2Q2022 CONSOLIDATED EARNINGS RESULTS CALL TRANSCRIPT

GRUPO AVAL ACCIONES Y VALORES S.A.

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Operator: Welcome to Grupo Aval second quarter 2022 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 ("SEC"). As such, it is subject to compliance with securities regulation in Colombia and applicable U.S. securities regulation. Grupo Aval is also subject to the inspection and supervision of 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-IFRS measures such as ROAA and ROAE, among others, are explained when required in this report.

Banco de Bogotá executed a spin-off of a 75% equity stake in BAC Holding International, Corp ("BHI"); to its shareholders and Grupo Aval subsequently spun-off its equity interest to its shareholders on March 29, 2022. Prior to the spin-off, Banco de Bogotá was the direct parent of BHI. Grupo Aval has retained an indirect stake of approximately 17.2% in BHI (representing our proportional interest in the 25% equity stake in BHI retained by Banco de Bogotá). This interest in BHI is reported as discontinued operations for reporting periods prior to the spin-off and will be reported under the "share of profit of equity accounted investees, net of tax (equity method)" line item for subsequent periods.

As a result, for comparability purposes, we have prepared and present supplemental unaudited pro forma financial information for the six months ended June 30, 2021 that assumes the spin-off was completed on January 1, 2021. The supplemental unaudited pro forma financial information does not purport to be indicative of our results of operations or financial position had the relevant transactions occurred on the dates assumed and does not project our results of operations or financial position for any future period or date. The pro forma financial information is unaudited and the completion of the external audit for the year ended December 31, 2022 may result in adjustments to the unaudited pro forma financial information presented herein any such adjustments may be material.

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.

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: Good morning and thank you all for joining our second quarter 2022 conference call. As always, it is my pleasure to introduce our strong financial results for the quarter that ended on June 30th.

Of significance, because the spin-off of 75% of BHI was completed at the end of this year's first quarter, this quarter's results do not include net income from discontinued operations. As you may recall, during the first quarter of this year, income from discontinued operations totaled PS 1.6 trillion, or PS 1.1 trillion in attributable net income.

Before Diego provides a detailed look at our numbers, I will provide an overview of Colombia's macro scenario, followed by a quick update of the status of our clients´ pandemic-driven loan reliefs, our digital efforts, and a few highlights of our financial performance.

Let´s start with the macroeconomic scenario. Undoubtedly, the global economy is facing sustained inflationary pressures, which have led to tighter monetary policies worldwide. A yet-to-be-normalized supply chain, the disruption in the supply of domestic gas to Europe and fertilizers to the rest of the world because of the Russian invasion of Ukraine, China's covid policies and consumers spending pandemic savings have all combined to exacerbate inflation pressures. A generalized increase in interest rates and supply issues have slowed down economies around the world.

As a result, the IMF now estimates global GDP growth for 2022 of 3.2%, down from the 3.6% expected in April, mainly driven by the slowdown of growth in the three largest economies: the USA, China, and the Euro Zone.

In contrast, for now, the Colombian economy continued with its post-pandemic solid rebound. In fact, as you may recall, during the first quarter the Colombian economy grew 8.5%, or 8.2% on a seasonally adjusted basis. Recent data suggest that GDP growth will exceed 11% during the second quarter, when compared to the same quarter a year ago. Growth was boosted by private consumption and due to a base effect, because the second quarter of 2021 was marred with the negative effect on GDP of social protests throughout the country.

Accordingly, we have updated our estimate of Colombia´s GDP growth upwards and now expect it to fall between 6.25% and 6.75%, more in line with market consensus.

Regarding the labor market, the unemployment rate fell to 11.3%, as of June. In fact, all the jobs lost due to the pandemic were recovered at the national level, while 90% of all urban jobs have been recovered. The average unemployment rate during the second quarter was 11.0%, compared to 13.2% during the first quarter and 15.1% a year earlier, enhanced by jobs in the entertainment, agriculture, transportation, and commerce sectors. We expect additional gains in payroll numbers and a further decline in the annual unemployment rate to an average in the 10.5 to 11% area, down from 15.9% in 2020 and 13.8% in 2021.

Concerning Inflation, Colombia has not been the exception. Pushed by strong domestic demand, 12-month inflation continued to accelerate, reaching 10.2% in July, the highest twelve-month-figure of the last 22 years. Food inflation, which accounts for approximately 15% of inflation, at 24.6% continues to be one of the main drivers of the increase in consumer prices. Rent and home utilities inflation, which accounts for approximately 33% of inflation, at 6.1%, is another big influencer in the inflation number. Inflation expectations continue rising with a market consensus forecast of 9.1% for 2022. We anticipate that 12-month inflation could reach 9.5% by year's end.

In this context, we believe the Central Bank is close to reaching the end of its tightening cycle in 2022. The repo rate is currently at 9% after a 150 basis points hike during the last meeting in July, and real interest rates are finally positive after a couple of years. If inflation behaves as expected, we don't rule out the possibility of one additional hike of 100 basis point in September, which should bring the year end rate to 10%.

Regarding the exchange rate, during the second quarter the dollar appreciated as much as 879 pesos or 23% but has recently depreciated to around 4,310 pesos per dollar, which equates to a devaluation of the peso, during 2022, of approximately 8%. In general, we expect the peso to respond to Colombia's trade deficit, which is very dependent on the price of oil, and with the prospects of a tighter monetary policy in the US and an eventual outflow of capital from Colombia towards hard currency economies. However, for now, we expect stability of the peso at the 4,200 pesos per dollar area.

On the fiscal front, the government now expects a deficit of 5.6% of GDP in 2022, an improvement versus the 7.1% recorded in 2021 and the 6.5% initially forecasted, reflecting the strong economic rebound, the positive effect of higher oil prices, and very positive tax revenues. In fact, tax revenue in June grew 35.5% compared to June 2021. This improved fiscal scenario could contribute to a lower ratio of net public debt to GDP, of 56.5% by year-end, down from 61% at the end of 2021.

On August 8, Colombia's new government presented a new tax bill to Congress, which we are just starting to analyze but whose well-known objective is to increase tax revenues by as much as 55 trillion pesos to expand social programs and reduce public debt. Several other reforms have been announced, including environmental, energy, pension, and health reforms.

Moving on, as of June, active debt reliefs in Colombia, amounted to approximately 4% of the total consolidated loan portfolio, and active debt reliefs in Multibank, Banco de Bogota's local bank in Panama, amounted to approximately 3% of Aval's consolidated loan portfolio. Of all loans that have concluded their relief periods, less than 1% are past due 90 days or more, and 1.3% are past due 30 days or more.

Moving on, these are some noteworthy numbers regarding our digital strategy:

- Aval's banks active digital clients remain at approximately 4 million at the end of June.

- Additionally, clients of our digital wallet, dale, have started to grow significantly and totaled approximately half a million by the end of June.

- Our banks sold over 1 million digital products in the first half of the year, an increase of 59% vs. 1H2021. Our total digital share continues around 60%.

- Digital adoption of our mobile banking apps and personal banking platforms reached 59%. We expect to have a 65% digital adoption by year's end.

- Disbursements through our first mobility ecosystem initiative CarroYa, increased by 3.0x in the quarter. Additionally, the amount of qualified credit leads for our banks through CarroYa increased 25% during the quarter and the leads to disbursements conversion rate doubled over the quarter.

- In June, we launched our insurance digital ecosystem in alliance with the global insurance companies Mapfre and Allianz.

- Campaigns conducted through MATHILDE ADS, our programmatic Ad platform, have improved our banks' client targeting and materially reduced our digital acquisition costs.

- Finally, we are very proud to announce that for second year in a row, Banco de Bogotá was recognized as the "Best innovator Digital Lab" by Global Finance.

To finish, in a minute Diego will refer in detail to our financial performance during the second quarter of 2022. However, I would highlight the following:

This second quarter marks the first entire quarter without BHI, BAC Holding International, under our wings. BHI continues to do very well, and I am sure its new shareholders are thrilled with its performance. In the meantime, our Colombian banks, and our non-financial sector subsidiaries registered a remarkable quarter, when compared to previous quarters adjusted to strip out the contribution from BHI. In fact, on a comparable basis, Aval delivered a quarter 7% higher in attributable net income than the first quarter of 2022, with notably better credit quality and cost of risk. Additionally, operating cost control continues to be very high on our priority list as well as the execution of our digital, innovation and payment strategies.

As expected, in this rising rate scenario, Loans Interest Margins continue to expand in our two largest banks, which in turn are those with loan portfolios mostly composed of commercial loans, while Loans Interest Margins tend to contract in banks with loan portfolios with mostly fixed-rate consumer loans.

Obviously, cost of funds continue to rise both for our banks and for our non-financial subsidiaries. We remain very vigilant of the effect that continued rising interest rates could have in the ability of our customers, especially customers with variable rate loans, to pay their obligations. For now, we are satisfied with what we are seeing.

Finally, our pension fund manager has seen its insurance premium costs rise due to the pandemic increase in mortality and its fixed-rate portfolios have also suffered the volatility derived from higher interest rates.

As we highlighted, the economy continues to move in the right direction, but inflation has not started to subside. Therefore, we expect that Monetary policy will continue to tighten until it makes a dent on inflation.

Importantly, on the foreign front, we have yet to see the final global consequences of the fast-approaching European winter without a solution to the domestic gas debacle, and the full restoration of the global supply chain.

Locally, we will await and analyze closely all the announced reforms and their consequences over our businesses. I believe that future quarterly calls will contain chapters focusing on quantifying those effects. But ultimately, we continue to strongly believe in this country's resilience. I thank you for your attention and now I'll pass on the presentation to Diego, who will explain in detail our business results.

Diego Fernando Solano Saravia: Thank you, Luis Carlos. Before I start, I want to mention that on this call we are presenting the gains from loss of control of subsidiaries related to the spin-off of 75% of BHI as discontinued operations, improving the comparability of our continued operations. On our 1Q call we had classified them as other income. Be aware that this changes previously reported metrics for efficiency and fee income ratio.

Beginning on page 6,

•On comparable basis, assets grew 13.9% over the year and 5.7% during the quarter.

•Over the quarter, our mix shifted toward cash, reflecting the position that we already built to prepare to pay our US$1 billion bond on September 26, 2022.

•Over the year, our unconsolidated equity investments increased their share of assets, reflecting that after the spin-off, Banco de Bogotá's equity interest in BHI is accounted for as an investment in associates.

Moving to page 7, we present the evolution of our loans, on comparable bases

•Gross Loans grew 12.8% over the year and 5.2% during the quarter.

•Our quarterly growth rate was strong both in commercial and retail lending:

•Commercial loans continued to gain traction reaching a 5.4% growth over de quarter and 11.0% over 12 months. Mid-size companies and SMEs explain part of this performance.

•Demand for consumer loans continued to be high, resulting in a growth of 4.8% during the quarter and of 14.7% over 12 months.

The improvement in GDP growth, employment, and the overall macro environment has allowed us to increase our underwriting of personal loans and credit cards.

Payroll loans still constitute most of our consumer loan portfolio with 59% of the total, followed by personal loans and credit cards, with 20.5% and 11.5%, respectively. Auto loans represent 8.8% of our consumer book.

Payroll loans continue to drive our growth, increasing 3.8% QoQ and 13.6% YoY. Personal loans, Credit Cards and automobile loans grew 7.2%, 5.8% and 5.1% over the quarter, taking annual growths to 19.8%, 12.9% and 14.6%, respectively.

• Finally, mortgages remained dynamic, expanding 5.8% over the quarter and 18.1% year on year.

• Even though headwinds from monetary policy can be expected to reduce the pace of the system, we have a positive view on growth moving forward. GDP and household and government demand will support this performance. In addition, the improvement in employment will further benefit retail lending momentum.

On Pages 8 and 9, we present several Loan Portfolio Quality ratios, on comparable bases

•The quality of our loan portfolios continued its improvement trend, both measured as composition by stages and through PDL metrics.

•Cost of risk fell substantially relative to a year and a quarter earlier. The composition of our loan portfolio classified by stages continued improving, as well as the coverage ratios for each stage.

•Stage 1 loans now represent 84.3% of our gross loans, improving from 80.7% and 82.6% 12 and 3 months earlier.

•Stage 3 loans are back to pre-pandemic levels. The retail portfolio is already slightly below pre-pandemic levels, while commercial loans are approaching the 2019 levels.

•The portion of Stage 2 loans is still affected by the outstanding balance of active reliefs [11.4 billion in active reliefs vs 15.1 billion in outstanding balance of Stage 2]. Credit risk overlays put in place during the pandemic, still drive the higher level of Stage 2 loans.

We expect this portion of our book to continue improving toward Stage 1 as we advance into the second half of the year and continue reducing the balance of active reliefs and removing overlays.

•Regarding delinquencies, 90-day PDL fell to 3.33% (a 94-bps improvement over 12 months and 20-bps improvement over 3 months). 30-day PDL fell to 4.38% (a 115-bps improvement over 12 months and 27-bps improvement over 3 months). Both metrics stand over 50 bps below pre-pandemic levels on a comparable basis

•Cost of Risk net of recoveries was 1.4%, including a 57-bps quarterly improvement in commercial loans to 0.49% and a 2-bps increase in retail to 2.60%.

•Finally, the ratio of Charge-offs to average 90-day PDL was 0.54 times for the quarter, stable relative to a quarter earlier.

On Page 10 we present Funding and Deposits evolution, on comparable bases.

•Funding growth during the quarter was in line with that of our loans, with a stable Deposit to Net Loans ratio at 100%.

•Deposits, which account for 70% of our funding, increased 4.8% during the quarter and 7.9% year on year, driven by growth in time deposits, favoring the stability of our funding.

On Page 11 we present the evolution of our total and attributable equity, and the capital adequacy ratios of our banks, as reported

•Our “Total Equity” grew 1.9% over the quarter while our “Attributable Equity” increased 1.2%. Lower valuations of fixed income investments held at FV through OCI in an increasing rate environment dampened the contribution of net income. Annual decreases in our equity reflect the spin-off of 75% of BHI in March 2022.

•The Solvency ratios slightly fell in some of our banks despite positive results on net income, incorporating the increase in Risk Weighted Asset resulting from loan growth and the lower valuations of our investment portfolios through OCI.

On page 12 we present our yield on loans, cost of funds, spreads and NIM, on comparable basis

•Our overall NIM fell 50 bps to 3.64% during the quarter, driven by a negative NIM on investments.

•A stable NIM on loans in our banking segments, combined with the higher funding cost of our non-financial activity, resulted in a NIM on loans of 4.91%, contracting 19 bps during the quarter.

•NIM on loans performance incorporates the benefits of monetary policy on our commercial lending activity, that reprices promptly. On the other hand, our consumer loans (that have longer repricing periods), take longer to benefit from this environment.

•Given that our banking book is heavier on commercial lending, this environment favors the NIM on loans of our combined banking segments, despite differences across banks.

•In addition, the interest expenses associated with funding our non-financial activity presses our NIM on loans. It is worth anticipating that this increase in cost of funding is compensated by a strong performance of the non-financial sector (presented on the following page) that benefits from inflation.

•NIM on Investments was negative 1.25% during the quarter, impacted by the performance of marked-to-market fixed income in a rising rate environment. NIM on investments includes the performance of investments held by Porvenir under mandatory stabilization reserves.

On page 13 we present net fees and other income, on comparable basis

•Gross Fee Income increased 1.9% year on year and fell 8.3% quarter on quarter. Net fee income decreased 4.6% year on year and 1.8% quarter on quarter.

•Pension fees decreased due to lower performance-based fees and higher insurance premiums associated with increased mortality rates during the pandemic.

•Income from the non-financial sector, in particularly infrastructure, was strong given that the financial assets from our concession arrangements benefit from higher inflation and the depreciation of the Colombian peso.

•Regarding Other Operating Income at the bottom of the page, 3 elements drive the changes relative to previous quarters:

Starting this quarter, Income from Non-Consolidated Investments through the equity method incorporates the full effect of our 25% equity stake in BHI, which contributed 150 billion pesos to this line item. During 1Q22, seasonal dividends were recorded in this line item.

Second, Derivatives and Foreign Exchange Gains (or Losses) include the performance of FX hedges on the non-financial sector, and

And finally 1Q22, "Other Income from operations" included a one-time 137 billion pesos in Income from Fair Value, associated with the spin-off of BHI.

On Page 14 we present some efficiency ratios, on comparable basis.

•Cost to assets remained flat over the quarter at 2.6% and improved relative to a year earlier.

•Our Cost to income increased to 41.1%, driven by the compression in NIM, previously described, as well as the seasonality of dividends.

•Expenses grew 6.9% YoY, well below inflation metrics, driven by personnel expenses that grew 3.8% while administrative expenses that grew 11.9%.

Finally, on Page 15 we present our net income and profitability ratios, as reported.

•Attributable Net income for the quarter was 675 billion pesos, or 29.7 pesos per share.

•Our ROAA and ROAE for the quarter were 2.1% and 16.6%, respectively.

Before we move into Q&A I will now summarize or general guidance for 2022:

•We expect loan growth to be in the 15% - 16% range, with Commercial loans growing in the 14.5% - 15% range and retail loans in the 15.5% - 16.5% range.

•We expect our cost of risk, net of recoveries, to be in the 1.5% area.

•We expect full year NIM to be in the 4.0% area, with NIM on loans between 5.0-5.25%.

•We expect cost to assets to be in the 2.6% area.

•We expect our fee income ratio to be in the 19% - 20% range.

•We expect our Non-Financial Sector to be 20% higher than that of 2021.

•Finally, we expect our full year reported ROAE to be in the 19-20% range.

We're now open to 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 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) on your touchtone phone.

We have a question from Juan Recalde, from Scotiabank. Please go ahead.

Juan Recalde: Thanks, good morning. Thank you for taking my question. I have two questions. One, on net interest income expectations, and the second one on delinquencies.

So, in terms of net interest income, we still see the NII decreasing by higher interest expenses. I was wondering how should we expect this to evolve for the rest of the year and when can we see NII increasing again.

And the second question is related to delinquencies. We saw an improvement in the NPL ratio this quarter. I wanted to know how do you expect this to continue evolving for the rest of the year. And at what levels do you think that the NPL ratio is going to stabilize? Thank you.

Diego Fernando Solano Saravia: Okay. Regarding NIM expectations, there are several forces here in play. To break it down in pieces, if we are to think around our business lines, the NIM from our banking segments should be stable and probably have an upside as we're able to reprice our loans. Then, if you look at the non-financial side, the non-financial side of the business only has the expense side of NIM. Therefore, it's not able to translate it through the line of NIM, but rather gets a benefit through the income from non-financial sector. So, when you bring together those lines, the overall NIM on loans might have a slightly negative bias with the banking segment neutral or positive, and then a negative effect from the cost of funds of the non-financial sector.

The other piece in place that is very much market-dependent is what happens on the NIM on investments, that has been the heaviest or the most negative effect on our NIM over the past few quarters. We expect some improvements there, even though that side of the world is under pressure. Part of that has already been evidenced throughout this quarter, during the couple of months we've been running this quarter, where we see the government bonds in Colombia starting to have some periodic recoveries that should start to establish a new trend. So, overall, for the rest of the year, we should see less pressure from

NIM on investments and something similar from NIM on loans.

Then, regarding delinquencies, you have to bear in mind that Colombia has a strong GDP growth that has been surprising positively over time and that's the reason why our guidance for the year is of 1.5% for cost of risk. What that implies is some sort of pressure building during the remainder of the year with the higher rates coming from the Central Bank. But then if you bear in mind how our book looks like, our book is much more protected than some of our peers to these changes, given that it's very much concentrated in payroll lending and on the consumer side and the profile of the corporate side could be something similar to the rest of the system. So, you should see more of the same of what we've seen, that means improvement relative to other years, that should round up the year around 1.5% of cost of risk net of recoveries.

Operator: Thank you. As a reminder, if you have a question, please press zero (0) one (1) on your touchtone phone. The next question comes from Julián Ausique, from Davivienda Corredores. Please go ahead.

Julián Ausique: Hi, everyone and thank you for having my questions. I would like to ask you, first of all, if you can give us more detail about the decrease in pension fees, why the pension fees had this performance during the quarter.

And I also would like to ask you about the net stable funding rate you have in all your banks. How is it performing? It's already above the regulation levels? Or if you have some pressures in any of your banks. And regarding this question, I would like to know if the NIM will have some pressure. You already mentioned that you expected that it better performs during the next quarters, but if the net stable funding ratio has some pressure, you will have some pressure in the cost of funding? Thank you.

Diego Fernando Solano Saravia: Okay. Let me start. You have two questions regarding what is called CFEN in Colombia and perhaps something you need to be aware of is as recent as 4th of August, last week, the Superintendency came out with changes in regulations that will relieve some of the pressure that we had seen from CFEN over the past few months. In that sense, we are not expecting pressure to build up from CFEN, but rather a more positive outlook for the next few quarters and what we have implicit somehow in the numbers we gave you before. So, there might be a relief throughout the system because the cost of funds is being pressed, not because of our banks need for CFEN, but from the overall leading banks requiring additional funding and pressing the costs overall for the system. So, we expect to see some relief there that should favor our numbers.

To your question about regulation, yes, absolutely. We're above regulation at this point, and we're not foreseeing pressure on that front.

And then finally, you mentioned decreasing pension fees. As I went through the presentation, there has been two forces affecting us. One piece of our fees is performance related. That means that if the market is not doing well and the funds that we have to invest in are not doing well, that presses down our fee component. And the other piece is our fees are net of insurances and given that there has been changes in mortality throughout the world over the past couple of years, that has increased some of the premiums that we have to pay.

Operator: Thank you. As a reminder, if you have a question, please press zero (0) one (1) on your touchtone phone.

At this moment, we have no further questions. Now I give the word back to Mr. Sarmiento for his final remarks.

Luis Carlos Sarmiento Gutiérrez: Thank you so much, Hilda, and thank you all for attending our second quarter call. These are interesting times. Next time for sure, we'll probably be talking about all the reforms that are being passed and have been presented to Congress. Congress is starting with a tax reform. But for now, we're just doing that analysis and I'm sure it'll be subject of future conversations. We expect to continue yielding the results and the numbers and we'll see you in the next one. Thank you so much.

Operator: Thank you. Ladies and gentlemen, this concludes today's conference. Thank you for participating. You may now disconnect.