Banco Davivienda S.A. BVC: PFDAVVNDA, BCS: DAVIVIENCL

Third Quarter Results 2022 / 3Q22

Bogotá, Colombia. November 22nd, 2022 – Banco Davivienda S.A. (BVC: PFDAVVNDA, BCS: DAVIVIENCL) announces its Third Quarter 2022 Consolidated Results. Financial Statements have been prepared according to International Financial Reporting Standards (IFRS) in Colombian Pesos (COP).

HIGHLIGHTS

- Quarterly profits reached $399 billion, decreasing 39.2% over the quarter, mainly due to higher financial and provision expenses and lower non financial income. Accumulated profits reached $1.57 trillion, increasing by 68.9% compared to the third quarter of 2021, mainly reflecting higher loan income, lower provision expenses, and increased non-financial income.
- For the last 12 months ROAE was 13.03%. NIM including foreign exchange and derivatives closed at 6.34%, and Cost of Risk was 2.10%.
- Gross loans closed at $140.2 trillion COP, growing by 7.3% over the quarter and 23.3% over the year, primarily driven by the increased demand from corporate and retail customers, and the FX impact.
- The Total Capital Adequacy Ratio closed at 16.18%. The CET1 Ratio was 11.03%.
- Our sustainable loan portfolio reached 13.6 trillion COP, increasing 24.3% annually, accounting for 9.7% of our consolidated gross loan portfolio.
- In October 2022, Davivienda acquired a senior loan for 275 million USD from the IFC to support financing of low income housing and SMEs for women, the LGBTI community and green projects.
- As part of our commitment to sustainable development, Davivienda formalized its adherence to the UN's Principles for Responsible Investment (PRI).
- Around 90% of consolidated customers are considered digital, and close to 81% of new deposits were opened digitally. DaviPlata reached 15.2 million customers, adding 1.9 million throughout the year.
- Current risk ratings: Fitch BB+/ S&P BB+/ Moody's Baa3. All ratings with stable outlook.
- As of September 2022, Davivienda served 21.3 million customers across 6 countries, employing over 17,800 people and operating 666 branches and nearly 2,700 ATMs.

ECONOMIC ENVIRONMENT COLOMBIA

Economic performance varied among the world's major economies throughout the third quarter of this year. The U.S. economy grew by 2.6%, reflecting the performance of exports and consumption, which, even though it was not a negative performance, it lost momentum compared to the previous quarter. The Chinese economy grew at a faster pace, expanding by 3.9% in the third quarter, compared to 0.4% in the second quarter, reflecting less stringent covid-19 restrictions during the last three months. The Euro Zone presented a 2.4% growth rate in the third quarter, after growing by 4.3% in the second quarter. This slowdown is explained by a moderation in consumption due to falling consumer confidence after the Russian invasion of Ukraine.

By the end of the third quarter of this year, inflation in the United States stood at 8.2%, lower than the figure recorded at the end of the second quarter (9.06%). This lower inflation figure is attributable to the prices of goods, meanwhile services continued their upward trend. In the Euro Zone, inflation reached 10.9% at the end of the third quarter, above the 8.6% recorded in June. In China, inflation reached 2.8% at the end of September, the highest figure in 29 months, reflecting rising food prices.

Brent crude oil prices averaged USD 97.5 per barrel in the third quarter of this year. This figure is lower than the USD 111.81 recorded in the second quarter after the Russian invasion of Ukraine. Prices were extremely volatile, reaching a peak of USD 113.5 and a minimum of USD 84.06 per barrel.

In the third quarter of 2022, Colombia's economy grew 7.0% annually, this figure shows a deceleration when compared to the 12.8% seen during the last quarter. Commerce, artistic and entertainment activities and the manufacturing industry were the sectors which contributed the most to the dynamics of the overall economy, with annual growths of 8.1%, 36.9% y 7.0%, respectively.

At the end of September, inflation climbed to 11.44% from 9.67% recorded at the end of June. Food and non-alcoholic beverages continue to be the main source of inflation, as their prices have increased 3.2 times than overall inflation. High prices of agricultural inputs and the La Niña phenomenon continue to impact food supply in the country's main markets. Additionally, international food prices and the exchange rate continue to drive up the cost of imported goods. Annual inflation in October rose to 12.22%.

In terms of monetary policy, inflation combined with economic growth led the Central Bank to further increase the monetary policy rate at a faster pace. At the end of July and August, it was raised by 1.5 percentage points, while at the end of September, it increased by 1 percentage point. During its last meeting held on October 28, the Central Bank decided to increase the monetary policy rate by another 1.5 percentage points, bringing it to 11.0%.

The COP - USD exchange rate averaged $4.071 over the quarter; a 4.0% increase compared to the previous quarter. The lowest figure for the quarter was $4.151, while its highest point was $4.627, on July 13. External causes such as the strong appreciation of the USD globally, and the uncertainty driven by government policies established by the new administration are among the factors that influenced the devaluation of the Colombian Peso. In October, the devaluation trend steepened, hitting a new record peak of $4,969, before closing at $4,819.

ECONOMIC ENVIRONMENT CENTRAL AMERICA

Over the second quarter of the year, most countries across the region experienced an economic slowdown. The Gross Domestic Product (GDP) grew by 5.7% YoY in Costa Rica, less than the growth presented in the first quarter of the year (8.1%). Similarly, Honduras and Panama, reported 3.8% and 9.8% annual growth for the second quarter, respectively; less than the 6.1% and 13.6% annual growth rates recorded in 1Q21, respectively. Meanwhile, annual GDP growth in El Salvador remained relatively stable throughout the second quarter, standing at 2.8%.

The economic slowdowns are mainly attributable to the construction, lodging and food services, and transportation and warehousing sectors. These slowdowns are closely tied to the economic contraction of the region's main trading partners.

In El Salvador, Honduras and Panama, economic activity information drawn from the IMAE and IVAE monthly indicators show that the slowdown persisted in July and August, posting 2.17%, 4.33% and 8.17% average annual growth for these months, respectively.

As for inflation, one of the main economic concerns of this year, inflationary pressures in the region slowed down in October compared to previous months. However, it is important to highlight that this trend is highly affected by subsidies granted in these countries for goods such as fuel, food, medicine, and utilities, such as electric power.

Annual inflation reached 9.0% in Costa Rica in October, below the year's 12.1% peak recorded in August. In El Salvador, annual inflation was 7.5% in October, below the 7.8% peak recorded in June. In Honduras, annual inflation was 10.2% in October, lower than the 10.9% peak recorded in July. Lastly, Panama registered a 1.9% annual growth in September, inferior to the 5.2% in June.

The Costa Rican Colon appreciated by 2.0% at the end of the third quarter of the year, reflecting better local conditions, where the most important one was the reduction of the fiscal deficit. Conversely, over the same period, the Lempira has depreciated by 1.0%, associated with an increased commercial deficit mainly due to the increase in Oil prices, which rose by 23.5% at the end of the quarter compared to the same period of 2021.

Fitch Ratings downgraded El Salvador's credit rating from CCC to CC in the third quarter of the year, as they perceive a tight fiscal and external liquidity position and constrained market access.

Standard & Poor's gave a negative outlook to Honduras' rating, given the possibility of a downgrade within the next six to 18 months if the fiscal situation worsens the sovereign debt burden beyond expectations.

MAIN CONSOLIDATED FIGURES:

Statement of Financial Condition (COP Billion)				% Chg.	
Assets	**3Q21**	**2Q22**	**3Q22**	**Q/Q**	**Y/Y**
Cash and Interbank Funds	12,723	13,983	13,626	-2.6	7.1
Investments	16,593	17,195	18,084	5.2	9.0
Gross Loan Portfolio	113,637	130,619	140,156	7.3	23.3
Loan Loss Reserves	-5,603	-5,685	-5,944	4.6	6.1
Other Assets	7,630	10,285	11,227	9.2	47.1
Total Assets	**144,980**	**166,397**	**177,150**	**6.5**	**22.2**
Liabilities					
Repos and Interbank Liabilities	4,121	3,284	3,915	19.2	-5.0
Demand Deposits	59,381	72,048	71,017	-1.4	19.6
Term Deposits	31,397	34,846	42,790	22.8	36.3
Bonds	16,751	16,961	15,770	-7.0	-5.9
Credits	13,146	15,687	18,507	18.0	40.8
Other Liabilities	6,184	8,699	9,268	6.5	49.9
Total Liabilities	**130,980**	**151,524**	**161,268**	**6.4**	**23.1**
Equity					
Non-controlling Interest	142	151	170	13.1	19.7
Equity	13,857	14,722	15,712	6.7	13.4
Total Equity	14,000	14,872	15,882	6.8	13.4
Total Liabilities and Equity	**144,980**	**166,397**	**177,150**	**6.5**	**22.2**

Income Statement	**Quarterly Figures**			**% Chg.**		**Accumulated Figures**		**% Chg.**
(COP Billion)	**3Q21**	**2Q22**	**3Q22**	**Q/Q**	**Y/Y**	**3Q21**	**3Q22**	**Y/Y**
Interest Income	2,666	3,563	4,199	17.9	57.5	7,800	10,862	39.2
Loans	2,537	3,473	4,000	15.2	57.6	7,511	10,521	40.1
Investments	116	58	149	156.4	28.1	249	239	-4.0
Other Income	12	32	51	58.9	307.1	41	102	151.9
Financial Expenses	815	1,372	1,972	43.8	141.9	2,262	4,373	93.3
Gross Financial Margin	1,850	2,191	2,227	1.6	20.4	5,539	6,488	17.1
Net Provision Expenses	641	663	760	14.7	18.6	2,476	2,122	-14.3
Net Interest Margin	1,210	1,528	1,467	-4.0	21.3	3,062	4,367	42.6
Exchange and Derivatives	81	181	30	-83.7	-63.5	367	300	-18.2
Non Financial Income	477	500	454	-9.2	-4.8	1,195	1,421	18.9
Operating Expenses	1,127	1,247	1,335	7.1	18.4	3,253	3,784	16.3
Income Before Taxes	641	962	616	-36.0	-3.9	1,371	2,303	68.0
Income Tax	246	305	216	-29.1	-12.0	443	735	66.0
Net Profit	**395**	**657**	**399**	**-39.2**	**1.2**	**928**	**1,568**	**68.9**
Non Controlling Interest	5	6	3	-50.6	-35.8	12	16	27.2

MAIN RATIOS

12 Months[1]	3Q21	2Q22	3Q22	Bps. Chg Q/Q	Bps. Chg Y/Y
NIM	6.03%	6.03%	6.03%	0	0
NIM FX+D	6.28%	6.39%	6.34%	-5	6
Cost of Risk	3.22%	2.16%	2.10%	-6	-112
Cost-to-Income	46.6%	46.6%	47.2%	62	57
ROAE	7.12%	13.44%	13.03%	-41	591
ROAA	0.67%	1.24%	1.19%	-5	52

Annualized Quarter	3Q21	2Q22	3Q22	Bps. Chg Q/Q	Bps. Chg Y/Y
NIM	5.88%	6.22%	5.91%	-31	3
NIM FX+D	6.13%	6.73%	5.99%	-74	-14
Cost of Risk	2.26%	2.03%	2.17%	14	-9
Cost-to-Income	46.8%	43.8%	49.2%	540	240
ROAE	11.49%	18.25%	10.39%	-786	-110
ROAA	1.11%	1.62%	0.93%	-69	-18

Stock Information	3Q21	2Q22	3Q22	% Chg. Q/Q	% Chg. Y/Y
Total Shares	451,670,413	451,670,413	451,670,413	-	-
Total Common Shares	343,676,929	343,676,929	343,676,929	-	-
Total Preferred Shares	107,993,484	107,993,484	107,993,484	-	-
Preferred Share Closing Price COP	33,400	33,700	29,990	-11.0%	-10.2%
Preferred Share Closing Price USD	7.3	7.3	6.5	-11.0%	-10.2%
Market Capitalization (Bn COP)	15,086	15,221	13,546	-11.0%	-10.2%
Market Capitalization (Bn USD)	3.3	3.3	3.0	-11.0%	-10.2%
Earnings Per Share (EPS) COP	2,086	4,198	4,208	0.2%	101.8%
Earnings Per Share (EPS) USD	0.45	0.91	0.92	0.2%	101.8%
Price to Earnings Ratio (P/E) (x)	16.0	8.0	7.1	-11.2%	-55.5%
Dividends Per Share COP	321	1,072	1,072	0.0%	234.0%
Book Value Per Share COP	30,681	32,594	34,786	6.7%	13.4%
Price to Book Value (P/BV) (x)	1.09	1.03	0.86	-16.6%	-20.8%

[1] To review the methodology to estimate these and other ratios presented in this report, please refer to the Glossary section at the end of this document.

ESG RESULTS

Our sustainable loan portfolio reached 13.6 trillion COP, growing by 9.7% over the previous quarter and by 24.3% over the previous year. Out of this loan portfolio, 27% (3.7 trillion COP) belonged to our green portfolio and 73% (9.8 trillion COP) to our social portfolio.

Sustainable funding reached 7.2 trillion COP, increasing by 2.2% over the quarter and 19.0% over the year. This performance is primarily attributable to the loan acquired with JICA (Japan International Cooperation Agency) for USD 150 million, to support SMEs and women-owned SMEs financing and the resources obtained from Ecobusiness in the amount of US$20 million for Davivienda El Salvador, with the goal of funding projects in the agricultural sector in this country.
Additionally, we acquired a Senior Credit with the IFC in October for 275 million USD to finance low-income housing and SMEs for women, the LGTBI community and green projects.

As part of our commitment to sustainable development, Davivienda adhered to the Principles for Responsible Investment (PRI). By adhering to these principles the Bank aligns with the goal of driving responsible investment to create sustainable markets, grounded upon good corporate governance, integrating social and environmental considerations in its decisions, while promoting accountability.
Given its fiduciary duties, Davivienda recognizes that ESG issues are likely to impact the performance of its investment portfolios and its stakeholders.

Additionally, aware of the importance of this issue and as part of its business commitment, Davivienda joined the "Net Zero Route" initiative in Colombia , intended to set the course for the financial industry to contribute to the Government's goal of achieving net zero emissions by 2050, by measuring carbon footprints of both direct and financed emissions, and by deploying capital resources to fund projects for climate change adaptation and mitigation.

Furthermore, Davivienda was acknowledged as one of the 2022 Inspiring Companies by the National Business Association of Colombia (ANDI), in recognition of Davivienda's ecosystem launched in Pensilvania, Caldas, where the Bank built the first rural Call Center in Colombia, fostering entrepreneurship and business growth across the municipality, through DaviPlata.

Our financial literacy program received the quality recognition from the Financial Superintendence of Colombia (SFC), this recognition takes into account the quality, suitability and relevance of the program with the goal of guaranteeing that financial consumers are receiving relevant information.

The bank was also recognized by the Climate Action Awards in the energy and/or water efficiency category due to its 360-energy efficiency strategy.

DIGITAL TRANSFORMATION

Regarding the Bank's digital transformation process, as of 3Q22, 90% of our consolidated customers were considered digital. In the Colombian operation, this figure stands at 91%, and in Central America at 69%.

In Colombia, the outstanding amount of digital loan products[2] increased 82% over the previous year, reaching $13.8 trillion. On the other hand, digital deposits[3] amounted to $3.9 trillion, growing by 49% over the year. Finally, digital investment products[4] contracted by 13% compared to the previous year, totaling $481 billion.

58% of product sales during the quarter were performed through digital channels. This figure represents a 20 bps increase compared to the previous year. As for transactions, 57% of monetary transactions were made through digital channels, compared to 53% in 3Q21. In line with this trend, transactions made through physical channels decreased from 13% in 3Q21 to 10% in 3Q22.

Our digital native bank, Daviplata, reached 15.2 million customers at the end of the third quarter of 2022. Among these customers, 6.2 million hold other financial products, while 4.2 count on DaviPlata as their only active financial product, and 4.8 million are common Davivienda customers. The balance in low amount deposits increased by 45% compared to the previous year, reaching 806 billion.

STATEMENT OF FINANCIAL CONDITION

Assets

	Consolidated (COP Billion)					Colombia (COP Billion)			International (USD Million)		
				% Chg.			% Chg.			% Chg.	
Assets	**Sep. 21**	**Jun. 22**	**Sep.22**	**Q/Q**	**Y/Y**	**Sep.22**	**Q/Q**	**Y/Y**	**Sep.22**	**Q/Q**	**Y/Y**
Cash and Interbank Funds	12,723	13,983	13,626	-2.6	7.1	5,244	-27.6	-12.1	1,826	12.5	3.0
Investments	16,593	17,195	18,084	5.2	9.0	12,407	5.0	0.4	1,420	-5.3	0.2
Gross Loans Portfolio	113,637	130,619	140,156	7.3	23.3	108,662	5.1	20.8	6,861	4.7	10.5
Loan Loss Reserves	-5,603	-5,685	-5,944	4.6	6.1	-4,981	3.6	3.7	-210	-1.0	-0.1
Other Assets	7,630	10,285	11,227	9.2	47.1	8,670	7.9	52.0	453	6.0	19.3
Total Assets	144,980	166,397	177,150	6.5	22.2	130,001	3.4	19.1	10,350	4.6	8.2

Q/Q Performance:

Assets totaled $177.2 trillion pesos, increasing by 6.5% over the quarter. Excluding the effect of the COP depreciation over the quarter (+10.6%), assets increased 3.6%.

[2] Digital Loans include: Consumer, Mortgage Mobile Credits and DaviPlata Nanocredit.
[3] Digital Deposits include: Mobile Savings Account, Term Deposits, and DaviPlata.
[4] Digital Investments includes:Voluntary Pension Funds and Mutual Funds.

Cash and interbank funds totaled $13.6 trillion, marking a 2.6% reduction compared to the previous quarter. This performance is mainly attributable to reduced available balances in accounts with foreign banks. The investment portfolio reached a $18.1 trillion balance, increasing by 5.2% over the quarter, mainly due to the usual behavior of the trading portfolio, which performed in accordance with short term market expectations.

Gross loans amounted to $140.2 trillion, growing by 7.3% over the previous quarter. Loan loss provisions increased by 4.6% compared to the previous quarter, closing at $5.9 trillion, aligned with our risk profile and portfolio growth. Loan loss provisions as a percentage of gross loans were 4.2%, similar to pre-pandemic levels recorded in 2018 and 2019.

Finally, other assets rose 9.2% over the quarter, mainly due to a higher volume in derivatives and the increase in accounts receivable caused by tax prepayments.

Y/Y Performance:

Total assets increased by 22.2% year-over-year. Excluding the effect of the depreciation of the Colombian peso over the year (+20.4%), assets increased by 14.1%.

Cash and interbank funds increased by 7.1%, explained mainly by Central America, given the effect of the exchange rate on this operation, which accounted for a 1.32 trillion COP increase. The investment balance increased by 9.0%, aligned with the usual performance of the trading portfolio, as previously mentioned.

Gross loans increased by 23.3%, mainly boosted by the consumer and commercial portfolios. Loan loss provisions increased by 6.1%, in line with the portfolio growth dynamics and impacted by write-offs carried out during the past year.

Finally, other assets grew by 47.1%, mainly due to an increase in the balance of derivatives and in accounts receivable, as mentioned above.

Gross Loans

	Consolidated (COP Billion)					Colombia (COP Billion)			International (USD Million)		
				% Chg.			% Chg.			% Chg.	
Gross Loans	Sep. 21	Jun. 22	Sep.22	Q/Q	Y/Y	Sep.22	Q/Q	Y/Y	Sep.22	Q/Q	Y/Y
Commercial	52,278	57,020	62,356	9.4	19.3	45,713	6.5	13.6	3,626	6.6	14.8
Consumer	32,141	40,781	43,253	6.1	34.6	35,016	4.1	35.3	1,794	4.1	9.1
Mortgage	29,218	32,818	34,547	5.3	18.2	27,933	3.9	17.1	1,441	0.8	2.5
Total	113,637	130,619	140,156	7.3	23.3	108,662	5.1	20.8	6,861	4.7	10.5

Q/Q Performance:

Gross loans closed at $140.2 trillion, a 7.3% increase over the previous quarter. Excluding the effect of the depreciation of the Colombian peso over the quarter (+10.6%), gross loans increased by 4.7%.

Demand remained strong during the third quarter of 2022, despite the deceleration of economic activity, the high interest rate environment and adjustments to origination policies.

The commercial portfolio grew by 9.4% over the quarter, largely due to corporate demand, mainly in construction and other business segments, as well as the exchange rate effect which accounted for 3.2 pps of total growth during the quarter.

Consumer loans expanded by 6.1%. Mainly explained by demand for unsecured personal loans, credit cards, and payroll loans.

Our mortgage portfolio increased by 5.3%, fueled by the traditional housing and low-income housing segments, supported by subsidy programs in Colombia.

In our international operations, gross loans totaled US$6.9 billion, a 4.7% increase, mainly driven by a 6.6% growth in commercial loans, followed by consumer loans with a 4.1% growth.

Y/Y Performance:

Gross loans grew by 23.3% year-over-year. Excluding the effect of the depreciation of the Colombian peso during the year (+20.4%), gross loans grew by 15.7%.

Commercial loans grew by 19.3%, supported by demand observed during the quarter as mentioned before. It is important to mention that the exchange rate effect accounted for 6.8 pps of total growth during the year.

Consumer loans grew by 34.6%, driven by unsecured personal loans, credit cards and payroll loans, as mentioned above.

Mortgage loans increased by 18.2%, as a result of higher growth in traditional housing, low-income housing and residential leasing, particularly in Colombia, reflecting the dynamics of this sector, supported by subsidies granted in the country.

In our international operations, gross loans denominated in USD increased by 10.5%. This growth came primarily from commercial loans, which grew $468.5 million USD (+14.8%) over the year, followed by consumer loans which rose $150.3 million USD (+9.1%) and mortgage loans which increased $34.9 million USD (+2.5%).

Asset Quality and Coverage

PDL	Consolidated 3Q21	Consolidated 2Q22	Consolidated 3Q22	Colombia 3Q21	Colombia 2Q22	Colombia 3Q22	International 3Q21	International 2Q22	International 3Q22
Commercial	3.99%	3.04%	2.71%	4.71%	3.62%	3.26%	1.58%	1.26%	1.19%
Consumer	2.76%	2.20%	2.68%	2.80%	2.17%	2.75%	2.61%	2.33%	2.37%
Mortgage	4.45%	3.75%	3.59%	4.68%	3.85%	3.64%	3.40%	3.32%	3.40%
Total (90)[1]	3.76%	2.96%	2.91%	4.15%	3.21%	3.19%	2.27%	1.99%	1.96%
Mortgage (120)	3.70%	3.06%	2.88%	3.86%	3.13%	2.91%	2.97%	2.78%	2.78%
Total (120)[2]	3.57%	2.78%	2.74%	3.93%	3.02%	3.00%	2.17%	1.88%	1.83%

Portfolio	Stage 1	Stage 2	Stage 3	Total
Commercial	88.49%	7.03%	4.48%	62,356
Consumer	87.05%	10.32%	2.63%	43,253
Mortgage	93.37%	4.33%	2.30%	34,547
Total	**89.25%**	**7.38%**	**3.37%**	**140,156**

Write-offs	Quarterly Figures			% Chg.	
(COP billion)	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total write-offs	928	784	942	20.1	1.5

Write-offs	Accumulated Figures		% Chg.
(COP billion)	3Q21	3Q22	Y/Y
Total write-offs	3,813	2,401	-37.0

Q/Q Performance:

90-days PDLs closed at 2.91%, slightly decreasing over the quarter (-5 bps) explained by the dynamics seen in the commercial and mortgage portfolios, in line with loan growth and some write-offs.

90-days PDLs for the consumer portfolio increased by 48 bps compared to the previous quarter. The increase in PDLs was mainly concentrated in unsecured personal loans, which were impacted by higher interest rates and inflation, as we anticipated.

Write-offs for the third quarter of 2022 totaled $942 billion, increasing by 20.1% compared to the previous quarter, mainly concentrated in consumer loans.

Y/Y Performance:

90-days PDL decreased by 85 bps over the year, this trend is mainly explained by portfolio growth, better customer payment behavior and write-offs made during the year.

Write-offs increased by 1.5% in 3Q22 compared to 3Q21. This is mainly explained by the performance of the consumer portfolio throughout the year.

Accumulated write-offs decreased by 37.0% compared to the third quarter of the previous year.

Coverage

	Coverage		
Coverage	**3Q21**	**2Q22**	**3Q22**
Commercial	141.0%	148.3%	152.2%
Consumer	231.4%	290.9%	246.1%
Mortgage	47.0%	40.9%	42.6%
Total	131.2%	147.2%	145.5%

Q/Q Performance:

The Coverage ratio closed at 145.5% in 3Q22, a 170 bps reduction compared to 2Q22, explained by higher 90-days PDLs and write-offs, despite higher provisions.

Y/Y Performance:

The Coverage ratio increased by 1,430 bps over the year, mainly due to lower levels of over 90 days PDLs during 3Q22 compared to 3Q21.

Funding Sources

	Consolidated (COP Billion)					Colombia (COP Billion)			International (USD Million)		
				% Chg.			% Chg.			% Chg.	
Funding Sources	**Sep. 21**	**Jun. 22**	**Sep.22**	**Q/Q**	**Y/Y**	**Sep.22**	**Q/Q**	**Y/Y**	**Sep.22**	**Q/Q**	**Y/Y**
Demand deposits	59,381	72,048	71,017	-1.4	19.6	52,356	-4.9	13.7	4,065	-0.6	16.2
Term deposits	31,397	34,846	42,790	22.8	36.3	30,147	24.7	39.2	2,754	7.2	7.9
Bonds	16,751	16,961	15,770	-7.0	-5.9	11,821	-16.6	-17.6	860	28.3	36.5
Credits	13,146	15,687	18,507	18.0	40.8	13,014	17.1	63.4	1,197	8.6	-12.0
Total	120,675	139,542	148,085	6.1	22.7	107,338	2.7	19.2	8,876	5.3	10.4

Q/Q Performance:

Funding sources totaled $148.1 trillion, a 6.1% increase compared to the previous quarter, mainly explained by the growth of term deposits and credits with entities. Excluding the effect of the depreciation of the Colombian peso during the quarter (+10.6%), funding sources increased by 3.3%.

Demand deposits reached $71.0 trillion, decreasing by 1.4% over the quarter.

Meanwhile, term deposits increased by 22.8%, driven by higher preference for these instruments among customers, in line with higher interest rates.

By the end of the third quarter, bonds closed with a $15.8 trillion balance, 7.0% lower than in 2Q22, primarily due to the maturity in July of one of our 500 million USD international issuances.

Credits with entities totaled $18.5 trillion, growing by 18.0% over the quarter, primarily due to an increase in credits with foreign entities.

Gross loans to funding sources ratio was 94.6%, a 100 bps increase compared to the previous quarter.

Y/Y Performance:

Over the year, funding sources increased 22.7% reflecting an increase in term and demand deposits, as well as in credits with entities. Excluding the effect of the depreciation of the Colombian peso during the year (+20.4%), funding sources increased by 14.6%.

Growth of traditional deposits stemmed mainly from term deposits, which grew 39.2% in Colombia and 7.9% in Central America, this behavior is explained by the preference for these products given the high interest rate environment, as previously mentioned. Demand deposits increased by 19.6% over the year, mainly in Colombia (+6.3 trillion COP).

Bonds contracted by 5.9% compared to the third quarter of 2021, mainly because of the maturity of the previously mentioned international issuance.

Credits with entities grew by 40.8% over the year. This performance is largely attributable to the growth in financial obligations with foreign entities, as mentioned above.

Gross loans to funding sources ratio stood at 94.6%, a 40 bps increase compared to the third quarter of 2021 (94.2%). This performance is primarily explained by a higher gross loans growth compared to total funding sources growth in terms of proportion.

Equity and Regulatory Capital

Total Regulatory Capital and Risk Weighted Assets (COP Billion)	Consolidated – New Regulation (Basel III) 3Q21	2Q22	3Q22	% Chg. Q/Q	Y/Y
Equity	**14,000**	**14,872**	**15,882**	**6.8%**	**13.4%**
Common Equity Tier I Capital (CET1)	12,573	13,495	14,470	7.2%	15.1%
Additional Tier I Capital (AT1)	1,943	2,084	2,345	12.5%	20.7%
Tier II Capital	4,377	4,469	4,413	-1.3%	0.8%
Total Regulatory Capital	**18,888**	**20,048**	**21,228**	**5.9%**	**12.4%**
Credit RWAs	92,042	108,308	116,920	8.0%	27.0%
Market Value at Risk	4,338	4,301	4,664	8.4%	7.5%
Operational Value at Risk	5,964	9,367	9,635	2.9%	61.6%
Risk Weighted Assets	**102,344**	**121,977**	**131,219**	**7.6%**	**28.2%**
CET1 Ratio	12.29%	11.06%	11.03%	-4 pbs	-126 pbs
Tier I Ratio	14.18%	12.77%	12.81%	4 pbs	-137 pbs
Total Capital Adequacy Ratio	18.46%	16.44%	16.18%	-26 pbs	-228 pbs
Leverage Ratio	9.02%	8.52%	8.63%	11 pbs	-39 pbs

Q/Q Performance:

Consolidated equity totaled $15.9 trillion as of September 2022, increasing by 6.8% over the quarter, due to profits and the exchange rate.

The Common Equity Tier 1 ratio (CET1) closed at 11.03%, decreasing by 4 bps over the quarter. This is explained by the increase in risk weighted assets, primarily linked to the growth of commercial and consumer loans.

The Additional Tier 1 capital increased by 12.5% over the quarter, reflecting the exchange rate effect.

Tier II Capital decreased by 1.3% over the quarter, mainly due to the maturity of the Tier II subordinated bond.

The total capital adequacy ratio decreased by 26 bps, closing at 16.18% at the end of September 2022.

On the other hand, the leverage ratio reached 8.63%, 11 bps above the figure recorded in the previous quarter, mainly due to higher equity levels throughout the quarter.

Risk-Weighted Assets Density[5] was 74.1%, a 80 bps increase compared to 2Q22 (73.3%).

[5] Risk-Weighted Assets' Density: (RWAs by Credit, Market and Operational Risk) / Total Assets.

Y/Y Performance:

Consolidated equity increased by 13.4% compared to the same period of the previous year, reflecting higher profits for the year, as mentioned above.

The Common Equity Tier 1 ratio (CET1) decreased by 126 bps over the year, as a result of dividend distribution and an increase in risk-weighted assets, primarily driven by growth in consumer and commercial loans.

The total capital adequacy ratio decreased by 228 bps compared to the figure reported in 3Q21, mostly due to an increase in total risk weighted assets and a lower weighting of subordinated debt.

The leverage ratio decreased by 39 bps compared to 3Q21, mainly due to asset growth.

Risk-Weighted Assets Density assets increased by 350 bps compared to 3Q21 (70.6%).

INCOME STATEMENT

Income Statement	Quarterly Figures			% Chg.		Accumulated Figures		% Chg.
(COP billion)	3Q21	2Q22	3Q22	Q/Q	Y/Y	3Q21	3Q22	Y/Y
Interest Income	2,666	3,563	4,199	17.9	57.5	7,800	10,862	39.2
Loan Income	**2,537**	**3,473**	**4,000**	**15.2**	**57.6**	**7,511**	**10,521**	**40.1**
Commercial	806	1,078	1,395	29.5	73.1	2,374	3,363	41.7
Consumer	1,044	1,483	1,677	13.1	60.6	3,018	4,442	47.2
Mortgage	687	912	927	1.7	34.9	2,119	2,715	28.1
Investment Income	**116**	**58**	**149**	**156.4**	**28.1**	**249**	**239**	**-4.0**
Other Income	**12**	**32**	**51**	**58.9**	**307.1**	**41**	**102**	**151.9**
Financial Expenses	815	1,372	1,972	43.8	141.9	2,262	4,373	93.3
Demand Deposits	142	378	628	66.0	343.3	423	1,263	198.6
Term Deposits	270	439	706	60.7	161.5	802	1,465	82.6
Credits	94	138	217	57.2	132.3	281	457	63.1
Bonds	276	338	343	1.5	24.3	659	986	49.7
Other Expenses	34	78	78	-0.1	127.0	97	202	107.9
Gross Financial Margin	1,850	2,191	2,227	1.6	20.4	5,539	6,488	17.1
Net Provision Expenses	641	663	760	14.7	18.6	2,476	2,122	-14.3
Net Interest Margin	1,210	1,528	1,467	-4.0	21.3	3,062	4,367	42.6
Exchange and Derivatives	81	181	30	-83.7	-63.5	367	300	-18.2
Non Financial Income	**477**	**500**	**454**	**-9.2**	**-4.8**	**1,195**	**1,421**	**18.9**
Fee Income	436	419	414	-1.2	-5.0	1,083	1,237	14.3
Other Net Income and Expenses	41	81	40	-50.5	-2.5	112	183	63.3
Operating Expenses	**1,127**	**1,247**	**1,335**	**7.1**	**18.4**	**3,253**	**3,784**	**16.3**
Personnel Expenses	462	486	530	9.1	14.7	1,335	1,496	12.1
Operation Expenses	457	530	550	3.7	20.5	1,305	1,578	21.0
Other Expenses	208	230	254	10.6	22.4	613	710	15.8
Income before Taxes	641	962	616	-36.0	-3.9	1,371	2,303	68.0
Income Tax	246	305	216	-29.1	-12.0	443	735	66.0
Net Profit	**395**	**657**	**399**	**-39.2**	**1.2**	**928**	**1,568**	**68.9**

Net Profit

Quarterly figures

Q/Q Performance:

Net profits reached $399.4 billion in 3Q22, decreasing by 39.2% over the quarter, mainly as a result of higher financial expenses and provision expenses, combined with a reduction in foreign exchange and derivatives income and non-financial income. Consequently, the annualized quarter return on average equity (ROAE) decreased by 786 bps from 18.25% to 10.39%.

Net income in Colombia totaled $342.6 billion, a 32.3% reduction compared to the previous quarter. This performance is explained by higher financial expenses (+48.0%) and provision expenses (+20.2%) in the quarter.

Profits generated by the Central American operations totaled nearly US$11.1 million, decreasing by 71.1% over the quarter due to the deterioration of the investment portfolio (-51.8%) and reduced exchange and derivatives income (-261.8%) related to the appreciation of the Costa Rican Colon during the quarter.

Y/Y Performance:

Consolidated profits recorded an annual 4.7 billion increase, mainly explained by higher loan portfolio income, in line with the asset repricing amidst interest rate increases in Colombia and Central America.

Net profits rose $33.2 billion in the Colombian operation. This result is mainly attributable to a 66.2% increase in loan income and an 84.1% increase in foreign exchange and derivatives income, followed by an 8.8% reduction of the income tax.

In our international operations, net income in USD decreased by $11.1 million compared to the same quarter of the previous year. This is mainly explained by a reduction in foreign exchange and derivative income (-502.7%) and lower non-financial income (-9.9%).

Accumulated figures

Y/Y Performance:

Consolidated profits closed at $1.57 trillion, a 68.9% increase compared to the accumulated figure recorded in September 2021. This resulted mainly from an increase in loan income, a reduction in provision expenses and higher non-financial income.

The 12-month return on average equity (ROAE) at the end of 3Q22 was 13.03%, 591 bps higher than the figure recorded in the third quarter of the previous year.

In the Colombian operation, our consolidated net profits closed at $1.22 trillion, a 76.5% increase over September 2021, aligned with the performance seen in the consolidated figures.

In our international operations, accumulated profits in USD closed at $84.3 million, a 33.0% increase, mainly due to lower provision expenses, higher loan income and increased non-financial income.

Gross Financial Margin

Gross Financial Margin	Quarterly Figures			% Chg.		Accumulated Figures		% Chg.
(COP billion)	3Q21	2Q22	3Q22	Q/Q	Y/Y	3Q21	3Q22	Y/Y
Loan Income	2,537	3,473	4,000	15.2	57.6	7,511	10,521	40.1
Investments and Interbank Income	128	90	199	121.9	55.1	289	341	17.8
Financial Income	2,666	3,563	4,199	17.9	57.5	7,800	10,862	39.2
Financial Expenses	815	1,372	1,972	43.8	141.9	2,262	4,373	93.3
Gross Financial Margin	1,850	2,191	2,227	1.6	20.4	5,539	6,488	17.1

NIM				Bps. Chg	
Annualized Quarter	3Q21	2Q22	3Q22	Q/Q	Y/Y
Total NIM	5.88%	6.22%	5.91%	-31	3
Total NIM FX+D	6.13%	6.73%	5.99%	-74	-14

Quarterly figures

Q/Q Performance:

Consolidated gross financial margin for the quarter reached $2.2 trillion, a 1.6% increase, mainly explained by an increase in loan income amounting to $526.8 billion pesos (+15.2%), and an increase in investment income totaling $90.7 billion pesos (+156.4%).

Loan income increased aligned with asset repricing given the increase in monetary policy rate, portfolio growth and changes in the portfolio mix. This behavior is mainly explained by the growth in interest income from the commercial portfolio (+29,5%), given the growth seen in this segment during the quarter and higher interest rates.

Investment income increased as a result of higher market interest rates, which led to higher interest income.

Over the quarter, financial expenses increased (+43.8%), reflecting the repricing of liabilities.

Annualized quarterly NIM closed at 5.91%, decreasing by 31 bps compared to 2Q22, reflecting asset growth over the quarter versus lower gross financial margin growth.

When including foreign exchange and derivative income to reflect the result of our hedging strategy, the NIM for the quarter stood at 5.99%, decreasing by 74 bps in the period, due to lower foreign and exchange income related to exchange rate effects in Central America, as the Costa Rican Colon repreciated against the United States Dollar during the quarter.

Y/Y Performance:

The gross financial margin for the third quarter of the year increased by 20.4% compared to the same period of the previous year. This variation is mainly explained by the increase in loan income (+57.6%), as explained above.

In Colombia, the gross financial margin grew by 19.4%. This performance is attributable mainly to higher loan income from the consumer and commercial portfolios. On the other hand, financial expenses increased by 182.5% over the year, reflecting increased interest rates, which affect the cost of liabilities.

In our international operations, the gross financial margin in USD increased by 9.2% over the year as a result of higher loan income. In addition, investment income decreased by 14.7%. Financial expenses grew by 10.1%, mainly explained by the performance in Costa Rica and Panama, where bond and demand deposit balances increased.

Accumulated figures

Y/Y Performance:

Accumulated gross financial margin to September 2022 reached nearly $6.5 trillion, increasing by 17.1% compared to the figure recorded in the same period of 2021, reflecting higher financial income (+39.2%), which offset the increase in financial expenses (+93.3%).

In Colombia, the accumulated gross financial margin closed at $5.2 trillion, growing by 17.5% as a result of higher loan portfolio income, due to a higher central bank interest rate in Colombia, which went from 1.75% in September 2021 to 10.00% in September 2022. On the other hand, investment income continued to be impacted throughout the year, as higher interest rates continued to affect the portfolio valuation.

In the Central American operation, the accumulated gross financial margin reached US$311.7 million, a 4.9% increase, as a result of higher loan income (+4.2%) and moderate growth in financial expenses (+0.2%).

The 12-month NIM was 6.03%, remaining stable compared to the figure recorded in 3Q21, primarily because interest earning assets grew at a similar rate as the gross financial margin. However, when including foreign exchange and derivative income to reflect the result of our hedging strategy, the NIM stands at 6.34%, increasing by 6 bps in the period.

NIM				**Bps. Chg**	
12 Months	**3Q21**	**2Q22**	**3Q22**	**Q/Q**	**Y/Y**
Total NIM	6.03%	6.03%	6.03%	0	0
Total NIM FX+D	6.28%	6.39%	6.34%	-5	6

Provision Expenses

Provision Expenses (COP billion)	Quarterly Figures 3Q21	2Q22	3Q22	% Chg. Q/Q	Y/Y	Accumulated Figures 3Q21	3Q22	% Chg. Y/Y
Provision for credit losses	871	919	1,138	23.8	30.7	3,244	2,978	-8.2
Loan recoveries	230	256	379	47.8	64.6	772	857	11.0
Net loan sales	0	0	-1	NA	NA	-4	-1	NA
Net Provision Expenses	**641**	**663**	**760**	**14.7**	**18.6**	**2,476**	**2,122**	**-14.3**

Cost of Risk Annualized Quarter	3Q21	2Q22	3Q22	Bps. Chg Q/Q	Y/Y
CoR	2.26%	2.03%	2.17%	14	-9

Quarterly figures

Q/Q Performance:

Provision expenses (net of recoveries) totaled $760.3 billion; a 14.7% increase compared to the previous quarter. This is mainly due to the anticipation of a more challenging economic environment for the remainder of the year and 2023, which may affect customer payment behavior. .

Consequently, the annualized quarterly cost of risk was 2.17%, a 14 bps increase compared to the second quarter of 2022.

Y/Y Performance:

In the consolidated operation, provision expenses (net of recoveries) increased by 18.6% compared to September 2021, when an improvement in customer payment behavior was expected upon the expiration of debt relief programs, which led to a decrease in provision expenses for that period.

Accumulated figures

Y/Y Performance:

Provision expenses (net of recoveries) as of September 2022 reached $2.1 trillion, a 14.3% reduction compared to the same period in 2021. This is mainly attributable to two factors: first, a base effect given the high provision expenses during the first half of 2021 due to the pandemic and relief programs in Colombia and Central America, and on the other hand, lower provisioning needs during the first half of 2022 given the improved economic conditions, which allowed a reduction in provision expense during this period.

The 12-month Cost of Risk was 2.10%, a 112 bps decrease compared to the figure recorded last year.

Cost of Risk				Bps. Chg	
12 months	3Q21	2Q22	3Q22	Q/Q	Y/Y
CoR	3.22%	2.16%	2.10%	-6	-112

Non Financial Income

Non Financial Income	Quarterly Figures			% Var.		Accumulated Figures		% Var.
(Billion COP)	3Q21	2Q22	3Q22	Q/Q	Y/Y	3Q21	3Q22	Y/Y
Fee income	436	419	414	-1.2	-5.0	1,083	1,237	14.3
Other Net Income and Expenses	41	81	40	-50.5	-2.5	112	183	63.3
Non-Financial Income	**477**	**500**	**454**	**-9.2**	**-4.8**	**1,195**	**1,421**	**18.9**

Quarterly figures

Q/Q Performance:

Non-financial income totaled $454 billion in the third quarter of the year, a 9.2% decrease compared to the previous quarter. This performance is mainly attributable to higher commision expenses and lower banking fees.

Other income and expenses, net, decreased by 50.5% over the previous quarter, mainly due to lower dividend income, given a base effect since many companies distributed their dividends during the last quarter.

Y/Y Performance:

Non-financial income decreased by 4.8% year-over-year due to lower net commision and service income. This result is explained by higher commision expenses and lower income from mutual funds managed by our subsidiaries due to lower balances under management given the current market conditions.

Accumulated figures

Y/Y Performance:

Accumulated non-financial income as of September 2022 increased by 18.9% compared to the previous year, mainly due to higher income from credit and debit card fees and insurance collection fees.

Other income increased by 63.3% compared to the value obtained as of September 2021, reflecting higher income from the insurance businesses of our subsidiaries.

Operating Expenses

Operating Expenses	Quarterly Figures			% Chg.		Accumulated Figures		% Chg.
(COP billion)	3Q21	2Q22	3Q22	Q/Q	Y/Y	3Q21	3Q22	Y/Y
Personnel Expenses	462	486	530	9.1	14.7	1,335	1,496	12.1
Operating Expenses and Others	664	761	804	5.8	21.1	1,918	2,288	19.3
Total Expenses	**1,127**	**1,247**	**1,335**	**7.1**	**18.4**	**3,253**	**3,784**	**16.3**

Cost-to-Income				Bps. Chg	
Annualized Quarter	3Q21	2Q22	3Q22	Q/Q	Y/Y
Cost-to-Income	46.8%	43.8%	49.2%	540	240

Quarterly figures

Q/Q Performance:

During 3Q22, operating expenses increased by 7.1% compared to the previous quarter, mainly due to increased personnel expenses associated with incentives granted to our sales force for product placement, in addition to operating and other expenses related to taxes, donations, professional fees related to digital infrastructure and technology, and advertising.

It is important to mention that expenses remain affected by the depreciation in the average exchange rate, which accounts for 100 bps of the OPEX increase during the quarter.

The efficiency ratio for the quarter was 49.2%, 540 bps higher than in 2Q22.

Y/Y Performance:

Operating expenses for 3Q22 increased by 18.4% compared to the third quarter of the previous year, impacted by the 10.1% depreciation in the average exchange rate, as well as inflation levels and the increase in the minimum wage in Colombia.

Additionally, this performance is explained by operating and other expenses (+21.1%), given the increase in expenses related to taxes, professional fees, insurance, cloud services, and advertising.

In addition, personnel expenses increased by 14.7%, mainly due to salary increases in 2022 and higher incentives granted to the sales force for product placement.

Accumulated figures

Y/Y Performance:

Accumulated operating expenses as of September 2022 reached $3.8 trillion, increasing by 16.3% compared to September 2021, impacted by the exchange rate, inflation and salary increases in Colombia.

Depreciation in the average exchange rate accounts for around 250 bps of the accumulated OPEX increase.

Operating and other expenses were driven by expenses related to taxes, insurance, cloud services, professional fees and advertising.

Personnel expenses increased, mainly because of higher incentives granted to the sales force for product placement.

The 12-month efficiency ratio was 47.2% at the end of the third quarter of the year, a 57 bps increase compared to the previous year, as a result of higher expenses in the past 12 months.

Cost-to-Income				**Bps. Chg**	
12 months	**3Q21**	**2Q22**	**3Q22**	**Q/Q**	**Y/Y**
Cost-to-Income	46.6%	46.6%	47.2%	62	57

Taxes

Quarterly figures

Income Tax				**% Chg**	
Quarter	**3Q21**	**2Q22**	**3Q22**	**Q/Q**	**Y/Y**
Tax	246	305	216	-29.1	-12.0

Tax Rate				**Bps. Chg**	
Quarter	**3Q21**	**2Q22**	**3Q22**	**Q/Q**	**Y/Y**
Effective Tax Rate	38.4%	31.7%	35.1%	341.8	-325.0

Q/Q and Y/Y Performance:

Income tax totaled $216.3 billion, decreasing by 29.1% compared to the previous quarter and by 12.0% compared to the third quarter of 2021, due to lower income during the quarter.

The effective tax rate for the quarter was 35%, as a result of lower tax-exempt income from our low-income housing portfolio in Colombia during the quarter.

Accumulated figures

Y/Y Performance:

Income Tax Accumulated	3Q21	3Q22	% Chg Y/Y
Tax	443	735	66.0

Tax Rate Accumulated	3Q21	3Q22	Bps. Chg Y/Y
Effective Tax Rate	32.3%	31.9%	-38.1

The accumulated income tax as of September 2022 was $735.4 billion, increasing by 66.0% compared to the amount accumulated in the same period of the previous year, due to an increase in income before taxes.

On the other hand, the accumulated effective tax rate decreased by 38.1 bps compared to September 2021, from 32.3% to 31.9% as of September 2022, this is explained by the increase in tax-exempt income and tax discounts in 2022.

Glossary

1. **PDL > 90 =** Past due Loans > 90 days / Gross Loan Portfolio
2. **Mortgage PDL > 120 =** Past due Mortgage Loans > 120 days / Gross Loan Portfolio
3. **Total PDL > 120 =** (Mortgage > 120 days + Commercial > 90 days + Consumer > 90 days) / Gross Loan Portfolio
4. **Coverage:** Loan Loss Provisions / Past due Loans > 90 days
5. **Gross Loans / Funding Sources =** Gross Loan Portfolio / (Demand Deposits + Term Deposits + Credits with Entities + Bonds)
6. **ROAE (12 months) =** Net Profits (12 months) / Average Equity (5 Quarters).
7. **ROAE (Annualized Quarter) =** (Net Profits (Quarter) x 4)/ Average Equity (2 Quarters)
8. **ROAA (12 months)) =** Net Profits (12 months) / Average Assets (5 Quarters).
9. **ROAA (Annualized Quarter) =** (Net Profits (Quarter) x 4) / Average Assets (2 Quarters)
10. **NIM (12 months) =** Gross Financial Margin (12 months) / Average Interest Earning Assets (5 quarters)
11. **NIM (Annualized Quarter)=** Gross Financial Margin (Quarter) x 4/ Average Interest Earning Assets (2 Quarters)
12. **NIM (FX&D)(12 months) =**(Accumulated Gross Financial Margin (12 months) + Accumulated Exchanges and Derivatives (12 months)) / Average Interest Earning Assets (5 Quarters)
13. **NIM (FX&D) (Annualized Quarter) =** (Gross Financial Margin (Quarter) + Exchanges and Derivatives (Quarter) x 4) / Interest Earning Assets (2 Quarters)
14. **Loan NIM (12 months) =**(Loan Income (12 months) - (Savings Accounts Expenses (12 months) + Checking Accounts Expenses (12 months) + Term Deposit Expenses (12 months) + Credits with

Entities Expenses (12 months) + Bond Expenses (12 months)) / Average Interest Earning Loans (5 Quarters)

15. **Investment NIM (12 months) =**(Fixed Income Securities Income (Accum. 12 months) + Interbank Income (Accum. 12 months) - Financial Expenses due to Monetary Market Operations (Accum. 12 months)) / (Average Fixed Income Securities (5 Quarters) + Average Interbank Funds (5 Quarters))
16. **Investment NIM (FX&D) (12 months) =**(Fixed Income Securities Income (Accum. 12 months) + Interbank Income (Accum. 12 months) - Financial Expenses due to Monetary Market Operations (Accum. 12 months) + (Exchanges and Derivatives (Accum. 12 months)) / (Fixed Income Securities (5 Quarters) + Interbank Funds (5 Quarters))
17. **Cost of Risk (12 months) =** Provision Expenses (12 Months) / Gross Loans
18. **Cost of Risk (Annualized Quarter) =** Provision Expenses (Quarter) x 4 / Gross Loans
19. **Non Financial Income Ratio =** Total Non Financial Income /(Gross Financial Income + Non Financial Income + Exchange and Derivative Income)
20. **Earnings per Share (EPS) COP =** (Accumulated Net Profits (12 months)) / Total Shares
21. **Earnings per Share (EPS) USD =** (Accumulated Net Profits (12 months) / Exchange Rate as of the close of the Current Reported Quarter) / Total Shares
22. **Price / Earnings per Share (P/E) =** Preferred Share Closing Price / Earnings per Share (EPS) COP
23. **Book Value per Share (BV) COP =** (Consolidated Equity - Non-controlling Interest) / Total Shares
24. **Price to Book Value (P/BV) (x) =** Preferred Share Closing Price / Book Value per Share (BV) COP
25. **Market Capitalization (Bn COP) =** Total Shares * Preferred Share Closing Price
26. **Market Capitalization (Bn USD) =** (Total Shares * Preferred Share Closing Price) / Exchange Rate as of the close of the Current Reported Quarter
27. **Preferred Share Closing Price USD =** Preferred Share Closing Price COP / Exchange Rate as of the close of the Current Reported Quarter

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These financial statements have been prepared in accordance with International Financial Reporting Standards and are presented in nominal terms. The resulting statement for the closed quarter on September 30th, 2022 shall not be necessarily indicative of results expected for any other period.

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