and financing in BBVA Colombia promotes the financing of recurring growth of the banking business under appropriate term and cost conditions, through instruments that allow access to sources of financing, adapting to regulatory and corporate requirements.

Liquidity and funding management in BBVA Colombia is performed autonomously with a corporate approach, which helps to prevent and mitigate contagion from crises that could affect only one or several subsidiaries of the Group. For this reason, the entity acts independently to cover its liquidity

needs in the market in which it operates, a strategy that guarantees the adequate transmission of liquidity and funding costs to the price formation process.

BBVA Colombia's financial soundness is based on the financing of lending activity, mainly through stable customer funds; the Loan to Stable Customer Deposits (LtSCD) indicator measures the relationship between net lending and stable customer funds. These stable customer funds are computed by analyzing the behavior of the balances of the different customer segments identified as likely to provide stability to the financing structure, prioritizing engagement and transactionality by applying higher haircuts to the financing lines of less stable customers.

To establish the target (maximum) LtSCD levels and provide a reference of optimal funding structure in terms of risk appetite, Market and Structural Risks identifies and consolidates some economic and financial variables that may be considered conditioning factors of the geography's funding structure. BBVA Colombia has maintained a solid financing structure, reflected in the levels of self-financing with stable customer funds above what is required.

Loan to Stable Customer Deposits (LtSCD) Dec 2020	Loan to Stable Customer Deposits (LtSCD) Dec 2019
104.9%	112.89%

A second axis in the management of liquidity and financing risk is to achieve a correct diversification of the financing structure, avoiding a high dependence on wholesale financing. To this end, a maximum level of short-term financing is established, which includes both wholesale financing and less stable customer funds.

To promote resilience of the short-term liquidity risk profile, guaranteeing that BBVA Colombia has sufficient collateral to face the risk of closure of wholesale markets, the Basic Capacity metric is established, a short-term liquidity risk management and control metric, which is defined as the ratio between available explicit assets and the maturities of wholesale liabilities and wholesale funds, at different time periods, with special relevance in the 30-day maturities.

The following table shows the available liquidity by instruments, which are part of the collateral, as of December 30, 2020 for BBVA Colombia:

Dec-20	BBVA Colombia	
Cash	\$	5,567,444
Eligible fixed income	\$	5,699,070
TES	\$	3,015,221
Corporate and other bonds	\$	2,412,172
Collateral received as guarantee	\$	271,677
% share of portfolio sold		86%

The above metrics are complemented by a series of indicators on which thresholds are established to avoid concentration in wholesale funding by product, counterparty, markets and maturity. In addition, reference thresholds are established on a series of leading indicators that allow anticipating stress situations in the markets and adopting, if necessary, preventive actions.

Within the analysis of liquidity and funding risk management, stress analyses are a fundamental element of the monitoring scheme, since they make it possible to anticipate deviations with respect to the liquidity objectives and limits established in the appetite, and to establish tolerance ranges in different management axes. They also play an essential role in the design of the Liquidity Contingency Plan and in the definition of specific measures to redirect the risk profile.

For each of the scenarios, it is examined whether the Bank has a sufficient stock of liquid assets to guarantee its capacity to meet its liquidity commitments/outflows in the different periods analyzed. Four scenarios are considered in the analysis: a central scenario and three crisis scenarios. Each scenario considers the following factors: existing liquidity in the market, the behavior of customers and funding sources, the impact of rating downgrades, the market values of liquid and collateral assets, and the interaction between liquidity requirements and the evolution of the Bank's credit quality.

The stress tests carried out periodically show that BBVA Colombia maintains a buffer of liquid assets (stress buffer) sufficient to face the estimated liquidity outflows in a scenario resulting from the

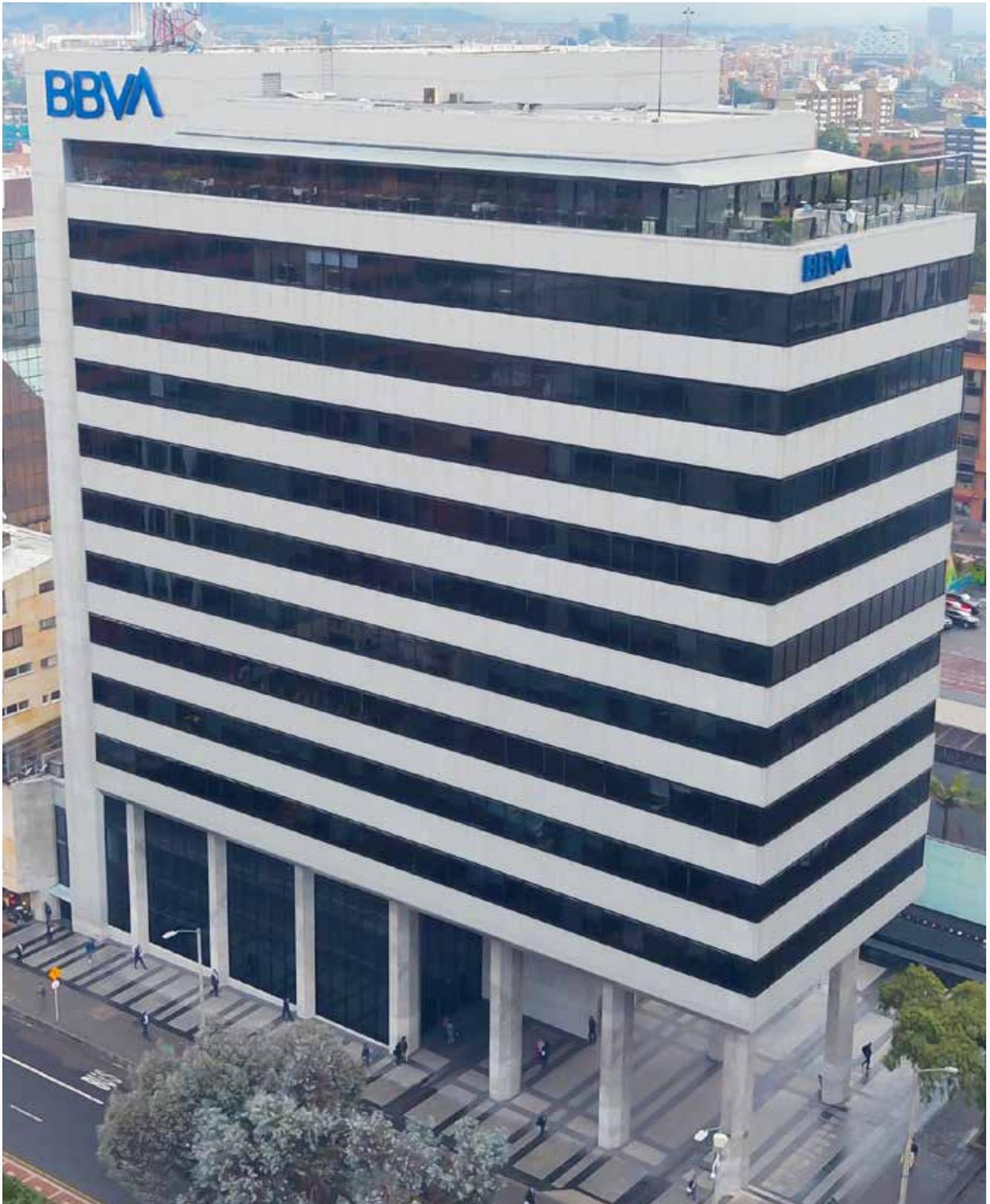
combination of a systemic crisis and a crisis of its own.

In addition to the main indicators mentioned above, BBVA Colombia reports the Regulatory Liquidity Indicator (“RLI”), a weekly and monthly regulatory format which contains contractual and non-contractual short-term flows. The IRL must comply for each of the bands (7 and 30 days) that the ratio between liquid assets adjusted for market liquidity and foreign exchange risk, and the total net liquidity requirement, is at a level above 100%. Throughout 2021, the IRL level for BBVA Colombia has remained above 100%, with comfortable levels, indicating its solid position in terms of liquidity.

Since March 2020, the Net Stable Funding Ratio (NSFR) is reported, which details the Available Stable Funding vs. Required Stable Funding, which must be above 90% by March 2021 and 100% by March 2022. Throughout 2020, the CFEN level for BBVA Colombia has remained above 100%, with comfortable levels.

Considering BBVA Colombia’s participation in the BBVA Group, a level of compliance requirement is established for the LCR and NSFR ratio, in accordance with the criteria dictated by Basel and based on the highest requirement with respect to liquidity risk. The internal levels required are aimed at meeting the 2020 regulatory requirement sufficiently in advance and efficiently, at a level above 115% for the LCR and 108% for the NSFR. Throughout 2020 the level of LCR and NSFR for the entity has remained above this level.

In summary, in 2020, the entity has maintained a solid liquidity position, complying with the indicators at the local and corporate levels.



Subsequent events

The Bank is considering refinancing a portion of the current issuance in dollars, with the objective of replacing it with a new issuance or subordinated loan that is Tier 2 Capital and in accordance with Basel III - loss absorption - to improve the cost of funds, extension of the term of the debt, better capital metrics, among others. This is done through a cash tender offer on the current issue, unwind of the existing hedge on the repurchased amount and end of hedge accounting for this portion. The new issue or subordinated loan is for a 10-year term with a call option at year 5 -10NC5- and hedging at the call date with a cash flow CCS.

On January 5, 2021 the joint venture called Movistar Money was established, where the Bank participates with 49%; the initial activity of the new company will be the financing to third parties for the acquisition of cell phones in Movistar stores through free destination credits, later the company will review new financing opportunities for other types of items or products for the following year. The estimated production start date of the company is July 2021, date that may vary according to the development of pending activities by the company.

3. Annual Corporate Governance Report

(Figures expressed in millions of pesos -COP-, except the exchange rate and net earnings per share)

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Corporate Governance System

GRI-102-12 • GRI-102-18

BBVA Colombia's Corporate Governance System (hereinafter, the "System") is in line with international, corporate and local recommendations and trends. Its principles, elements and practices are included in different instruments that guide the structure and functions of the corporate bodies, such as the Bylaws, the Corporate Governance Code, the Regulations of the General Shareholders' Meeting, the Regulations of the Board of Directors and the Regulations of the Board Support Committees.

The System is also integrated by the internal rules of conduct contained in the BBVA Code of Conduct, the Code of Conduct in the Securities Market and the Code of Conduct for the Prevention of Money Laundering and Financing of Terrorism, which enshrine the postulates that govern the actions of its Directors, members of the Board of Directors, administrators and employees.

In addition, BBVA Colombia's Corporate Governance System is conceived as a dynamic process under continuous review, with a focus on improvement and adaptability to the new realities of the Bank and its subsidiaries, taking as a reference the regulations and recommendations on best corporate governance practices.

Implementation Report New Country Code fiscal year 2020

On January 29, 2021, BBVA Colombia completed and submitted to the Financial Superintendency of Colombia (SFC) the Report on the Implementation of Best Corporate Practices-New Country Code for the year 2020, which is available on the Bank's website, at the following link: <https://www.bbva.com.co/personas/atencion-al-inversionista/gobierno-corporativo/encuesta-codigo-pais.html>

The Report presents the same structure as the Country Code, that is, divided into five areas: 1) Rights and equitable treatment of shareholders; 2) General Shareholders' Meeting; 3) Board of Directors; 4) Control Architecture; and 5) Transparency and Financial and Non-Financial Information. It has 33 measures that are developed in 148 recommendations that can be adopted by securities issuers.

The methodology for filling out the report was based on the "comply or explain" principle. In accordance with this principle, the Bank responded "Yes" when the recommendation was adopted and indicating the supports where the respective recommendation was indicated. The answer "No" was given in those cases in which for the 2018 period, the recommendation was not implemented. However, it was explained, when appropriate, that the General Shareholders' Meeting and the Board of Directors had approved its implementation.

IR (Investor Relations) Issuer Recognition ^[1]

For the eighth consecutive time, BBVA Colombia has received the Emisores IR (Investor Relations) Recognition granted by the Colombian Stock Exchange to issuers that voluntarily adopt better disclosure levels and certify compliance with best practices in: i) Investor Relations; ii) Disclosure of information to investors and the market in general and; iii) Corporate Governance.

According to the study conducted by CESA and the BVC, it was evidenced that during the year 2020, the Bank complied with 98.8% of the standard of disclosure of information and Corporate Governance practices. This percentage of disclosure, makes BBVA Colombia to be in outstanding positions in categories of IR issuers with higher content standards, standards in Corporate Governance and in evolution since 2016.

This recognition indicates that BBVA Colombia has a direct communication channel with investors as a stakeholder group, which allows it to position itself as the leading foreign bank in the country and reiterates its commitment to the implementation of good practices in the area of information disclosure and Corporate Governance, strengthening security, trust and credibility among the national and international investment community.

[1] The Issuers Recognition - IR granted by the Bolsa de Valores de Colombia S.A., is not a certification on the goodness of the registered securities or on the solvency of the issuer.

Ownership structure of BBVA Colombia

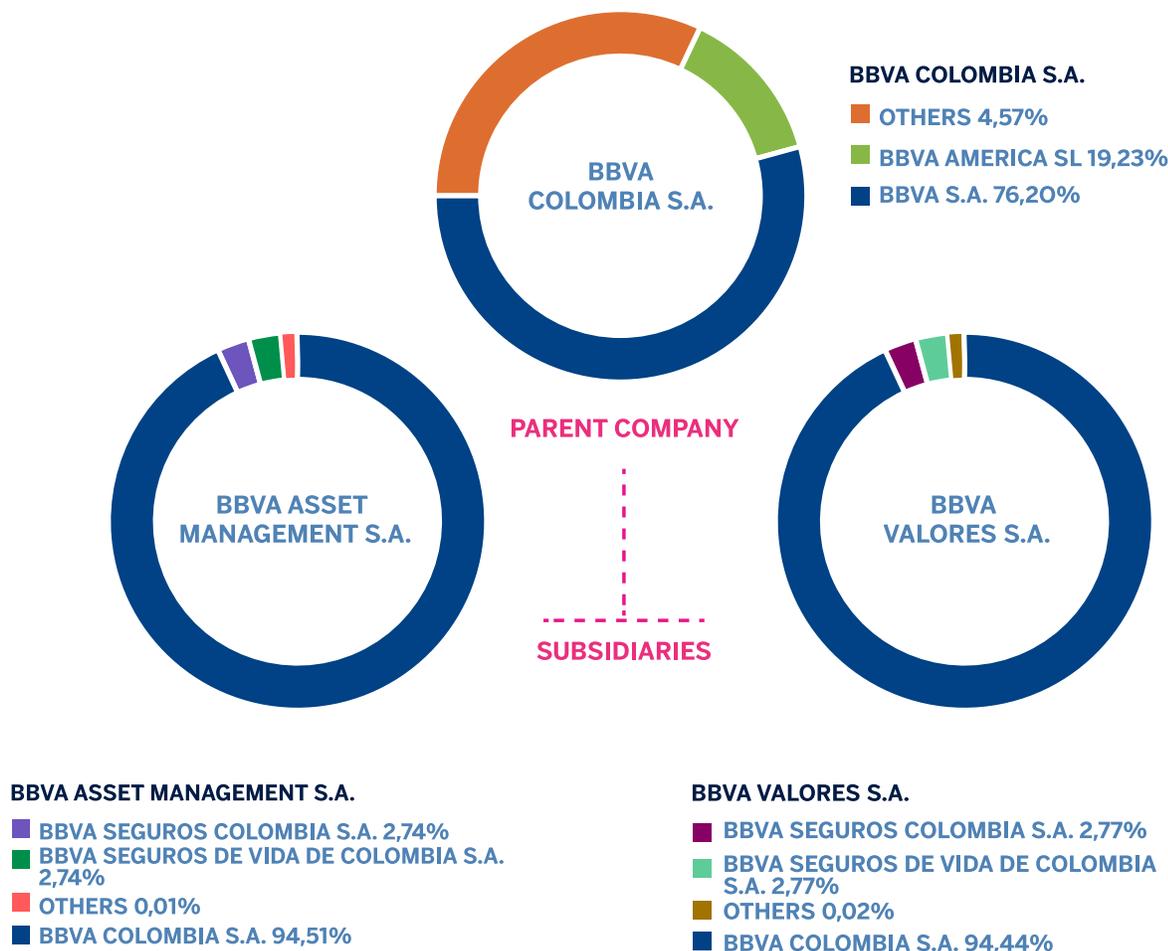
1. Capital and ownership structure of BBVA Colombia

BBVA Colombia has an authorized capital of \$645,000,000,000, divided into 103,365,384,615 shares, of which 88,977,695,544 are in reserve and 14,387,689,071 are outstanding.

Of the outstanding shares, 13,907,929,071 are common shares and 479,760,000 are preferred dividend shares. As of December 31, 2020, BBVA Colombia registered 65,169 shareholders.

Shareholder Composition BBVA Colombia			
Name	No. of common shares	No. of preferred dividend shares	Percentage of participation
Banco Bilbao Vizcaya Argentaria S.A.	10,766,099,008	196,857,652	76.20%
BBV America SL.	2,511,124,962	256,150,000	19.23%
Others	630,705,101	26,752,348	4.57%
Total	13,907,929,071	479,760,000	100.00%

BBVA Colombia has registered a situation of control and group with respect to its subsidiaries BBVA Asset Management S.A. Sociedad Fiduciaria and BBVA Valores Colombia S.A. Comisionista de Bolsa, with the ownership structure as follows:



2. Information on the shares owned by the members of the Board of Directors.

The members of the Board of Directors do not own shares of BBVA Colombia.

3. Family, commercial, contractual or corporate relationships that exist between the owners of significant shareholdings and BBVA Colombia.

The main shareholders of BBVA Colombia are Banco Bilbao Vizcaya Argentaria, S.A. and BBV América, SL. Details of the commercial and/or contractual relationships of these shareholders with the Bank can be found in the Note to the Financial Statements “Related Party Transactions”.

4. Trading of shares owned by members of the Board of Directors and Senior Management.

In fiscal year 2020, there were no negotiations of shares issued by BBVA Colombia with members of Senior Management. In relation to the members of the Bank’s Board of Directors, it is indicated that they are not holders of BBVA Colombia shares.

5. Own shares held by BBVA Colombia

BBVA Colombia has no treasury stock.

Structure of the BBVA Colombia Administration

1. Composition of the Board of Directors

GRI-405-1

The composition of the Board of Directors of BBVA Colombia is one of the key elements of its Corporate Governance system. In accordance with the Policy for the Selection, Appointment and Succession of the Board of Directors, it is sought that in its composition there is an adequate balance between the different origins of the members of the Board of Directors (hereinafter “members of the Board of Directors” or “Directors”), being those of patrimonial and independent origin the majority with respect to the executives.

Likewise, the Board of Directors and its support committees should have an appropriate and diverse composition. Thus, they should include people with experience and knowledge of the BBVA Group, its businesses and the financial sector in general. In turn, members should have training, skills, knowledge and experience in areas and sectors that allow them to achieve the appropriate balance in the composition for the best performance of their duties.

In addition, consideration will be given to the advisability of carrying out an orderly renewal of the Board of Directors based on an adequate rotation of its members, which will make it possible to achieve the objectives set forth in the aforementioned Policy and complement and increase the diversity of gender, knowledge and experience, all of which may contribute to the better performance of its functions.

In 2020 the Board of Directors consisted of 5 Directors, 2 of independent origin, 2 patrimonial and 1 executive, as follows:

Director	Origin	Position	Date of first appointment	Date of last reelection
Carlos Eduardo Caballero Argaez	Independent	Chairman of the Board	17/03/2005	28/02/2020
Juan Eugenio Rogero González	Patrimonial	First Vice President Board of Directors	17/03/2016	28/02/2020
Xavier Queralt Blanch	Patrimonial	Second Vice President Board of Directors	30/05/2018	28/02/2020
Felipe Cifuentes Muñoz	Independent	Member of the Board of Directors	01/03/2019	28/02/2020
Mario Pardo Bayona	Executive	Chief Executive Officer	28/02/2020	N/A

Profiles of the members of the Board of Directors of BBVA Colombia:

Carlos Eduardo Caballero Argaez

Chairman of the Board

Independent origin

Civil Engineer from Universidad de Los Andes. Master of Science from the University of California and Master in Public Affairs from Princeton University, with a Master in History from Universidad de Los Andes. He has served as director of Fedesarrollo, advisor to the Monetary Board, president of the Banking Association, director of Proexport, president of Bancóldex, president of the Bogotá Stock Exchange, minister of Mines and Energy and member of the Board of Directors of Banco de la República. He is a columnist for the newspaper El Tiempo and the newspaper El Colombiano. Recognized writer, author of several books, business advisor and member of several boards of directors. In June 2006 he was appointed first director of the “Alberto Lleras Camargo” School of Government, Universidad de los Andes.

Juan Eugenio Rogero González

First Vice-Chairman of the Board of Directors

Patrimonial origin

He holds a degree in Business Administration from the University of the Basque Country and a degree in Systems Engineering from the University of Deusto in Bilbao. He served as Executive Vice President of Corporate Bank and Risk Officer at BBVA Puerto Rico, General Manager of BBVA Branch in Puerto Rico. He was Commercial Director for the Americas of Bancaseguros, Corporate Director of Risk Control and Coordination at Global Corporate Bank, Corporate Director of Wholesale Risks for Mexico and South America, Corporate Director of Wholesale Policies and Portfolios, as well as Risk Director and member of the Management Committee of Banco BBVA Francés, in Argentina.

Xavier Queralt Blanch

Second Vice Chairman of the Board

Patrimonial origin

Degree in Law from the Universidad Central de Barcelona with studies in the Executive Program for Strategy in the Financial Sector, London Business School, and advanced Leadership programs at Axialent and INSEAD. At BBVA S.A. he has held management positions in Corporate Banking in Spain and Portugal; Director of Productivity, Organization and Compliance; and Territorial Director of Catalonia. He also held positions as CEO of UNNIM Banc and Banco Catalunya Caixa. He chaired the Board of Directors of the insurance companies UNNIM Vida and CX Vida.

Felipe Cifuentes Muñoz

Member of the Board of Directors

Independent Origin

Industrial Engineer from the Universidad de Los Andes, with a specialization in business law and studies in the Presidentes de Empresa program at the same university. He took courses at the University of Pittsburgh and IESE, among others. He served as president of Fiduciaria Ganadera S.A., Corporación Financiera Corfigan and AFP Colpatria, director of Corporate Finance and Capital Markets of Banco Granahorrar and later president of that bank. He was also Executive Vice President of Global Wholesale Banking at BBVA Colombia and Deputy Director of Finance and Planning at Caja de Compensación Familiar CAFAM. He has been a director of several boards of directors in financial entities of the BBVA group, Corfigan, Finamérica S.A., Simple S.A. and was an independent member of the Board of Directors of BBVA Colombia for the period from August 21, 2013 to March 15, 2017.

Mario Pardo Bayona

Chief Executive Officer

Executive origin

Graduated in Economics and Business Administration from ICADE; he joined BBVA in 2008 after accumulating more than a decade of experience in some of the world's leading investment banks, such as Lehman Brothers International and Goldman Sachs International. Since his arrival at BBVA he worked in M&A within CIB; subsequently, he assumed the role of Head of Strategy and Transformation for CIB. In 2017 he held the position of Head of Enterprise Clients within the corporate Client Solutions team and as of 2020 he was appointed Chief Executive Officer of BBVA Colombia S.A.

The complete profiles of the members of the Board of Directors of BBVA Colombia are also published on the website, under the link: Investor Service/ Corporate Governance/ Board of Directors. <https://www.bbva.com.co/personas/atencion-al-inversionista/gobierno-corporativo/junta-directiva.html#integracion-junta-directiva-bbva-colombia-periodo-2020-2022>

2. Main characteristics of the composition of the Board of Directors

Independence: Law 964 of 2005 establishes that at least 25% of the Directors must be of independent origin, being understood as the persons defined in paragraph 2 of article 44 of the aforementioned law.

Therefore, the BBVA Colombia Board of Directors Regulations establishes in paragraph 6 that in order to classify the independence of the members and besides of the compliance with the requirements set forth in Law 964 of 2005 (or the one that modifies or replaces it), the relationships or links of any nature of the candidate for independent member with controlling or significant shareholders and their related parties, domestic and foreign, are evaluated requiring for such purpose a double declaration of independence:

1. From the candidate to the company, its shareholders and members of Senior Management, instrumented through his or her Letter of Acceptance; and
2. From the Board of Directors, with respect to the independence of the candidate.

This high level of independence favors the proper exercise of the management, supervision and control functions of the Corporate Bodies, guaranteeing objectivity and independence of criteria in decisions.

Diversity: Another element that characterizes the composition of BBVA Colombia's Board of Directors is its diversity. For this purpose, this collective body has a diverse composition that combines profiles with experience and knowledge of the Bank and its subsidiaries, its businesses and the financial sector in general.

In fiscal year 2020, due to the resignation of one of the members of the Board of Directors and in accordance with the Selection, Appointment and Succession Policy of the Board of Directors, the Corporate Governance Committee analyzed its composition, as well as the need for its members to have a diversity of knowledge, competencies and experience that allow the adequate development of their functions; the reelection of the other Directors and the nominations for the coverage of vacancies. For such purpose, the Committee evaluated the balance of knowledge, skills and experience, as well as the other conditions that the candidates had to meet and the dedication of time for the adequate performance of their duties according to the needs of the Bank's Board of Directors at any given time.

The Committee evaluated Mario Pardo Bayona's curriculum vitae, profile, academic and professional experience, bearing in mind the structure, size and composition of the Board of Directors, as well as the Selection, Appointment and Renewal Policy. The Corporate Governance Committee considered the nomination to be appropriate and submitted to the General Shareholders' Meeting the proposal for the selection of Mario Pardo Bayona, who has extensive national and international training and experience in the fields of economics and finance, the necessary time dedication, as well as the required suitability requirements.

Director	Gender	Nationality	Profession
Carlos Eduardo Caballero Arguez	Male	Colombian	Civil Engineer
Juan Eugenio Rogero González	Male	Spanish	Economist
Xavier Queralt Blanch	Male	Spanish	Lawyer
Felipe Cifuentes Muñoz	Male	Colombian	Industrial Engineer
Mario Pardo Bayona	Male	Spanish	Economist

Suitability: The Board of Directors, in accordance with the provisions of its bylaws and the applicable regulations, requires as a general principle, that its members have the necessary suitability for the performance of their duties.

BBVA Colombia ensures that the members of both the Board of Directors and the support committees have extensive experience, professional background and the suitability required for the proper

performance of their duties in order to exercise good governance of the Bank.

The Corporate Governance Committee is in charge of supervising compliance at all times with the requirements and selection procedure of the members of the Board of Directors, evaluating the competencies, disqualifications, limitations, professional and academic background, and in general conducting a study of the suitability of the candidates and persons who occupy the position of members of this corporate body.

During the 2020 fiscal year, there were no known circumstances affecting the suitability of the Directors for the performance of their duties.

3. Composition of Committees supporting the Board of Directors

During 2020, the Committees supporting the Board of Directors were formed as follows:

Committees	Directors				
	Mario Pardo Bayona	Carlos Caballero	Felipe Cifuentes	Xavier Queralt	Juan Eugenio Rogero
Audit		CBDSC	√		√
Risks		CBDSC		√	√
Good Governance		CBDSC	√	√	
Appointments and Compensation			CBDSC	√	√

CBDSC: Chairman of the Board of Directors Support Committee

4. Changes in the Board of Directors during fiscal year 2020

At the Board of Directors' meeting of February 28, 2020, Óscar Cabrera Izquierdo resigned as Executive President - Country Manager and Member of the Board of Directors of BBVA Colombia, after 12 years of

management, positioning the Bank as a leader in digital transformation and a benchmark in the local financial market, before the authorities and Colombian society.

Mario Pardo Bayona was appointed to replace Óscar Cabrera, and his appointment was authorized by the Colombian Financial Superintendency on April 16, 2020.

In accordance with the provisions of Article 32 of the Company's Bylaws, on March 30, 2020, the Board of Directors elected at the ordinary meeting of the General Shareholders' Meeting held on February 28, 2020, was installed for the statutory period from March 2020 to March 2022.

5. Members of the Board of Directors of BBVA Colombia who are members of the Boards of Directors of the subsidiaries or who hold executive positions therein

The Directors of BBVA Colombia do not serve on Boards of Directors or hold executive positions in subsidiaries.

6. Appointment of Directors

BBVA Colombia has a Policy for the Selection, Appointment and Succession of the Board of Directors, approved by the General Shareholders' Meeting in an ordinary meeting held on March 17, 2016.

This Policy provides that the Board of Directors is composed of a number of Directors that, within the framework established by the Law and the Company's Bylaws, is determined by the General Shareholders' Meeting. The appointment corresponds to the highest administrative body and the persons proposed must meet the suitability requirements necessary to hold the position, have the appropriate knowledge and experience for the exercise of their functions, avoid situations of conflict of interest and comply with the regime of incompatibilities and limitations.

BBVA Colombia encourages the participation of shareholders in the proposal of the lists submitted for consideration by the Shareholders' Meeting and ensures that the selection process of the members of the Board of Directors is in accordance with the law, policies and strategies of BBVA Colombia.

Proposals for the appointment or re-election of Directors and nominations for vacancies are submitted for consideration to the Corporate Governance Committee, which supports and advises the Board of Directors in the exercise of its decision-making functions associated with the appointment and compensation of the members of the Board of Directors.

This Committee evaluates the balance of knowledge, skills and experience on the Board of Directors, as well as the conditions that candidates must meet to fill any vacancies that may arise, assessing the dedication of time deemed necessary for them to adequately perform their duties as members of the Board of Directors.

In the performance of its duties, the aforementioned Committee may contract external services for the selection of potential candidates, when it deems it necessary or convenient.

Likewise, the Corporate Governance Committee may take into consideration requests made by the members of the Board of Directors and shareholders regarding potential candidates to fill any vacancies that may arise.

The information related to the candidates, as well as the report prepared by the Corporate Governance Committee, which shall include the evaluation of incompatibilities and disqualifications of a legal nature and compliance with the requirements to be a member of the Board, must be made available to the shareholders prior to the holding of the General Shareholders' Meeting, together with all the necessary material (information on the personal qualities, suitability, background and experience of the candidates) to facilitate informed decision-making at the time of voting.

Finally, for the election of Directors, the electoral quotient will be applied in accordance with the law and the Company's Bylaws and will be carried out by the General Shareholders' Meeting, in a single vote,

provided that the lists submitted have the minimum number of independent Directors required by law. Otherwise, two ballots must be held, one of them to elect the independent Directors required by law, and another one for the election of the remaining Directors.

7. Board of Directors compensation policy

BBVA Colombia has a Remuneration Policy for the Board of Directors, approved by the General Shareholders' Meeting in an ordinary meeting held on March 17, 2016. This Policy distinguishes between the remuneration system for executive and non-executive Directors, as follows:

The remuneration of the Executive Director, i.e., the legal representative who participates in the ordinary course of the Bank's business and who is also a member of the Board of Directors, is governed by the same principles applicable to the group of senior management employees whose professional activities have a significant impact on the Group's risk profile or who exercise control functions.

To remunerate its senior management, BBVA follows the following criteria: i) the level of responsibility of their functions and, ii) that the remuneration is competitive, versus equivalent functions of peer financial institutions existing in the local market. Consequently, the executive Director is not recognized additional remuneration to that earned as an employee of BBVA Colombia, for the performance of his position as a member of the Board of Directors.

The compensation system for non-executive, independent and equity directors is based on the criteria of responsibility, dedication, disqualifications and incompatibilities inherent to the position they hold.

This system includes:

- i) Fixed monthly remuneration in cash for membership and attendance to the Board of Directors and the various Board Support Committees and;
- ii) Remuneration in kind, which includes insurance premiums for directors and administrators, life and accident insurance policies.

In addition to the foregoing, the Directors of patrimonial origin domiciled abroad have as compensation in kind the travel expenses and emoluments necessary to attend the sessions that must be attended in person.

As for the remuneration of the Chairman of the Board of Directors, due to the scope of his specific functions and the greater time dedication required, he may have a higher fixed remuneration within the margins managed by peer financial institutions within the local market.

Finally, in accordance with the Company's Bylaws, the General Shareholders' Meeting is responsible for setting the annual allowance that the Bank must recognize to its Directors.

8. Remuneration of the Board of Directors and Senior Management

At the ordinary meeting of the General Shareholders' Meeting held on February 28, 2020, it was approved to maintain as fees for non-executive Directors the amount of eight million Colombian pesos (\$8,000,000) per month for membership and attendance to Board and Committee meetings; and for the Chairman of the Board of Directors, Carlos Eduardo Caballero Argaez, the amount of ten million pesos (\$10,000,000) per month was approved.

Consequently, the Shareholders' Meeting agreed to fix for the payment of approved fees, as well as other expenses required by this administrative body for its operation, the annual appropriation of five hundred and seventy-five million pesos (\$527,000,000).

Based on the foregoing, the Corporate Governance Committee verified the observance of the Remuneration Policy of the Board of Directors as well as the appropriations approved for fiscal year 2020, determining that BBVA Colombia paid for remuneration to the Board of Directors the total amount of four hundred and thirty-eight million three hundred and fifty-six thousand three hundred and seventy-three pesos (\$438,356,373), broken down as follows:

Concept	Total
Fixed compensation	\$ 410,100,000
Remuneration in kind (insurance)	\$ 656,424
Remuneration in kind (per diem)	\$ 27,699,949
Total	\$ 438,356,373

Details of the remuneration received by Directors and Senior Management are disclosed in the Note “Transactions with related parties” to the Financial Statements.

9. Attendance and quorum of the Board of Directors

During 2020 the Board of Directors met 18 times, 12 ordinary meetings in compliance with the schedule established at the beginning of the year and 6 extraordinary meetings to adjust and review the policies to contain the effects generated by the health emergency due to the Coronavirus COVID-19, decreed by the Ministry of Health and Social Protection through Resolution 285 of March 12, 2020.

The Board of Directors and Committee meetings were attended by 100% of the members of the Board of Directors.

The following is a list of the meetings held during the year 2020 and the attendance level of its Directors.

Meeting	Number of meetings	Level of attendance
Board of Directors	18	100%
Audit Committee	6	100%
Risk Committee	5	100%
Good Governance Committee	5	100%
Nominating and Compensation Committee	7	100%

In accordance with its Rules of Procedure, the Board of Directors deliberated and decided validly with the presence and votes of the majority of its members.

10. Chairman of the Board of Directors (functions and key issues)

The Board of Directors, in a meeting held on March 30, 2020, carried out the installation of the Board of Directors and the election of officers, appointing Carlos Caballero Argáez as its Chairman.

The functions of the Chairman of the Board of Directors and his responsibilities are set forth in the Bylaws (Article 43) and in the Rules of Procedure of the Board of Directors (paragraph 11A); these documents can be consulted on the Bank's website through the following links:

Bylaws:

<https://www.bbva.com.co/meta/atencion-al-inversionista/estatutos-sociales/>

Regulations of the Board of Directors:

https://www.bbva.com.co/content/dam/public-web/colombia/documents/home/prefooter/gobierno-corporativo/junta-directiva/DO-01-REGLAMENTO_JUNTA_DIRECTIVA-.pdf

11. Secretary of the Board of Directors (functions and key issues)

In accordance with the Bank's Bylaws (Article 43 Bis), the Bank has an officer in the position of Vice President of Legal Services - General Secretariat, appointed by the Board of Directors, who also serves as its Secretary.

In this regard, the Board of Directors in a meeting held on March 30, 2020 re-elected Ulises Canosa Suárez, Legal Services Vice President -General Secretariat, as the General Secretariat of the Board of Directors of BBVA Colombia.

His functions are included in the Internal Regulations of the Board of Directors (numeral 11B), a document that can be consulted on the Bank's website at the following link: https://www.bbva.com.co/content/dam/public-web/colombia/documents/home/prefooter/gobierno-corporativo/junta-directiva/DO-01-REGLAMENTO_JUNTA_DIRECTIVA-.pdf

12. Relations of the Board of Directors with the Statutory Auditor

During the 2020 fiscal year, the Board of Directors and the Audit Committee established a space for interaction with the Statutory Auditor, KPMG S.A.S., in which these management bodies have been provided with direct information in all sessions.

The Audit Committee has been informed of and has given its approval to the Statutory Auditor's 2020 Work Plan and has followed the evolution of the work in progress, the recommendations and the plans adopted by the Entity for their implementation.

Additionally, the Committee has supervised the services of the Statutory Auditor throughout the year, verifying that they were performed with quality, independence and effectiveness. This verification is materialized in the periodic evaluation by the members of the Audit Committee, which highlights the professionalism of the teams and the fact that they are a great ally for the governing and management bodies in their function of supervising the effectiveness of internal control and the risk management and compliance systems.

13. Management of the Board of Directors information

For the proper exercise of their functions, in accordance with the provisions of paragraph 10.4 of the Internal Regulations of the Board of Directors, the Directors have access to the information related to the meetings, ensuring a minimum of five (5) common days prior to the respective meeting.

The information is made available to the Directors through a restricted access network resource that is hosted in the Bank's servers, allowing a safe and appropriate handling of confidential information, and to which the Directors have access from any place and device, using the assigned username and password. This allows Directors to make informed decisions by having secure, permanent and timely access to reports.

14. Activities of the Committees of the Board of Directors

To better perform its management and control functions and to have an adequate decision-making process, the Board of Directors has established four committees with functions assigned in its regulations, which assist the Board in matters within their competence.

The four Committees: Audit, Risk, Corporate Governance and Nominating and Compensation, are chaired by independent Directors and composed exclusively of non-executive Directors. The Audit and Corporate Governance Committees are composed of a majority of independent Directors.

The Committees have broad powers and full autonomy in their management, being able to call the meetings they deem necessary, participate in the preparation of the agenda and be assisted by external experts when deemed appropriate, in addition to direct access to the Bank's executives, who report on a recurring basis both to the Committees and to the Board of Directors.

In this way, BBVA Colombia's Corporate Governance System allows for control by the Directors of the proposals, implementation and development of the issues that have been approved by the Board, relying fundamentally on the work carried out in the Committees.

In compliance with their respective regulations, the committees prepare their annual management report, which includes the activities carried out during the period. These reports are available on the web page at the following link: <https://www.bbva.com.co/personas/atencion-al-inversionista/gobierno-corporativo/asamblea-accionistas.html>

15. Related party transactions

In relation to transactions with related parties, the Board of Directors made a monthly follow-up, directly and also with the support of the Audit Committee, determining that in all cases, for all purposes and in all types of transactions, whether derivatives or any other active transaction with the parent company, subsidiaries or related parties, compliance with the rules on limits to the granting of credit or maximum debt or risk concentration quotas, in effect on the date of approval of these transactions, had been verified.

Additionally, it was confirmed that the operations had been carried out under general market conditions in force for similar transactions with third parties, except in the case of loans for education, housing, transportation and health made to Bank employees, which were carried out in accordance with the Bank's policies, as expressly permitted by the legal provisions that regulate the matter.

Details of related party transactions can be found in the financial statements in the note "Related Party Transactions".

On the other hand, the Compliance area followed up, through direct verification and considering the information received from the members of the Board of Directors, on the actions and operations carried out on their own account, in the stock market, by the members of the Board of Directors and their peers, with no incidences regarding privileged information or other aspects. Likewise, the Compliance area was following the situations of conflicts of interest in which the members of the Board of Directors and legal representatives might be involved.

Risk Management System

The general risk management and control model, which includes the Risk Policy, its application and the materialization of risks, as well as the response and supervision plans for the main risks, are detailed in the Management Report, Risk Report section.

Regarding the Internal Control System, its model and other related aspects are also detailed in this Management Report, Internal Control Model section, which have been accepted by the Board of Directors and are published in the Bank's web page.

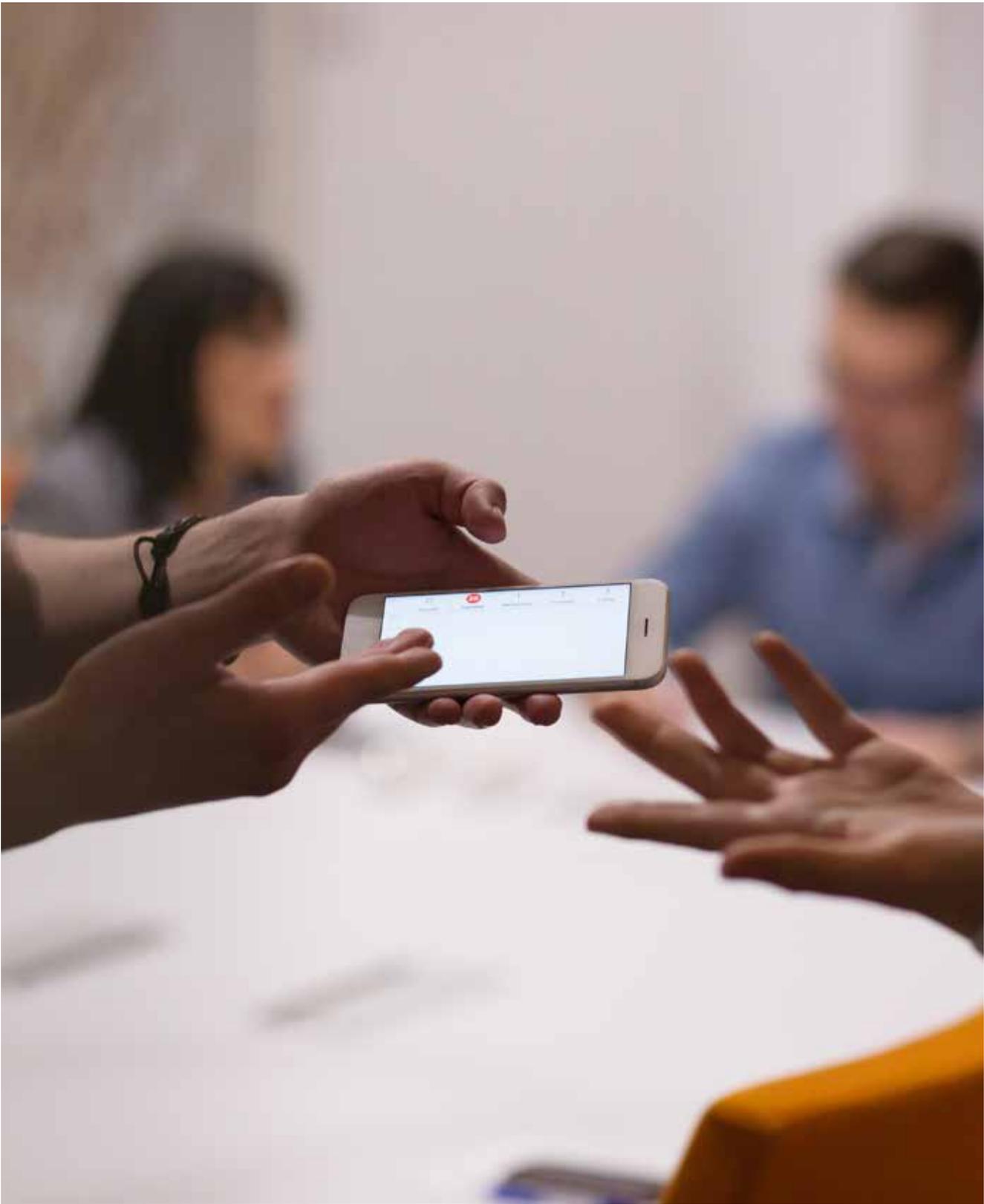
Shareholder information and communication with Shareholders

The Bank has at the disposal of its shareholders an office exclusively for their attention, which in turn constitutes the liaison with the governing bodies and whose purpose is to provide clear and objective information related to the Bank and other matters for informed decision making.

Additionally, in compliance with Annex 49 of the Sole Circular of the Colombian Stock Exchange, called “Accreditation of the adoption of best practices initiative for the recognition of IR issuers”, an agenda is prepared in which quarterly and annual results delivery events are scheduled where the entity’s results are presented, and business performance is shown.

Likewise, shareholders and investors have a space with complete and sufficient information of their interest on the Bank’s web page, through the link “Investor Service”. In this same section, shareholders are informed of all the information published in the SFC portal:

- i) Information on current bond issuance programs;
- ii) Financial information;
- iii) Information on the action;
- iv) The Agenda of corporate events and related documents;
- v) Frequently asked questions section and;
- vi) Ratings.



General Shareholders' Meeting

On February 28, 2020, BBVA Colombia held the ordinary General Shareholders' Meeting, which took place in accordance with the provisions of current regulations, the Bylaws and the BBVA Colombia Shareholders' Meeting Regulations.

Subject	Date
Publication of the Call	In La República newspaper and BBVA Colombia's website, on January 28, 2020.
Right of inspection	As of February 7, 2020.
Publication of information related to the Meeting agenda	On the BBVA Colombia website 15 days prior to the meeting.
Deliberative and decisional quorum	95.52%
Publication of the Meeting	Live broadcasting via streaming and publication of decisions on the website and in the RNVE
Sending a copy of the minutes to the SFC	March 17, 2020
Sending of the Minutes by the Statutory Auditor	Within 15 business days following the ordinary meeting of the Shareholders' Meeting
Publication of Financial Statements	Within the month following the ordinary Shareholders' Meeting, the general-purpose financial statements compared to the same period of the previous year, their notes and the Statutory Auditor's report were published on the website.

1. Main resolutions adopted at the 2020 General Shareholders' Meeting

The following documents and proposals were presented and approved at the meeting:

- Annual Report of the Chief Executive Officer and Board of Directors.
- Individual and consolidated financial statements and unqualified auditors' report.
- 2019 Profit Distribution Project which amounted to \$738,369,051,753.27, distributed as follows: 49.9995% to increase the Legal Reserve and 50.0005% in cash dividends.
- The allocation of 1% of the 2019 fiscal year profits for Corporate Responsibility activities.
- Approval of partial amendment of the Bylaws: Articles 40 and 59 paragraph.
- Approval of the Election of the Board of Directors for the statutory period (March 2020- March 2022).
- Approval of Board of Directors fees for 2020-2022.
- Approval of the election of the Statutory Auditor's firm and approval of appropriations and fees.
- Approval of election, appropriations and setting of fees for the Chief Financial Ombudsman and Alternate 2020-2022.

The partial amendment of the Company's bylaws was carried out as follows:

Article 40: The wording was adjusted to harmonize it with the structure of BBVA Colombia, in which there is no alternate Executive President.

Article 59: The automatic reinvestment of uncollected dividends in shares is eliminated in response to the request of minority shareholders.

The comparative information of the articles of the Bylaws that were submitted for consideration of the

shareholders at the ordinary meeting of February 28, 2020, is published on the website under the link Investor Service/Corporate Governance/General Shareholders' Meeting/2020: <https://www.bbva.com.co/content/dam/public-web/colombia/documents/home/body/inversionista/espanol/gobierno-corporativo/asamblea-accionista/2020/Propuesta-punto-13-Reforma-Estatutos.pdf>

The members of the Committee approve the report prepared by the Bank's Management, which contains all the information of the Corporate Governance System, its conformation, structure of the entity, structure of the Management, remuneration of the Board of Directors, among others, for which they request its presentation to the Board of Directors to be subsequently submitted to the General Shareholders' Meeting.

4. Report preparation guidelines

(Figures expressed in millions of pesos -COP-, except the exchange rate and net earnings per share)

Information Criteria and Standards	260
GRI indicators	262
Independent Review Report	277



Information Criteria and Standards

Profile, scope, relevance, materiality, materiality and coverage of the report

GRI 102-54

This report has been prepared in accordance with GRI standards: essential option for presentation to the Ordinary General Shareholders' Meeting.

The use of such methodologies allows the Bank to consolidate in a single document the Management Report and the Corporate Responsibility Report, improve the quality of information, promote a more coherent and efficient approach to communicate the factors that affect the Bank's value creation, improve accountability and administration, and inform stakeholders of the impact of the Bank's activity in the environmental, social and economic areas, among others.

In determining the relevance and materiality of the contents to be included, special attention has been paid to the most significant stakeholders, with continuity in the consultation processes according to the recommendations established in the Global Reporting Initiative (GRI) standard for the preparation of sustainability reports.

In this line, a specific analysis has been carried out with public information and information available at BBVA Colombia to assess the validity and relevance of these issues in the current context.

Basic references and international standards

As indicated, this report has been prepared in accordance with best practices and the most recognized international standards and complies with the GRI methodology with the essential option.

It also reports on actions related to the United Nations Millennium Development Goals and responds to the Progress Report, in relation to compliance with the principles of the United Nations Global Compact, following the guidelines of GRI and Global Compact, making the connections.

Rigour and verification

BBVA Colombia has various instruments to ensure quality. During this process, several areas that provide information are involved and are also subject to the Bank's usual supervision, verification and auditing methods. Secondly, Corporate Responsibility reports are submitted to the Group through the information management system, which ensures their quality and scope. The responsibility for compiling the information lies with the Bank's Communication and Image department. The verification of this report is carried out by KPMG Advisory, Tax & Legal S.A.S.

GRI indicators

GRI-102-55

General basic contents

Standard Used	Indicator	Reply	Page	External Audit
Organization Profile				
GRI-102 2016 Version	GRI-102-1 Name of Organization	BBVA Colombia Profile		
GRI-102 2016 Version	GRI-102-2 Activities, brands, products and services	BBVA Colombia Profile	14	
GRI-102 2016 Version	GRI-102-3 Location of headquarters.	Cra. 9 No. 72 - 21 Bogotá, Colombia		
GRI-102 2016 Version	GRI-102-4 Location of operations	BBVA Group currently operates in 32 countries, including Colombia.		
GRI-102 2016 Version	GRI-102-5 Ownership and legal form.	Profile BBVA Colombia	14	
GRI-102 2016 Version	GRI-102-6 Markets served	BBVA provides services nationwide in the corporate, industrial, government, commercial, and personal banking sectors. Its clients are individuals and corporations.		
GRI-102 2016 Version	GRI-102-7 Size of the Organization	BBVA Colombia Profile, Financial performance, Team	14, 82	√
GRI-102 2016 Version	GRI-102-8 Information on employees and other employees	The Team in figures	86, 87	√
GRI-102 2016 Version	GRI-102-9 Supply Chain	Responsible purchasing	145	
GRI-102 2016 Version	GRI-102-10 Significant changes in the organization and its supply chain.	In the period from January 1 to December 31, 2020, there were no significant changes in the size, structure, ownership or supply chain of the organization.		√
GRI-102 2016 Version	GRI-102-11 Precautionary Principle or approach	Equator Principles	128	
GRI-102 2016 Version	GRI-102-12 External Initiatives	Involvement in global initiatives	127, 148, 230	

Standard Used	Indicator	Reply	Page	External Audit
GRI-102 2016 Version	GRI-102-13 Membership in associations	Asobancaria, Asobolsa, Asofiduciaria, Asofiduciaria		
Strategy and Analysis				
GRI-102 2016 Version	GRI-102-14 Statement from senior executives responsible for decision making	Letter from the President	6	
GRI-102 2016 Version	GRI-102-15 Description of key impacts, risks, and opportunities.	Vision and aspiration	36	
Ethics and integrity				
GRI-102 2016 Version	GRI-102-16 Values, principles, standards and norms of conduct	Vision and aspiration, Progress in the transformation of BBVA Colombia, Responsible banking model.	36, 37	
Governance				
GRI-102 2016 Version	GRI-102-18 Governance structure.	Governance Systems	230	
Stakeholder engagement				
GRI-102 2016 Version	GRI-102-40 List of stakeholder groups	Materiality	41	
GRI-102 2016 Version	GRI-102-41 Collective agreements	The Team in figures	87	
GRI-102 2016 Version	GRI-102-42 Stakeholder identification and selection	BBVA has the following stakeholders: customers, employees, investors, regulators, NGOs, media and social networks.	41	√
GRI-102 2016 Version	GRI-102-43 Approach to Stakeholder Engagement	Materiality	41	√
GRI-102 2016 Version	GRI-102-44 Key topics and concerns raised	Materiality	41	√

Standard Used	Indicator	Reply	Page	External Audit
Practices for the preparation of the report				
GRI-102 2016 Version	GRI-102-45 Entities included in the consolidated financial statements	BBVA Bank BBVA Asset Management BBVA Securities	14	
GRI-102 2016 Version	GRI-102-46 Definition of the contents of the reports and the Coverage of the subject.	Materiality	41	√
GRI-102 2016 Version	GRI-102-47 Bill of Materials.	Materiality	41	√
GRI-102 2016 Version	GRI-102-48 Restatement of disclosures	There were no restatements in the period from January 1 to December 31, 2020.		
GRI-102 2016 Version	GRI-102-49 Changes in the preparation of reports	There were no changes in the methodology or in the data presented in the report.		
GRI-102 2016 Version	GRI-102-50 Reporting period	Period from January 1 to December 31, 2020.		
GRI-102 2016 Version	GRI-102-51 Date of last report	2019		
GRI-102 2016 Version	GRI-102-52 Reporting cycle	Annual		
GRI-102 2016 Version	GRI-102-53 Contact point for questions about the report	Carrera 9 No. 72 - 21, 10th Floor Bogotá, Colombia		
GRI-102 2016 Version	GRI-102-54 Statement of preparation of the report in accordance with the GRI standards.	Information Criteria and Standards	260	√
GRI-102 2016 Version	GRI-102-55 GRI Table of Contents GRI	GRI indicators	262	√

Standard Used	Indicator	Reply	Page	External Audit
Management approach				
GRI-103 2016 Version	GRI-103-1 Explanation of material topic and its boundary.	Prioritizes the most relevant issues for its stakeholders and this matrix is one of the sources for the Group's strategic planning and priority issues for each stakeholder group.	41	
GRI-103 2016 Version	GRI-103-2 Management approach and its components	Through constant monitoring and data tools, the information from the tools used to make the different measurements is analyzed.	41, 74, 119, 127	
GRI-103 2016 Version	GRI-103-3 Management Approach Evaluation	Banco BBVA Colombia has several tools that allow validation and compliance with the various goals and objectives associated with material issues, such as Datamaran, Reptrak®, performance evaluation, internal evaluations of the Investor Relations area and audits for specific topics that allow measuring management.	41, 74, 119, 127	
Market presence				
GRI-201 2016 Version	GRI-201-1 Direct economic value generated and distributed.	Income is being presented on a net basis, and therefore the direct value distributed for interest is being reported on a net basis and not separately in interest income (in direct value generated) and expenses (in direct value distributed).	84, 151	√
GRI-202 2016 Version	GRI-202-1 Ratio of standard entry level wage by gender versus local minimum wage.	This information was not reported in the general report of previous years, therefore, during the period from January 1, 2020 to December 31 of the same year, there is no report on the ratio of the salary of the initial category and the measures taken to determine the criteria established for the allocation of salaries are not described, since the detailed historical input is not available, but it will begin to be reported as of next year.	120	√

Standard Used	Indicator	Reply	Page	External Audit
Indirect economic impacts				
GRI-203 2016 Version	GRI-203-1 Infrastructure investments and services supported.	Sustainable finance products	120, 121	
GRI-203 2016 Version	GRI-203-2 Significant Indirect Economic Impacts	Topics related to COVID-19	156	
Procurement practices				
GRI-204 2016 Version	GRI-204-1 Proportion of spending on local suppliers.	The percentage of spending on local suppliers was 74.14%.	145, 147	√
Anticorruption				
GRI-205 2016 Version	GRI-205-1 Operations assessed for risks related to corruption.	100% of the Bank's operations are assessed for risks related to corruption.	100	√
GRI-205 2016 Version	GRI-205-2 Communication and training on anti-corruption policies and procedures	Percentage of members and employees to whom anti-corruption policies and procedures were communicated and the percentage who received training on anti-corruption issues.	100	√
GRI-205 2016 Version	GRI-205-3 Confirmed cases of corruption and actions taken.	During the period from January 1, 2020 to December 31, 2020, there were no cases of corruption and therefore, there were no disciplinary measures, contract terminations or legal proceedings related to this issue.	100, 101	√

Standard Used	Indicator	Reply	Page	External Audit
Unfair competition				
GRI-206 2016 Version	GRI-206-1 Legal actions related to unfair competition and monopolistic practices and against free competition	No legal actions related to unfair competition were filed during 2020.		√
Materials				
GRI-206 2016 Version	GRI-301-1 Materials used by weight or volume	Main consumption indicators	130	
GRI-301 2016 Version	GRI-301-2 Recycled inputs	Main consumption indicators		
Energy				
GRI-302 2016 Version	GRI-302-1 Energy consumption in the organization	The estimation of electricity consumption is based on the Bank's protocol and methodology for obtaining environmental indicators.	130	√
Water				
GRI-303 2016 Version	GRI-303-1 Water extraction by source	The estimation of water consumption extraction is based on the Bank's protocol and methodology for obtaining environmental indicators.	130	√

Standard Used	Indicator	Reply	Page	External Audit
Emissions				
GRI-305 2016 Version	GRI-305-1 Direct GHG emissions (scope 1)	"Sources consulted: - F2006 IPCC Guidelines for National Greenhouse Gas Inventories. Volume 2: Energy. Table 2.4 - IPCC Fifth Assessment Report. WGI The physical science basis. Appendix 8.A. 100-year time horizon Global Warming Potential - IEA density Annex 3. The factor used is 2.7 kg of CO2 per liter, and the Bank has no biogenic emissions due to its corporate purpose."	130	√
GRI-305 2016 Version	GRI-305-2 Indirect GHG emissions from energy generation (Scope 2)	"Source consulted: - IEA "CO2 emissions from fuel combustion 2020". The factor used is 0.16 kg of CO2 per kWh, likewise the Bank has no biogenic emissions due to its corporate purpose".	130	√
GRI-305 2016 Version	GRI-305-3 Other indirect GHG emissions (scope 3)	"Source consulted: - DEFRA Greenhouse gas reporting: conversion factors 2020. The factors used are 0.244 Kg; 0.156 Kg and 0.191 Kg of CO2 per KM, likewise the Bank has no biogenic emissions due to its corporate purpose. According to the source DEFRA Greenhouse gas reporting: conversion factors 2020, the factors are divided into three segments according to the distance traveled in the trips: Sections shorter than 500 km the equivalent factor is 0.244; Sections between 500 and 1600 km the equivalent factor is 0.156; Sections longer than 1600 km the equivalent factor is 0.191."	130	√
Effluents and waste				
GRI-306 2016 Version	GRI-306-1 Water discharges by quality and destination	All BBVA bank branches discharge water into sewage systems and not into bodies of water, regardless of the region where the branch is located.	130	√
GRI-306 2016 Version	GRI-306-2 Waste by type and disposal method	The information provided regarding the weight or units of waste is originated by the supplier contracted by the Bank for its collection and final disposal.	130	√

Standard Used	Indicator	Reply	Page	External Audit
Environmental compliance				
GRI-307 2016 Version	GRI-307-1 Non-compliance with environmental laws and regulations	During 2020, BBVA Colombia had no significant fines for non-compliance with environmental regulations.		√
Employment				
GRI-401 2016 Version	GRI-401-1 New employee hires and employee turnover	The Team in figures	82, 83	√
GRI-401 2016 Version	GRI-401-2 Benefits for full-time employees that are not provided to part-time or temporary employees GRI-401-2 Benefits for full-time employees not provided to part-time or temporary employees	The Team in figures	84, 87	√
Occupational health and safety				
GRI-403 Version 2018	GRI-403-4 Employee involvement, consultation and communication on occupational health and safety	Occupational Health and Safety	92	√
GRI-403 Version 2018	GRI-403-9 Injuries due to occupational accidents	Occupational Health and Safety	91	√
GRI-403 Version 2018	GRI-403-10 Occupational diseases and illnesses	Occupational Health and Safety	92	√

Standard Used	Indicator	Reply	Page	External Audit
Training and education				
GRI-403 2016 Version	GRI-404-1 Average hours of training per employee per year	The Team in figures	84	√
GRI-403 2016 Version	GRI-404-2 Programs to enhance employee skills and transition assistance programs	The Team in figures		
GRI-403 2016 Version	GRI-404-3 Percentage of employees receiving regular performance and career development reviews.	"100% of employees receive performance and professional development evaluations. This figure excludes the number of employees who do not meet the requirements to be evaluated, such as those with less than or equal to 6 months' income and employees who are on permanent union leave. Segmentation of employees by gender who received employee evaluations during 2020. performance and professional development. This figure excludes the number of employees who were not rated or scored 0, and the segment of Unit Managers (Executives)."	86	√
Diversity and equal opportunity				
GRI-405 2016 Version	GRI-405-1 Diversity in governance bodies and employees	"BBVA Colombia has established a policy for the selection, appointment, renewal and diversity of the members of the Board of Directors. In 2020, although diversity was considered in the selection of Board members, it was also important for candidates to meet the suitability requirements for the position, i.e., knowledge, experience, commercial and professional honorability, among others. Therefore, the Board of Directors and the Corporate Governance Committee shall ensure that the selection procedures for Board members favor diversity of experience, knowledge, skills and gender and, in general, do not suffer from biases that may imply discrimination. "	83, 85, 236	√
GRI-405 2016 Version	GRI-405-2 Ratio of base salary and remuneration of women to men	The Team in figures	83	√

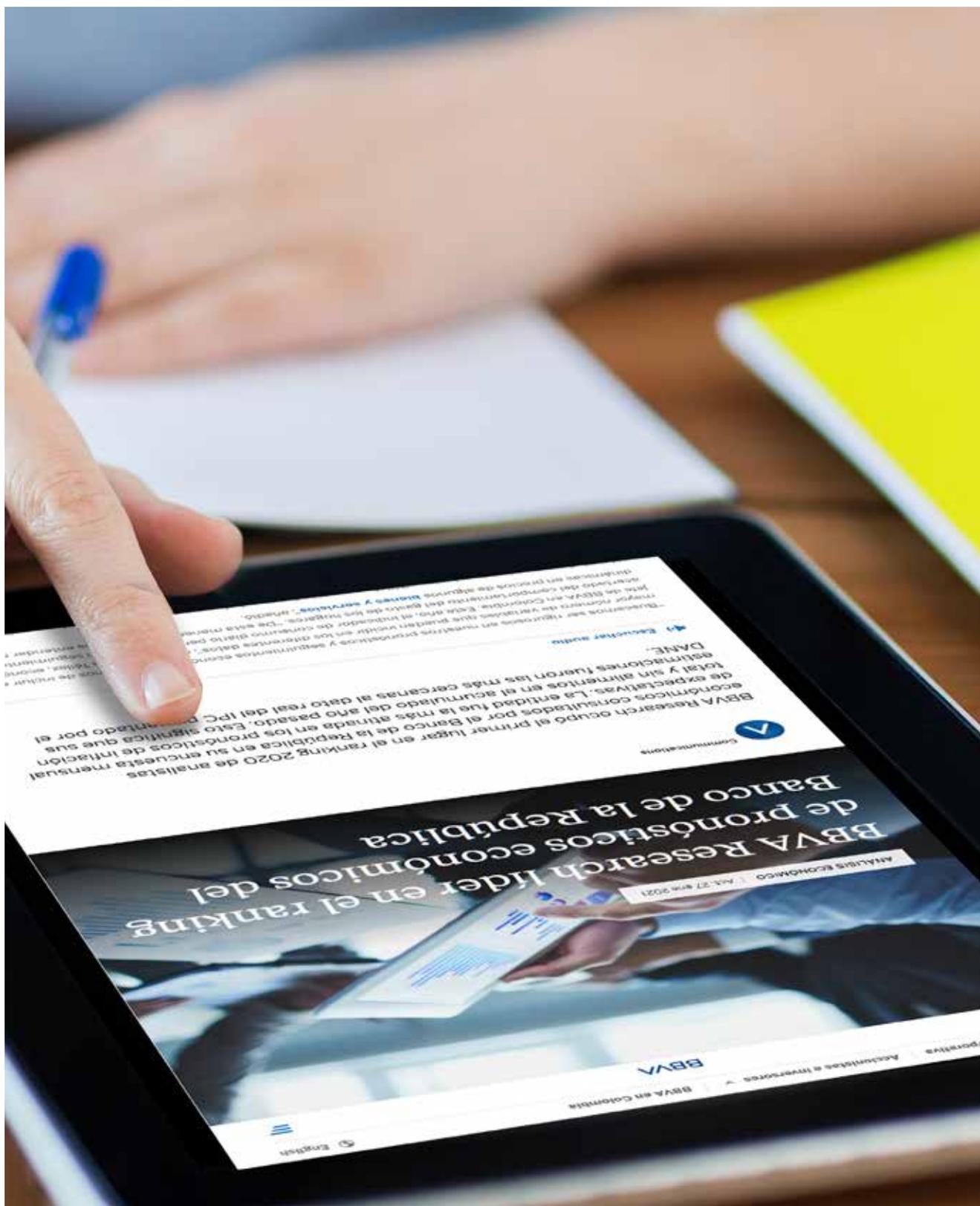
Standard Used	Indicator	Reply	Page	External Audit
Non-discrimination				
GRI-406 2016 Version	GRI-406-1 Cases of discrimination and corrective actions taken.	In 2020, there were no complaints within BBVA for discrimination-related issues.		√
Customer health and safety				
GRI-416 2016 Version	GRI-416-1 Assessment of health and safety impacts of product or service categories.	0% and we are working to implement this type of evaluation in the coming years.		
GRI-416 2016 Version	GRI-416-2 Non-compliance cases related to health and safety impacts of product and service categories.	During 2020, there were no cases related to health impact.		
Marketing y etiquetado				
GRI-417 2016 Version	GRI-417-1 Requirements for information and labeling of products and services.	<p>Our Digital Sales and Marketing area aims to support the bank through the promotion and growth of two main indicators: digital sales and digitalization + Brand Power (brand health indicator).</p> <p>For the above, we promote the bank's products and services. Now, although a customer can acquire products either through a branch or through digital channels, from Marketing & Digital Sales we mainly promote products that are in digital channels, so we invite customers to enter BBVA mobile or BBVA Net to register a product, activate it and use it. There is not as such a physical product that requires labeling from our area, a product that has a physical representation, which is the credit card, but it is not issued by our area, only driven in communication campaigns that seek to promote the sale of the product, its activation and use.</p>		√

Standard Used	Indicator	Reply	Page	External Audit
GRI-417 2016 Version	GRI-417-2 Instances of non-compliance related to product and service information and labeling	"BBVA Colombia was notified of Resolution No. 0487 of May 21, 2020 issued by the Financial Superintendency of Colombia imposing a penalty of \$350,000,000, on the occasion of the statement of objections formulated for the irregular transmission during 2017 to 2018 of forms 102 and 395 used for the calculation of the TRM. The Bank filed an appeal in June 2020 and as of December 31, 2020, the Authority has not issued an administrative act resolving the appeal. The penalty is provided for in accordance with legal regulations and the procedures established by the Bank."		
GRI-417 2016 Version	GRI-417-3 Non-compliance cases related to marketing communications	During 2020 the Bank had no incidents resulting from non-compliance with regulations regarding marketing communications, including advertising, promotion and sponsorship.		√
Customer privacy				
GRI-418 2016 Version	GRI-418-1 substantiated complaints regarding breaches of customer privacy and losses of customer data	The present data corresponds to claims made by customers during 2020.	49	√
Socioeconomic Compliance				
GRI-419 2016 Version	GRI-419-1 Non-compliance with laws and regulations in the social and economic spheres	BBVA Colombia was notified of Resolution No. 0487 of May 21, 2020 issued by the Superintendence of Finance of Colombia imposing a penalty of \$350,000,000. The penalty is provided for in accordance with legal regulations and the procedures established by the Bank.	35	√

Standard Used	Indicator	Reply	Page	External Audit
Supplementary sector				
	FS-1 Policies with specific social and environmental components applied to business lines.	BBVA has a specialized financing policy, which has specific components on social and environmental issues. These policies are corporate guidelines, so this policy allows knowing how to evaluate projects that the Bank may finance and how to mitigate social and environmental risks. Likewise, the Equator Principles procedure, whose objective is that the Bank commits to implement them in its internal environmental and social policies for project financing.	120, 127, 130	
	FS-4 Processes for improving staff skills in implementing social and environmental policies and procedures applicable to business lines.	TCR Communication	43	
Supplementary sector				
	FS-7 Monetary value of products and services designed to provide a specific social benefit for each line of business broken down by purpose.	The information reported does not mention the monetary value of the products that provide a social benefit.		
	FS-8 Monetary value of products and services designed to deliver a specific environmental benefit, by product line and by purpose.	Currently unavailable, the amount reported is not broken down by product line or purpose. This breakdown is expected to be reported in subsequent years.		

Standard Used	Indicator	Reply	Page	External Audit
Active property management				
	FS-13 Accessibility in areas of low population density or disadvantaged locations.	No number or percentage of points in disadvantaged zone reported		
	FS-14 Initiatives to improve access to financial services for disadvantaged people.	Support for individuals with special needs	120, 126, 174	
Own				
	Own BBVA-1 Number of beneficiaries of the financial education program "Adelante con tu Futuro".	Investment in social programs	135	
	Own BBVA-2 Number of SMEs customers.	Support for SMEs	120, 178	
	Own BBVA-3 Number of financing to SMEs customers.	Support for SMEs	120, 178	
	Own BBVA-4 Value corresponding to 2018 disbursements to finance sustainable development and infrastructure and energy efficiency projects.	2019	120	
	Own BBVA-5 Value of loans granted to finance agroindustrial projects.	Financing of sustainable infrastructure and development projects	120	

Standard Used	Indicator	Reply	Page	External Audit
	Own BBVA-6 Claim resolution time.	Agribusiness lines of credit		
	Own BBVA-7 Percentage of claims resolved on time.	Complaints and claims management		
	Own BBVA-8 Percentage of Q&R managed by SPC.	Complaints and claims management		
	Own BBVA-9 Channel operations.	Omnichannel		
	Own BBVA-10 Percentage of employees in ISO 14001 and LEED certified buildings.	Environmental Management System (EMS)	130	
	Own BBVA-11 Number of BBVA volunteers.	Team		
	Own BBVA-12 Number of people benefited by education support programs (backpacks with school supplies and scholarships).	Investment in social programs		



Independent Review Report



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Report of the Independent Auditor of Limited Assurance for the Banco Bilbao Vizcaya Argentaria Colombia S.A.

We were engaged by the Board of Directors of **Banco Bilbao Vizcaya Argentaria Colombia S.A.** Henceforth, **BBVA Colombia S.A.**, to provide limited assurance in relation to sustainability parameters on the **Annual Report** ("the Report") for the year ended Dec 31, 2020.

The Limited Assurance Sustainability Parameters covered by our limited assurance engagement are:

N°	Sustainability Parameters Insured	Standard Insured
1	Direct economic value generated and distributed	201-1
2	Ratios of standard entry level wage by gender compared to local minimum wage	202-1
3	Proportion of spending on local suppliers	204-1
4	Operations assessed for risks related to corruption	205-1
5	Communication and training about anti-corruption policies and procedures	205-2
6	Confirmed incidents of corruption and actions taken	205-3
7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	206-1
8	Energy consumption within the organization	302-1
9	Water withdrawal by source	303-1
10	Direct (Scope 1) GHG emissions	305-1
11	Energy indirect (Scope 2) GHG emissions	305-2
12	Other indirect (Scope 3) GHG emissions	305-3
13	Water discharge by quality and destination	306-1
14	Waste by type and disposal method	306-2
15	Non-compliance with environmental laws and regulations	307-1
16	New employee hires and employee turnover	401-1
17	Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2
18	Workers representation in formal joint management-worker health and safety committees	403-1
19	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	403-2
20	Average hours of training per year per employee	404-1



21	Percentage of employees receiving regular performance and career development reviews	404-3
22	Diversity of governance bodies and employees	405-1
23	Ratio of basic salary and remuneration of women to men	405-2
24	Incidents of discrimination and corrective actions taken	406-1
25	Requirements for product and service information and labeling	417-1
26	Incidents of non-compliance concerning marketing communications	417-3
27	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1
28	Non-compliance with laws and regulations in the social and economic area	419-1

Management's responsibility

Management are responsible for the preparation and presentation of the Limited Assurance Sustainability Parameters in accordance with the Global Reporting Initiative (GRI) standards Guideline for the preparation of Sustainability Reports as described in the subchapter "About this Report". In said subchapter, the self-declared compliance option is detailed.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the Limited Assurance Sustainability Parameters that are free from material misstatement whether due to fraud or error.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that **BBVA Colombia S.A.** complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and Sustainability Report are properly trained, information systems are properly updated.

KPMG's responsibility

Our responsibility is to express a limited assurance conclusion on preparation and presentation of Sustainability Parameters described above and included in the Annual Report of **BBVA Colombia S.A.**

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We confirm that we have executed this assignment for **BBVA Colombia S.A.** independently and free of conflicts of interest.



ISAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the limited Assurance Sustainability parameters are free from material misstatement.

Limited assurance on the Assured Sustainability Parameters

Our limited assurance engagement on the Limited Assurance Sustainability Parameters consisted of making enquiries, primarily of persons responsible for the preparation of the Limited Assurance Sustainability Parameters, and applying analytical and other procedures, as appropriate. These procedures included:

- Interviews with management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Enquiries of management to gain an understanding of **BBVA Colombia S.A.** processes for determining material issues for **BBVA Colombia S.A.** key stakeholder groups.
- Enquiries of relevant staff of **BBVA Colombia S.A.** and selected site level responsible for the preparation of the Limited Assurance Sustainability Parameters.
- Enquiries about the design and implementation of the systems and methods used to collect and report the Limited Assurance Sustainability Parameters, including the aggregation of the reported information.
- Comparing the Limited Assurance Sustainability Parameters to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report.
- Visits to the headquarters in Bogotá D.C., selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria.
- Reading the Limited Assurance Sustainability Parameters presented in the Sustainability Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of **BBVA Colombia S.A.**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we don't express a reasonable assurance conclusion on the Limited Assurance Sustainability Parameters.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for **BBVA Colombia S.A.** for the purpose of assisting the Directors in determining if Sustainability Parameters object to assurance are prepared and presented in accordance with the GRI standards and the Global Reporting Initiative (GRI).

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than **BBVA Colombia S.A.**, for any purpose or in any other context. Any party other than **BBVA Colombia S.A.** who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than **BBVA Colombia S.A.**, for our work, for this independent assurance report, or for the conclusions we have reached.



Our report is released to **BBVA Colombia S.A.**, on the basis that it shall not be copied, referred to or disclosed, in whole (save for than **BBVA Colombia S.A.** own internal purposes) or in part, without our prior written consent.

Our conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions:

Based on the limited assurance procedures performed and the evidence obtained, as described above nothing has come to our attention that causes us to believe that the limited assurance sustainability parameters defined above of the Annual Report of **BBVA Colombia S.A.**, for the year ended December 31, 2020 is not prepared, and presented, in all its significant aspects in accordance with the GRI standards for the preparation of Sustainability Reports.

In another document, we will provide the Management of the **BBVA Colombia S.A.**, an internal report that contains our findings and areas for improvement.

KPMG Advisory, Tax & Legal S.A.S.

A handwritten signature in black ink, appearing to read 'Fabián Echeverría Jundo', written over a horizontal line.

Fabián Echeverría Jundo
TP 62943 - T
Partner
May 18, 2021

BBVA

