2Q2020 CONSOLIDATED EARNINGS RESULTS CALL TRANSCRIPT

GRUPO AVAL ACCIONES Y VALORES S.A.

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Operator: Welcome to Grupo Aval's second quarter 2020 consolidated results conference call. My name is Hilda and I will be your operator for today´s call.

Grupo Aval Acciones y Valores S.A. – Grupo Aval is an issuer of securities in Colombia and in the United States. As such, it is subject to compliance with securities regulation and Colombia and applicable U.S. securities regulation.

Grupo Aval is also subject to the inspection and supervision of the Superintendency of Finance, 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-GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

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 risks 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.

At this time, all participants are in a listen-only mode. Later we will conduct a question and answer session.

I will now turn the call over to Mr. Luis Carlos Sarmiento Gutiérrez, Chief Executive Officer. Mr. Sarmiento Gutiérrez, you may begin.

Luis Carlos Sarmiento Gutiérrez: Thank you very much, Hilda. Good morning and thank you all for joining our second quarter 2020 conference call. I truly hope that all of you have managed to stay healthy during these harrowing months.

As expected and due to the Coronavirus pandemic and the associated worldwide quarantines, the second quarter of this year was one of sharp deceleration and economic contraction. Consequently, our results were negatively affected when compared to previous periods. The quarantine will be lifted next week, and we expect that things will start to go back to normal. It is uncertain though how long it will be before we can say that things in fact are normal.

Today, I would like to touch on the following points: a macro review of the economy during the second quarter of 2020, an update of the actions that we have implemented to conduct our business during this juncture, a brief update of new developments regarding the legal processes of Ruta Del Sol, and the main highlights of our financial performance during the second quarter and first semester of 2020.

As we all know, this year's second quarter was marked by economic contraction around the world, mostly driven by lockdowns and quarantines that had a major impact in businesses and industries which, from one day to the next, lost most or all their clientele. Obviously, Colombia was no exception. In fact, during the second quarter, Colombia's GDP, where we conduct almost 70% of our consolidated business, contracted by 15.5% when compared with the same quarter in 2019, the biggest economic contraction for a quarter in the country's history.

A simple average indicates that the economy contracted at least 7.3% during the first half. These numbers contrast sharply when compared to the growths observed in the same periods of last year of 2.4% and approximately 3% for the second quarter and first half of 2019, respectively. It is worth noting that growth for the first quarter of this year was recently adjusted from 0.4% to 1%.

From the supply side, during the second quarter only three sectors grew: agriculture, which represents 7.3% of GDP, grew 0.2%; financial services, which represents 5.6% of GDP, grew 1%, and real estate activity, which represents 10.8% of GDP, grew 2%. The remaining nine sectors contracted. Among those, commercial activities failed 30.5%, manufacturing contracted 24%, and government services decreased 3.5%.

From the demand side, during the quarter private investment fell 33% when compared to the same period in 2019, which signals towards weaker private balance sheets and lower growth prospects, while domestic demand decreased 16.8%.

We now expect that GDP will contract between 7% and 9% in 2020. This contraction, although very significant for the Colombian economy, is lower when compared to the country's Latin American peers. The IMF, for example, currently estimates a contraction of

7.8% for the Colombian economy and of 9.4% for the region.

The decline of approximately 35% in the price of oil, our major export product, the devaluation of the Colombian peso of approximately 15% between December 2019 and June 2020, have decreased our export revenues and increased the price of imports, both taking a toll on the country's economic activity.

The good news is that in the second quarter, as economies around the world started to reopen, the price of oil doubled and decreased volatility led the Colombian peso to appreciate 7.4% against the US dollar. In any case, during the second quarter exports decreased 27.5% and the reduction in domestic demand caused imports to decrease by 29.6% when compared to the same period in 2019.

Recent events have begun to ease short-term concerns about the country's current account deficit. Higher oil prices are causing exports to slowly improve, and the imports will only recover with increased domestic demand. Under these new circumstances, Colombia's current account deficit could end this year below the 4% GDP target.

Additionally, since June, the exchange rate has fluctuated in a 3,600 to 3,800 pesos per U.S. dollar range, supported by an inflow of dollars as a result of larger external funding, the increases in oil prices and a renewed appetite for Colombian assets. We now believe that the exchange rate will remain inside this range during the remainder of the year.

12-month inflation has fallen significantly from 3.86% in March to 1.97% in July, mostly as a result of the contraction in economic activity, and due to government subsidy programs for utilities, value added tax exemptions on low cost mobile phone plans and a mandated freeze in housing rents. We expect that inflation will likely be close to 2% by year's end and gradually move towards its long term target of 3% starting again next year.

The Central Bank has continued with its expansionary monetary policy, lowering the repo rate by 200 basis points so far this year to 2.25%, the lowest level in history. In line with expected inflation, we believe that the Central Bank is close to reaching the end of its interest rate cutting cycle and that rates will remain stable during next year. We agree with analysts' expectations that the Central Bank will probably lower its repo rate an additional 25 basis point in the next few months.

As could be expected, employment has been one of the most affected macro variables in the current juncture. In fact, total national unemployment reached 19.8% in June, after touching a maximum of 21.4% in May. Urban unemployment continued deteriorating and reached 24.9% as of June, up from 24.4% in May. The average national unemployment rate for the last 12 months ending June was 13.3%, up from 10.1% 12 months earlier, and 10.5% at yearend 2019.

As far as we can tell, unemployment has started to recover in July, as some mobility restrictions, specifically in the construction of infrastructure, have been lifted. But as with the economy itself, it is too hard to predict when unemployment will return to pre-pandemic levels. In any case, analysts expect unemployment to be around 18% by yearend, and to remain close to 15% in 2021.

On the fiscal front, the government has announced a new deficit target of 8.2% of GDP in 2020 and 5.1% of GDP in 2021 after suspending the fiscal rule until 2022, allowing for higher flexibility to face the emergency. The additional fiscal room has allowed the government to increase spending related to health, social programs, and then employment conservation and generation plans.

In line with the quarter deficit target, debt as a percentage of GDP is expected to materially increase from 50 to 65% in 2020. We do share the government's view that fiscal spending is a right measure to support economic recovery, and that it will be pivotal to speed up the recovery process, reduce the toll on unemployment, and recuperate the track for long-term growth as long as spending is focused on the recovery of the private sector.

We expect that running a higher fiscal deficit for this purpose is the right way to improve tax revenues and the long-term fiscal health outlook, as undoubtedly lost revenues of businesses as a result of the pandemic will definitely affect tax collections in the short term.

The outlook for the remainder of 2020 remains uncertain. However, it was just announced that lockdown will come to an end, as I said before, at the end of this month. An analyst consensus suggests that this would likely start to restore the economy in the second semester. Additionally, high frequency data shows that sectors such as construction, manufacturing and commerce are slowly recovering after hitting bottom in April. If this ongoing recovery trend continues, we expect most sectors will experience decisive recovery by the first semester of 2021. Other sectors such as tourism will only reach pre-pandemic levels after 2022.

Moving on to Central America, we agree with the IMF's expectation for a contraction of the region's economy of 3% in 2020, followed by growth of 3.7% in 2021. Central America's growth in 2020 is being affected by weakened trade, a slowdown in tourism and less remittances. The slowdown in trade mainly impacts Panama, El Salvador and Nicaragua, while tourism mostly affects Costa Rica. Lower remittances affect Guatemala, Honduras, El Salvador and Nicaragua.

The weakening of domestic demand due to the quarantines has also played an important role in the region's economy. In line with the strictest quarantine in the region, Panama presented the sharpest economic decline, while Nicaragua sits on the opposite side of the spectrum.

And now, an update on some of the initiatives we mentioned on our previous call regarding our handling of the pandemic. We continue implementing all the necessary efforts to protect the health of our employees via home office programs and online health advice. Most of our administrative employees, approximately 87%, continue working from home. Those that support our branch network, our call centers and sales forces, continue following strict social distancing and sanitary protocols. 45% of them are still working from home.

Regarding our debt relief programs, as of last July 31, we have granted reliefs in Colombia for approximately 39 trillion pesos, representing approximately 30% of our consolidated Colombian loan portfolio. Because we mostly granted reliefs to those who specifically requested them, 92% of these reliefs were requested by customers, and only 8% were granted automatically. As of July 31st though, 24 trillion of those reliefs are still active, representing 18% of our consolidated Colombian portfolio, while the rest of the affected loan portfolio is back to normal.

In Central America, we have granted reliefs for approximately 9.6 billion dollars as of last July 31st, representing 47% of the total consolidated portfolio of the region. In Central America, we had to abide by local regulations, and therefore 60% of the reliefs were granted automatically and 40% when requested by customers. As of July 31st, 4.6 billion dollars of those reliefs are still active, representing 22% of our consolidated Central American loan portfolio, while the rest of the affected loan portfolio is back to normal.

In order to proactively book provisions, we have run models to try to estimate the effect that the current economic juncture will have on our borrowers. Consequently, starting March we set out to conduct a review of all the economic sectors to which we lend via the industries that participate in these sectors or clients who are employed by them. We then established different categories of risk of the sectors and of our borrowers with our companies or consumers within those sectors. This risk matrix led our cost of risk for this quarter. In fact, during the quarter approximately 40% of provisions booked were COVID related.

Since the pandemic started, we have seen a significant increase in the use of our digital channels. Aval Pay Center, our digital payment platform through which customers pay utilities, loans and others, experienced a 167% increase in monetary transactions during the first half of 2020 when compared to the same period of 2019. Banking transactions through our web pages and mobile banking apps increased 50% and 23%, respectively, during the semester. Of those, monetary transactions increased 140% through those two channels combined since the pandemic started.

We recently launched our QR code tied to our credit and debit cards to give our clients a contactless payment solution. The program has received positive comments, especially from health authorities. Last but not least, we were extremely pleased with Banco de Bogota's award by Global Finance as the best digital lender in Latin America.

We have taken advantage of the government's program to make funding available for banks to lend to SMEs and micro businesses, mainly for payroll payments and working capital and have disbursed already 4 trillion pesos in loans.

Moving on. Regarding ongoing legal matters with respect to Ruta Del Sol, the main development relates to the antitrust investigation. On July 23rd 2020, the Informe Motivado was released.

Informe Motivado is a document prepared by the Deputy Superintendent of Antitrust with a non-binding recommendation to the

Superintendent of Industry and Commerce with respect to the course of action in reference to the charges of the investigation. In this report, the Deputy Superintendent recommends dismissal of charges in the investigation with respect to an alleged conflict of interest in the bidding process. This recommendation covers all the defendants, including Grupo Aval, Diego Solano, myself, Corficolombiana and its officials, and Episol.

The report also recommends fining all the defendants, including Corficolombiana and Episol, with respect to a charge named "payment of a bribe". In the case of Corficolombiana and Episol, the report argues that although our two companies were not involved in the payment of the bribe made by Odebrecht, a former officer of Corficolombiana did have knowledge of such bribe, and had allegedly agreed to its reimbursement with funds of the Ruta del Sol Sector Two project.

We have submitted our responses to this report, restating our legal arguments and presenting evidence to support our request for the dismissal of this charge against our companies. The matter must be decided by the Superintendence of Industry and Commerce. Even though we believe that the legal basis and evidence supporting our defense are sound, if we're not successful, based on the Deputy Superintendent's Informe Motivado, if the maximum statutory fines were to be imposed, it would impact Aval's attributable net income by approximately 68,000 million pesos or 18 million dollars, which represent less than 0.3% of the company's attributable equity as of June 30, 2020.

Moving on, as expected, our results for the quarter were impacted by an increasing cost of risk, lower fee income and lower income from our non-financial businesses, especially toll roads and hotels. However, we benefited during this quarter from our pension fund management and from those non-financial businesses less exposed to the changes in the macroeconomic outlook.

Central America, even though negatively affected by the pandemic, is positively affected when oil prices decrease, as opposed to Colombia. Although Diego will refer in detail to our financial performance, these are a few highlights for the quarter.

On May 22nd, we closed on the Multi Financial Group the MFG acquisition in Panama. MFG added to our June 2020 consolidated balance sheet 18.6 trillion pesos in assets, which is about 5 billion dollars, 12.7 trillion in gross loans, about 3.4 billion dollars, and 11 trillion in deposits, about 2.9 billion dollars.

Including the acquisition of MFG, Aval's consolidated assets grew by 25.8% year on year, and 3.9% in the quarter to 233 trillion pesos. Consolidated gross loans grew by 22.6% year on year and 4.3% in the quarter to 209 trillion and consolidated deposits grew by 27.8% year on year, and 4.4% in the quarter to 212 trillion.

Cost of risk during the semester increased significantly to 2.7% when compared to 2.1% during the first semester of 2019 and 2.3% during the second semester of last year. During the quarter, cost of risk increased to 3.1% versus 2.2 registered both in the first quarter of 2020 and in the second quarter of 2019. During the quarter, we increased the coverage for our exposure to Avianca up to 20%.

Total net interest margin during the semester was 5.1%, a decrease of almost 70 basis points versus total NIM during the first half of 2019 and 60 basis points versus total NIM recorded during the second half of last year. However, total NIMs during the second quarter of 2020 improved by 50 basis points versus total NIM during the first quarter, and it was driven by a 456 basis points increase in NIM on investments.

Although gross fee income during the first semester was in line with gross fee income during the first semester of last year, a sharp decrease of almost 19% was recorded in fee income from banking activities versus the previous quarter, mostly related to the region's quarantine that resulted in a material decrease in credit card usage and less commissions on the ATM network.

Income from non-financial sector operations contracted by 8.6% versus the first half of 2019 and by 10.6% versus the second semester of 2019, mainly driven by a contraction in revenues from investments in toll roads and airports, which decreased by 8.9% and 11.7% versus the first and second semesters of 2019. This decrease was driven by the lockdown in Colombia that halted air travel and construction in our 4G concessions. However, the government has already lifted most restrictions and construction has restarted.

We continue to observe strong funding and liquidity positions, as evidenced by the deposits to net loans ratio and the cash to deposits ratios. As a result of the aforementioned, net income for the quarter was 323.4 billion pesos or 14.5 pesos per share. Return on average equity was 6.6%. Return on average assets and return on average equity for the semester were 1.3% and 10.4%, respectively. Diego will now explain in detail our business results.

Diego Fernando Solano Saravia: Thank you, Luis Carlos. I will now move to the consolidated results of Grupo Aval under IFRS. Grupo Aval's second quarter results reflect the impacts of the first full quarter of lockdowns under loan growth, fee income, cost of risk, and other income performance. However, as expected, our business lines and regional diversification reduce the magnitude of the pandemic's negative effects on our Colombian banking system.

Even though the impact of the crisis has had an economy wide effect, the recovery of our pension fund and merchant banking business has arrived earlier, contributing around half of our attributable net income in the quarter. Central America as a region is expected to experience a milder macro cycle with a lower impact on expected credit loss calculations. In addition, the reduction in its exposure to high-risk products such as credit cards and personal loans further reduced its cost of risk during the quarter.

Starting on page eight, asset growth was boosted by the acquisition of MFG, which added 18.6 trillion pesos of assets to our balance sheet, representing 5.8 and 7.0% of our quarterly and 12-month growth, respectively. Excluding the acquisition of MFG and FX movements in our Central American operation, total assets grew 13% over the 12 months and 0.5% during the quarter. Colombian assets grew 14.6% year on year and decreased 0.8% during the quarter. Central America recorded 30.3% and 22.7% growths in dollar terms over the same periods, with MFG contributing 20.4% and 19.2%, respectively.

A 12-month 17.2% end of period depreciation and a 7.4% quarterly appreciation take annual and quarterly growths of Central America to 52.7% and 13.7% when translated into Colombian pesos. As a result, the weight of this region increased from 33% to 36% of our book.

Moving to page nine, loans grew 4.3% over the quarter, reaching 22.6% year on year. In addition to positive organic growth over the quarter, the acquisition of MFG added 12.7 trillion pesos or 3.4 billion dollars to our loan portfolio. MFG contributed with 1.9 billion dollars in commercial loans, 0.8 billion in consumer loans, and 0.7 billion in mortgages. MFG added 6.3% and 7.5% of quarterly and 12-month consolidated growth in peso terms.

Excluding the acquisition of MFG and FX movements in our Central American operations, consolidated loans grew 9.5% year on year and 0.5% over the quarter. Our Colombian gross loan portfolio increased 1% during the quarter and 11.5% over the year. This reflected a strong performance of our Colombian corporate loan portfolio, which grew 2.1% over the quarter and 13.9% over 12 months, when excluding repos.

Corporate lending came mainly from large corporates and from loans with guarantees from government sponsored programs from Fondo Nacional de Garantias during this quarter. The performance of our Colombian consumer portfolio was impacted by a tightening of risk appetite, weaker loan demand and a temporary reduction in effectiveness of our sales network, given sanitary restrictions and lockdowns. Consumer loans in Colombia contracted by 1.3% in the quarter and grew 6.7% over the last 12 months. Quarterly performance was driven by a reduction in unsecured consumer products. Credit cards contracted 6.3% and personal loans 2.6%. These products account for 14% and 22% of our Colombian consumer portfolio, respectively. In contrast, secured products such as payroll lending, that accounts for 56% of our Colombian consumer portfolio, grew 0.3% and auto financing, that accounts for 7%, grew 1.6%. As other secured retail products, mortgages were dynamic in Colombia, expanding 2.1% over the quarter and 13.1% year on year.

Moving to Central America, our gross loan portfolio increased by 19.2% in dollar terms during the quarter and 26.6% over the year. These results incorporate the completion of the acquisition of MFG, which contributed with 19.8% of quarterly growth and 21.1% of 12-month growth. Excluding the impact of the acquisition of MFG, Central America contracted 0.6% in dollar terms during the quarter and grew 5.6% year on year.

Quarterly performance resulted from a 3.4% contraction of consumer loans and a 1% growth of both commercial loans and mortgages. Consumer loans were mainly driven by a 4.6% contraction in credit cards. We expect the lockdowns and their effects to continue putting pressure on loan growth over the following quarters.

On pages 10 and 11, we present several loan portfolio quality ratios. Delinquency metrics continued to improve during the quarter, driven by the positive effects of loan reliefs on 30- and 90-day past due loan formation, as at the end of July 20% of our loan portfolio had active reliefs, down from 36% that were relieved at some point in time. Active reliefs were 18% for Colombia and 22% for Central America as of end of July.

Incorporating MFG during the quarter had a mild positive impact of 14 basis points in 30-days PDLs and 9.9 basis points on 90-day PDLs ratios. Quarterly past due loan formation includes the addition of MFG's 250 million pesos in 30-day PDLs and 202 billion pesos in 90-day PDLs.

Consumer delinquency ratios showed an improvement over the quarter. In Colombia, 30-day consumer PDLs remained stable at 4.3%, while 90-day PDLs improved 40 basis points to 2.7%. In Central America, 30-days consumer PDLs improved by 81 basis points to 3.0%, while 90-day PDLs improved 100 basis points to 0.9%. MFG explains 28 basis points and five basis points of these improvements.

Commercial loan portfolio was materially stable at 4.1% on 30-day PDL basis and deteriorated 14 basis points to 3.6% on 90-day basis over the quarter. In Colombia, our 30-day commercial PDLs deteriorated four basis points to 5.3% and 17 basis points to 4.7% on a 90-day basis.

Ruta del Sol, which is yet to be charged off, weighs 96 basis points on these ratios. In Central America, 30-day commercial PDLs deteriorated 17 basis points to 1.4%, while 90-day PDLs deteriorated 44 basis points to 1%. MFG contributed with 26 basis points and 27 basis points of the deterioration. Mortgage PDLs improved 27 basis points on a 90-day basis and deteriorated 7 basis points on a 30-day basis.

Even though the magnitude is still uncertain, we expect a pickup in delinquency once the effect of lockdowns fully unfolds and reliefs expire during the following quarters. Our provision expenses deteriorated during the quarter, reflecting increases in expected losses, given the deterioration in the macroeconomic outlook in the geographies in which we operate, and the results from a risk profile reassessment of our customer base under the current juncture that Luis Carlos previously explained.

Our risk models operate on a 12-month forward-looking window, incorporating the negative macro outlook for 2020, followed by a recovery during the first half of 2021. Changes in the macro outlook for 2020 and 2021 could imply further adjustments in our expected losses.

Cost of risk deteriorated 94 basis points over the quarter, 116 basis points in Colombia and 61 basis points in Central America. Differences between regions result from diverging expected economy effects of COVID-19 in the countries where we operate, with a stronger expected impact in Colombia than that we expect for the Central American operations.

In addition, the cost of risk in Central America benefited during the quarter from 73 million dollars COVID provisions from MFG that were recognized by former owners prior to the acquisition, reducing the impact of charges needed during the quarter.

Finally, Central America cost of risk benefited from the 4.6% reduction in BAC's credit card loans with 36 basis points positive impact in cost of risk and an unexpected milder cycle than that of Colombia.

In order to evaluate expected credit losses and determining permanent charges, our banks profile their credit risk exposures into low, medium and high risk, affecting the stages under IFRS 9. This resulted in an increase of stage two exposures, and individually assessed commercial loans under stage three. The increase in stage three loans was partially offset by the acquisition of MFG. This process resulted in impairment charges that are approximately 40% related to the impact of COVID-19 pandemic. Most of our impairment charges in the period are due to expected deterioration, rather than from actual behavior.

Even though the impact of COVID-19 will have a substantial toll on the performance of our lending activity, we're hopeful that our historic bias toward lower risk segments and products could help us face this challenge. We have been historically over weighted in lower risk products such as payroll loans, that constitute 44% of our consolidated consumer loan portfolio, and under weighted higher risk products and segments such as unsecured consumer lending and loans to SMEs.

As mentioned in previous calls, our consolidated exposure to the Avianca group is approximately 185 million dollars, equivalent to approximately 700 billion pesos as of June 30, 2020. 73% of this exposure is secured with international billings and 20% is secured with Avianca's headquarter building in Bogota. Our coverage for Avianca reached 20% as of the end of June.

Recoveries of charged-off assets were lower during the quarter, as collection efforts were negatively impacted by the juncture. Even though yet uncertain and largely dependent on the evolution of the macro environment and on customer behavior, we expect that our provision expenses could remain high for the remainder of the year. Finally, our PDL coverage of 90-day PDLs increased to 1.5 times.

On page 12, we present funding and deposit evolution. Funding growth during the quarter continued to reflect a conservative liquidity profile to face the uncertainties associated with the pandemic. Part of this funding has been deployed in cash and liquid investments, with a toll on net interest margin. As a result, our deposit to net loans ratio remained at 104%, while our cash to deposits ended the quarter at 18.9%. Funding structure remained materially stable, with deposits accounting for 75% of total funding. Deposits grew 4.4% during the quarter and 27.8 year on year. Colombia remained materially stable. Central America grew 21.8% in dollar terms during the quarter, with MFG accounting for 16.6% of this increase. Over the 12-month period, Colombia grew at 14.4% and Central America at 35% in dollar terms, with 18.4% explained by MFG.

On page 13, we present the evolution of our total capitalization, our attributable shareholders equity and the capital adequacy ratio of our banks. Our total equity grew 11.6% year on year, while attributable equity grew 8.9%, mainly driven by earnings.

Quarterly growths were 3.4% and 2.4%, respectively.

As of second quarter of 2020, our banks show appropriate tier one and total solvency ratios. The impact of additional risk weighted assets contributed by MFG on Banco de Bogota's solvency ratio was compensated by a 520 million-dollar AT1 instrument issued by BAC during the quarter. The quarterly decrease in tier one for Banco de Occidente and Banco Popular were mainly explained by the strong risk weighted asset growth, particularly of their loan portfolios, which grew by 4.6% and 4.3%, respectively. We expect that the solvency ratios for Occidente, Popular and Villas will increase a few percentage points with the transition to BASEL III.

On page 14, we present our yield on loans, cost of funds and spread and net interest margin. Our NIM performance during the quarter was driven by a recovery of NIM on investments. This was partially offset by a downward pressure on NIM on loans. NIM on loans fell 27 basis points during the quarter due to a 98 basis points reduction in the average Central Bank rate, a 74 billion reduction in interest income recognizing the decrease in net present value of loans due to relief terms and, finally, a bias towards higher quality lower interest rate products and segments.

We expect further pressure on NIM on loans, as these factors could persist throughout the second half of the year. NIM on investments will greatly depend on global liquidity and geopolitical events for the second half of this year.

On page 15, we present net fees and other income. Gross fee income for the quarter reflects the full effect of lower activity due to the lockdowns and of temporary waivers on transactional and other fees. Pension fund fees were affected by lower contributions to mandatory and severance funds, given an increase in unemployment. Quarterly gross fees decreased 16.6% in Colombia and 25.3% in dollar terms in Central America. Recovery is expected during the second half of this year, as fee waivers expire, and transactional volumes increase in line with an improvement in economic activity.

The performance of the non-financial sector was driven by the impact of lockdowns and infrastructure and gas sectors, our two main non-financial businesses. Although the lockdowns in Colombia initially halted construction in our 4G concessions, the government has already lifted most restrictions on this sector, allowing us to be positive on construction progress throughout the remainder of the year. We'll have to comply with strict biosecurity measures throughout the duration of the pandemic.

Regarding energy and gas, its performance was negatively impacted by reduced demand for industrial gas. However, income in this line of business is diversified and includes some activities that are less sensitive or even countercyclical to the lockdowns, such as gas transportation and residential gas distribution.

Hotels, the most affected sector in which we participate, is immaterial to our results, as it used to contribute less than 2% of our income from the non-financial sector. Finally, on the bottom of the page, higher other income during the first quarter is mainly explained by seasonality in dividend income.

On page 16, we present some efficiency ratios. As part of our response to the COVID-19 challenges, all of our business units have launched cost contention and reduction initiatives. As a result, costs to assets improved to 3.2%, down from 3.7% a year earlier, and 3.4% in the previous quarter. Despite our tight cost control, cost to income deteriorated during the quarter to 51%, reflecting our weaker income under the current environment. We will continue working on the expense control front to mitigate the negative impacts of COVID-19 on our income.

Other expenses' growth rates were affected both by the acquisition of MFG and by FX fluctuations. Excluding these effects, other expenses contracted by 0.8% compared to the same quarter a year earlier and contracted 4% to the previous quarter. Without adjusting for MFG and FX fluctuations, quarterly other expenses grew 8.8% year on year. Quarterly Colombian other expenses increased by 2.5% year on year, while Central American expenses remained flat in dollar terms, despite incorporating one month of expenses from MFG.

Quarterly personnel expenses increased 9.2% year on year or decreased 0.3% when excluding the effect of MFG and FX fluctuations. Personnel expenses increased 3.7% in Colombia and fell 2% in dollar terms compared to the same quarter a year earlier, despite the incorporation of MFG.

Quarterly general and administrative expenses increased 2% year on year or decreased 5.5% when excluding the effect of MFG and FX fluctuations. General and administrative expenses fell 3.8% in Colombia and 5.2% in Central America in dollar terms, despite the incorporation of MFG.

Starting this quarter, other expenses incorporate MFG's reassurance expense, in addition to the nation's provisions of Porvenir for expenses related to the pension plan transfer from the private to the public pension fund system.

Finally, on page 17, we present our net income and profitability ratios. Attributable net income for the second quarter 2020 was 323 billion pesos or 15 pesos per share. First half year to date, attributable net income reached 1 trillion Colombian pesos or 45.9 pesos per share. Our return on average assets and our return on average equity for the quarter were 0.8% and 6.6% respectively. First half return on average assets and return on average equity reached 1.3% and 10.4%, respectively.

We are now available to address your questions.

Operator: Thank you. We will now begin the question and answer session. If you have a question, please press star (*) and then one (1) on your touchtone phone. If you wish to be removed from the question queue, please press the pound sign or the hash key (#). If you are using a speakerphone, you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, please press star (*) and then one (1) using your touchtone phone.

Our first question comes from Gabriel Nobrega, from Citigroup.

Mr. Nobrega, please go ahead with your question.

Gabriel Nobrega: Hi, sorry. I was on mute. Thank you for the opportunity to ask questions. So, my question actually is on the expected provisions going forward. We understand that around 40% of the total provisions you undid during this quarter were for COVID. But as the economy starts to really feel the effects from the pandemic, do you believe that you should probably increase provisions again?

And then, another question which I would like to maybe understand further is that we saw that the NPL ratio for your retail portfolio actually decreased. And here, I would like to just understand if the decrease was the effect from your clients adhering to the grace period programs and also to the incorporation of MFG? Or are you already starting to see some improvements here? Thank you.

Diego Fernando Solano Saravia: Let me take that one. I'm going to start with your last question first. It's an easy one. NPLs are distorted by the relief programs. As we mentioned, even though a relevant portion of those reliefs have already expired, we still have around 20% of reliefs ongoing. And in addition, some of those that have expired, recently expired. That's the reason why those numbers are looking still absent of an impact of the pandemic and actually pointing in the opposite direction. So that's the reason why we said that we do expect to see those numbers to pull up when all the reliefs elapse and also we start to see behavior of customers that might be affected by long periods of not paying, regardless their capacity, actually, to pay. So there might be an adjustment period where we need to look into that. So NPLs should be expected to go up.

Then, regarding provisions, moving forward, we could be, let's say, in part advancing what's going on with the impact on NPLs of the pandemic. We're basically recognizing what we can at this point understand that should be provisioned. However, as mentioned before, we still have a lot of distortion going on there. And it would be presumptuous from my side to try to estimate what is going to happen with the economy but the best knowledge from analysts is that things should start to get better at some point at the beginning of next year.

The second half of this year might be better than what we saw for the second quarter. It's just plain math. If you look at the numbers that came out from analysts, they're actually pointing to get those numbers there pointing into some better quarters during the remainder of this year. However, as we need to see the reliefs finalizing and behavior going back to normal, we can't at this point tell you that provisions will be coming down in the immediate quarters. We expect to see a few quarters still at high levels, but as the economy recovers, start to see those numbers getting better into next year.

Luis Carlos Sarmiento Gutierrez: In any case, we expect this year's provisions to be about 1.5 times the cost of risk of last year. So we should end up the year somewhere around 3% of cost of risk. It's what we're looking at right now.

Operator: Thank you. Our next question comes from Juan Recalde, from Scotiabank.

Juan Recalde: Hi, good morning, Luis Carlos and Daniel. Thank you for taking my question. So, my question would be regarding the rescheduled loans. So, can you talk a little bit about the payment behavior that you have observed between the clients that joined those programs and the clients that did not join it?

And also, can you talk a little bit about the type of clients or the average clients, the characteristics of the clients that joined the program and compare that to the rest of the clients? Thank you very much.

Diego Fernando Solano Saravia: Well, regarding the way that clients are behaving, we basically are having around 1/3 of our customers asking for a new relief. That remainder is either current or in early stages of delinquency, yet very difficult to understand if those numbers will become actual delinquency because there's an element of payment habits that has changed and expectations of people that the government is going to launch additional benefits. So, I think we will be able to give you a better answer than this next quarter, but at this point, we see some people starting to pay normally again.

Regarding if there's a difference between those that asked for reliefs and others, I would say we can't really answer that question because it's very segment and product driven. We had some automatic reliefs than we had in Central America reliefs that were mandatory by law. So, we ended up relieving both those that needed and those that didn't need it. And on the corporate level, it's been much more of a one-by-one basis. And that's the reason why we've been supporting those that we believe will be successful at the end of the cycle. But those that do not have a chance have already gotten into workouts or restructurings of some sort.

Operator: Thank you. Our next question comes from Sebastian Gallego, from Credicorp Capital.

Sebastian Gallego: Hi, good morning everyone. Thank you for the presentation. I have three questions. The first one is going back to your presentation on slide 11, where you show the stages. It's interesting to see that stage three hasn't really changed and actually decreased over the past year. Given the unprecedented situation that we are living, particularly in Colombia, as you mentioned, with the expected contraction, how do you expect those stages, particularly the 2 and 3 to evolve going forward?

Second question would be related between the differences between Colombia and Central America. You mentioned that you probably expect Central America to behave better. And the question would be beyond the macroeconomic assumptions. Could you elaborate more on why the Central American operation could have lower cost of risk going forward?

And the third question would be probably on banking fees. How fast should we expect banking fees to recover? It would be gradual? Or should we expect a faster recovery given the reopening of the economy, particularly in Colombia? Thank you.

Diego Fernando Solano Saravia: Okay, regarding slide 11, perhaps I didn't emphasize that enough. But part of the acquisition agreement or the revised agreement on MFG included that they took care of, I would say, a large amount of provisioning of loans before they handed the bank to us. So that gave us an advantage, particularly on stage three loans, that we ended up booking at fair value that were already substantially provisioned so it has somehow a diluted effect on stage 3 performance and also, it was part of the explanation of why we had a lower cost of risk on Central America during this quarter. That is the main explanation of why stage 3, particularly at this point in time, came out with a number that seems somehow absent of what's going on.

Then another thing that we mentioned during the call is we've been provisioning more on expectation than actually on loans going wrong. So that's the reason why we see loans or stage 2 growing rather than stage 3, because loans that go to stage three are not yet actually delinquent but rather loans where we believe there's been a substantial increase in risk. So that's the reason why most of it is concentrated. And perhaps in absence of the MFG acquisition, the number for stage three could have been higher at this point.

Moving forward, what you should expect to see is there should be part of those stage 2 loans that will return to stage 1 and others will move into stage 3. And you can see some pick up of that when we move from expected losses to actual losses. However, at that point, depending on our provisioning based on expected losses, you might not see a picking in provisions so picking in provisions might come before you actually see picking in actual delinquency.

Then regarding question two on the differences between Colombia and Central America, we're seeing differences on the macro side first, and then inside the bank, there's some other differences between that and our Colombian business.

On the macro side, you can't lose sight that we've been running two different shocks. One shock is the pandemic and the other shock is the commodities and oils shock. On the second shock, Central America is on the positive side, while Colombia is on the negative side. Then we have some elements of diversification, and that diversification is not only on the financial side but also on the policy side. In the case of Colombia, we perhaps caused more extreme lockdowns than would have been desirable. So, the impact on economy might be larger than the region, that was more diversified.

And then, finalizing with your question on banking fees, banking fees have already started to pick up. We've seen a very notorious change if we compare April to numbers that are happening in July and August. And it's very closely related to the reopening of different sectors of the economy in Colombia. There might be, however, some longer-term impact, given employments being lost in some sectors that will have a much longer repercussion of COVID-19. So, we expect to go close to the levels we had before but not actually reach what we had pre-pandemic within a much longer time.

Luis Carlos Sarmiento Gutierrez: In any case, in Central America, I think during the second semester, cost of risk will be also going up when those loans come out of relief period. The relief periods in Central America are a little bit longer than Colombia so that will affect a little bit the cost of risk. But all in all, I think, again, that combined cost of risk will take us up to about 1.5 on our 50% cost of risk that we booked last year.

Operator: Thank you. Our next question comes from Yuri Fernandes, from JPMorgan.

Yuri Fernandes: Hi. Good morning and thank you gentlemen for the presentation. I have a first question regarding costs. They were a bit high this quarter, growing about 9%. And I understand there are FX here, so it's tough. But when we look to some peers, they had nominal decreases. And we may argue that maybe these figures are not sustainable. But my point is, what should we expect for the costs for Grupo Aval? Should we see these growing like still above inflation or given the more challenging macro the banks may be more focused in delivering better figures on costs. So that's the first one.

And my second question is regarding asset quality. It's basically regarding your coverage. On the 30 days, it seems pretty low, like 113%. Especially because, as I said, the 30-days past due have been helped by the creditor relief programs, right? And so, the first question is, is there any trigger you're comfortable with coverage, like not leaving coverage below 100%, something like that? And secondly is, when should we see the 30-days past due loans getting worse? Because as you said, many credit reliefs just ended now. So, this would be a very quick thing, right? This could be a number that we could see already in the third Q or perhaps in the fourth Q, basically how to think about coverage, right? Because again, when compared to peers, it seems pretty low. Thank you.

Diego Fernando Solano Saravia: Well, let me take three questions. And I will respectfully disagree with you on the cost side. And just let me recap of some of the things that I mentioned before. Our expenses during this quarter are affected by MFG and FX fluctuations. If you take those out, we actually contracted our costs. We did this without reversing previous quarter expenses so for comparison's sake, you have to be very careful on taking, let's say, first half costs, to get a better view on that. As a result, we were able to bring down our cost to assets from 3.7% to 3.2%, if you compare this period. So even though, as we said, we have a long way to go in our cost contention and reduction effort, we've done a lot up to this point. We need to continue because from the cost to income side, if income has gone down, we need to do something to try to compensate that, and that's clear for us. So respectfully, I disagree with that, but what I can tell you is we'll continue to work on that.

Then on the asset side, on the quality side, you have a combination of two questions that are linked together. One is when well, loans go sour, to expect to see PDLs coming up. At this point, we're basically provisioning based on expectations rather than reality. We'll see reality unfolding throughout several quarters from now. So, the remainder of this year and perhaps into next year, depending on some of the reliefs, when they end and all these programs, so you might see PDLs going up for a few quarters, even beyond this year. In that sense, we will continue provisioning in time. You should see our coverage going up and then readjusting down, as loans actually go sour.

Something else to bear in mind, as I mentioned, something that we might be doing throughout this quarter, and it is writing out the Ruta del Sol loan that actually distorts our numbers when you try to compare those to some of our peers. However, as mentioned by Luis Carlos, we're basically increasing 50% the rate at which we're provisioning. We're doing that much faster than how loans are deteriorating. So that's the reason why you start to see some buildup of that coverage and that should continue for some time.

Operator: Thank you. Our next question comes from Andres Soto from Santander.

Andres Soto: Hi. Good morning, Luis Carlos, Diego. Thank you for the presentation. My first question is regarding margins. We saw a NIM on loans contraction, almost 30 basis points quarter over quarter. I understand there are several moving parts here, including the consolidation of Multibank and also the change in the loan mix. I would like to get your views on where should we expect NIM going forward, given your expectations for policy rates.

And my second question is regarding the second wave of reliefs that the Colombian government is implementing and that you guys are allowed to do until the end of this year. I want to understand what is the type of reprogramming that you are going to do there. Is it going to be a significant extension of the loans? Or are you planning to keep your current portfolio as it is? Just to see if we could expect any type of impact in terms of write-offs or, why not, a private wave of so-called generals reprogramming? Thank you.

Diego Fernando Solano Saravia: Ok, Andres. Very good questions. The question on net interest margin, yes, it's actually one of the challenges that we have when we look at our numbers. And you mentioned exactly what is the driver there and it is monetary policy. Basically, the way it works is, as the Central Bank lowers its rate, something called the IBR, that is the rate at which the bank gives out resources to the market, is becoming the main driver of floating loan pricing. There is a repricing lag between the Central Bank lowering that and actually that coming into our numbers and that's the reason why we believe that there's still some additional space for contraction, particularly our floating rate corporate loans.

We expect to see a contraction in NIM during the second half, compared to the first half, that should be taking us to somewhere around 5% on average for the year. So, there's still space for some contraction there, given that we are north of that value at this point. It's going to be a combination of having had during the first half a negative impact of NIM on investments that should be quite neutral during the second half. There might be some upside there but we're taking it as neutral, and also further contraction, particularly in those loans that I mentioned before.

Then, regarding the second wave of reliefs, we're still very early in the process. This has been out there for 20 days, so it's more theory at this point rather than practice, but to try to put this in simple words, what the Programa de Ayuda a Deudores means is basically giving people more time at the same interest rates so that they end up with a lower amortization weight on each one of the months. And that, in fact, if properly managed, should improve the chances of people being able to pay their loans. So, as I told you, it's still theory because we are 20 days into that program. We will update you on how that looks in our next quarterly call, but it might end up being positive. As I said, bottom line, it is same interest rate, longer amortization period.

Operator: Thank you. Our next question comes from Carlos Gomez, from HSBC.

Carlos Gomez: Hello. Good morning, Luis Carlos and Diego. I have a question on capital. You mentioned earlier in the presentation that with Basel III, the capital for Occidente, Popular and AV Villas will increase. You did not mention Bogota so I suspect that that means that that capital may not increase or may decline. What is your expectation as to where the CET1 of Banco de Bogota will be by the end of the year and after the implementation of Basel III? Also, the 8.6% that you report this quarter, just to confirm that already includes the impact of the acquisition in Panama. Is that correct? Thank you.

Luis Carlos Sarmiento Gutierrez: So, regarding your second question, it does. Regarding your first one, the reason that we haven't been able to estimate exactly how Banco de Bogota will come out after Basel III implementation was because we were still under negotiation. We were back then still under negotiations with the Superintendence of Finance. We have concluded those and so now we can, on the one hand, sustain what we had said before, which is that the three smaller banks, Occidente, Villas and Popular, will come out under Basel III 300 to 400 basis points better in their capital ratios. Banco de Bogota, as we now know, will come out a little bit better than it is now.

The CET1 obviously, this year, unless we adopt early Basel III, but just supposing that we won't, Banco de Bogota's ratios at the end of this year will be similar to what they are today under Colombian solvency calculations. And when it switches over to Basel III, it should in the first instance look a little bit better than it is right now. I don't want to say a number but somewhere around 100 basis points better. But then as it moves forward, then it has various considerations that I think for now we will take our time to estimate and calculate them. In any case, Basel III will be beneficial, now as we know it, for the four of our banks.

Diego Fernando Solano Saravia: Perhaps to give you a reason why I mentioned three other banks is that the impact of Banco de Bogota is mild, compared to the positive effects that we see on the other banks. The other banks are more in the order of 200 to 300 basis points positive impact. So, that's the reason I only mentioned those because I was saying it was a few percentage points of improvement.

Operator: Thank you. Our next question comes from Nicolas Riva, from Bank of America.

Nicolas Riva: Yes. Thanks very much for the opportunity to ask questions and thanks for the update on the Ruta del Sol case in the initial remarks, Luis Carlos. So, I wanted to make sure I understood this correctly. So, I understand that the Superintendence of Industry and Commerce has recommended to drop in the charges based on conflict of interest. So that's good news. And I also understand that the Superintendence has recommended, in a way, to find guilty the former CEO of Corficolombiana of knowing about the bribes paid by Odebrecht in order to get the concession of Ruta del Sol. Now, you mentioned that the maximum fines charged would represent an impact, I understood, of 18 million dollars for the bottom line of Grupo Aval, which of course looks quite low. Now, this is basically given that Corficolombiana would be then responsible for paying that, given that we are talking about the former CEO of Corficolombiana. That's my question. Thank you.

Luis Carlos Sarmiento Gutierrez: All right. So yeah, everything you've said is true. There were two charges in the Superintendence of Industry and Commerce investigation. One of them was for a supposedly abuse of conflict of interest and in that charge, Grupo Aval, myself, Diego Solano and Corficolombiana's officials were all named. But yeah, as you said, fortunately the recommendation is to dismiss those charges. And secondly, there is another charge, which was a charge that basically said that Corficolombiana and Episol, which are both our companies, did not participate but knew about the bribes going on, and the way that they got to that was through the assumption that the former CEO of Corficolombiana knew about the bribes and that, in that respect, Corficolombiana and Episol had to know. We're obviously responding vehemently to those assumptions.

So, what I mentioned about the fines was that there are different fines that are imposed, based on the Superintendence of Industry and Commerce procedures. There are personal fines, and among those they have recommended to fine the former CEO of Corficolombiana. Those fines cannot. It's illegal for personal fines to be paid by the corporations. It cannot be done here. They have got to be paid by the individuals themselves. So, in my assumption of how much of the fines could trickle up into Aval's financial statements, I am assuming that both Corficolombiana and Episol would pay the maximum fines that could be imposed on them. And then, because we pick up in Grupo Aval 38% of the financial repercussions of Corficolombiana, and through Corficolombiana Episol's, then my estimation of 18 million dollars, as you said, and as I said, comes from 38% of the maximum fine that could be imposed and paid by Corficolombiana and Episol. I hope that makes it more clear.

Operator: Thank you. Our next question comes from Piedad Alessandri, from Credicorp Capital.

Piedad Alessandri: Hi, thank you very much for allowing questions. I want to ask regarding the auto question, the increase in automobile loans. We have seen an increase both quarter and quarter and year on year on that portfolio. Could you give us a bit more detail?

Diego Fernando Solano Saravia: I'm sorry. I didn't understand your question on increasing what?

Piedad Alessandri: Automobile loans.

Diego Fernando Solano Saravia: Automobile loans.

Luis Carlos Sarmiento Gutierrez: Oh. Okay. Got it.

Diego Fernando Solano Saravia: Okay. Okay. The answer for that is part of what we've started doing as strategies. We've gone towards guaranteed products and we've gone away from unsecured products. That was one of the first and early responses that we gave.

And within that category, we also include payroll lending, mortgages, auto loans. And we also used our digital auto applications that gave us a hand in being able to get that done. So, part of the strategy has been, we do want to continue growing, but we want to grow with the right customers with the right products, and auto loans to the right segments fits into that category.

Operator: Thank you. Our next question comes from Julian Ausique, from Davivienda Corredores.

Julian Ausique: Hi, Luis Carlos. Hi, Diego. Thanks for having my questions. I have two questions. The first is about the expectation of cash flow and leverage metrics, due to the holding will have some reduction of dividends? And the other one is what you can tell us about the data of the evolution of digital channels during the pandemic in all the banks of Aval. Thank you.

Diego Fernando Solano Saravia: Well, your question on cash flow is a very good one. Something that we repeat to the rating agencies all the time and it is our dollar-denominated bonds are actually matched with dollar-denominated assets that are interest yielding assets that are held in Grupo Aval Limited the vehicle that issues those. So our first bond was issued in 2012 and up to date, all principal payments that we've made plus the principal payment that comes due in September '22, we already have provided for, not only from the principal standpoint, but also from the interest payment side because we run a positive carry and that borrowing with bonds and lending with bonds. So, I don't want to take it to extremes, but we are not dividend dependent to be able to pay our dollar-denominated bonds. Then on the peso side, we have a very substantial coverage and room to be able to service our peso-denominated bonds with a minimum amount of dividends. In that sense, I can't comment on dividends because dividends for this year were already declared before the pandemic really started, at the very beginning. So, cash flow for this year is really covered, not only from what we paid, but also from what we'll receive. But obviously, next year, our dividend policy will be reviewed, dependent on how we end up this year.

Then you had a question on the digital side. We actually have seen a very substantial increase in the activity of our digital channels, not only for issuing new products, but also for other transactions and being in touch with our customers. Part of that is related to the kind of things that we've done in the past. But also, part of the work is being done by the pandemic on its own. So, part of the credit we can really run, we continue working on that. And the transformation, as we have mentioned before, is in the very beginning. We see products in the market that are very niche products for very specific segments doing some transactions. The math side of those customers is starting to adopt it. We're also focusing on the higher value customers as well doing their digital transactions and that's part of our strategy.

Operator: Thank you. Our next question comes from Alonso Aramburu, from BTG Pactual.

Alonso Aramburu: Hi, good morning and thank you for the call. I wanted to ask you about the non-financial sector. And I appreciate the table on the presentation with the different income from the different sectors. And obviously, as you mentioned, both the infrastructure and the energy and gas are the ones that suffered in 2Q. You did mention, you know, in the infrastructure side, things are recovering. I'm just wondering to what extent is that back to 100%, and also in the energy and gas, what are you seeing in terms of a recovery in income in that sector? Should we expect 3Q to show normalized numbers or is that going to take a little bit longer?

Luis Carlos Sarmiento Gutierrez: Let me take that question. As far as toll road infrastructure, I'm happy to say that July we were at 97% of budget. So that means that we have recovered levels of construction in infrastructure. In energy and gas, again, Promigas came in over its budget in July. So that gives us a lot of satisfaction and a little bit of relief as to what to expect in the third and fourth quarters from infrastructure. In fact, Corficolombiana, which obviously its numbers are very dependent on those numbers on infrastructure and especially on toll roads and energy and gas, during July met its budget. So again, going forward, we expect that the third quarter will be, obviously banning any new lockdowns or stuff like that, we should be back to normal.

Operator: Thank you, ladies and gentlemen. I will now turn the call over to Mr. Sarmiento for closing remarks.

Luis Carlos Sarmiento Gutierrez: All right. Thank you all. Thank you for the incredible, very, very good questions of today, for the participation of everybody, and we hope to keep delivering results. We hope that the pandemic or at least the quarantines and the lockdowns are almost over with. And again, we hope that that will result in our coming back to more normal going results. Other than that, just to thank you again for your participation and we hope to see you all next time.

Operator: This concludes today's conference. We thank you for participating. You may now disconnect.