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4Q19 and FY 2019 Consolidated Earnings Results

IFRS



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 in 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 risk described from time to time in our filings with the Registro Nacional de Valores y Emisores and the SEC.

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

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

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

Consolidated key results for the year

	COP \$tn	2018	2019	19 vs 18
Balance Sheet	Gross Loans	\$ 169.2	\$ 179.4	6.0%
	Deposits	\$ 164.4	\$ 175.5	6.8%
	Deposits/Net Loans	0.97 x	1.01 x	0.03 x
	Tangible Equity Ratio	8.4%	9.2%	74 bps
Loan Quality	90 days PDLs / Total loans	3.1%	3.3%	19 bps
	Cost of risk	2.4%	2.2%	(17) bps
Profitability	Net interest margin	5.7%	5.7%	3 bps
	Fee income Ratio	23.6%	25.5%	191 bps
	Efficiency Ratio	45.7%	47.6%	187 bps
	Attributable net income	\$ 2.91	\$ 3.03	4.2%
	ROAA	2.2%	2.0%	(14) bps
	ROAE	17.8%	16.4%	(143) bps

Gross loans excludes interbank and overnight funds. **Tangible Equity Ratio** is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles. **PDLs 90+** defined as loans more than 90 days past due. **Net Interest Margin** includes net interest income plus net trading income from debt and equity investments at FVTPL divided by total average interest-earning assets. **Fee income ratio** is calculated as net income from commissions and fees divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **Efficiency Ratio** is calculated as total other expenses divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **ROAA** is calculated as annualized Net Income divided by average of total assets. **ROAE** is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity. **NS** refers to non-significant figures.

Key results per region for the year



COP \$tn

Colombia

70% of Assets

2018

2019

19 vs 18



COP \$tn

Central America⁽¹⁾

30% of Assets

2018

2018

19 vs 18

Balance Sheet

	2018	2019	19 vs 18
Gross Loans	\$ 116.4	\$ 124.2	6.6%
Deposits	\$ 113.7	\$ 119.2	4.8%
Deposits/Net Loans	0.99 x	1.00 x	0.02 x
Tangible Equity Ratio	7.7%	8.0%	39 bps

Balance Sheet

	2018	2018	19 vs 18
Gross Loans	\$ 52.8	\$ 55.2	4.6%
Deposits	\$ 50.7	\$ 56.3	11.1%
Deposits/Net Loans	0.95 x	1.02 x	0.08 x
Tangible Equity Ratio	10.3%	12.0%	165 bps

Loan Quality

	2018	2019	19 vs 18
90 days PDLs / Total loans	3.8%	4.0%	14 bps
Cost of risk	2.4%	2.1%	(23) bps

Loan Quality

	2018	2018	19 vs 18
90 days PDLs / Total loans	1.3%	1.6%	27 bps
Cost of risk	2.4%	2.3%	(3) bps

Profitability

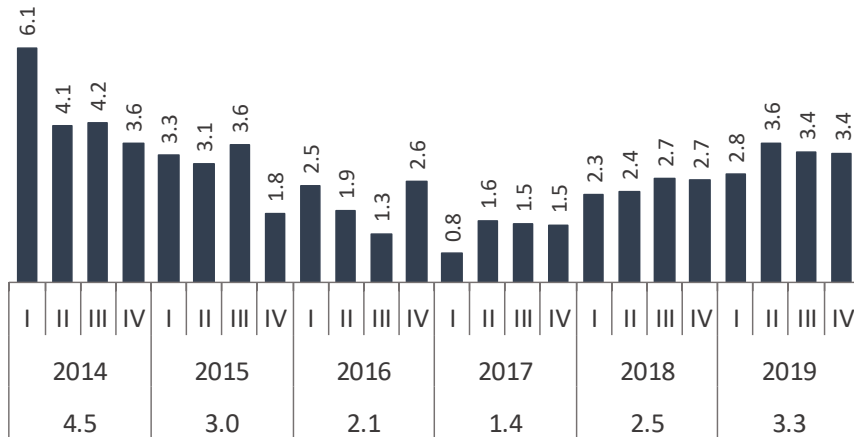
	2018	2019	19 vs 18
Net interest margin	5.4%	5.3%	(15) bps
Fee income Ratio	19.0%	20.9%	193 bps
Efficiency Ratio	41.8%	43.3%	147 bps
Attributable net income ⁽²⁾	\$ 2.10	\$ 2.11	0.4%
ROAA	2.4%	2.2%	(20) bps
ROAE	24.8%	23.3%	(156) bps

Profitability

	2018	2018	19 vs 18
Net interest margin	6.3%	6.8%	42 bps
Fee income Ratio	34.3%	34.9%	55 bps
Efficiency Ratio	54.8%	56.3%	157 bps
Attributable net income ⁽²⁾	\$ 0.81	\$ 0.92	14.0%
ROAA	1.7%	1.7%	0 bps
ROAE	10.3%	9.8%	(50) bps

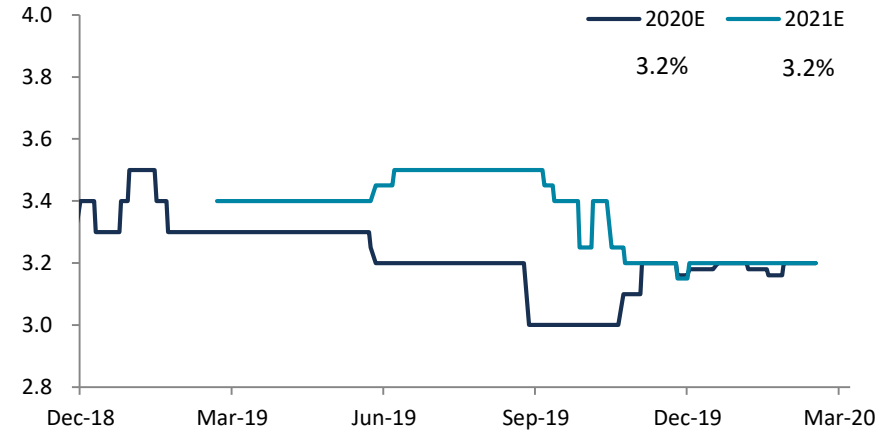
(1) Central America refers to Leasing Bogotá Panamá (LBP) operation expressed in Colombian Pesos, at the exchange rate of each period. **(2)** Attributable net income for Grupo Aval of Ps 715.1 bn for 4Q19 corresponds to the Ps 433.6 bn of our Colombian operation plus Ps 409.6 bn of our Central American operation multiplied by 68.7%, our stake in Banco de Bogotá. **Gross loans** excludes interbank and overnight funds. **Tangible Equity Ratio** is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles. **PDLs 90+** defined as loans more than 90 days past due. **Net Interest Margin** includes net interest income plus net trading income from investment securities held for trading through profit or loss divided by total average interest-earning assets. **Fee income ratio** is calculated as net income from commissions and fees divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **Efficiency Ratio** is calculated as total other expenses divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **ROAA** is calculated as annualized Net Income divided by average of total assets. **ROAE** is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity. **NS** refers to non-significant figures. Equity for Central America is calculated as LBP multiplied by our 68.7% stake in the company. Equity for Colombia is calculated as the difference between our consolidated attributable equity and the equity in Central America.

GDP Growth (%)



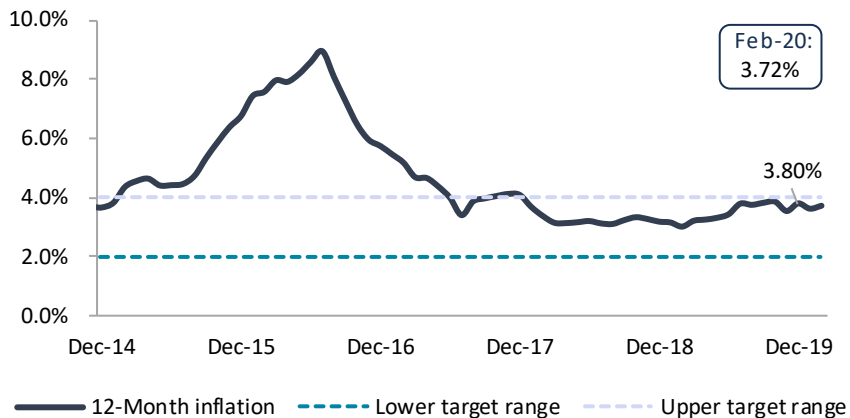
Source: DANE. Seasonally adjusted, constant prices of 2015 GDP

GDP Growth Expectations (%)



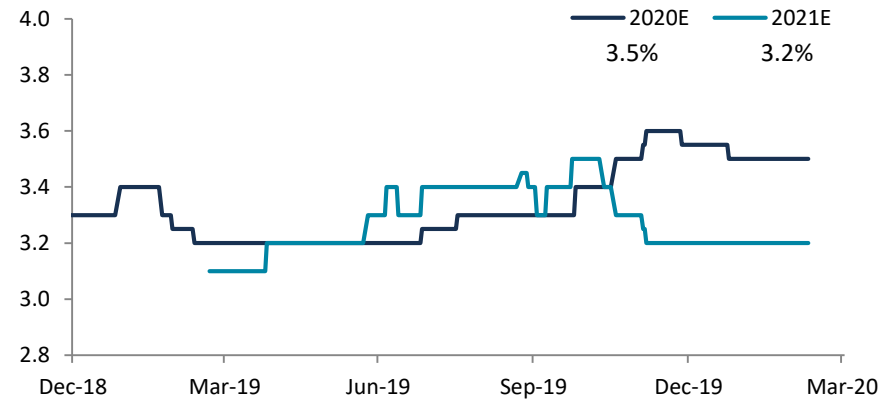
Source: Bloomberg Consensus

Inflation (%)



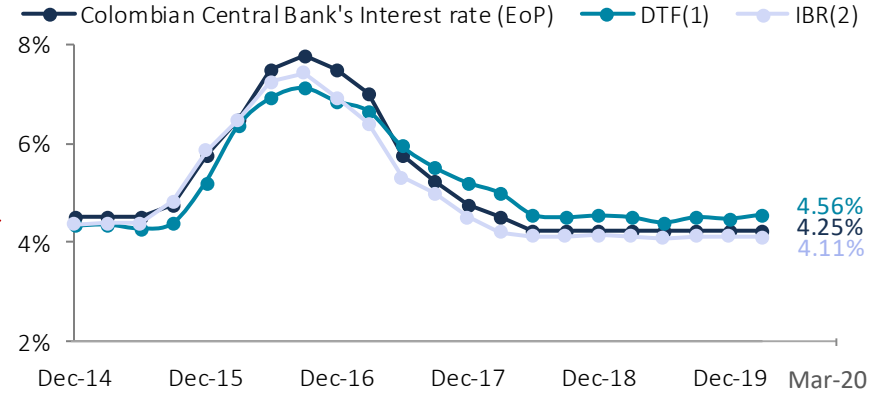
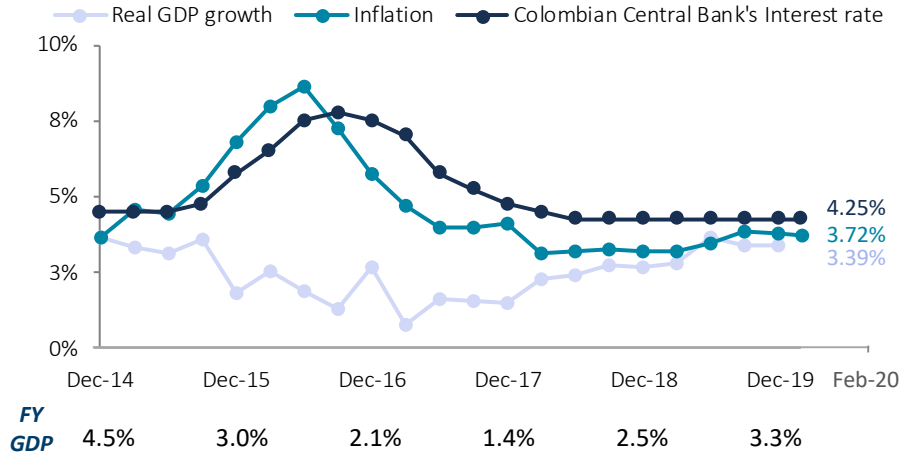
Source: Banco de la República de Colombia and DANE.

Inflation Expectations (%)



Source: Bloomberg Consensus

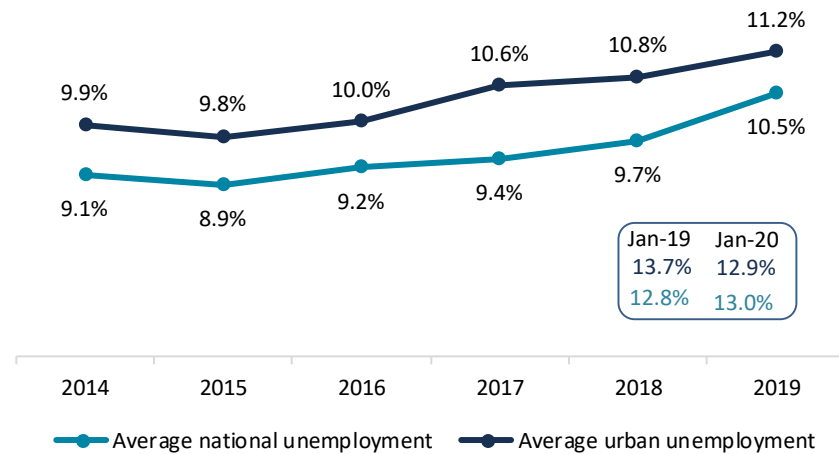
Central Bank's Monetary Policy



Source: Banco de la República de Colombia and DANE. GDP as of December 2019. GDP Seasonally-adjusted, constant prices (2015 basis)

Source: Banco de la República de Colombia. (1) End of period DTF rate (2) End of period 3-month interbank (IBR) rate

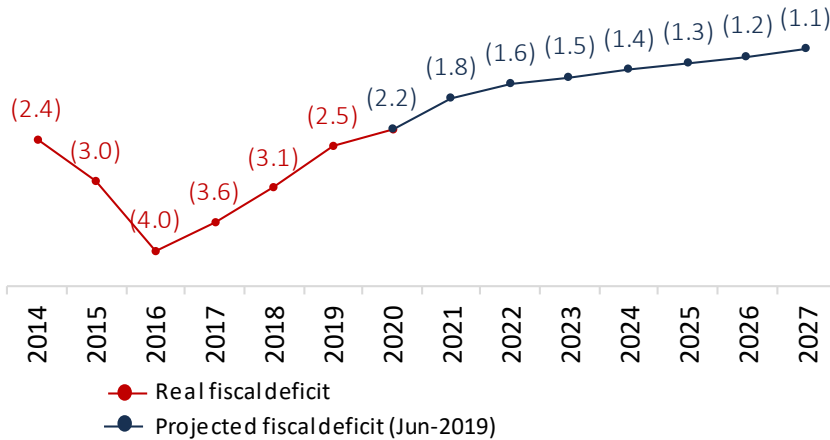
Unemployment (%)



Source: Banco de la República de Colombia. Urban unemployment defined as unemployment of 13 cities and their metropolitan areas

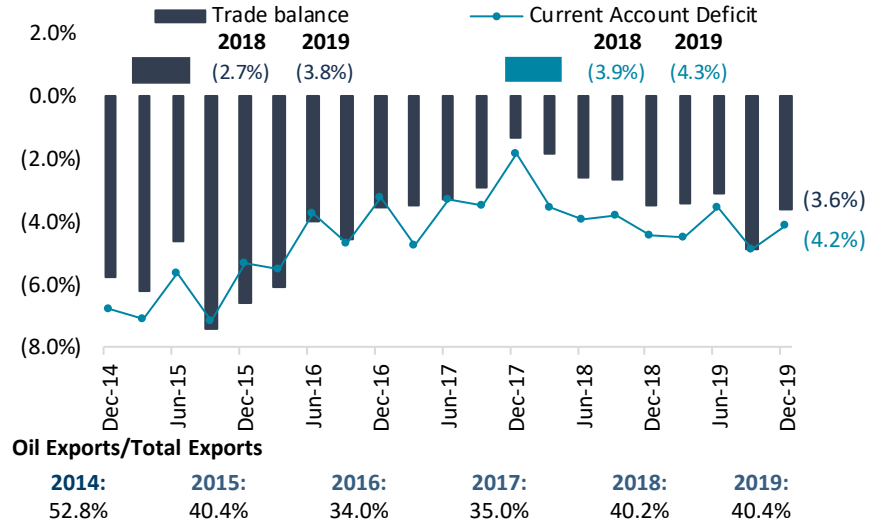
Macroeconomic context – Colombia (3 | 3)

Real and Projected Fiscal Deficit – Fiscal Rule (% of GDP)



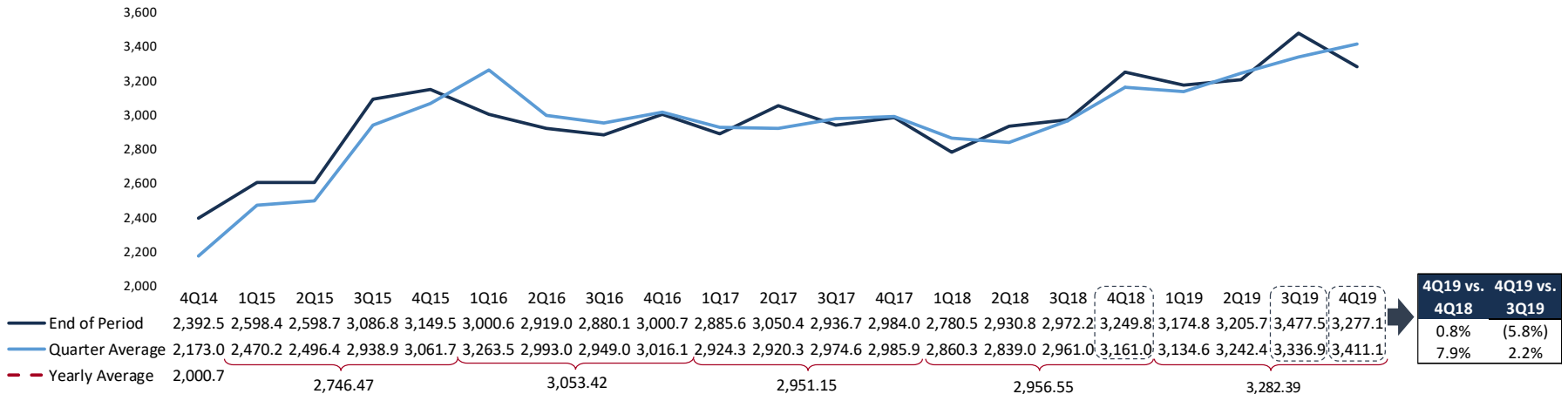
Source: Ministry of Finance. Projections start in 2020.

Current Account (% GDP, quarterly)



Source: Banco de la República de Colombia.

Colombian Peso Exchange Rate

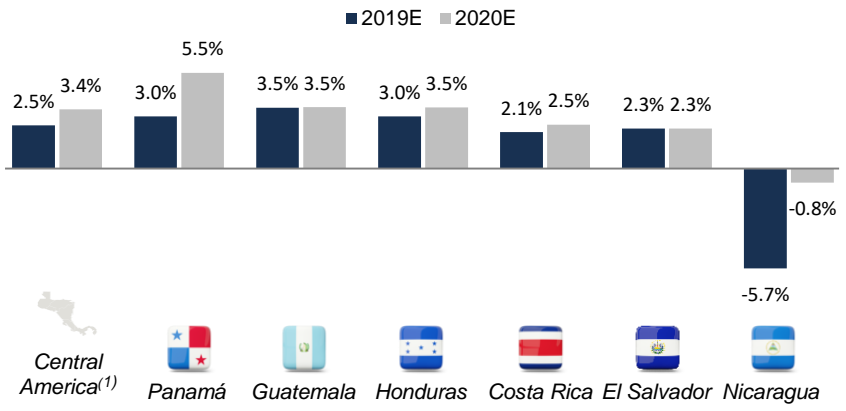


Source: Banco de la República de Colombia.

4Q19 vs. 4Q18	4Q19 vs. 3Q19
0.8%	(5.8%)
7.9%	2.2%

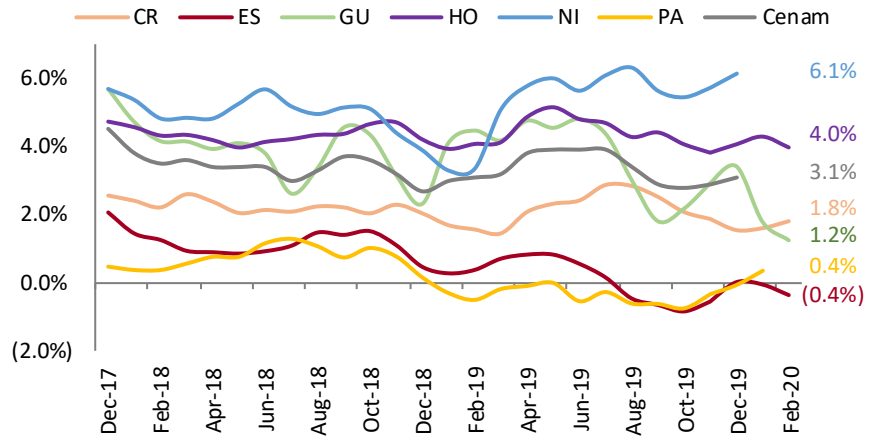
Macroeconomic context – Central America

Growth Outlook – Real GDP



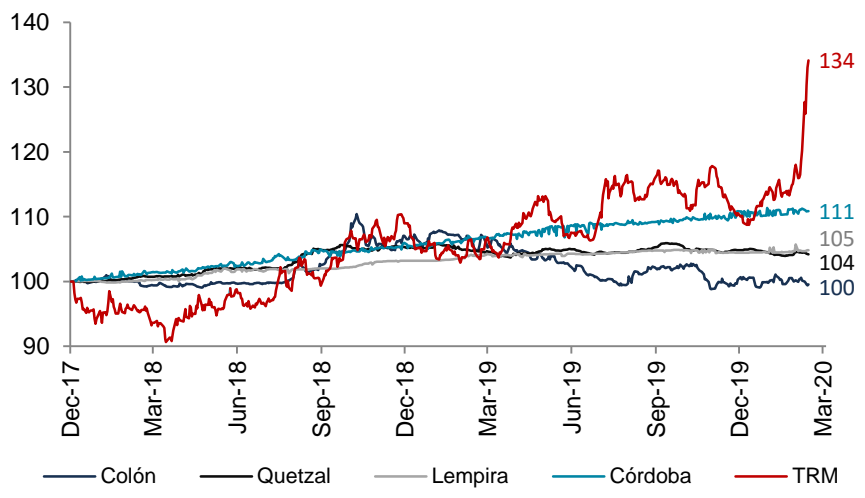
Source: IMF (WEO October 2019); (1) Aggregate growth of all the Central American countries.

Inflation per Country



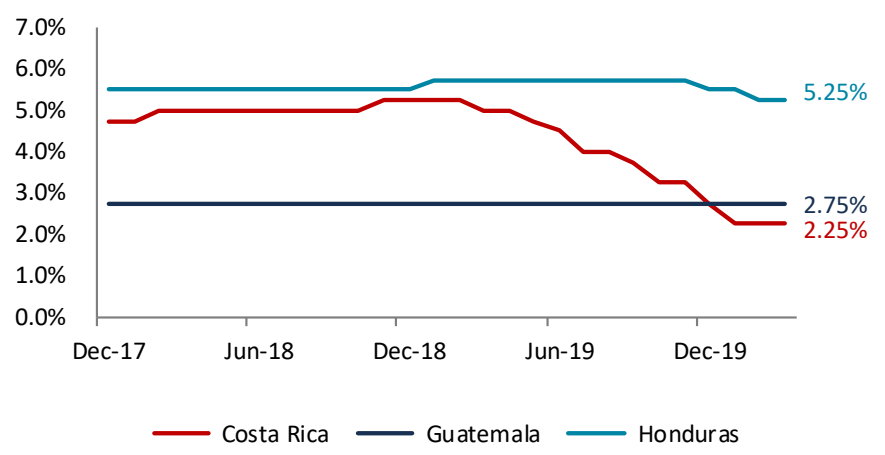
Source: SECMCA. CR: Costa Rica, ES: El Salvador, GU: Guatemala, HO: Honduras, NI: Nicaragua, PA: Panamá, Cenam: Central America. Inflation of Nicaragua and Cenam as of December 2019, Panamá as of January 2020.

Regional Exchange Rates (100 = 12/31/2017)



Source: Bloomberg

Central Bank's Interest Rates



Source: SECMCA.

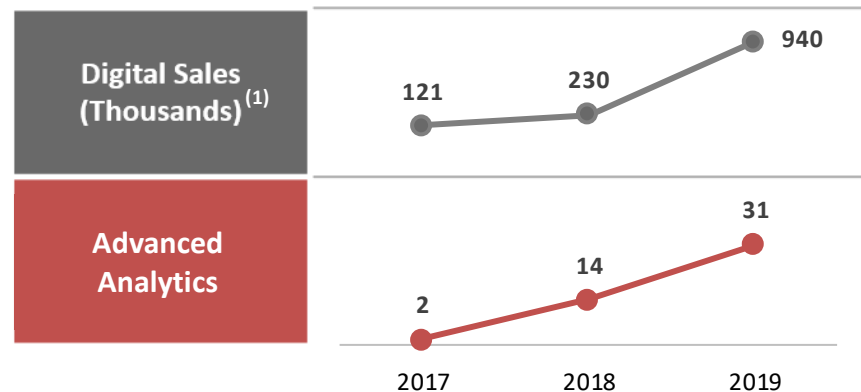
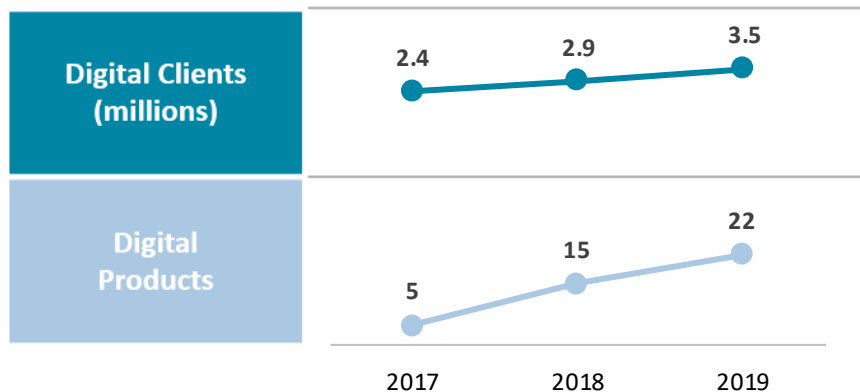


Strategy

- We are taking advantage of new digital technologies to improve customer experience, reach new customers, create new products and markets, and improve our efficiency
- We have launched a coordinated effort to digitalize our front and back offices, redesigning our core products, processes, and transactions
- Through analytics, we strive to better understand and serve our clients as well as improve our core activities such as risk, pricing and customer lifecycle management

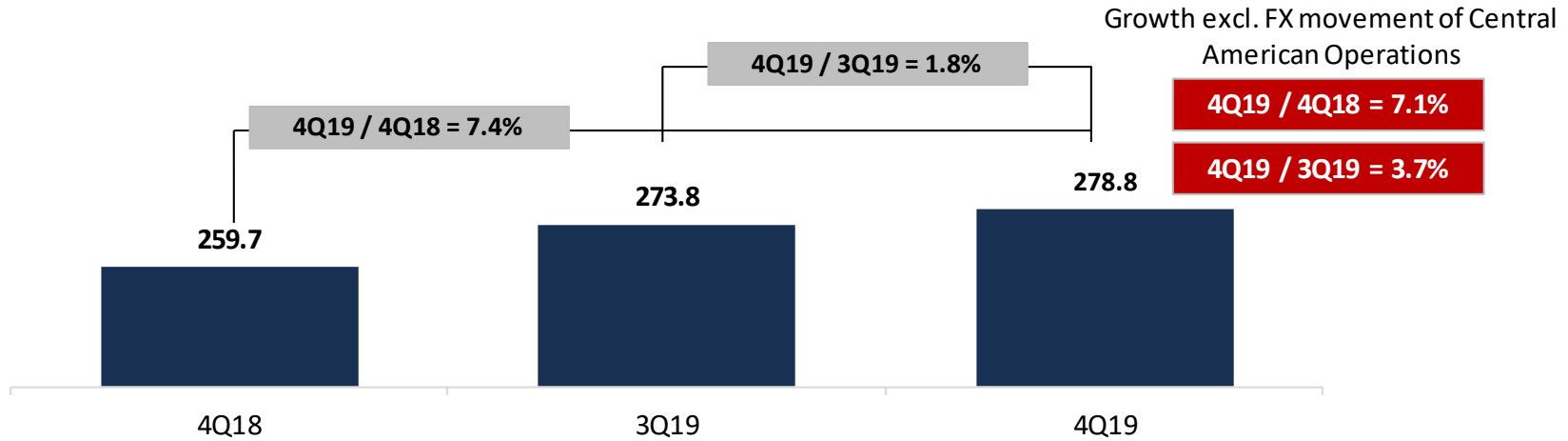
Evolution

- Since their creation 3 years ago, our digitalization labs have yielded strong results. We now have:
 - 3.5 million (or 20%) of our clients are digital
 - 35% of our retail product sales are supported by our digital initiatives
 - 22 core products have been digitalized in our banks
 - 60% of our transactions are digital

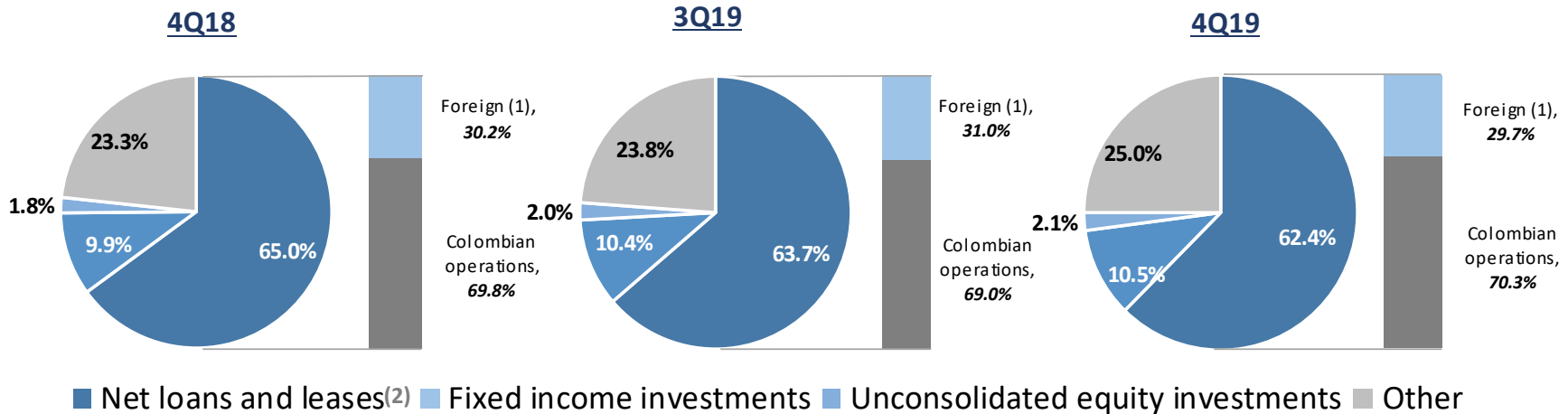


(1) Includes 7,146 digital approval of mortgages in 2019.

Total Assets



Assets Breakdown

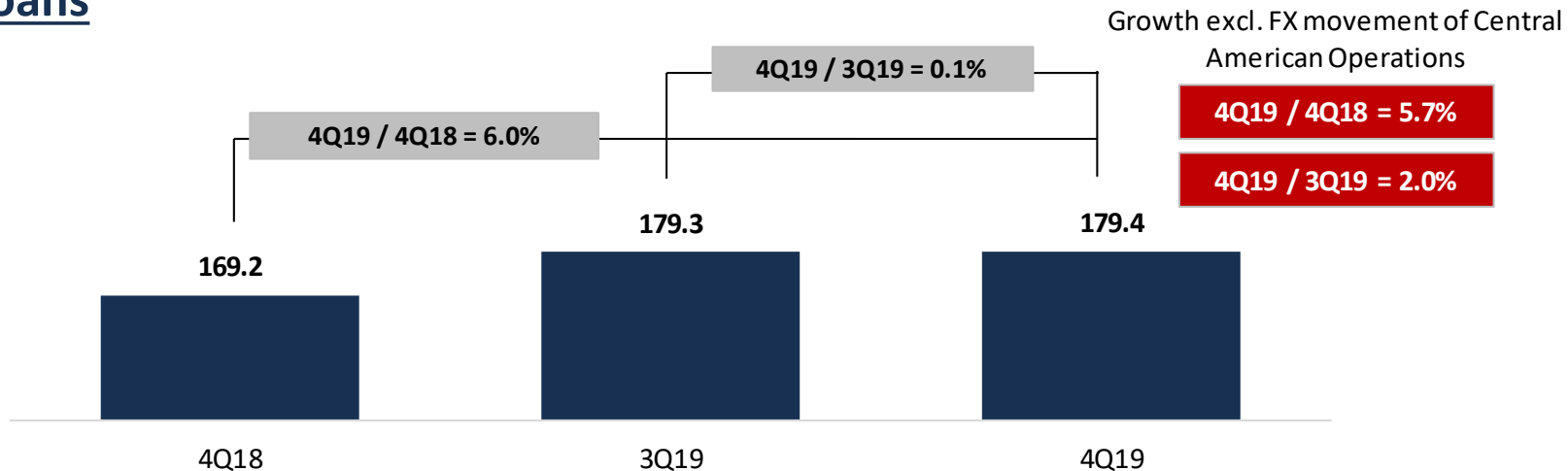


(1) Foreign operations reflect Central American operations. (2) Net loans and leases include interbank and overnight funds.

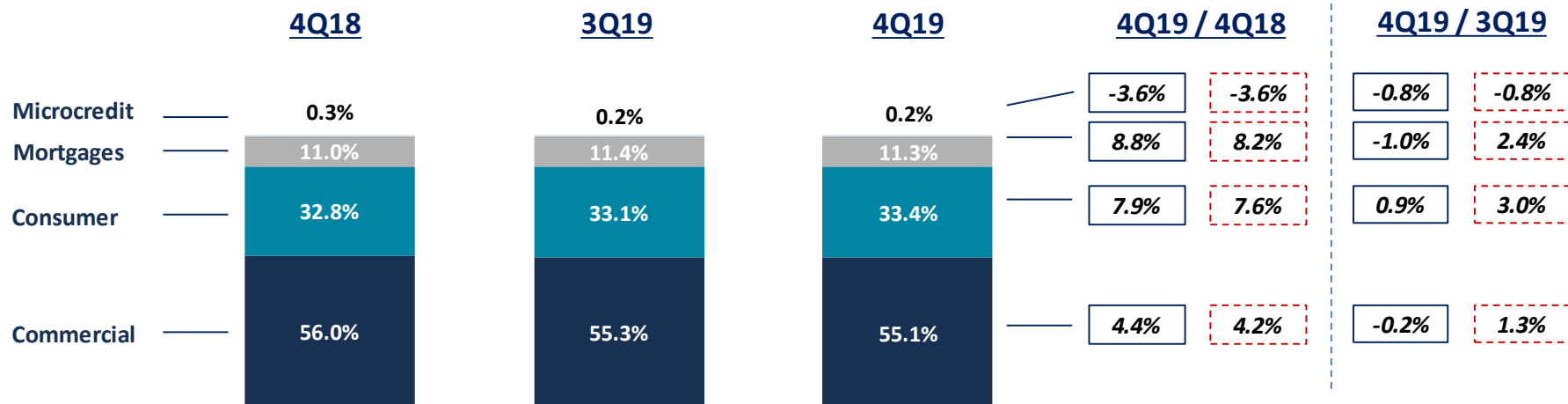
Loans and receivables

Figures in Ps. Trillions – Excluding interbank and overnight funds

Gross loans



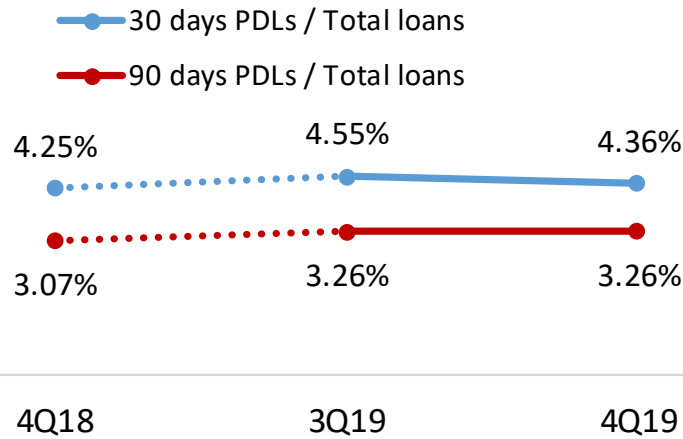
Gross loans Breakdown



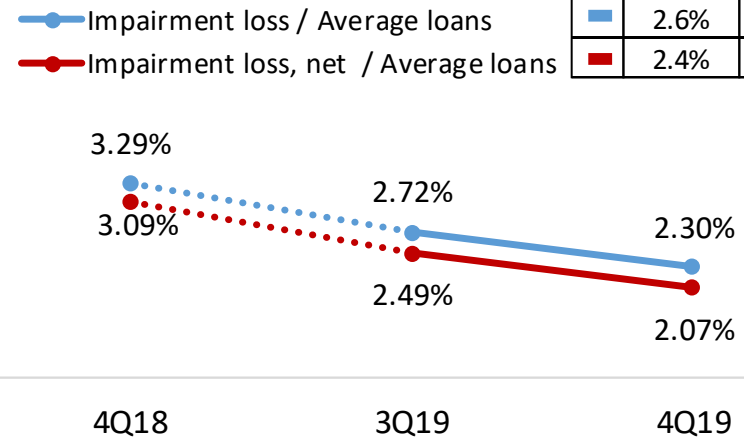
% Growth excluding FX movement of Central American Operations

Loan portfolio quality

Quality

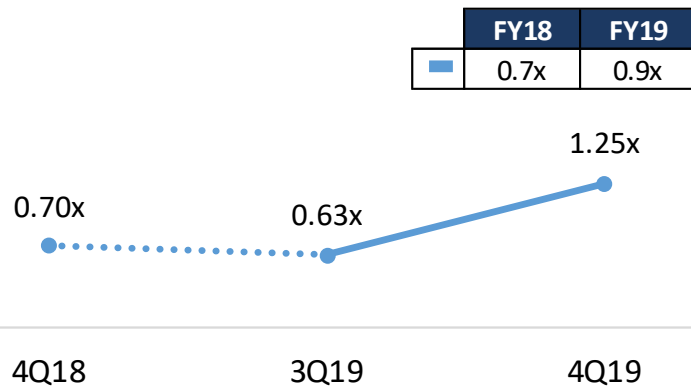


Cost of Risk



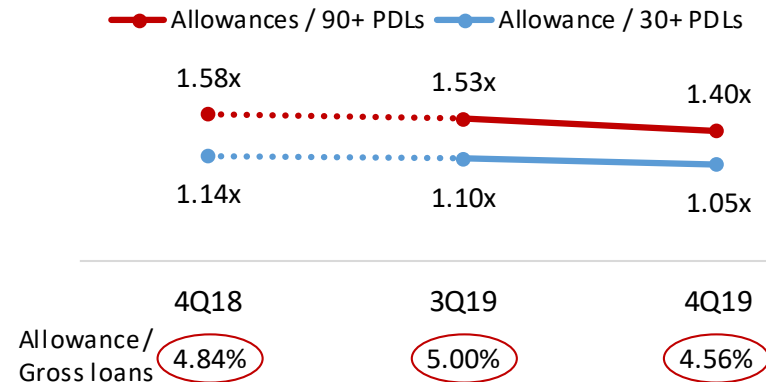
	FY18	FY19
Impairment loss / Average loans	2.6%	2.4%
Impairment loss, net / Average loans	2.4%	2.2%

Charge offs / Average 90+ PDLs



	FY18	FY19
Charge offs / Average 90+ PDLs	0.7x	0.9x

Coverage



Period	Allowance / Gross loans
4Q18	4.84%
3Q19	5.00%
4Q19	4.56%

Loan portfolio quality

Figures in Ps. Billions

30 days past due loans⁽¹⁾

	4Q18	3Q19	4Q19
Commercial	3.88%	4.26%	3.94%
Consumer	4.83%	4.87%	4.80%
Mortgages	4.13%	4.78%	4.84%
Microcredit	16.52%	17.36%	18.09%
Total loans	4.25%	4.55%	4.36%

90 days past due loans⁽²⁾

	4Q18	3Q19	4Q19
Commercial	3.42%	3.67%	3.58%
Consumer	2.66%	2.70%	2.76%
Mortgages	2.25%	2.71%	2.97%
Microcredit	12.30%	13.02%	13.60%
Total loans	3.07%	3.26%	3.26%

30 days past due formation⁽¹⁾

	4Q18	1Q19	2Q19	3Q19	4Q19
Initial PDLs	7,229	7,195	7,426	7,716	8,155
New PDLs	872	1,264	1,252	1,331	1,502
Charge-offs	(905)	(1,034)	(961)	(892)	(1,829)
Final PDLs	7,195	7,426	7,716	8,155	7,827

	FY18	FY19
Initial PDLs	6,195	7,195
New PDLs	4,149	5,349
Charge-offs	(3,149)	(4,717)
Final PDLs	7,195	7,827

90 days past due formation⁽²⁾

	4Q18	1Q19	2Q19	3Q19	4Q19
Initial NPLs	5,166	5,188	5,143	5,491	5,846
New NPLs	927	988	1,309	1,247	1,826
Charge-offs	(905)	(1,034)	(961)	(892)	(1,829)
Final NPLs	5,188	5,143	5,491	5,846	5,842

	FY18	FY19
Initial NPLs	4,382	5,188
New NPLs	3,955	5,370
Charge-offs	(3,149)	(4,717)
Final NPLs	5,188	5,842

(1) Past Due Loans + 30 / Total Loans including interest accounts receivable

(2) Past Due Loans + 90 / Total Loans including interest accounts receivable. PDLs 90+ defined as loans more than 90 days past due.

Total funding

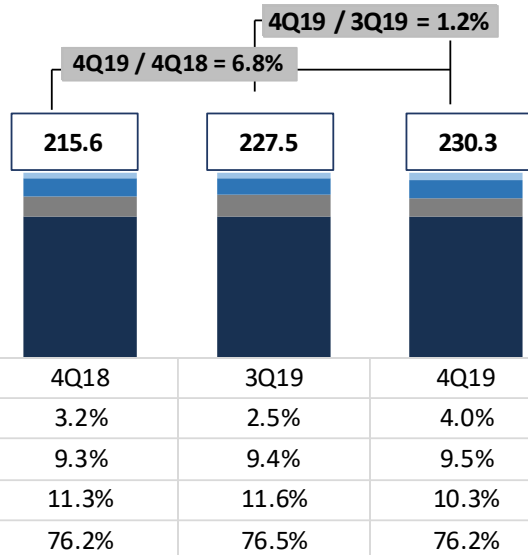
Growth excl. FX movement of Central American Operations

4Q19 / 4Q18 = 6.6%

4Q19 / 3Q19 = 3.0%

Funding composition

Interbank borrowings	3.2%	2.5%	4.0%
Bonds issued	9.3%	9.4%	9.5%
Banks and others	11.3%	11.6%	10.3%
Deposits	76.2%	76.5%	76.2%



Total deposits

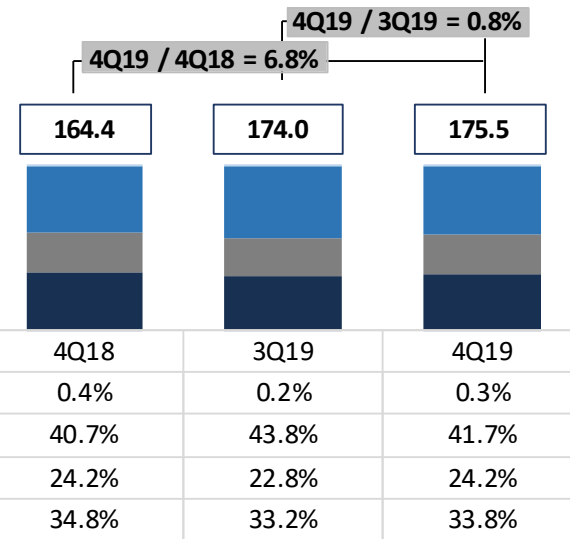
Growth excl. FX movement of Central American Operations

4Q19 / 4Q18 = 6.5%

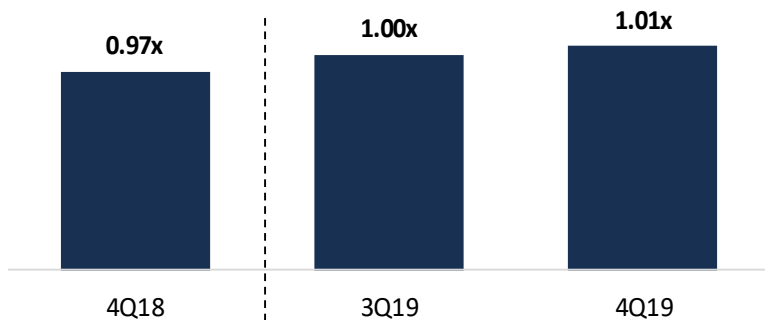
4Q19 / 3Q19 = 2.7%

Deposit composition

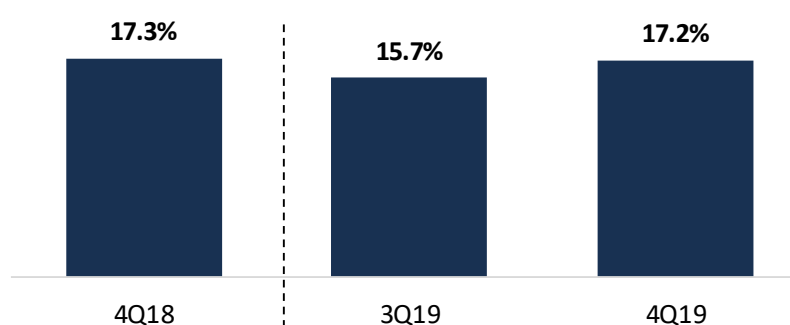
Others	0.4%	0.2%	0.3%
Time deposits	40.7%	43.8%	41.7%
Checking accounts	24.2%	22.8%	24.2%
Savings accounts	34.8%	33.2%	33.8%



Deposits / Net loans*(%)

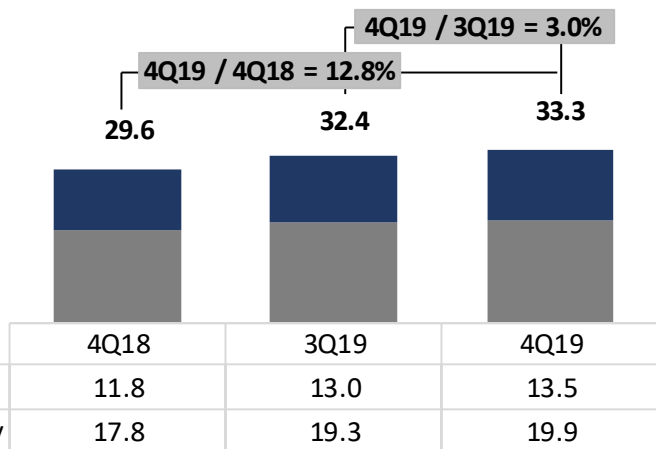


Cash / Deposits (%)

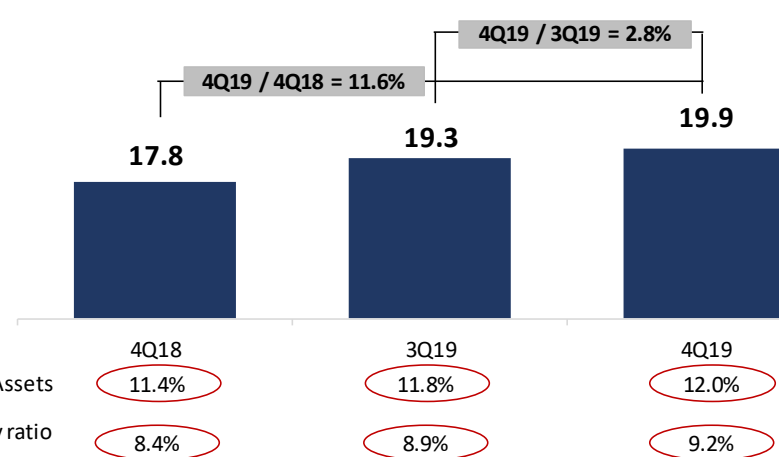


(*) Net Loans equals gross loans plus interbank and overnight funds net of allowance for impairment of loans and receivables

Attributable Equity + Minority Interest



Attributable Shareholders Equity



Consolidated Capital Adequacy of our Banks (%)



	4Q18	3Q19	4Q19	4Q18	3Q19	4Q19	4Q18	3Q19	4Q19	4Q18	3Q19	4Q19
Primary capital (Tier 1)	8.9	9.6	9.1	10.2	10.2	9.6	7.7	8.7	8.5	9.9	10.2	9.7
Solvency Ratio	13.5	13.4	12.8	12.6	12.4	11.8	10.1	10.7	10.6	10.5	11.0	10.7

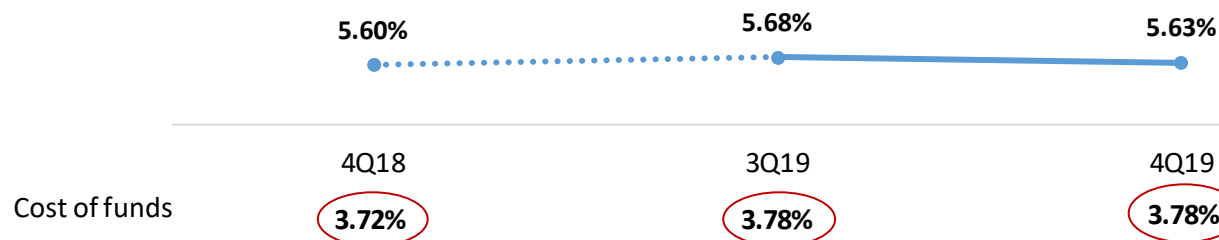
(1) Tangible Equity Ratio is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles.

Net Interest Margin

Net interest income(1) (trillions)

4Q18	3Q19	4Q19	4Q19 / 4Q18	4Q19 / 3Q19
2.8	3.0	3.0	8.5%	1.5%

Net Interest Margin⁽¹⁾



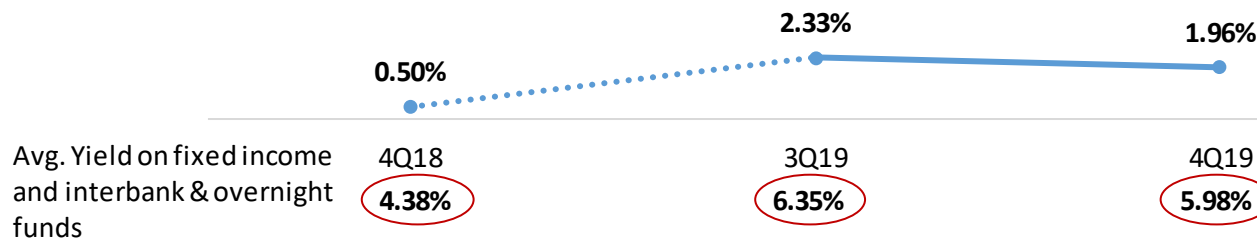
	FY18	FY19
■	5.67%	5.70%
■	3.71%	3.74%

Loans Interest Margin⁽²⁾



	FY18	FY19
■	6.71%	6.40%
■	10.56%	10.36%

Net Investments Margin⁽³⁾



	FY18	FY19
■	0.60%	2.28%
■	4.45%	6.24%

(1) Net Interest Income and Net Interest Margin: Includes net interest income plus net trading income from investment securities held for trading through profit or loss divided by total average interest-earning assets. NIM without income from investment securities held for trading through profit or loss was 5.6% for 4Q19, 5.6% for 3Q19 and 5.7% for 4Q18.

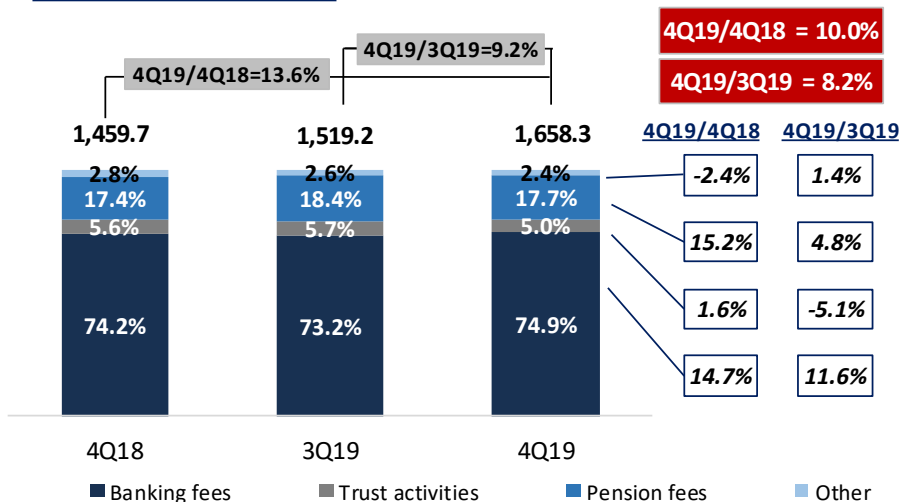
(2) Loans Interest Margin: Net Interest Income on Loans to Average loans and financial leases.

(3) Net Investments Margin: Net Interest income on fixed income securities, net trading income from equity and fixed income investment securities held for trading through profit and on interbank and overnight funds to Average securities and Interbank and overnight funds.

Fees and other operating income

Figures in Ps. Billions

Gross fee income



Non-financial sector⁽¹⁾

	4Q18	3Q19	4Q19	FY18	FY19
Energy & gas	114	193	143	588	665
Infrastructure	1,178	551	478	2,325	2,028
Hotels	13	8	9	37	32
Agribusiness	-10	-1	14	-5	14
Other ⁽²⁾	-89	-90	-105	-301	-363
Total	1,207	661	539	2,644	2,375

(1) Net income from sales of goods and services

(2) Reflects net NFS from Nexa BPO, Megaline and Aportes en Línea call-centers and other subsidiaries

Growth excluding FX movement of Central American Operations

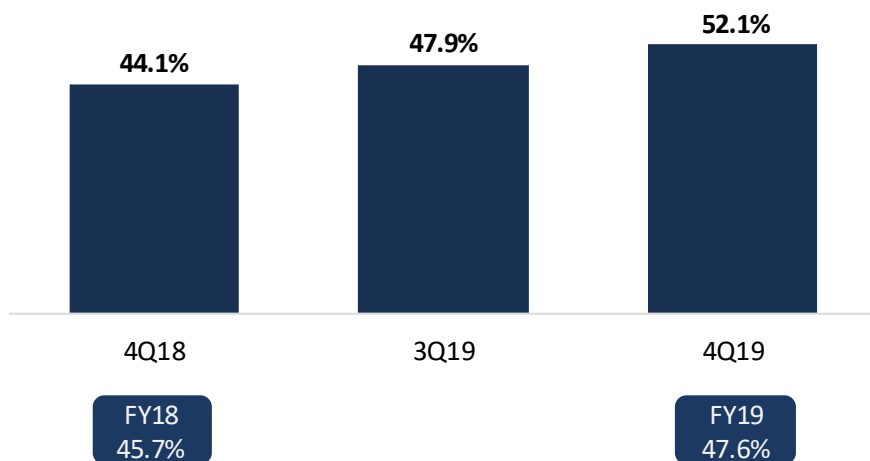
Other operating income

	4Q18	3Q19	4Q19	FY18	FY19
Foreign exchange gains (losses), net	-88	-208	337	283	312
Net income (loss) on financial derivatives	236	250	-179	248	20
Other trading income on derivatives	50	78	12	179	122
Derivatives and foreign exchange gains (losses), net (1)	198	120	170	711	454
Gains on valuation of assets	27	5	12	37	14
Net income from other financial instruments mandatory at FVTPL	29	55	55	206	218
Net gain on sale of investments and OCI realization	15	119	9	1	199
Gain on the sale of non-current assets held for sale	6	6	5	20	23
Income from non-consolidated investments (2)	66	68	57	269	314
Other income from operations	475	115	106	748	420
Total other income from operations	815	488	414	1,992	1,643

(1) Includes income from trading and hedging derivatives reflected as part of the net trading income on the Statement of Profit or Loss.

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

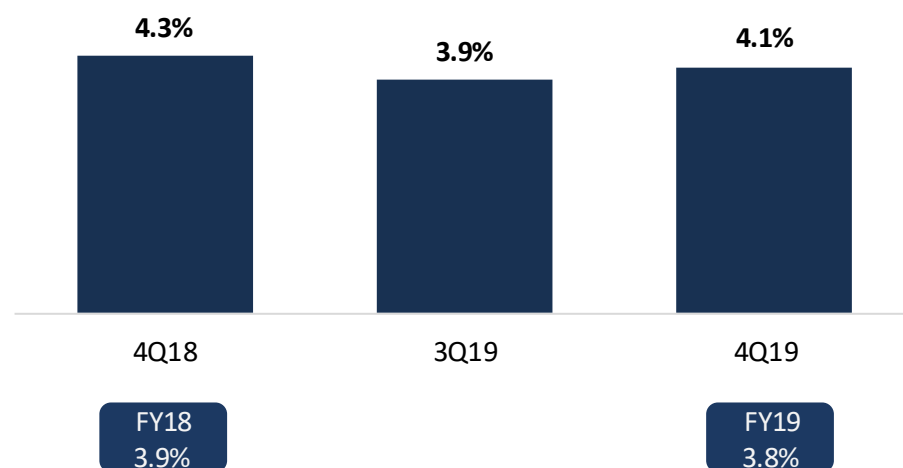
Cost to income⁽¹⁾



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

⁽¹⁾ Cost to income as previously reported would have been 41.8%, 43.8% and 46.3% for 4Q18, 3Q19 and 4Q19, respectively. 43.1% for FY18 and FY19.

Cost to assets⁽²⁾

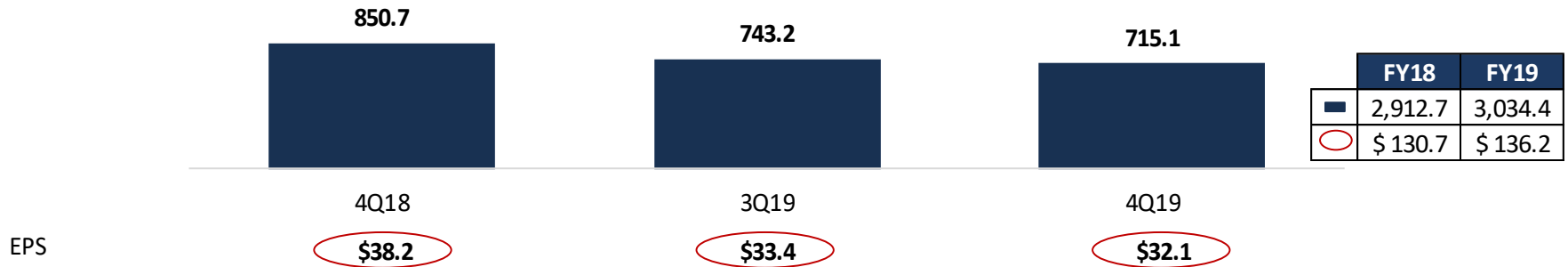


Cost to assets efficiency ratio is calculated as annualized total other expenses divided by average total assets.

⁽²⁾ Cost to assets as previously reported would have been 3.8%, 3.5% and 3.6% for 4Q18, 3Q19 and 4Q19, respectively. 3.5% for FY18 and 3.4% for FY19.

Figures in Ps. Billions

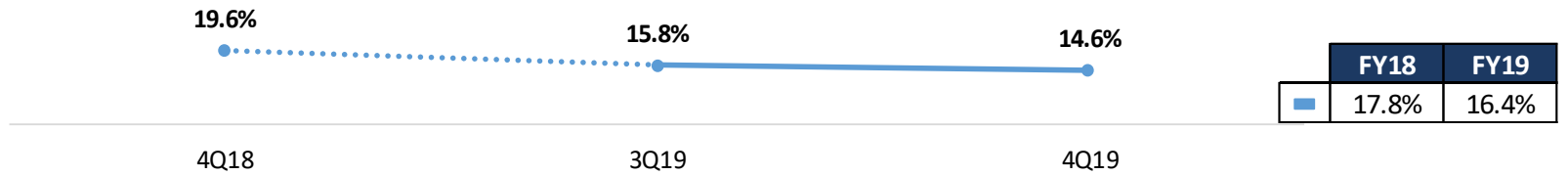
Net income attributable to controlling interest



ROAA ⁽¹⁾



ROAE ⁽²⁾



⁽¹⁾ROAA for each quarter is calculated as annualized Net Income divided by average of total assets.

⁽²⁾ROAE for each quarter is calculated as annualized Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity.

Grupo

