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Quarterly Periodic Report

3Q2023

Bogotá D.C., Colombia

Carrera 13 No 26A - 47 - 23rd Floor

Grupo Aval Acciones y Valores S.A. (“Grupo Aval”) is an issuer of securities in Colombia and in the United States (“SEC”). As such, it is subject to compliance with securities regulation in Colombia and applicable U.S. securities regulation. Grupo Aval is also subject to the inspection and supervision of Financial Superintendence of Colombia as holding company of the Aval financial conglomerate.

The consolidated financial information included in this document is presented in accordance with IFRS as currently issued by the IASB. Details of the calculations of non-IFRS measures such as ROAA and ROAE, among others, are explained when required in this report.

Banco de Bogotá executed a spin-off of a 75% equity stake in BAC Holding International Corp (“BHI”); to its shareholders and Grupo Aval subsequently spin-off its equity interest to its shareholders on March 29, 2022. On December 19, 2022, Banco de Bogotá sold 20.89% of the outstanding investment of BHI through a tender offer. As of December 31, 2022, Banco de Bogotá held 4.11% of BHI. This investment is reflected as an investment at fair value through other comprehensive income. Following the sale, the equity method recognized under the “share of profit of equity accounted investees, net of tax (equity method)” between April and November was reclassified to discontinued operations. For comparability purposes of this presentation, we have reclassified BHI’s equity method for the second and third quarter of 2022 to net income from discontinued operations. Banco de Bogotá’s remaining 4.11% interest in BHI was disposed of in March 2023.

This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue,” or the negative of these and other comparable words. Actual results and events may differ materially from those anticipated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risk described from time to time in our filings with the Registro Nacional de Valores y Emisores and the SEC.

Recipients of this document are responsible for the assessment and use of the information provided herein. Matters described in this presentation and our knowledge of them may change extensively and materially over time, but we expressly disclaim any obligation to review, update or correct the information provided in this report, including any forward looking statements, and do not intend to provide any update for such material developments prior to our next earnings report.

The content of this document and the figures included herein are intended to provide a summary of the subjects discussed rather than a comprehensive description.

When applicable, in this document we refer to billions as thousands of millions.

ABOUT GRUPO AVAL

Grupo Aval, leading financial conglomerate in Colombia, operates through: four commercial banks in Colombia (Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas), the largest private pensions and severance fund manager in Colombia (Porvenir), and the largest financial corporation in Colombia (Corficolombiana). In addition, it is present in Central America through Multibank's operation in Panama through Banco de Bogotá.

Grupo Aval Acciones y Valores S.A. ("Grupo Aval") is an issuer of securities in Colombia and the United States ("SEC").

As of September 30, 2023, the Company has the following issuances:

Stocks	Securities issues in force	
Type of security	Common stock	Preferred stock
Trading system	Stock exchange	Stock exchange
Stock exchange	Colombian Stock Exchange (BVC)	
Outstanding Shares (*)	16,201,712,499	7,541,763,255
Issue amount(*)	16,201,712,499	7,541,763,255
Amount placed(*)	16,201,712,499	7,541,763,255

Local Bonds			
Year	Principal (million)	Rate	Rating
Issue of 2009 - Series A - 15 years	124,520	IPC+5.2%	AAA –BRC Investor Services S.A.
Issue of 2016 - Series A - 10 years	93,000	IPC+3.86%	
Issue of 2016 - Series A - 20 years	207,000	IPC+4.15%	
Issue of 2017 - Series A - 25 years	300,000	IPC +3.99%	
Issue of 2019 - Series C - 5 years	100,000	6.42%	
Issue of 2019 - Series A - 20 years	300,000	IPC +3.69%	
	1,124,520		

International Bonds			
Issue of 2020 - 10 years	US 1,000,000	4.375%	Ba2 / Negative (Moody's) BB+ Stable (Fitch)

Main domicile: Bogotá D.C., Colombia

Address: Carrera 13 No 26A – 47- 23rd Floor

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Bogotá, November 15th, 2023. Grupo Aval S.A. (NYSE:AVAL) reported a consolidated attributable net income of Ps 64.8 billion (Ps 2.7 pesos per share) for 3Q23. ROAE was 1.6% and ROAA was 0.4% for 3Q23.

3Q23 Highlights

- Colombia's economy contracted 0.3% during the third quarter of 2023 while inflation reached 10.5% in the twelve months ending October.
- Aval's consolidated loan portfolio grew 6.5% over the year. Commercial loans grew 7.2%, consumer loans grew 5.2% and mortgages grew 6.8%. Total deposits grew 8.3%.
- PDL formation improved during the quarter across all loan categories.
- Slower growth and low charge-offs during the quarter led to a deterioration of 30-day and 90-day PDL ratios, relative to 2Q23: 30-day PDLs increased by 18 bps, from 5.09% to 5.27% and 90-day PDLs increased by 23 bps, from 3.57% to 3.79%.
- A 37 bps increase in cost of risk over the quarter to 2.53% from 2.16%, was driven by the roll-forward to 90-day PDLs of delinquent consumer loan vintages and the update of forward-looking macroeconomic parameters.
- Total NIM on loans increased 16 bps in the quarter (from 4.0% to 4.2%), while banking NIM on loans increased 6 bps in the quarter (from 4.9% to 5.0%).
- The poor performance of capital markets during the quarter led to a -3.0% total NIM on investments. As a result, total NIM decreased by 63 bps over the quarter (from 3.41% to 2.78%).
- Net fees increased 15.1% during the last twelve months driven by a strong performance from our banking and pension administration fees. During the quarter, Net fees decreased 2.77%.
- Income from Aval's Non-Financial Sector increased 3.0% when compared to 2Q23, but decreased 45.3% versus 3Q22, driven by reduced revenues from Corficolombiana's toll road concessions as the construction phase concludes and the roads move to the operation phase.
- Total other expenses decreased 4.1% in the quarter driven by cost control initiatives, despite a combined increase of 7.2% in operating taxes and deposit insurance.
- Cost to asset ratio improved to 2.7% in 3Q23 relative to 2Q23.
- As a result, Aval's attributable net income for the quarter was 64.8 billion pesos and 656.1 billion pesos for the first 9 months of 2023. Annualized ROAA and ROAE were 0.8% and 5.3% on a YTD basis.

Report of 3Q2023 consolidated results

Information reported in Ps billions and under IFRS, except per share information

Bogotá, November 15th, 2023. Grupo Aval S.A. (NYSE:AVAL) reported a consolidated attributable net income of Ps 64.8 billion (Ps 2.7 pesos per share) for 3Q23. ROAE was 1.6% and ROAA was 0.4% for 3Q23.

COP \$tn		3Q22	2Q23	3Q23	3Q23 vs 2Q23	3Q23 vs 3Q22
Balance Sheet	Gross Loans	\$ 175.1	\$ 184.4	\$ 186.5	1.1%	6.5%
	Deposits	\$ 166.5	\$ 180.2	\$ 180.3	0.0%	8.3%
	Deposits/Net Loans	0.99 x	1.01 x	1.01 x	0.00 x	0.02 x
Loan Quality	90 days PDLs / Gross Loans	3.2%	3.6%	3.8%	23 bps	56 bps
	Allowance/90 days PDLs	1.59 x	1.43 x	1.39 x	-0.04 x	-0.20 x
	Cost of risk	1.4%	2.2%	2.5%	37 bps	118 bps
Profitability	Net interest margin	3.5%	3.4%	2.8%	(63) bps	(75) bps
	Fee income Ratio	19.2%	22.7%	23.5%	80 bps	431 bps
	Efficiency Ratio	48.2%	53.7%	54.8%	112 bps	661 bps
	Attributable net income	\$ 0.41	\$ 0.17	\$ 0.06	-61.0%	-84.1%
	ROAA	1.3%	0.6%	0.4%	(21) bps	(92) bps
	ROAE	9.8%	4.1%	1.6%	(250) bps	(826) bps

Gross loans excludes interbank and overnight funds. **PDLs 90+** defined as loans more than 90 days past due. **Cost of Risk** calculated as Impairment loss on loans and other accounts receivable net of recoveries of charged-off assets divided by average gross loans. **Net Interest Margin** includes net interest income plus net trading income from debt and equity investments at FVTPL divided by total average interest-earning assets. **Fee income ratio** is calculated as net income from commissions and fees divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **Efficiency Ratio** is calculated as total other expenses divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **ROAA** is calculated as annualized Net Income divided by average of total assets. **ROAE** is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity. **NS** refers to non-significant figures.



Report of 3Q2023 consolidated results

Information reported in Ps billions and under IFRS

Grupo Aval Acciones y Valores S.A.

Consolidated Financial Statements Under IFRS

Financial Statements Under IFRS

Information in Ps. Billions

Consolidated Statement of Financial Position	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Cash and cash equivalents	18,013.9	19,195.7	18,382.3	-4.2%	2.0%
Trading assets	11,870.9	13,256.1	12,936.0	-2.4%	9.0%
Investment securities	32,175.0	32,829.6	33,712.1	2.7%	4.8%
Hedging derivatives assets	56.6	69.4	34.0	-51.1%	-40.0%
Total loans, net	168,343.6	177,912.5	178,447.7	0.3%	6.0%
Tangible assets	7,125.9	7,113.6	7,038.7	-1.1%	-1.2%
Goodwill	2,250.9	2,215.2	2,210.7	-0.2%	-1.8%
Concession arrangement rights	12,686.8	13,558.6	13,571.9	0.1%	7.0%
Other assets	33,372.6	31,910.8	32,399.2	1.5%	-2.9%
Total assets	285,896.2	298,061.6	298,732.5	0.2%	4.5%
Trading liabilities	2,295.8	1,859.9	1,258.7	-32.3%	-45.2%
Hedging derivatives liabilities	4.9	8.9	116.0	N.A.	N.A.
Customer deposits	166,533.2	180,244.5	180,296.3	0.0%	8.3%
Interbank borrowings and overnight funds	11,267.0	13,459.9	15,322.5	13.8%	36.0%
Borrowings from banks and others	26,266.6	23,916.9	23,589.1	-1.4%	-10.2%
Bonds issued	29,127.8	25,424.8	24,641.6	-3.1%	-15.4%
Borrowings from development entities	3,659.0	4,122.4	4,926.2	19.5%	34.6%
Other liabilities	15,603.8	18,262.4	17,827.6	-2.4%	14.3%
Total liabilities	254,758.1	267,299.6	267,978.1	0.3%	5.2%
Equity attributable to owners of the parent	16,766.5	16,465.4	16,381.6	-0.5%	-2.3%
Non-controlling interest	14,371.6	14,296.6	14,372.8	0.5%	0.0%
Total equity	31,138.1	30,762.0	30,754.4	0.0%	-1.2%
Total liabilities and equity	285,896.2	298,061.6	298,732.5	0.2%	4.5%

Consolidated Statement of Income	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Interest income	5,213.0	7,154.6	7,334.6	2.5%	40.7%
Interest expense	3,294.5	5,579.1	5,702.2	2.2%	73.1%
Net interest income	1,918.5	1,575.5	1,632.4	3.6%	-14.9%
Loans and other accounts receivable	751.8	1,138.6	1,321.8	16.1%	75.8%
Other financial assets	(0.8)	(9.6)	(0.7)	-92.6%	-15.8%
Recovery of charged-off financial assets	(173.1)	(140.8)	(148.8)	5.7%	-14.0%
Net impairment loss on financial assets	577.9	988.3	1,172.3	18.6%	102.9%
Net interest income, after impairment losses	1,340.6	587.2	460.1	-21.6%	-65.7%
Net income from commissions and fees	746.7	883.9	859.4	-2.8%	15.1%
Gross profit from sales of goods and services	1,165.6	619.2	637.8	3.0%	-45.3%
Net trading income	756.4	(783.1)	(253.9)	-67.6%	-133.6%
Net income from other financial instruments mandatory at FVTPL	68.2	76.6	76.6	0.0%	12.3%
Total other income	(769.3)	1,516.6	700.2	-53.8%	-191.0%
Total other expenses	1,874.7	2,089.2	2,003.3	-4.1%	6.9%
Net income before income tax expense	1,433.5	811.2	476.9	-41.2%	-66.7%
Income tax expense	547.8	350.6	176.2	-49.7%	-67.8%
Net income for the period of continued operations	885.7	460.6	300.7	-34.7%	-66.1%
Net income for the period of discontinued operations	44.1	-	-	N.A.	-100.0%
Net income for the period	929.8	460.6	300.7	-34.7%	-67.7%
Non-controlling interest	521.7	294.4	235.9	-19.9%	-54.8%
Net income attributable to owners of the parent	408.1	166.2	64.8	-61.0%	-84.1%

Key ratios	3Q22	2Q23	3Q23	YTD	
				2022	2023
Net Interest Margin(1)	3.8%	2.9%	3.0%	4.0%	2.9%
Net Interest Margin (including net trading income)(1)	3.5%	3.4%	2.8%	3.7%	3.3%
Efficiency ratio(2)	48.2%	53.7%	54.8%	42.8%	51.5%
90 days PDL / Gross loans (5)	3.2%	3.6%	3.8%	3.2%	3.8%
Provision expense / Average gross loans (6)	1.4%	2.2%	2.5%	1.5%	2.1%
Allowance / 90 days PDL (5)	1.59	1.43	1.39	1.59	1.39
Allowance / Gross loans	5.1%	5.1%	5.3%	5.1%	5.3%
Charge-offs / Average gross loans (6)	2.1%	2.7%	1.9%	2.0%	2.1%
Total loans, net / Total assets	58.9%	59.7%	59.7%	58.9%	59.7%
Deposits / Total loans, net	98.9%	101.3%	101.0%	98.9%	101.0%
Equity / Assets	10.9%	10.3%	10.3%	10.9%	10.3%
Tangible equity ratio (7)	9.6%	9.0%	8.9%	9.6%	8.9%
ROAA(3)	1.3%	0.6%	0.4%	2.4%	0.8%
ROAE(4)	9.8%	4.1%	1.6%	20.7%	5.3%
Shares outstanding (EoP)	23,743,475,754	23,743,475,754	23,743,475,754	23,743,475,754	23,743,475,754
Shares outstanding (Average)	23,743,475,754	23,743,475,754	23,743,475,754	22,939,927,075	23,743,475,754
Common share price (EoP)	659.0	476.9	484.0	659.0	484.0
Preferred share price (EoP)	580.0	486.0	514.5	580.0	514.5
BV/ EoP shares in Ps.	706.2	693.5	689.9	706.2	689.9
EPS	17.2	7.0	2.7	122.6	27.6
P/E (8)	8.4	17.4	47.1	3.5	14.0
P/BV (8)	0.8	0.7	0.7	0.8	0.7

Pro form ratio

(1) NIM is calculated as Net Interest Income divided by the average of Interest Earning Assets; (2) Efficiency Ratio is calculated as total other expenses divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income; (3) ROAA is calculated as Income before Minority Interest divided by the average of total assets for each quarter; (4) ROAE is calculated as Net Income attributable to Grupo Aval's shareholders divided by the average of shareholders' attributable equity for each quarter; (5) PDLs 90+ defined as loans more than 90 days past due include interest accounts receivables, Gross loans excluding interbank and overnight funds; (6) Refers to average gross loans for the period; (7) Tangible Equity Ratio is calculated as Total Equity minus Intangibles (excluding those related to concessions) divided by Total Assets minus Intangibles (excluding those related to concessions); (8) Based on Preferred share prices.



Consolidated Financial Results

Statement of Financial Position Analysis

1. Assets

Total assets as of September 30th, 2023 totaled Ps 298,732.5 billion showing an increase of 4.5% versus September 30th, 2022 and an increase of 0.2% versus June 30th, 2023. Growth was mainly driven by (i) a 6.0% year over year growth in total loans, net to Ps 178,447.7 billion, (ii) a 4.8% yearly growth in investment securities to Ps 33,712.1 billion and (iii) a 9.0% yearly growth in trading assets, net to Ps 12,936.0 billion.

1.1 Loan portfolio

Gross loans (excluding interbank and overnight funds) increased by 6.5% between September 30th, 2023 and September 30th, 2022 to Ps 186,480.4 billion mainly driven by (i) a 7.2% increase in Commercial loans to Ps 107,459.9 billion, (ii) a 6.8% increase in Mortgages loans to Ps 18,116.6 billion and (iii) a 5.2% increase in Consumer loans to Ps 60,631.5 billion.

Interbank & overnight funds decreased by 19.2% to Ps 1,810.5 billion during the last twelve months.

Loss allowance was Ps 9,843.1 billion as of September 30th, 2023 taking net loans to Ps 178,447.7 billion.

Total loans, net	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Gross loans					
Commercial loans	100,233.4	106,350.8	107,459.9	1.0%	7.2%
Consumer loans	57,629.2	60,033.8	60,631.5	1.0%	5.2%
Mortgages loans	16,966.6	17,756.5	18,116.6	2.0%	6.8%
Microcredit loans	264.8	268.5	272.3	1.4%	2.8%
Gross loans	175,094.0	184,409.6	186,480.4	1.1%	6.5%
Interbank & overnight funds	2,241.6	2,938.1	1,810.5	-38.4%	-19.2%
Total gross loans	177,335.7	187,347.7	188,290.8	0.5%	6.2%
Loss allowance	(8,992.0)	(9,435.2)	(9,843.1)	4.3%	9.5%
Allowance for impairment of commercial loans	(5,393.0)	(5,189.7)	(5,243.1)	1.0%	-2.8%
Allowance for impairment of consumer loans	(3,189.2)	(3,828.3)	(4,175.6)	9.1%	30.9%
Allowance for impairment of mortgages	(361.9)	(372.7)	(374.6)	0.5%	3.5%
Allowance for impairment of microcredit loans	(48.0)	(44.5)	(49.8)	11.9%	3.8%
Total loans, net	168,343.6	177,912.5	178,447.7	0.3%	6.0%

The following table shows the gross loan composition per product of each of our loan categories.

Gross loans	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
General purpose	71,226.6	74,522.8	74,711.5	0.3%	4.9%
Working capital	14,137.7	15,703.4	16,323.7	4.0%	15.5%
Financial leases	10,436.7	11,134.7	10,999.9	-1.2%	5.4%
Funded by development banks	3,642.2	4,047.3	4,432.4	9.5%	21.7%
Overdrafts	443.9	587.7	623.1	6.0%	40.4%
Credit cards	346.4	354.9	369.3	4.1%	6.6%
Commercial loans	100,233.4	106,350.8	107,459.9	1.0%	7.2%
Payroll loans	33,233.5	32,836.8	33,313.1	1.5%	0.2%
Personal loans	12,404.4	14,289.6	14,301.4	0.1%	15.3%
Credit cards	6,645.6	7,406.3	7,482.6	1.0%	12.6%
Automobile and vehicle	5,128.4	5,296.6	5,322.7	0.5%	3.8%
Financial leases	20.2	16.3	14.2	-12.8%	-29.4%
Overdrafts	65.0	74.4	82.5	11.0%	26.9%
Other	132.2	113.8	115.0	1.0%	-13.0%
Consumer loans	57,629.2	60,033.8	60,631.5	1.0%	5.2%
Mortgages	14,657.3	15,542.0	15,936.0	2.5%	8.7%
Housing leases	2,309.3	2,214.5	2,180.7	-1.5%	-5.6%
Mortgages loans	16,966.6	17,756.5	18,116.6	2.0%	6.8%
Microcredit loans	264.8	268.5	272.3	1.4%	2.8%
Gross loans	175,094.0	184,409.6	186,480.4	1.1%	6.5%
Interbank & overnight funds	2,241.6	2,938.1	1,810.5	-38.4%	-19.2%
Total gross loans	177,335.7	187,347.7	188,290.8	0.5%	6.2%

In terms of gross loans (excluding interbank and overnight funds), 91.9% are domestic and 8.1% are foreign (reflecting the Multi Financial Holding operation).

Over the quarter we observed a weak performance in all types of loans related to the economic slowdown trend. However, we are the competitor (sum of Aval Banks) with the highest market share gain in Colombia, both in the quarter with 27 bps and in the year to date with 56 bps.

Commercial loans increased by 7.2% during the last twelve months and 1.0% during the quarter. Consumer loans growth over the last year was driven by personal loans and overdrafts. Consumer loans grew by 5.2% annually and increased 1.0% over the quarter. Mortgages loans increased by 6.8% over the year and increased 2.0% in the last quarter.

The following table shows the gross loans composition per entity. During the last twelve months, Banco de Occidente showed the highest growth rate within our banks, driven by a strong performance in all types of loans with consumer loans growing 16.2%, commercial loans 12.0% and mortgages growing 4.9%.

Gross loans / Bank (\$)	3Q22	2Q23	3Q23	△	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Banco de Bogotá	92,233.3	97,725.8	99,995.5	2.3%	8.4%
Banco de Occidente	43,289.4	47,168.0	48,750.1	3.4%	12.6%
Banco Popular	25,121.4	23,913.9	22,389.8	-6.4%	-10.9%
Banco AV Villas	14,542.8	14,744.8	14,549.4	-1.3%	0.0%
Corficolombiana	2,098.9	2,060.4	2,073.0	0.6%	-1.2%
Grupo Aval Holding	-	1,338.6	1,305.1	-2.5%	N.A.
Eliminations	(2,191.8)	(2,542.0)	(2,582.5)	1.6%	17.8%
Gross loans	175,094.0	184,409.6	186,480.4	1.1%	6.5%
Interbank & overnight funds	2,241.6	2,938.1	1,810.5	-38.4%	-19.2%
Total gross loans	177,335.7	187,347.7	188,290.8	0.5%	6.2%

Gross loans / Bank (%)	3Q22	2Q23	3Q23
Banco de Bogotá	52.7%	53.0%	53.6%
Banco de Occidente	24.7%	25.6%	26.1%
Banco Popular	14.3%	13.0%	12.0%
Banco AV Villas	8.3%	8.0%	7.8%
Corficolombiana	1.2%	1.1%	1.1%
Grupo Aval Holding	0.0%	0.7%	0.7%
Eliminations	-1.3%	-1.4%	-1.4%
Gross loans	100%	100%	100%

Figures for Grupo Aval Holding reflect the credit operation entered into with Esadinco S.A. (Related Party) in December 2022. This transaction was conducted on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectability or present other unfavorable features.

High interest rates, inflationary pressures and the economic slowdown have led to a deterioration in the quality of our loan portfolio both over the quarter and the year. However, the PDL formation is beginning to show signs of improvement in the products that had shown higher delinquencies, such as personal loans and credit cards.

Our 30 days PDL to total loans were 5.3% for 3Q23, 5.1% for 2Q23 and 4.3% for 3Q22. The ratio of 90 days PDL to total loans was 3.8% for 3Q23, 3.6% for 2Q23 and 3.2% for 3Q22.

30 days PDL ratio for commercial loans was 4.5% for 3Q23, 4.5% for 2Q23 and 4.2% for 3Q22; 90 days PDL ratio was 4.0%, 3.8% and 3.6%, respectively. 30 days PDL ratio for consumer loans was 6.2% for 3Q23, 5.8% for 2Q23, and 4.3% for 3Q22. 90 days PDL ratio was 3.5%, 3.1% and 2.6%, respectively. 30 days PDL ratio for mortgages was 6.5% for 3Q23, 6.2% for 2Q23, and 5.0% for 3Q22; 90 days PDL ratio was 3.6%, 3.4% and 3.1%, respectively.



Report of 3Q2023 consolidated results

Information reported in Ps billions and under IFRS

Past due loans	3Q22	2Q23	3Q23	△	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Performing	96,049.7	101,590.3	102,585.4	1.0%	6.8%
Between 31 and 90 days past due	577.1	700.1	613.6	-12.4%	6.3%
+90 days past due	3,606.7	4,060.3	4,261.0	4.9%	18.1%
Commercial loans	100,233.4	106,350.8	107,459.9	1.0%	7.2%
Performing	55,131.6	56,544.9	56,901.9	0.6%	3.2%
Between 31 and 90 days past due	1,009.7	1,610.6	1,600.1	-0.7%	58.5%
+90 days past due	1,487.9	1,878.3	2,129.5	13.4%	43.1%
Consumer loans	57,629.2	60,033.8	60,631.5	1.0%	5.2%
Performing	16,118.9	16,663.4	16,945.6	1.7%	5.1%
Between 31 and 90 days past due	326.9	488.2	524.1	7.3%	60.3%
+90 days past due	520.9	605.0	647.0	6.9%	24.2%
Mortgages loans	16,966.6	17,756.5	18,116.6	2.0%	6.8%
Performing	219.7	226.7	228.2	0.7%	3.9%
Between 31 and 90 days past due	7.4	10.1	9.0	-11.0%	22.2%
+90 days past due	37.7	31.7	35.1	10.7%	-6.8%
Microcredit loans	264.8	268.5	272.3	1.4%	2.8%
Gross loans	175,094.0	184,409.6	186,480.4	1.1%	6.5%
Interbank & overnight funds	2,241.6	2,938.1	1,810.5	-38.4%	-19.2%
Total gross loans	177,335.7	187,347.7	188,290.8	0.5%	6.2%

30 Days PDL / gross loans (*)	4.3%	5.1%	5.3%
90 Days PDL / gross loans (*)	3.2%	3.6%	3.8%

Loans by stages (%)	3Q22	2Q23	3Q23
Loans classified as Stage 2 / gross loans	7.3%	4.8%	4.8%
Loans classified as Stage 3 / gross loans	6.4%	6.4%	6.5%
Loans classified as Stage 2 and 3 / gross loans	13.7%	11.3%	11.4%
Allowance for Stage 1 loans / Stage 1 loans	0.9%	1.0%	1.1%
Allowance for Stage 2 loans / Stage 2 loans	11.6%	14.0%	13.7%
Allowance for Stage 3 loans / Stage 3 loans	54.3%	54.7%	55.6%
Allowance for Stage 2 y 3 loans / Stage 2 and 3 loans	31.6%	37.3%	37.8%

Grupo Aval's coverage over its 90 days PDL was 1.4x for 3Q23, 1.4x for 2Q23, and 1.6x for 3Q22, coverage over its 30 days PDL was 1.0x in 3Q23, 1.0x for 2Q23 and 1.2x 3Q22.

Impairment loss, net of recoveries of charged off assets to average gross loans was 2.5% for 3Q23, 2.2% for 2Q23, and 1.4% 3Q22. Charge-offs to average gross loans was 1.9% for 3Q23, 2.7% for 2Q23, and 2.1% in 3Q22.

Coverage and cost of risk	3Q22	2Q23	3Q23
Allowance for impairment / 30 days PDL	1.2	1.0	1.0
Allowance for impairment / 90 days PDL	1.6	1.4	1.4
Allowance for impairment / gross loans (*)	5.1%	5.1%	5.3%
Impairment loss / 30 days PDL	0.4	0.5	0.5
Impairment loss / 90 days PDL	0.5	0.7	0.7
Impairment loss / average gross loans (*)	1.8%	2.5%	2.9%
Impairment loss, net of recoveries of charged-off assets / average gross loans (*)	1.4%	2.2%	2.5%
Charge-offs / average gross loans (*)	2.1%	2.7%	1.9%

(*) Gross loans exclude interbank and overnight funds.

1.2 Investment securities and trading assets

Total investment securities and trading assets increased 5.9% to Ps 46,648.1 billion between September 30th, 2023 and September 30th, 2022 and increased 1.2% versus June 30th, 2023.

Ps 38,481.8 billion of our total portfolio is invested in debt securities, which increased by 9.3% between September 30th, 2023 and September 30th, 2022 and increased by 3.7% versus June 30th, 2023. Ps 6,432.4 billion of our total investment securities is invested in equity securities, which increased by 1.3% between September 30th, 2023 and September 30th, 2022 and decreased by 8.8% versus June 30th, 2023.

Investment and trading assets	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Debt securities	4,081.5	5,323.3	5,764.4	8.3%	41.2%
Equity securities	5,317.8	6,018.7	5,437.8	-9.7%	2.3%
Derivative assets	2,471.6	1,914.1	1,733.9	-9.4%	-29.8%
Trading assets	11,870.9	13,256.1	12,936.0	-2.4%	9.0%
Investments in debt securities at FVTPL (non compliant with SPPI test)	-	1.4	1.4	3.4%	N.A
Debt securities at FVOCI	21,955.7	22,055.6	22,932.3	4.0%	4.4%
Equity securities at FVOCI	1,034.3	1,034.2	994.6	-3.8%	-3.8%
Investments in securities at FVOCI	22,990.1	23,089.9	23,927.0	3.6%	4.1%
Investments in debt securities at AC	9,185.0	9,738.4	9,783.7	0.5%	6.5%
Investment and trading assets	44,045.9	46,085.7	46,648.1	1.2%	5.9%

The average yield on our debt and equity investment securities (trading assets, investments in debt securities at FVTPL, investments in securities at FVOCI and investments in debt securities at AC) was 5.1% for 3Q23, 9.1% for 2Q23 and 4.4% for 3Q22.

1.3 Cash and Cash Equivalents

As of September 30th, 2023 cash and cash equivalents had a balance of Ps 18,382.3 billion showing an increase of 2.0% versus September 30th, 2022 and a decrease of 4.2% versus June 30th, 2023

The ratio of cash and cash equivalents to customer deposits was 10.2% at September 30th, 2023, 10.6% at June 30th, 2023, and 10.8% at September 30th, 2022.

1.4 Goodwill and Other Intangibles

Goodwill and other intangibles as of September 30th, 2023 reached Ps 18,044.5 billion, increasing by 7.5% versus September 30th, 2022 and 0.5% versus June 30th, 2023.

Goodwill as of September 30th, 2023 was Ps 2,210.7 billion, decreasing by 1.8% versus September 30th, 2022 and 0.2% versus June 30th, 2023.

Other intangibles, which include “concession arrangement rights” and other intangibles, mainly reflect the value of road concessions recorded for the most part at Corficolombiana. Other intangibles as of September 30th, 2023 reached Ps 15,833.8 billion and grew by 8.9% versus September 30th, 2022 and increased by 0.6% versus June 30th, 2023.

2. Liabilities

As of September 30th, 2023 Total Funding represented 92.8% of total liabilities and other liabilities represented 7.2%.

2.1 Funding

Total Funding (Total financial liabilities at amortized cost) which includes (i) Customer deposits, (ii) Interbank borrowings and overnight funds, (iii) Borrowings from banks and others, (iv) Bonds issued, and (v) Borrowing from development entities had a balance of Ps 248,775.8 billion as of September 30th, 2023 showing an increase of 5.0% versus September 30th, 2022 and an increase of 0.7% versus June 30th, 2023. Total customer deposits represented 72.5% of total funding as of 3Q23, 72.9% for 2Q23, and 70.3% 3Q22.

Average cost of funds was 9.2% for 3Q23, 9.0% for 2Q23 and 5.7% for 3Q22.

2.1.1 Customer deposits

Customer deposits	3Q22	2Q23	3Q23	△	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Checking accounts	19,414.8	17,387.8	16,161.5	-7.1%	-16.8%
Other deposits	783.8	440.2	390.9	-11.2%	-50.1%
Non-interest bearing	20,198.6	17,828.0	16,552.5	-7.2%	-18.1%
Checking accounts	6,126.7	6,156.7	6,663.4	8.2%	8.8%
Time deposits	68,708.1	85,946.1	88,788.1	3.3%	29.2%
Savings deposits	71,499.7	70,313.7	68,292.3	-2.9%	-4.5%
Interest bearing	146,334.6	162,416.6	163,743.8	0.8%	11.9%
Customer deposits	166,533.2	180,244.5	180,296.3	0.0%	8.3%

Of our total customer deposits as of September 30th, 2023, checking accounts represented 12.7%, time deposits 49.2%, savings accounts 37.9%, and other deposits 0.2%.

The following table shows the customer deposits composition by bank. During the last twelve months, Banco de Occidente showed the highest growth rate in customer deposits within our companies, in line with gross loan growth.

Deposits / Bank (\$)	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Banco de Bogotá	83,585.0	90,336.7	91,237.6	1.0%	9.2%
Banco de Occidente	40,210.5	46,515.2	47,872.6	2.9%	19.1%
Banco Popular	25,198.9	24,347.5	23,322.8	-4.2%	-7.4%
Banco AV Villas	14,095.7	14,642.5	14,611.3	-0.2%	3.7%
Corficolombiana	6,689.2	7,220.9	7,547.8	4.5%	12.8%
Eliminations	(3,246.2)	(2,818.3)	(4,295.7)	52.4%	32.3%
Total Grupo Aval	166,533.2	180,244.5	180,296.3	0.0%	8.3%

Deposits / Bank (%)	3Q22	2Q23	3Q23
Banco de Bogotá	50.2%	50.1%	50.6%
Banco de Occidente	24.1%	25.8%	26.6%
Banco Popular	15.1%	13.5%	12.9%
Banco AV Villas	8.5%	8.1%	8.1%
Corficolombiana	4.0%	4.0%	4.2%
Eliminations	-1.9%	-1.6%	-2.4%
Total Grupo Aval	100.0%	100.0%	100.0%

2.1.2 Borrowings from Banks and Other (includes borrowings from development entities)

As of September 30th, 2023 borrowings from banks and other totaled Ps 28,515.4 billion, decreasing 4.7% versus September 30th, 2022 and increasing 1.7% versus June 30th, 2023.

2.1.3 Bonds issued

Total bonds issued as of September 30th, 2023 totaled Ps 24,641.6 billion and decreased 15.4% versus September 30th, 2022 and 3.1% versus June 30th, 2023. The quarterly and yearly decrease is mainly explained by the appreciation of the Colombian Peso on our Us\$ denominated bonds.

3. Non-controlling Interest

Non-controlling Interest in Grupo Aval reflects the minority stakes that third party shareholders hold in each of its direct consolidated subsidiaries (Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, Corficolombiana and Porvenir).

As of September 30th, 2023 non-controlling interest was Ps 14,372.8 billion which increased by 0.01% versus September 30th, 2022 and 0.5% versus June 30th, 2023. Total non-controlling interest represents 46.7% of total equity as of 3Q23, compared to 46.5% in 2Q23 and 46.2% in 3Q22.

Total non-controlling interest derives from the sum of the combined minority interests of our banks and of Grupo Aval, applying eliminations associated with the consolidation process of Grupo Aval.

Percentage consolidated by Aval	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Banco de Bogotá	68.9%	68.9%	68.9%	-	-
Banco de Occidente	72.3%	72.3%	72.3%	-	-
Banco Popular	93.7%	93.7%	93.7%	-	-
Banco AV Villas	79.9%	79.9%	79.9%	-	-
Porvenir (1)	75.8%	75.8%	75.8%	-	0
Corficolombiana	40.4%	40.5%	40.5%	-	13

4. Attributable Shareholders' Equity

Attributable shareholders' equity as of September 30th, 2023 was Ps 16,381.6 billion, showing a decrease of 2.3% versus September 30th, 2022 and a 0.5% versus June 30th, 2023. This quarter, the portfolios experienced unfavorable valuations that were reflected in other comprehensive income.

Income Statement Analysis

Our net income attributable to the owners of the parent company for 3Q23 was Ps 64.8 billion.

Consolidated Statement of Income	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Interest income	5,213.0	7,154.6	7,334.6	2.5%	40.7%
Interest expense	3,294.5	5,579.1	5,702.2	2.2%	73.1%
Net interest income	1,918.5	1,575.5	1,632.4	3.6%	-14.9%
Loans and other accounts receivable	751.8	1,138.6	1,321.8	16.1%	75.8%
Other financial assets	(0.8)	(9.6)	(0.7)	-92.6%	-15.8%
Recovery of charged-off financial assets	(173.1)	(140.8)	(148.8)	5.7%	-14.0%
Net impairment loss on financial assets	577.9	988.3	1,172.3	18.6%	102.9%
Net income from commissions and fees	746.7	883.9	859.4	-2.8%	15.1%
Gross profit from sales of goods and services	1,165.6	619.2	637.8	3.0%	-45.3%
Net trading income	756.4	(783.1)	(253.9)	-67.6%	-133.6%
Net income from other financial instruments mandatory at FVTPL	68.2	76.6	76.6	0.0%	12.3%
Total other income	(769.3)	1,516.6	700.2	-53.8%	-191.0%
Total other expenses	1,874.7	2,089.2	2,003.3	-4.1%	6.9%
Net income before income tax expense	1,433.5	811.2	476.9	-41.2%	-66.7%
Income tax expense	547.8	350.6	176.2	-49.7%	-67.8%
Net income for the period of continued operations	885.7	460.6	300.7	-34.7%	-66.1%
Net income for the period of discontinued operations	44.1	-	-	N.A	-100.0%
Net income for the period	929.8	460.6	300.7	-34.7%	-67.7%
Non-controlling interest	521.7	294.4	235.9	-19.9%	-54.8%
Net income attributable to owners of the parent	408.1	166.2	64.8	-61.0%	-84.1%

1. Net Interest Income

Net interest income	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Interest income					
Commercial	2,399.6	3,623.3	3,699.4	2.1%	54.2%
Interbank and overnight funds	142.5	252.6	234.2	-7.3%	64.3%
Consumer	1,819.5	2,268.9	2,380.4	4.9%	30.8%
Mortgages and housing leases	352.7	412.4	420.8	2.0%	19.3%
Microcredit	15.7	17.5	18.1	3.4%	15.3%
Loan portfolio	4,730.0	6,574.9	6,752.9	2.7%	42.8%
Interests on investments in debt securities	483.0	579.7	581.7	0.3%	20.4%
Total interest income	5,213.0	7,154.6	7,334.6	2.5%	40.7%
Interest expense					
Checking accounts	39.1	71.6	38.3	-46.4%	-1.9%
Time deposits	1,146.5	2,519.9	2,663.5	5.7%	132.3%
Savings deposits	1,073.4	1,343.0	1,491.4	11.1%	38.9%
Total interest expenses on deposits	2,259.0	3,934.4	4,193.2	6.6%	85.6%
Interbank borrowings and overnight funds	171.7	494.8	415.5	-16.0%	142.0%
Borrowings from banks and others	235.5	456.1	410.7	-10.0%	74.4%
Bonds issued	561.1	561.1	529.0	-5.7%	-5.7%
Borrowings from development entities	67.3	132.6	153.9	16.0%	128.8%
Total interest expenses on financial obligations	1,035.5	1,644.7	1,509.1	-8.2%	45.7%
Total interest expense	3,294.5	5,579.1	5,702.2	2.2%	73.1%
Net interest income	1,918.5	1,575.5	1,632.4	3.6%	-14.9%

Our net interest income decreased by 14.9% to Ps 1,632.4 billion for 3Q23 versus 3Q22 and increased by 3.6% versus 2Q23. The decrease versus 3Q22 was derived mainly from a 40.7% increase in total interest income offset by a 73.1% increase in total interest expense.

Our Net Interest Margin^(*) was 2.8% for 3Q23, 3.4% for 2Q23, and 3.5% in 3Q22. Net Interest Margin on Loans was 4.2% for 3Q23, 4.0% for 2Q23, and 4.6% for 3Q22. On the other hand, our Net Investments Margin was -3.0% for 3Q23, 0.9% for 2Q23 and -0.7% for 3Q22.

The decrease of NIM on investments is related to the lower performance of debt and equity investment securities due to the high volatility in the financial markets.

2. Impairment loss on financial assets, net

Our impairment loss on financial assets, net increased by 102.9% to Ps 1,172.3 billion for 3Q23 versus 3Q22 and by 18.6% versus 2Q23.

Net impairment loss on financial assets	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Loans and other accounts receivable	751.8	1,138.6	1,321.8	16.1%	75.8%
Other financial assets	(0.8)	(9.6)	(0.7)	-92.6%	-15.8%
Recovery of charged-off financial assets	(173.1)	(140.8)	(148.8)	5.7%	-14.0%
Net impairment loss on financial assets	577.9	988.3	1,172.3	18.6%	102.9%

Our annualized gross cost of risk was 2.9% for 3Q23, 2.5% for 2Q23, and 1.8% for 3Q22. Net of recoveries of charged-off assets our ratio was 2.5% for 3Q23, 2.2% 2Q23, and 1.4% for 3Q22.

(*) Grupo Aval's NIM without income from trading securities and investment in debt securities designated at fair value through profit and loss (non compliant with SPPI test) was 3.0% for 3Q23, 2.9% for 2Q23, and 3.8% for 3Q22 .

3. Non-interest income

Total non-interest income	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Income from commissions and fees					
Banking fees ⁽¹⁾	636.2	675.3	682.6	1.1%	7.3%
Trust activities and management services	88.6	114.7	112.8	-1.7%	27.4%
Pension and severance fund management	202.9	271.4	252.4	-7.0%	24.4%
Bonded warehouse services	49.5	47.5	47.6	0.2%	-3.7%
Total income from commissions and fees	977.1	1,108.9	1,095.4	-1.2%	12.1%
Expenses from commissions and fees	230.4	225.0	236.0	4.9%	2.4%
Net income from commissions and fees	746.7	883.9	859.4	-2.8%	15.1%
Income from sales of goods and services	3,041.1	2,675.8	2,542.4	-5.0%	-16.4%
Costs and expenses from sales of goods and services	1,875.5	2,056.6	1,904.6	-7.4%	1.5%
Gross profit from sales of goods and services	1,165.6	619.2	637.8	3.0%	-45.3%
Total trading investment income	(42.0)	392.1	(26.7)	-106.8%	-36.4%
Total derivatives income	798.4	(1,175.2)	(227.2)	-80.7%	-128.5%
Net trading income	756.4	(783.1)	(253.9)	-67.6%	-133.6%
Net income from other financial instruments mandatory at FVTPL	68.2	76.6	76.6	0.0%	12.3%
Other income					
Foreign exchange gains (losses), net	(951.9)	1,196.3	317.6	-73.5%	133.4%
Net gain on sale of investments and OCI realization	(11.4)	32.6	4.1	-87.3%	-136.2%
Gain on the sale of non-current assets held for sale	2.7	20.6	15.0	-27.0%	N.A.
Income from non-consolidated investments ⁽²⁾	104.8	101.8	95.5	-6.3%	-8.9%
Net gains on asset valuations	8.8	(29.4)	14.2	-148.3%	60.7%
Other income from operations	77.8	194.7	253.8	30.3%	226.3%
Total other income	(769.3)	1,516.6	700.2	-53.8%	-191.0%
Total non-interest income	1,967.6	2,313.1	2,020.1	-12.7%	2.7%

⁽¹⁾Includes commissions on banking services, office network services, credit and debit card fees, fees on drafts, checks and checkbooks and other fees

⁽²⁾Includes share of profit of equity accounted investees, net of tax, and dividend income.

3.1 Net income from commissions and fees

Net income from commissions and fees for 3Q23 totaled Ps 859.4 billion and increased by 15.1% versus 3Q22 and decreased by 2.8% versus 2Q23. Income from commissions and fees increased by 12.1% to Ps 1,095.4 billion for 3Q23 versus 3Q22 and decreased by 1.2% versus 2Q23.

Pension and severance fund management fees and trust activities and portfolio management services fees decreased over the quarter due to financial markets volatility that impacted our performance-based fees.

3.2 Gross profit from sales of goods and services

Gross profit from sales of goods and services (non-financial sector) decreased by 45.3% to Ps 637.8 billion for 3Q23 versus 3Q22 and increased by 3.0% versus 2Q23. The infrastructure sector showed a reduction of 53.1% compared to the third quarter of 2022, explained by softer inflation and FX metrics that lowered interest income on financial assets. In addition, concessions are moving from the construction to the operation phase.

3.3 Net trading income and other income

Other income	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Total derivatives income	798.4	(1,175.2)	(227.2)	-80.7%	-128.5%
Foreign exchange gains (losses), net	(951.9)	1,196.3	317.6	-73.5%	133.4%
Derivatives and foreign exchange gains (losses), net (1)	(153.5)	21.1	90.4	328.9%	158.9%
Net gains on asset valuations	8.8	(29.4)	14.2	148.3%	60.7%
Net income from other financial instruments mandatory at FVTPL	68.2	76.6	76.6	0.0%	12.3%
Net gain on sale of investments and OCI realization	(11.4)	32.6	4.1	-87.3%	136.2%
Gain on the sale of non-current assets held for sale	2.7	20.6	15.0	-27.0%	464.0%
Income from non-consolidated investments	104.8	101.8	95.5	-6.3%	-8.9%
Other income from operations	77.8	194.7	253.8	30.3%	226.3%
Total other income from operations	97.3	417.9	549.6	31.5%	464.7%

⁽¹⁾Includes income from trading and hedging derivatives reflected as part of the net trading income on the statement of profit and loss.

Total other income for 3Q23 totaled Ps 549.6 billion, the yearly and quarterly increase was due to the increase in foreign exchange gains and derivatives, net.

4. Other expenses

Total other expenses for 3Q23 totaled Ps 2,003.3 billion and increased by 6.9% versus 3Q22, and decreased by 4.1% versus 2Q23. Our efficiency ratio measured as total other expenses to total income was 54.8% in 3Q23, 53.7% in 2Q23 and 48.2% in 3Q22.

General and administrative expenses reached Ps. 1,009.3 billion, decreasing 7.2% over the quarter due to cost control initiatives. Operating taxes and deposit insurances increased 3.7% and 16.8% respectively compared to the previous quarter. Personnel expenses reached Ps. 751.3 billion, decreased 3.9% due to lower bonuses and efficiency programs. The ratio of annualized total other expenses as a percentage of average total assets was 2.7% for 3Q23 and 2.8 for 2Q23, and 2.7% for 3Q22.

5. Non-controlling Interest

Non-controlling interest in Grupo Aval mainly reflects the minority stakes that third party shareholders hold in each of its direct consolidated subsidiaries (Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, Corficolombiana and Porvenir).

Non-controlling interest in the income statement was Ps 235.9 billion, showing a 54.8% decrease versus 3Q22 and 19.9% versus 2Q23. In addition, the ratio of non-controlling interest to income before non-controlling interest was 78.4% in 3Q23, 63.9% in 2Q23 and 56.1% in 3Q22.

RISK MANAGEMENT

During the third quarter of 2023, there were no material changes in the degree of exposure to the relevant risks disclosed in the report as of June 2023, nor have any new relevant risks been identified that merit disclosure as of September 30th, 2023, according to the instructions given in paragraph 8.4.1.2.1 of Exhibit 1 «Información periódica de los emisores» in Chapter I of Title V of Part III of the Basic Legal Circular «Registro Nacional de Valores y Emisores – RNVE.

Despite the above, it should be highlighted a fact that has influenced the cost of funding expectations for colombian financial system. Since August, when the regulator's intention to adjust the regulations relating to the <<Coeficiente de Fondo Estable Neto / Net stable funding ratio">> (Cfen) became known, the gap between corporate debt interest rate and public debt interest rate decreased approximately 150 basis points. Finally, on September 7, 2023, the Financial Superintendence of Colombia issued Circular Externa 013 by which the weight applicable to demand deposits from 0% to 25% of supervised entities and collective investment funds without permanence agreement, while instructing entities regarding the classification of demand deposits between operational and non-operational and giving a period of 2 years to develop quantitative and qualitative methods that must complied regulatory requirements and standards.

QUANTITATIVE AND QUALITATIVE ANALYSIS OF MARKET RISK

During 3Q23, there were no material qualitative and quantitative changes in market risk in comparison with the information reported in the report as of 2Q23, that merit disclosure as of September 30th, 2023, in accordance with the instructions given in paragraph 8.4.1.1.4 of Exhibit 1 «Información periódica de los emisores» in Chapter I of Title V of Part III of the Basic Legal Circular «Registro Nacional de Valores y Emisores – RNVE

CORPORATE GOVERNANCE

In terms of Corporate Governance, during this quarter there have been no material changes that should be reported.

ESG

In terms of ESG, during this quarter there have been no material changes that should be reported.

GRUPO AVAL ACCIONES Y VALORES S.A. **Separate Financial Statements**

Below, we present a summary of our financial statements at the separate level by the end of the third quarter of 2023. The results presented are in accordance with the Colombian International Financial Reporting Standards (Colombian IFRS). The information reported below is expressed in Colombian Pesos (Ps) billion, except where otherwise indicated.

Analysis of the Statement of Financial Position

Assets

The assets are mainly represented by the interests we have in Banco de Bogotá (68.9%), Banco de Occidente (72.3%), Banco Popular (93.7%), Banco AV Villas (79.9%), AFP Porvenir (20.0%), Corficolombiana (8.7%) and 100.0% of Grupo Aval Ltd. (GAL).

Total assets as of September 30th, 2023 totaled Ps 20,249.5 billion, decreasing 1.9% or Ps 389.7 billion versus June 30th, 2023 and increasing 6.3% or Ps 1,197.9 billion versus September 30th, 2022.

The annual variation is mainly explained by the credit operation disbursed to related parties in December 2022 and which as of September 30th, 2023 amounted to Ps 1,302.4 billion.

On a quarterly basis, the variation is mainly explained by the decrease in current accounts receivable from related parties, due the reduction of Ps 261.7 billion of dividends receivable. The decrease in investments in subsidiaries and associates of 0.5% is related to the recognition of the equity method.

Liabilities

Total liabilities as of September 30th, 2023 totaled Ps 3,382.6 billion, decreasing 7.9% or Ps 291.3 billion versus June 30th, 2023 and increasing Ps 1,586.5 billion versus September 30th, 2022.

The annual variation is mainly explained by the increase of Ps 1,075.3 billion in financial obligations at amortized cost, mainly explained by the US\$270 million loan entered into with Grupo Aval Limited (GAL) in December 2022 to fund a portion of the loan extended to related parties (as of September 30th, 2023, the loan with GAL amounted to Ps 1,100.1 billion) and (ii) the increase of Ps 506.2 billion in dividends payable as a result of the dividend declared by Grupo Aval on March 30th, 2023.

Regarding the quarterly variation, this is mainly explained by (i) a Ps 255.9 billion decrease of dividends payable and a decrease in the balance of dollar denominated debt with GAL, explained by the quarterly appreciation of the Colombian Peso.

The financial indebtedness of Grupo Aval did not present material changes compared to what was reported as of June 30th, 2023.

Equity

As of September 30th, 2023, shareholders' equity was Ps 16,866.9, 0.6% lower than that reported on June 30th, 2023 and decreasing 2.3% or Ps 98.4 from the equity reported as of September 30th, 2022. This movement reflects mainly recognition of profits and equity method.

Net Income

Net income in our separate financial statements is derived primarily from equity method income from our investments and other income, net of the Holding's operating, financial and tax expenses.

During the 3Q23 we presented a net profit from continuing operations of Ps 71.4 billion, decreasing 55.2% versus 2Q23 and 82.7% versus 3Q22. The decrease in profits is explained by a lower equity method income.

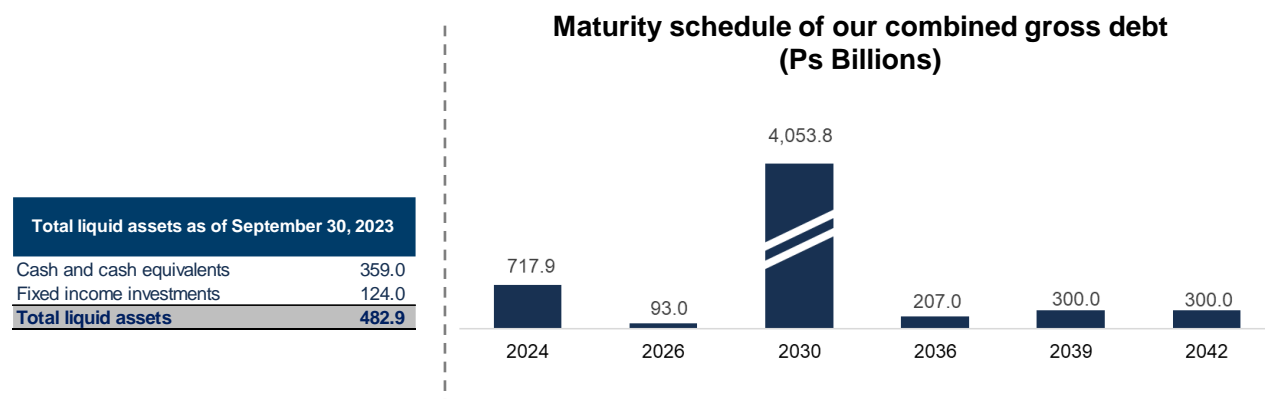
Our banking subsidiaries continue to experience challenges related to higher cost of credit and on their intermediation margins as a result of the rapid increase in the cost of funds. This quarter our portfolios experienced negative returns due to high volatility in financial markets that impacted our banking subsidiaries and our pension fund.

Information related to Grupo Aval Acciones y Valores S.A. (Holding Company) and Grupo Aval Limited

The holding company recorded a total gross indebtedness of Ps 1,649.6 billion (Ps 511.6 billion of bank debt and Ps 1,138.0 billion of bonds denominated in Colombian pesos) as of September 30th 2023. It also guarantees irrevocably and unconditionally Grupo Aval Limited's (144A / Reg S) 2030 (USD 1.0 billion) bonds under its respective indentures. As of September 30th 2023, the total amount outstanding (including interests payable) of such bonds was USD 1.0 billion, or Ps 4,054.6 billion when converted into pesos.

The debt at Grupo Aval Limited is serviced with interest income on loans to subsidiaries and cash & cash equivalents. Grupo Aval Limited has not required, to this date, cash from Grupo Aval Acciones y Valores S.A. to fulfill its obligations. The main sources of cash to pay the debt and debt service at Grupo Aval Acciones y Valores S.A. have been the dividend income from its subsidiaries and the returns on its cash & cash equivalents.

When combined, Grupo Aval Acciones y Valores S.A. and Grupo Aval Ltd. had Ps 482.9 billion of total liquid assets, a total gross indebtedness of Ps 5,704.2 billion and a net indebtedness of Ps 5,221.3 billion as of September 30th 2023. In addition to liquid assets, has Ps 1,302.4 billion in loans with related parties and Grupo Aval Ltd. has Ps 2,117.3 billion in investments in AT1 instruments.



Total liquid assets as of September 30, 2023	
Cash and cash equivalents	359.0
Fixed income investments	124.0
Total liquid assets	482.9

As of September 30th 2023 our combined double leverage (calculated as investments in subsidiaries at book value, subordinated loans to subsidiaries, AT1 investments, and goodwill as a percentage of shareholders' equity) was 1.24x. Finally, we present an evolution of our key ratios on a combined basis:

Debt service coverage and leverage ratios	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Double leverage (1)	1.26x	1.25x	1.24x	-0.01	-0.02
Net debt / Core earnings (2)(3)	4.52x	3.48x	3.56x	0.08	-0.97
Net debt / Cash dividends (2)(3)	12.00x	5.14x	5.02x	-0.13	-6.98
Core Earnings / Interest Expense (2)	1.67x	3.43x	3.42x	0.00	1.76

(1) Double leverage is calculated as investments in subsidiaries at book value (excluding revaluations), subordinated loans to subsidiaries and goodwill as a percentage of shareholders' equity; (2) Core earnings are defined as annualized recurring cash flow from dividends, investments and net operating income; (3) Net debt is calculated as total gross debt minus cash and cash equivalents and fixed income investments

Report of 3Q2023 consolidated results

Information reported in Ps billions and under IFRS

Grupo Aval Acciones y Valores S.A. Consolidated Financial Statements Under IFRS Financial Statements Under IFRS Information in Ps. Billions

Consolidated Statement of Financial Position	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Cash and cash equivalents	18,013.9	19,195.7	18,382.3	-4.2%	2.0%
Investment and trading assets					
Debt securities	4,081.5	5,323.3	5,764.4	8.3%	41.2%
Equity securities	5,317.8	6,018.7	5,437.8	-9.7%	2.3%
Derivative assets	2,471.6	1,914.1	1,733.9	-9.4%	-29.8%
Trading assets	11,870.9	13,256.1	12,936.0	-2.4%	9.0%
Investments in debt securities at FVTPL (non compliant with SPPI test)	-	1.4	1.4	3.4%	N.A.
Investments in securities at FVOCI	22,990.1	23,089.9	23,927.0	3.6%	4.1%
Investments in debt securities at AC	9,185.0	9,738.4	9,783.7	0.5%	6.5%
Investment securities	32,175.0	32,829.6	33,712.1	2.7%	4.8%
Hedging derivatives assets	56.6	69.4	34.0	-51.1%	-40.0%
Gross loans					
Commercial loans	102,475.0	109,288.9	109,270.4	0.0%	6.6%
Commercial loans	100,233.4	106,350.8	107,459.9	1.0%	7.2%
Interbank & overnight funds	2,241.6	2,938.1	1,810.5	-38.4%	-19.2%
Consumer loans	57,629.2	60,033.8	60,631.5	1.0%	5.2%
Mortgages loans	16,966.6	17,756.5	18,116.6	2.0%	6.8%
Microcredit loans	264.8	268.5	272.3	1.4%	2.8%
Total gross loans	177,335.7	187,347.7	188,290.8	0.5%	6.2%
Loss allowance	(8,992.0)	(9,435.2)	(9,843.1)	4.3%	9.5%
Total loans, net	168,343.6	177,912.5	178,447.7	0.3%	6.0%
Other accounts receivable, net	22,142.5	24,200.3	24,568.7	1.5%	11.0%
Non-current assets held for sale	137.6	117.5	94.2	-19.9%	-31.6%
Investments in associates and joint ventures	5,493.7	1,211.4	1,250.6	3.2%	-77.2%
Own-use property, plant and equipment for own-use and given in operating lease, net	4,708.2	4,597.2	4,529.9	-1.5%	-3.8%
Right-of-use assets	1,308.1	1,338.9	1,326.0	-1.0%	1.4%
Investment properties	931.0	959.8	960.2	0.0%	3.1%
Biological assets	178.7	217.6	222.6	2.3%	24.6%
Tangible assets	7,125.9	7,113.6	7,038.7	-1.1%	-1.2%
Goodwill	2,250.9	2,215.2	2,210.7	-0.2%	-1.8%
Concession arrangement rights	12,686.8	13,558.6	13,571.9	0.1%	7.0%
Other intangible assets	1,851.4	2,176.3	2,261.9	3.9%	22.2%
Intangible assets	16,789.1	17,950.1	18,044.5	0.5%	7.5%
Current	1,477.9	2,363.9	2,296.3	-2.9%	55.4%
Deferred	1,727.7	1,318.2	1,416.0	7.4%	-18.0%
Income tax assets	3,205.6	3,682.1	3,712.2	0.8%	15.8%
Other assets	541.8	523.1	511.4	-2.2%	-5.6%
Total assets	285,896.2	298,061.6	298,732.5	0.2%	4.5%
Trading liabilities	2,295.8	1,859.9	1,258.7	-32.3%	-45.2%
Hedging derivatives liabilities	4.9	8.9	116.0	N.A.	N.A.
Customer deposits	166,533.2	180,244.5	180,296.3	0.0%	8.3%
Checking accounts	25,541.5	23,544.5	22,824.9	-3.1%	-10.6%
Time deposits	68,708.1	85,946.1	88,788.1	3.3%	29.2%
Savings deposits	71,499.7	70,313.7	68,292.3	-2.9%	-4.5%
Other deposits	783.8	440.2	390.9	-11.2%	-50.1%
Financial obligations	70,320.4	66,923.9	68,479.5	2.3%	-2.6%
Interbank borrowings and overnight funds	11,267.0	13,459.9	15,322.5	13.8%	36.0%
Borrowings from banks and others	26,266.6	23,916.9	23,589.1	-1.4%	-10.2%
Bonds issued	29,127.8	25,424.8	24,641.6	-3.1%	-15.4%
Borrowings from development entities	3,659.0	4,122.4	4,926.2	19.5%	34.6%
Total financial liabilities at amortized cost	236,853.6	247,168.4	248,775.8	0.7%	5.0%
Legal related	222.1	237.4	258.6	8.9%	16.4%
Other provisions	863.3	790.7	727.3	-8.0%	-15.8%
Provisions	1,085.5	1,028.1	985.8	-4.1%	-9.2%
Current	189.5	118.7	223.4	88.2%	17.9%
Deferred	4,763.2	5,457.9	5,440.8	-0.3%	14.2%
Income tax liabilities	4,952.7	5,576.6	5,664.2	1.6%	14.4%
Employee benefits	976.0	842.4	967.9	14.9%	-0.8%
Other liabilities	8,589.6	10,815.3	10,209.7	-5.6%	18.9%
Total liabilities	254,758.1	267,299.6	267,978.1	0.3%	5.2%
Equity attributable to owners of the parent	16,766.5	16,465.4	16,381.6	-0.5%	-2.3%
Non-controlling interest	14,371.6	14,296.6	14,372.8	0.5%	0.0%
Total equity	31,138.1	30,762.0	30,754.4	0.0%	-1.2%
Total liabilities and equity	285,896.2	298,061.6	298,732.5	0.2%	4.5%

Report of 3Q2023 consolidated results

Information reported in Ps billions and under IFRS

Grupo Aval Acciones y Valores S.A.
Consolidated Financial Statements Under Full IFRS
Financial Statements Under IFRS
Information in Ps. Billions

Consolidated Statement of income	YTD 2022	YTD 2023	Δ 2023 vs. 2022	3Q22	2Q23	3Q23	Δ 3Q23 vs. 2Q23	Δ 3Q23 vs. 3Q22
Interest income								
Loan portfolio	11,993.0	19,689.2	64.2%	4,730.0	6,574.9	6,752.9	2.7%	42.8%
Interests on investments in debt securities	1,266.5	1,808.3	42.8%	483.0	579.7	581.7	0.3%	20.4%
Total interest income	13,259.5	21,497.5	62.1%	5,213.0	7,154.6	7,334.6	2.5%	40.7%
Interest expense								
Checking accounts	97.6	172.4	76.7%	39.1	71.6	38.3	-46.4%	-1.9%
Time deposits	2,450.4	7,399.7	N.A.	1,146.5	2,519.9	2,663.5	5.7%	132.3%
Savings deposits	2,153.2	4,426.1	105.6%	1,073.4	1,343.0	1,491.4	11.1%	38.9%
Total interest expenses on deposits	4,701.2	11,998.1	155.2%	2,259.0	3,934.4	4,193.2	6.6%	85.6%
Interbank borrowings and overnight funds	369.4	1,306.2	N.A.	171.7	494.8	415.5	-16.0%	142.0%
Borrowings from banks and others	529.5	1,354.6	155.8%	235.5	456.1	410.7	-10.0%	74.4%
Bonds issued	1,643.8	1,652.7	7.1%	561.1	561.1	529.0	-5.7%	-5.7%
Borrowings from development entities	142.1	429.2	N.A.	67.3	132.6	153.9	16.0%	128.8%
Total interest expenses on financial obligations	2,584.9	4,742.7	83.5%	1,035.5	1,644.7	1,509.1	-8.2%	45.7%
Total interest expense	7,286.0	16,740.8	129.8%	3,294.5	5,579.1	5,702.2	2.2%	73.1%
Net interest income	5,973.5	4,756.7	-20.4%	1,918.5	1,575.5	1,632.4	3.6%	-14.9%
Impairment losses (recoveries) on financial assets								
Loans and other accounts receivable	2,278.7	3,380.9	48.4%	751.8	1,138.6	1,321.8	16.1%	75.8%
Other financial assets	17.1	(10.6)	-161.9%	(0.8)	(9.6)	(0.7)	-92.6%	-15.8%
Recovery of charged-off financial assets	(455.7)	(423.3)	-7.1%	(173.1)	(140.8)	(148.8)	5.7%	-14.0%
Net impairment loss on financial assets	1,840.1	2,947.1	60.2%	577.9	988.3	1,172.3	18.6%	102.9%
Net interest income, after impairment losses	4,133.3	1,809.6	-56.2%	1,340.6	587.2	460.1	-21.6%	-65.7%
Income from commissions and fees								
Banking fees	1,785.1	2,022.2	13.3%	636.2	675.3	682.6	1.1%	7.3%
Trust activities	257.5	350.3	36.0%	88.6	114.7	112.8	-1.7%	27.4%
Pension and severance fund management	705.5	773.8	9.7%	202.9	271.4	252.4	-7.0%	24.4%
Bonded warehouse services	136.9	142.5	4.1%	49.5	47.5	47.6	0.2%	-3.7%
Income from commissions and fees	2,885.0	3,288.8	14.0%	977.1	1,108.9	1,095.4	-1.2%	12.1%
Expenses from commissions and fees	730.9	702.2	-3.8%	230.4	225.0	236.0	4.9%	2.4%
Net income from commissions and fees	2,154.1	2,586.6	20.0%	746.7	883.9	859.4	-2.8%	15.1%
Income from sales of goods and services	8,940.6	8,145.7	-8.9%	3,041.1	2,675.8	2,542.4	-5.0%	-16.4%
Costs and expenses from sales of goods and services	5,313.6	5,725.0	7.7%	1,875.5	2,056.6	1,904.6	-7.4%	1.5%
Gross profit from sales of goods and services	3,627.0	2,420.7	-33.3%	1,165.6	619.2	637.8	3.0%	-45.3%
Total trading investment income	(172.0)	956.3	N.A.	(42.0)	392.1	(26.7)	-106.8%	-36.4%
Total derivatives income	1,122.5	(2,074.7)	N.A.	798.4	(1,175.2)	(227.2)	-80.7%	-128.5%
Net trading income	950.6	(1,118.3)	N.A.	756.4	(783.1)	(253.9)	-67.6%	-133.6%
Net income from other financial instruments mandatory at FVTPL	210.5	247.1	17.4%	68.2	76.6	76.6	0.0%	12.3%
Other income								
Foreign exchange gains (losses), net	(1,285.2)	2,002.4	N.A.	(951.9)	1,196.3	317.6	-73.5%	-133.4%
Net gain on sale of investments and OCI realization	(22.3)	64.3	N.A.	(11.4)	32.6	4.1	-87.3%	-136.2%
Gain on the sale of non-current assets held for sale	8.5	36.6	N.A.	2.7	20.6	15.0	-27.0%	N.A.
Income from non-consolidated investments	401.3	411.8	2.6%	104.8	101.8	95.5	-6.3%	-8.9%
Net gains on asset valuations	21.6	(15.2)	-170.4%	8.8	(29.4)	14.2	-148.3%	60.7%
Other income from operations	355.5	592.7	66.7%	77.8	194.7	253.8	30.3%	N.A.
Total other income	(520.7)	3,092.6	N.A.	(769.3)	1,516.6	700.2	-53.8%	-191.0%
Other expenses								
Loss on the sale of non-current assets held for sale	0.5	0.5	6.2%	0.1	0.2	0.1	-71.7%	-56.3%
Personnel expenses	2,079.9	2,306.6	10.9%	726.7	781.9	751.3	-3.9%	3.4%
General and administrative expenses	2,612.9	3,184.7	21.9%	941.2	1,088.2	1,009.3	-7.2%	7.2%
Depreciation and amortization	478.4	503.1	5.2%	162.0	171.8	164.7	-4.1%	1.6%
Impairment loss on other assets	19.8	0.3	-98.3%	7.8	(0.1)	0.0	-150.6%	-99.4%
Other operating expenses	117.3	174.4	48.6%	36.8	47.2	77.9	65.2%	111.5%
Total other expenses	5,308.8	6,169.5	16.2%	1,874.7	2,089.2	2,003.3	-4.1%	6.9%
Net income before income tax expense	5,246.1	2,867.9	-45.3%	1,433.5	811.2	476.9	-41.2%	-66.7%
Income tax expense	1,745.1	1,059.3	-39.3%	547.8	350.6	176.2	-49.7%	-67.8%
Net income for the period of continued operations	3,501.0	1,808.5	-48.3%	885.7	460.6	300.7	-34.7%	-66.1%
Net income for the period of discontinued operations	1,795.6	-	-100.0%	44.1	-	-	N.A.	-100.0%
Net income for the period	5,296.6	1,808.5	-65.9%	929.8	460.6	300.7	-34.7%	-67.7%
Net income for the period attributable to:								
Non-controlling interest	2,483.3	1,152.4	-53.6%	521.7	294.4	235.9	-19.9%	-54.8%
Net income attributable to owners of the parent	2,813.3	656.1	-76.7%	408.1	166.2	64.8	-61.0%	-84.1%

(1) Includes commissions on banking services, office network services, credit and debit card fees, fees on drafts, checks and checkbooks and other fees

(2) Includes share of profit of equity accounted investees, net of tax, and dividend income.

Report of 3Q2023 separated results

Information reported in Ps billions and under Colombian IFRS

GRUPO AVAL ACCIONES Y VALORES S.A.

Separate Financial Statements

Financial Statements Under Colombian IFRS

Information in Ps. Billions

Separate Statement of Financial Position	3Q22	2Q23	3Q23	Δ	
				3Q23 vs. 2Q23	3Q23 vs. 3Q22
Current assets					
Cash and cash equivalents	221.8	178.2	178.1	-0.1%	-19.7%
Trading securities	0.7	0.2	0.2	21.1%	-65.6%
Accounts receivable from related parties	182.9	768.5	506.7	-34.1%	177.1%
Taxes paid in advance	7.6	6.0	4.9	-18.0%	-35.8%
Other accounts receivable	0.2	0.0	0.1	N.A.	-66.1%
Other non-financial assets	0.0	0.1	0.1	12.1%	158.1%
Total current assets	413.1	952.9	690.1	-27.6%	67.0%
Non-current Assets					
Investments in subsidiaries and associates	18,633.9	18,354.9	18,261.8	-0.5%	-2.0%
Accounts receivable from related parties	0.0	1,327.9	1,294.5	-2.5%	N.A.
Property and equipment, net	4.4	3.2	2.8	-10.3%	-36.4%
Deferred tax assets	0.1	0.3	0.3	24.5%	144.2%
Total non-current Assets	18,638.5	19,686.3	19,559.5	-0.6%	4.9%
Total assets	19,051.6	20,639.2	20,249.5	-1.9%	6.3%
Liabilities and shareholders' equity					
Current liabilities					
Borrowings at amortized cost	425.0	1,148.1	1,117.4	N.A.	162.9%
Outstanding bonds at amortized cost	12.4	14.3	13.5	-5.5%	8.9%
Accounts payable	111.9	873.3	618.2	-29.2%	N.A.
Employee benefits	2.6	2.4	2.8	17.1%	7.4%
Tax liabilities	7.0	15.4	10.8	-30.1%	52.6%
Other non-financial liabilities	1.2	1.2	1.2	0.0%	0.0%
Total current liabilities	560.2	2,054.7	1,763.8	-14.2%	N.A.
Long-term liabilities					
Borrowings at amortized cost	111.4	494.7	494.3	-0.1%	N.A.
Outstanding bonds	1,124.5	1,124.5	1,124.5	0.0%	0.0%
Total long-term liabilities	1,235.9	1,619.2	1,618.8	0.0%	31.0%
Total liabilities	1,796.1	3,673.9	3,382.6	-7.9%	88.3%
Shareholders' equity					
Subscribed and paid capital	23.7	23.7	23.7	0.0%	0.0%
Additional paid-in capital	9,695.2	9,695.2	9,695.2	0.0%	0.0%
Retained earnings	5,978.1	7,457.2	7,452.3	-0.1%	24.7%
Earnings from first-time adoption	0.0	0.0	0.0	N.A.	N.A.
Net income	2,839.4	575.5	647.0	12.4%	-77.2%
Other equity accounts	-1,281.0	-786.4	-951.3	21.0%	-25.7%
Total shareholders' equity	17,255.6	16,965.3	16,866.9	-0.6%	-2.3%
Total liabilities and shareholders' equity	19,051.6	20,639.2	20,249.5	-1.9%	6.3%

GRUPO AVAL ACCIONES Y VALORES S.A.

Separate Financial Statements

Financial Statements Under Colombian IFRS

Information in Ps. Billions

Separate Statement of Financial Position	YTD 2022	YTD 2023	Δ		3Q22	2Q23	3Q23	Δ	
			2023 vs. 2022					3Q23 vs. 2Q23	3Q23 vs. 3Q22
Operating revenue									
Equity method income, net	1,737.5	647.1	-62.8%		423.2	158.6	76.1	-52.0%	-82.02%
Other revenue from ordinary activities	220.5	341.1	54.7%		75.0	117.8	106.7	-9.4%	42.23%
Total operating revenue	1,957.9	988.2	-49.5%		498.2	276.3	182.8	-33.8%	-63.3%
Expenses, net									
Administrative expenses	82.0	57.6	-29.8%		27.8	20.0	18.9	-5.2%	-31.82%
Other expenses	1.0	-0.1	-108.2%		0.1	-0.1	0.1	N.A.	-5.26%
Losses from exchange differences	0.6	0.4	-34.5%		0.2	0.5	0.1	-86.9%	-69.90%
Operating income	1,874.2	930.3	-50.4%		470.1	256.0	163.7	-36.1%	-65.2%
Financial expenses	127.3	247.4	94.3%		50.5	83.8	82.1	-2.0%	62.49%
Earnings before taxes	1,746.9	682.9	-60.9%		419.6	172.2	81.6	-52.6%	-80.5%
Income tax expense	8.2	36.0	N.A.		6.3	12.6	10.2	-19.3%	61.62%
Net income from continuing operations	1,738.7	647.0	-62.8%		413.3	159.6	71.4	-55.2%	-82.7%
Discontinued operations									
Equity method income from discontinued operations	1,100.7	0.0	-100.0%		0.0	0.0	0.0	N.A.	N.A.
Income from discontinued operations	1,100.7	0.0	-100.0%		0.0	0.0	0.0	N.A.	N.A.
Net income	2,839.4	647.0	-77.2%		413.3	159.6	71.4	-55.2%	-82.7%

DEFINITIONS

Interest Earning Assets are calculated as the sum of average gross loans, average interbanks and average investments.

Gross loans excludes interbank and overnight funds.

Fee income ratio is calculated as net income from commissions and fees divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income.

Cost of Risk calculated as Impairment loss on loans and other accounts receivable net of recoveries of charged-off assets divided by average gross loans

Net Interest Income is the difference between Total Interest Income and Total Interest Expense.

Non-controlling interest refers to the participation of minority shareholders in a subsidiary's equity or net income.

Net Interest Margin includes net interest income plus net trading income from debt and equity investments at FVTPL divided by total average interest-earning assets.

NIM on Loans is calculated as Net Interest Income on Loans to Average loans and financial leases

NIM on Investments is calculated as Net Interest income on fixed income securities, net trading income from equity and fixed income investment securities held for trading through profit and on interbank and overnight funds to Average securities and Interbank and overnight funds

Efficiency Ratio is calculated as total other expenses divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income

ROAA is calculated as annualized Net Income divided by average of total assets.

ROAE is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity.

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