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# 4Q20 and FY2020 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	2019	2020	20 vs 19
<b>Balance Sheet</b>	Gross Loans	\$ 179.4	\$ 201.8	12.5%
	Deposits	\$ 175.5	\$ 211.8	20.7%
	Deposits/Net Loans	1.01 x	1.08 x	0.07 x
<b>Loan Quality</b>	90 days PDLs / Gross Loans	3.3%	3.6%	31 bps
	Allowance/90 days PDLs	1.40 x	1.52 x	0.12 x
	Cost of risk	2.2%	3.0%	77 bps
<b>Profitability</b>	Net interest margin	5.7%	5.2%	(53) bps
	Fee income Ratio	25.5%	22.0%	(351) bps
	Efficiency Ratio	47.6%	46.0%	(155) bps
	Attributable net income	\$ 3.03	\$ 2.35	(22.6%)
	ROAA	2.0%	1.5%	(55) bps
	ROAE	16.4%	11.7%	(472) bps

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

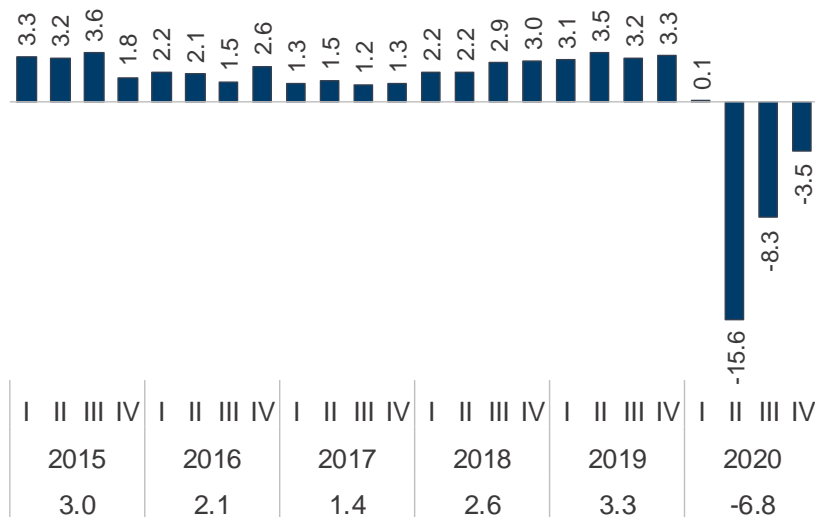
# Key results per region for the year

COP \$tn		Colombia			Central America <sup>(1)</sup>		
		65.2% of Assets			34.8% of Assets		
		2019	2020	20 vs 19	2019	2020	20 vs 19
Balance Sheet	Gross Loans	\$ 124.2	\$ 131.2	5.6%	\$ 55.2	\$ 70.6	27.8%
	Deposits	\$ 119.2	\$ 132.0	10.8%	\$ 56.3	\$ 79.8	41.8%
	Deposits/Net Loans	1.00 x	1.05 x	0.05 x	1.02 x	1.13 x	0.11 x
Loan Quality	90 days PDLs / Gross Loans	4.0%	4.5%	52 bps	1.6%	1.8%	19 bps
	Allowance/90 days PDLs	1.31 x	1.44 x	0.10 x	1.90 x	1.89 x	0.00 x
	Cost of risk	2.1%	3.2%	104 bps	2.3%	2.6%	24 bps
Profitability	Net interest margin	5.3%	4.8%	(42) bps	6.8%	5.8%	(95) bps
	Fee income Ratio	20.9%	18.5%	(242) bps	34.9%	28.5%	(636) bps
	Efficiency Ratio	43.3%	40.3%	(292) bps	56.3%	56.5%	20 bps
	Attributable net income <sup>(2)</sup>	\$ 2.11	\$ 1.55	(26.7%)	\$ 0.92	\$ 0.80	(13.1%)
	ROAA	2.2%	1.7%	(50) bps	1.7%	1.1%	(59) bps
	ROAE	23.3%	17.2%	(602) bps	9.8%	7.2%	(260) 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 2,349.5 bn for FY20 corresponds to the Ps 1,545.8 bn of our Colombian operation plus Ps 1,169.2 bn of our Central American operation multiplied by 68.7%, our stake in Banco de Bogotá. **Gross loans** excludes interbank and overnight funds. **PDLs 90+** defined as loans more than 90 days past due. **Cost of Risk** calculated as Impairment loss on loans and other accounts receivable net of recoveries of charged-off assets divided by average gross loans. **Net Interest Margin** includes net interest income plus net trading income from 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, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **Efficiency Ratio** is calculated as total other expenses divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **ROAA** is calculated as annualized Net Income divided by average of total assets. **ROAE** is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity. **NS** refers to non-significant figures. 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.

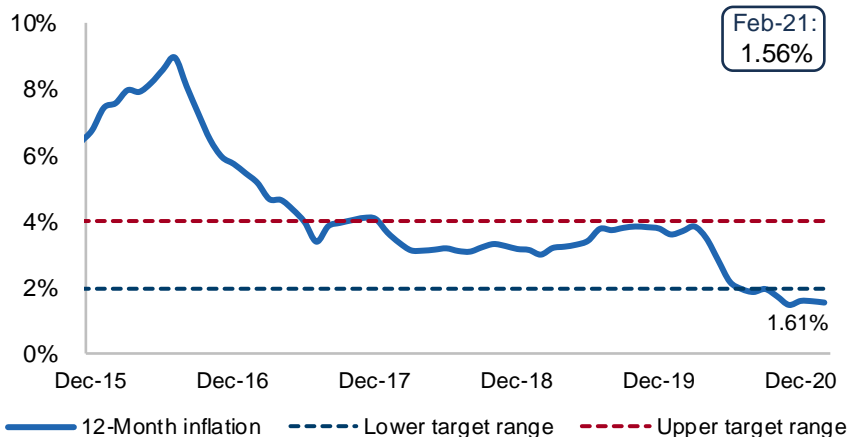
# Macroeconomic context - Colombia ( 1 | 2 )

## GDP Growth (%)



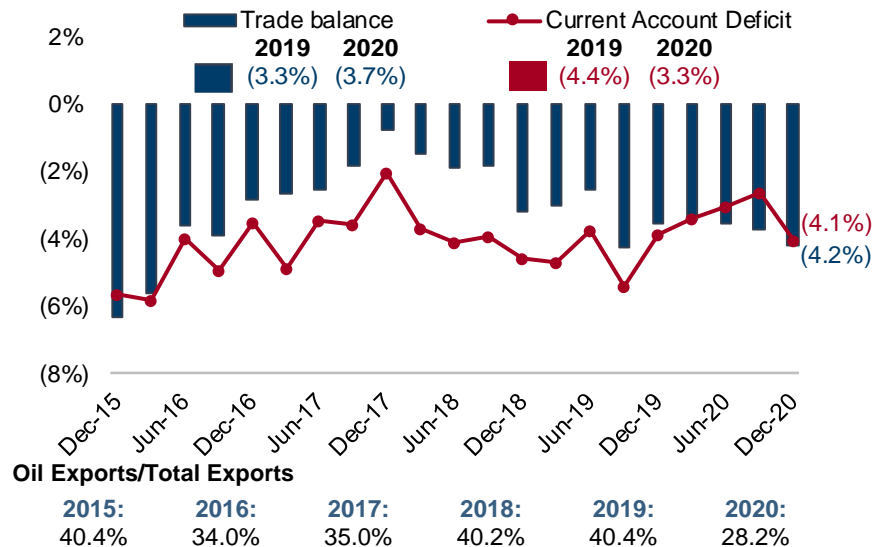
Source: DANE. Seasonally adjusted, constant prices of 2015 GDP

## Inflation (%)



Source: Banco de la República de Colombia and DANE.

## Current Account ( % GDP, quarterly)

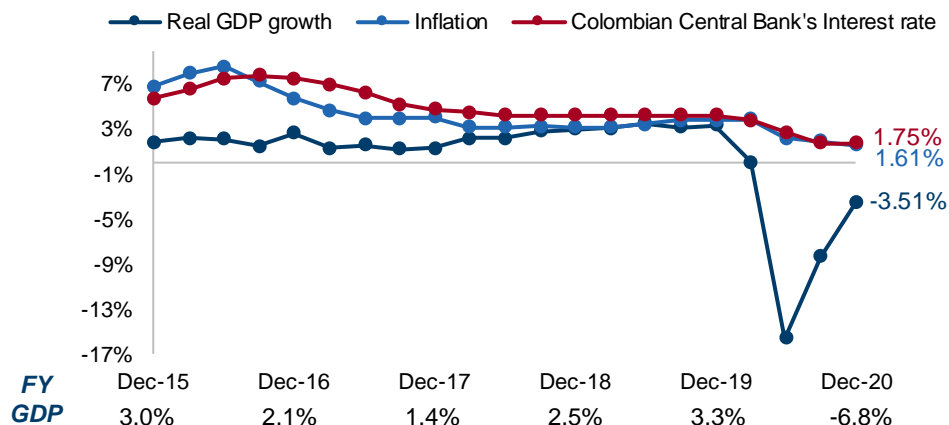


### Oil Exports/Total Exports

2015:	2016:	2017:	2018:	2019:	2020:
40.4%	34.0%	35.0%	40.2%	40.4%	28.2%

Source: Banco de la República de Colombia and DANE.

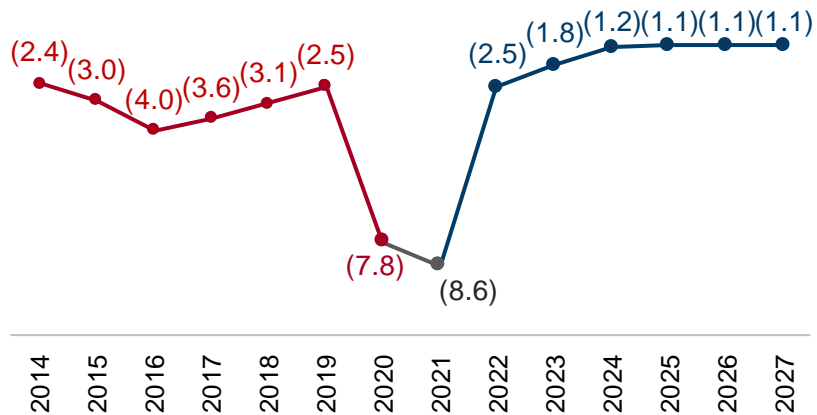
## Central Bank's Monetary Policy



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

# Macroeconomic context - Colombia ( 2 | 2 )

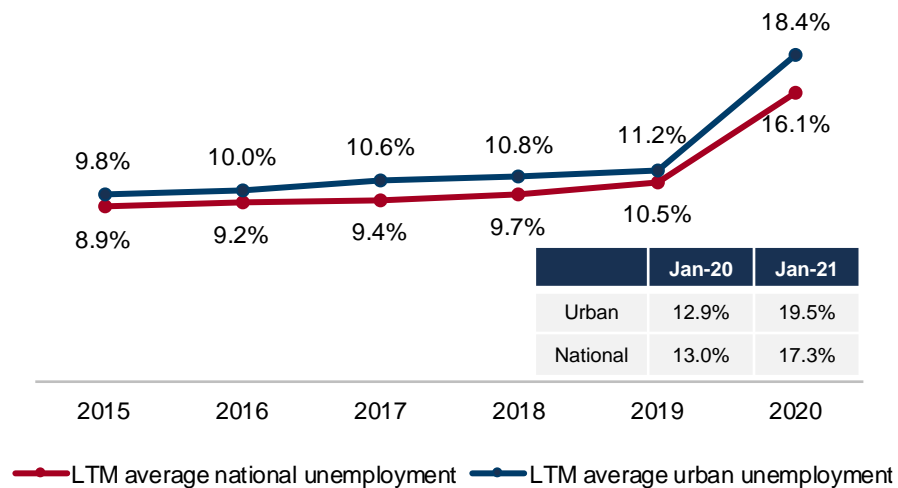
## Real and Projected Fiscal Deficit Fiscal Rule (% of GDP)



- Real fiscal deficit
- Projected fiscal deficit (Jun-2020)
- 2021 Financial Plan (Mar-2021)

Source: Ministry of Finance. Projections start in 2021.

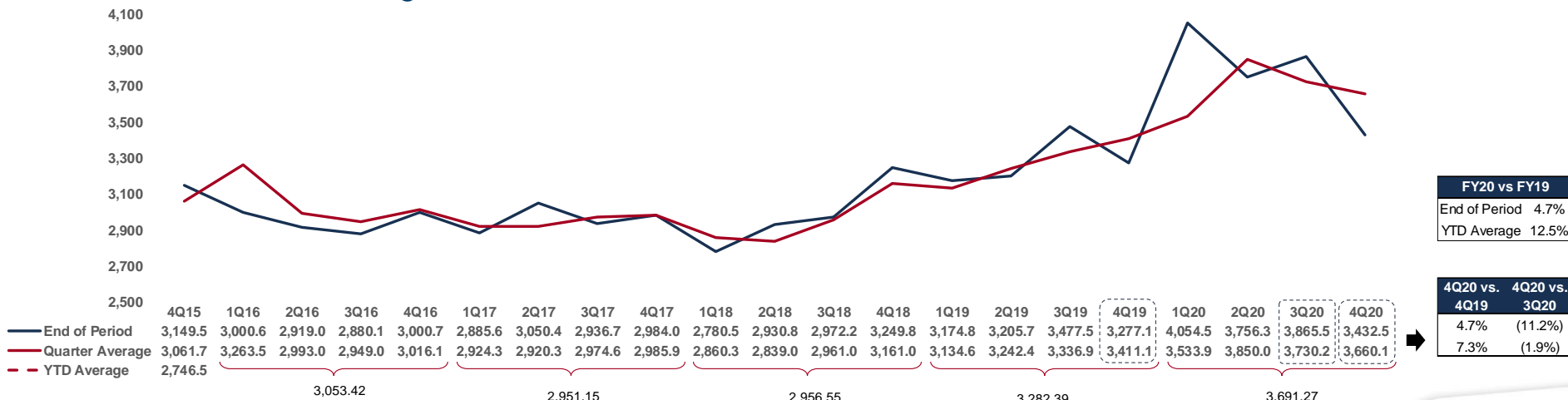
## Unemployment (%)



	Jan-20	Jan-21
Urban	12.9%	19.5%
National	13.0%	17.3%

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

## Colombian Peso Exchange Rate



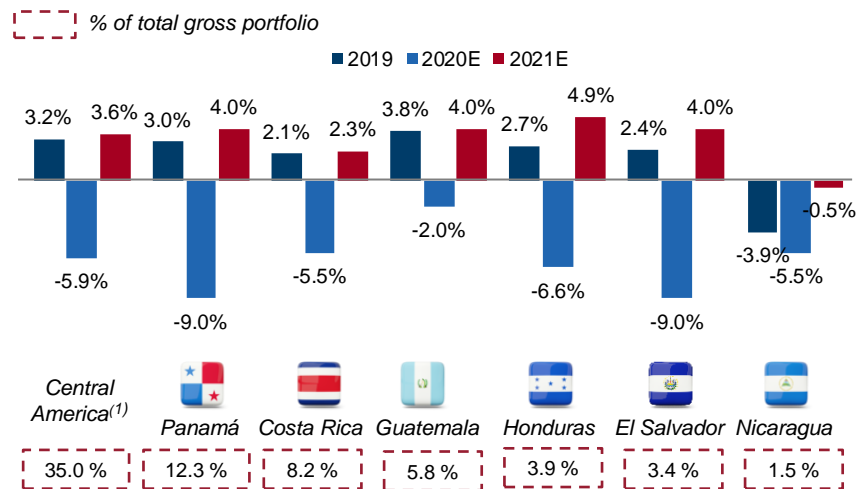
FY20 vs FY19	
End of Period	4.7%
YTD Average	12.5%

4Q20 vs. 4Q19		4Q20 vs. 3Q20	
End of Period	4.7%	End of Period	(11.2%)
YTD Average	7.3%	YTD Average	(1.9%)

Source: Banco de la República de Colombia.

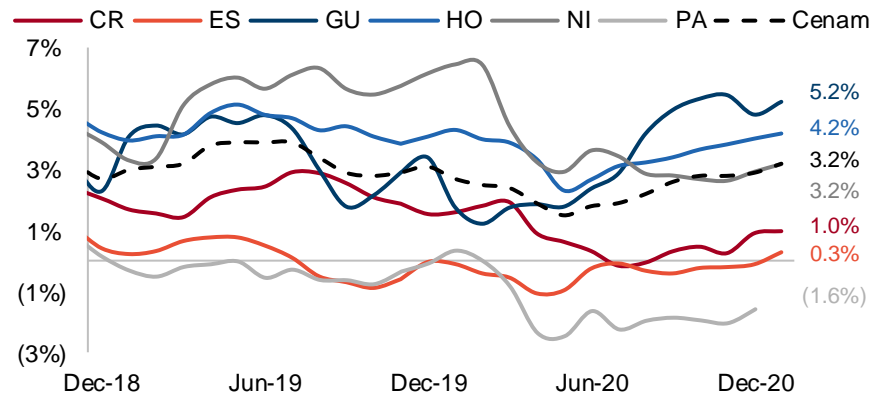
# Macroeconomic context – Central America

## Growth Outlook – Real GDP



Source: IMF (WEO October 2020); (1) Aggregate growth of all the Central American countries.

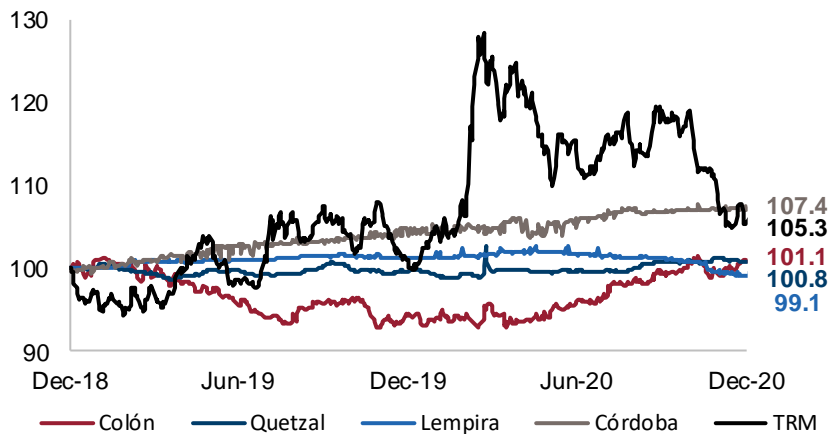
## Inflation per Country



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

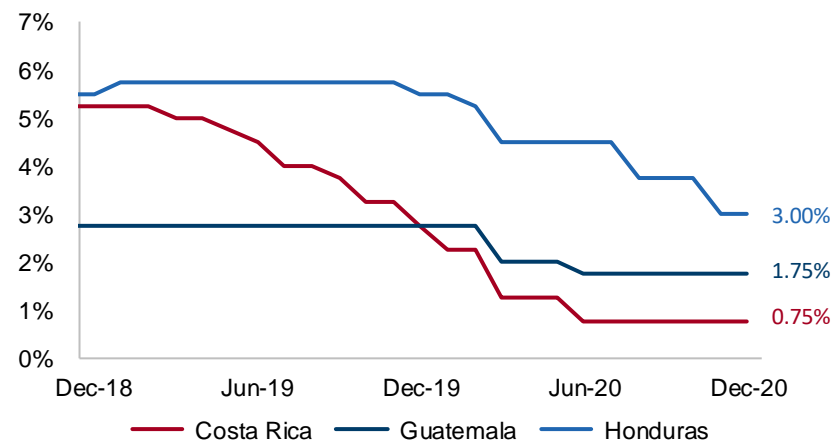
## Regional Exchange Rates

(100=12/31/2018)



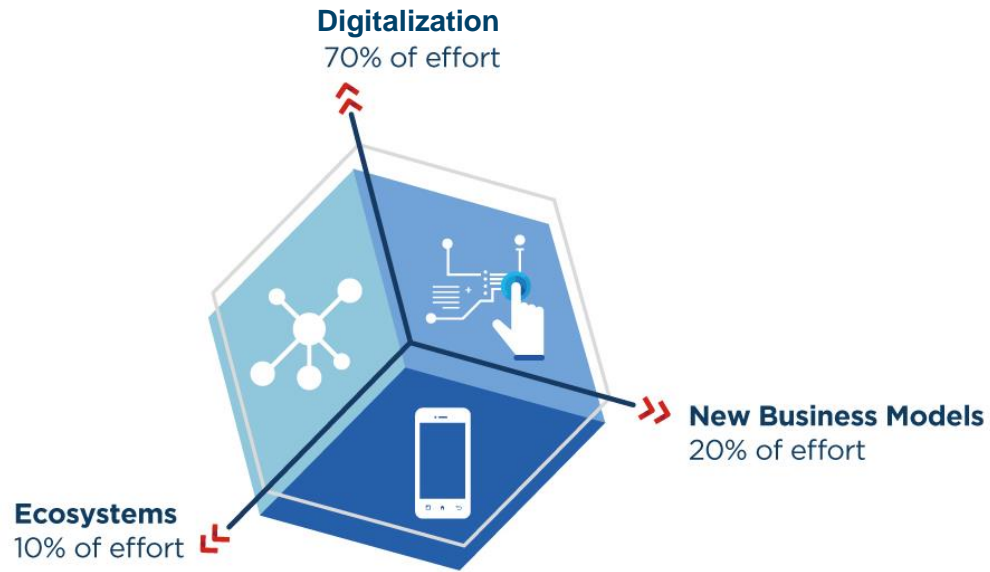
Source: Bloomberg

## Central Bank's Interest Rates

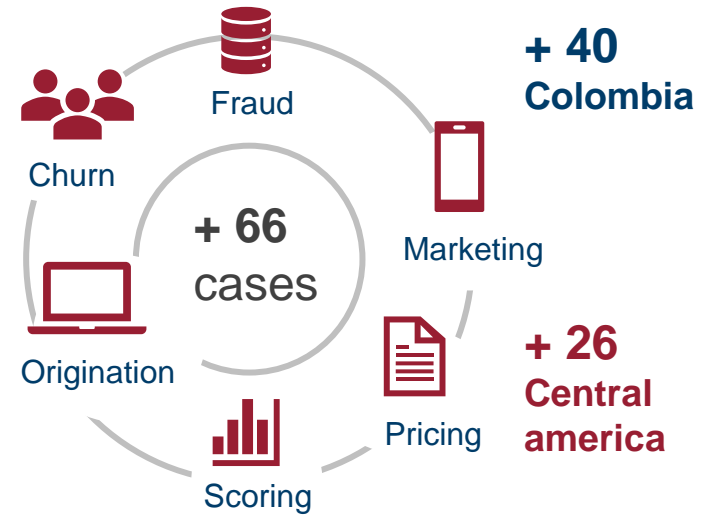


Source: SECMCA.

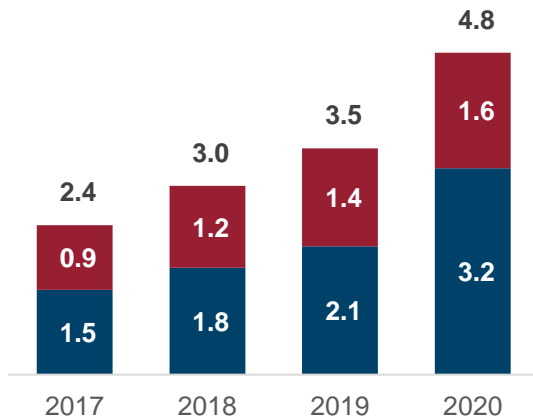
# Digital strategy



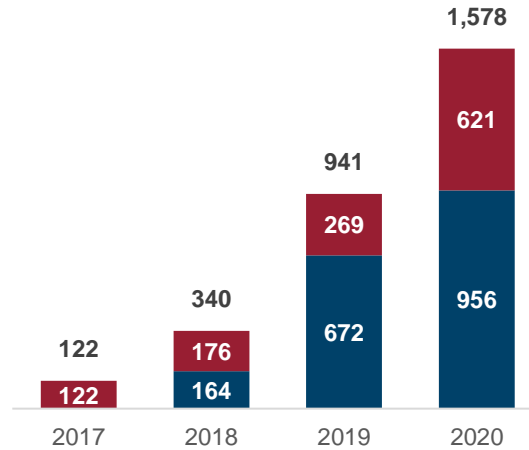
## Advanced analytics



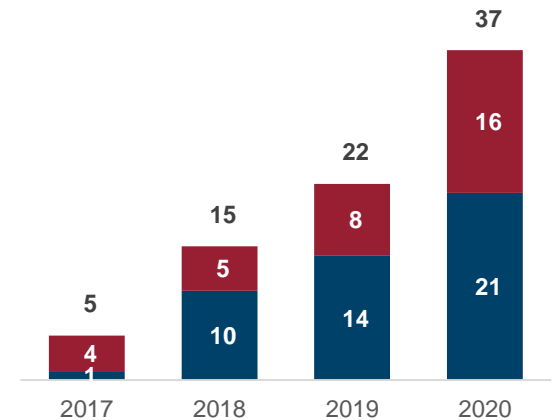
### Clients Million



### Sales (000)



### Products



■ Central America

■ Colombia



# ESG Highlights



## Corporate Governance & Risk Management



**28.5%** of our principal board members are women.

ESRA implementation in some of our subsidiaries.



## Corporate Efficiencies

Strengthening our Corporate Procurement Policy to include ESG Standards.

First Financial Group in Colombia and Latin America to obtain the Friendly Biz Certification.



FRIENDLY BIZ



## Human Capital

**55%** consolidated workforce is comprised by women.



are Great Place to Work certified.



## Economic Impact



Issued a **Ps 300 billion** Green Bond



adhesion to **PRI** Principles for Responsible Investment



included in



Dow Jones Sustainability Indexes



## Social & Environmental

**Corporación MicroCrédito** | **AVAL**

**58%** of loans disbursed were granted to women

Environmental initiatives such as:



**Bogotá River Decontamination**

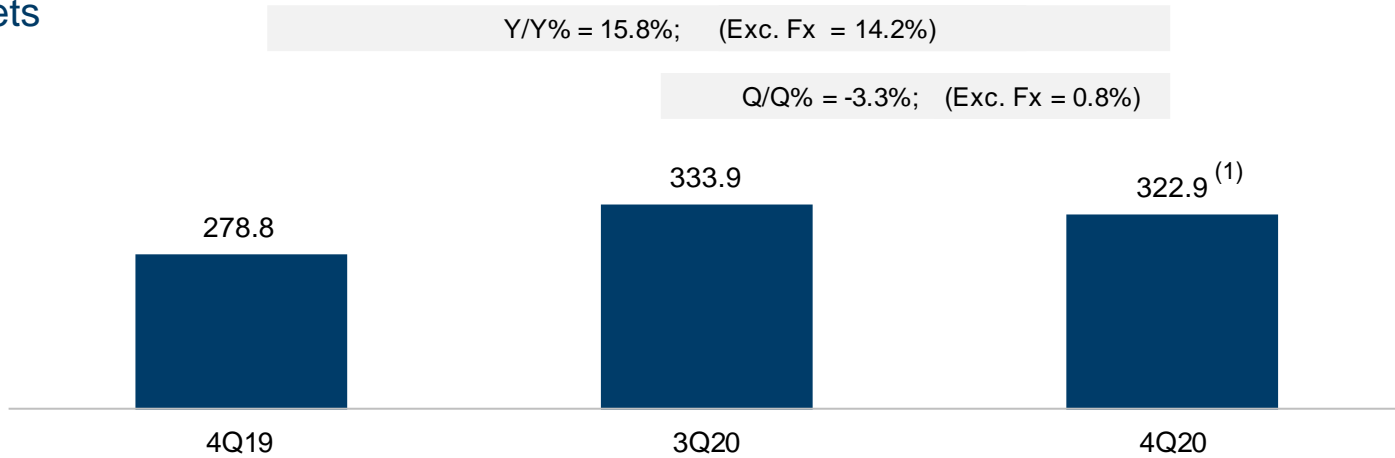


**Amazon Reforestation**

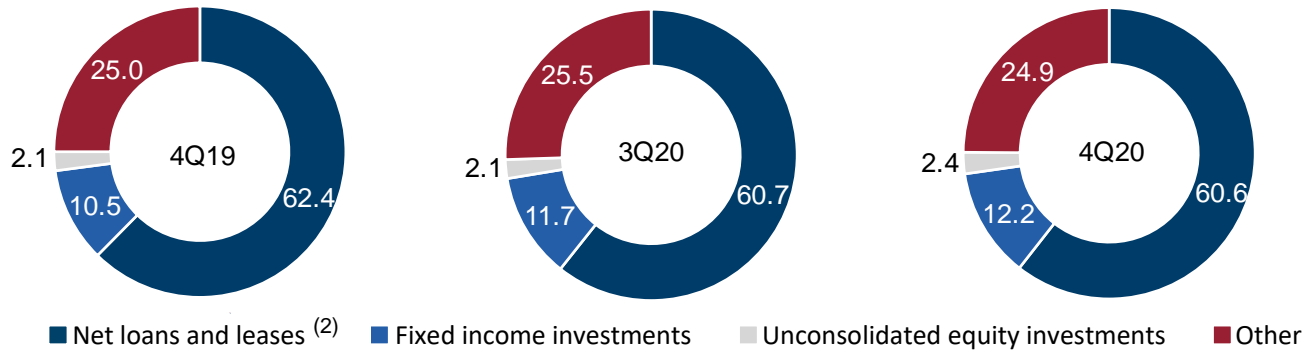


**Use of renewable energies**

## Total Assets



## Assets Breakdown (%)



Colombian operation (%)

70.3

63.7

65.2

Foreign<sup>(3)</sup> (%)

29.7

36.3

34.8

Exc. FX = Growth excluding FX movement of Central American Operations

(1) Includes Ps.16.5 trillion of assets of Multi Financial Group. Growth excluding FX and the acquisition would have been 8.4% vs. 4Q19

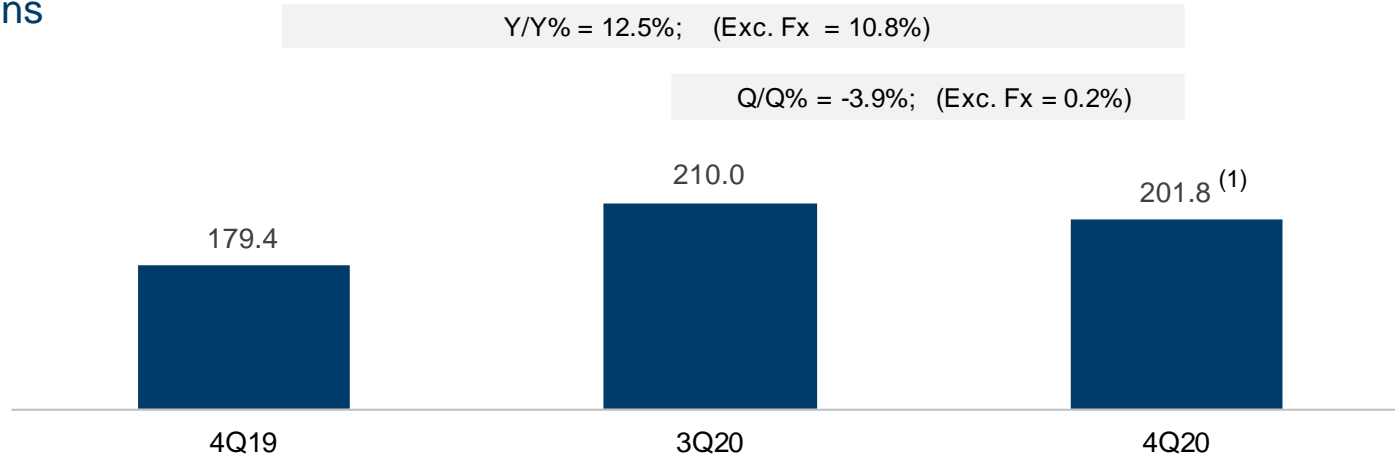
(2) Net loans and leases include interbank and overnight funds

(3) Foreign operations reflect Central American operations

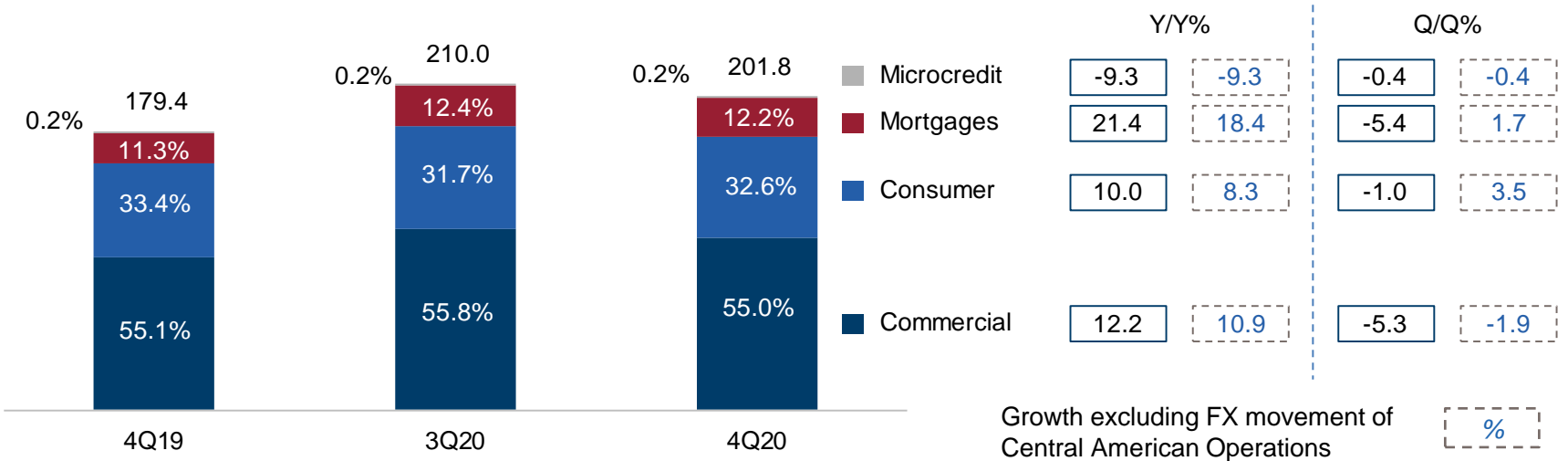
# Loans and receivables

Figures in Ps. Trillions – Excluding interbank and overnight funds

## Gross loans



## Gross loans Breakdown

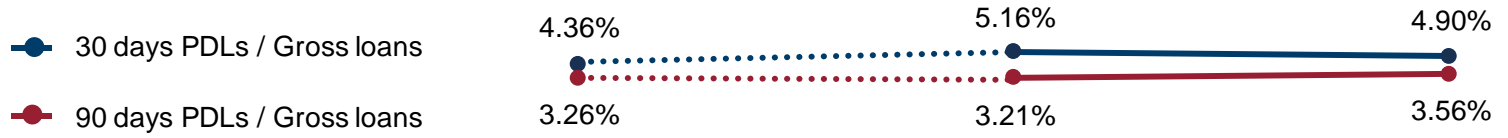


Exc. FX = Growth excluding FX movement of Central American Operations

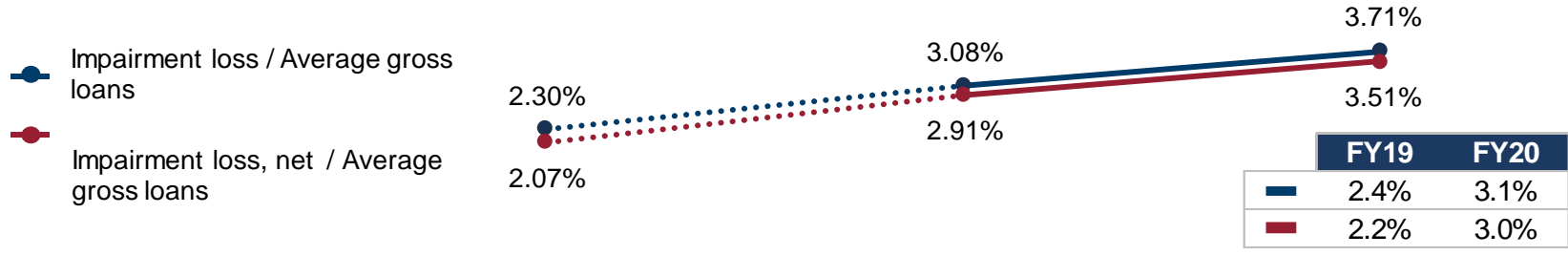
(1) Includes Ps. 11.6 trillion of gross loans of Multi Financial Group. Ps. 6.7 trillion of commercial loans, Ps. 2.6 trillion of consumer loans and Ps. 2.4 trillion of mortgages loans. Gross loans growth excluding FX and the acquisition would have been 4.4% vs. 4Q19

# Loan portfolio quality

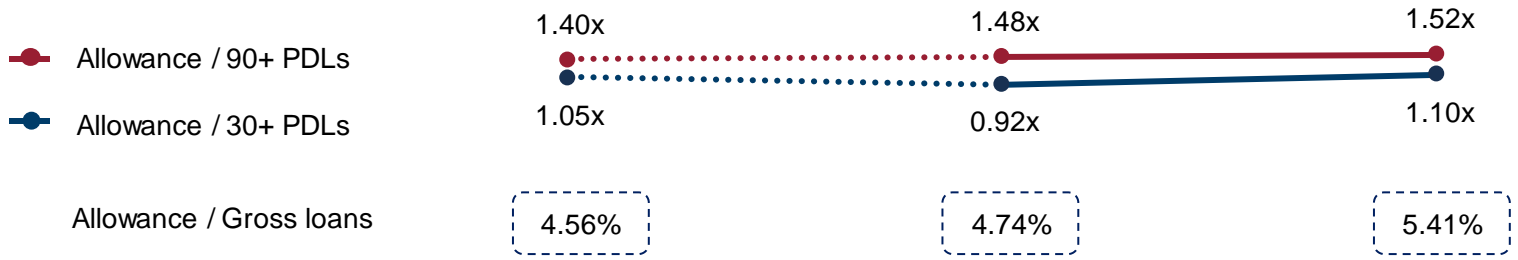
## Quality



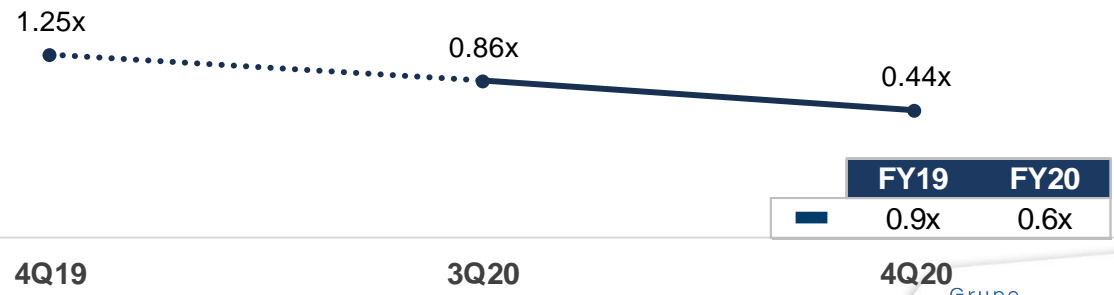
## Cost of Risk



## Coverage



## Charge offs / Average 90+ PDLs



# Loan portfolio quality

Figures in Ps. Billions

	30 days past due loans <sup>(1)</sup>			90 days past due loans <sup>(2)</sup>		
	4Q19	3Q20	4Q20	4Q19	3Q20	4Q20
Commercial	3.94%	4.69%	4.55%	3.58%	3.73%	4.02%
Consumer	4.80%	5.68%	5.36%	2.76%	2.39%	2.97%
Mortgages	4.84%	5.68%	5.02%	2.97%	2.86%	2.94%
Microcredit	18.09%	20.58%	20.35%	13.60%	10.78%	13.37%
<b>Total loans</b>	<b>4.36%</b>	<b>5.16%</b>	<b>4.90%</b>	<b>3.26%</b>	<b>3.21%</b>	<b>3.56%</b>

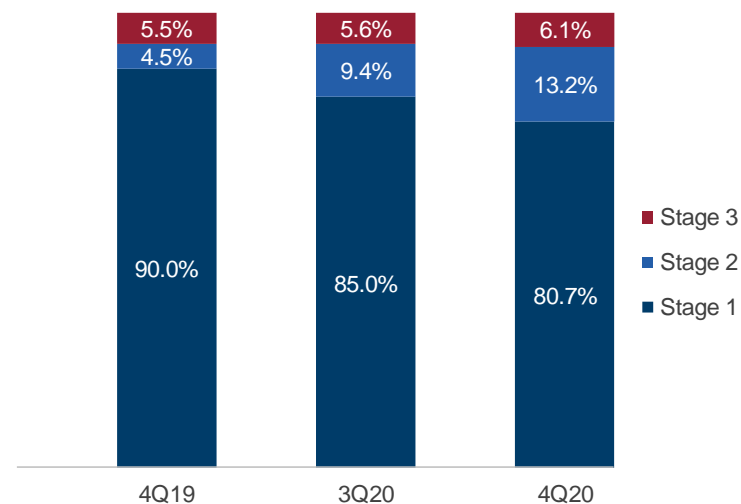
## 30 days past due formation <sup>(1)</sup>

	4Q19	1Q20	2Q20	3Q20	4Q20	FY19	FY20
Initial +30 PDLs	8,155	7,827	8,353	8,483	10,829	7,195	7,827
New +30 PDLs	1,502	1,433	1,058	3,749	(187)	5,349	6,053
Charge-offs	(1,829)	(907)	(927)	(1,404)	(758)	(4,717)	(3,997)
<b>Final +30 PDLs</b>	<b>7,827</b>	<b>8,353</b>	<b>8,483</b>	<b>10,829</b>	<b>9,883</b>	<b>7,827</b>	<b>9,883</b>

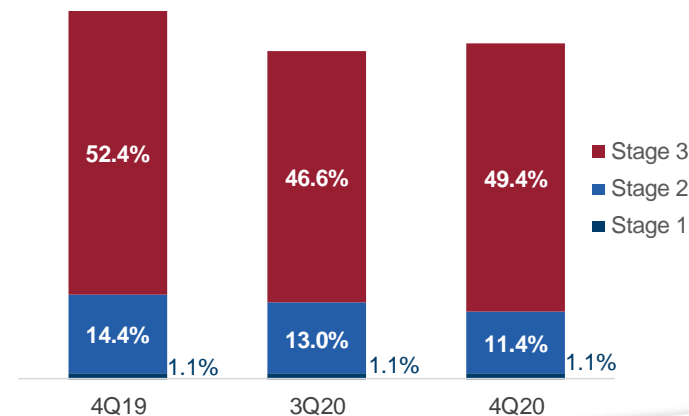
## 90 days past due formation <sup>(2)</sup>

	4Q19	1Q20	2Q20	3Q20	4Q20	FY19	FY20
Initial +90 PDLs	5,846	5,842	6,305	6,271	6,737	5,188	5,842
New +90 PDLs	1,826	1,371	893	1,870	1,208	5,370	5,343
Charge-offs	(1,829)	(907)	(927)	(1,404)	(758)	(4,717)	(3,997)
<b>Final +90 PDLs</b>	<b>5,842</b>	<b>6,305</b>	<b>6,271</b>	<b>6,737</b>	<b>7,187</b>	<b>5,842</b>	<b>7,187</b>

## Loans by Stages (%)



## Coverage by Stages (%)



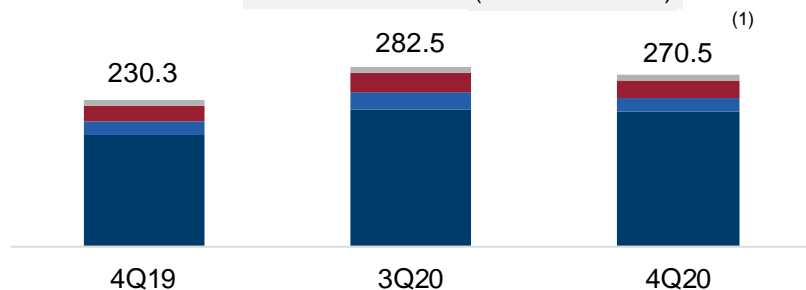
(1) Past Due Loans + 30 / Total Loans including interest accounts receivable

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

## Total funding

Y/Y% = 17.4%; (Exc. Fx = 15.8%)

Q/Q% = -4.3%; (Exc. Fx = -0.2%)

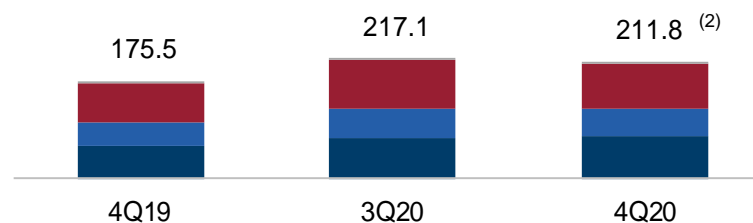


Funding composition (%)	4Q19	3Q20	4Q20
Deposits	76.2	76.8	78.3
Banks and others	10.3	9.7	8.8
Bonds issued	9.5	10.4	10.3
Interbank borrowings	4.0	3.0	2.7

## Total deposits

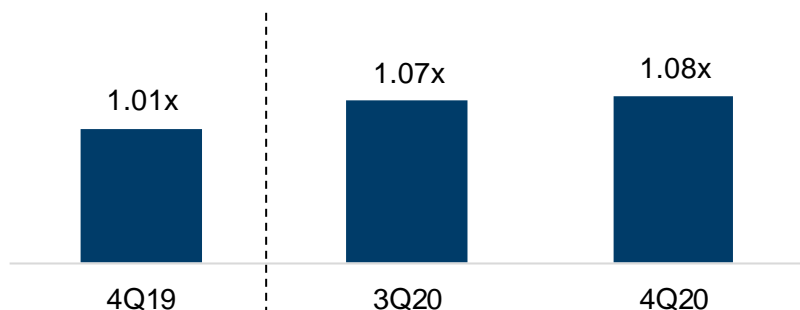
Y/Y% = 20.7%; (Exc. Fx = 18.9%)

Q/Q% = -2.4%; (Exc. Fx = 2.0%)

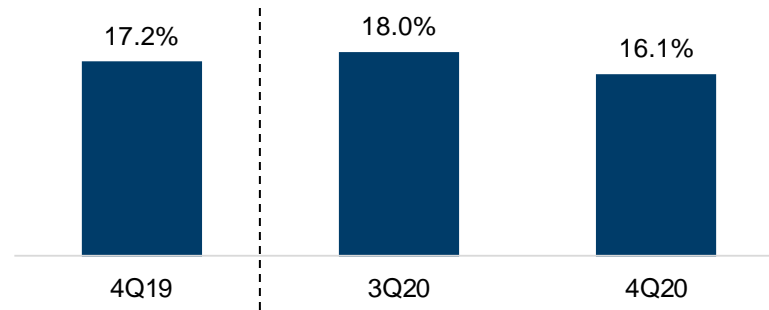


Deposit composition (%)	4Q19	3Q20	4Q20
Savings accounts	33.8	35.0	36.1
Checking accounts	24.2	24.2	24.2
Time deposits	41.7	40.6	39.4
Others	0.3	0.2	0.3

## Deposits / Net loans\* (%)



## Cash / Deposits (%)



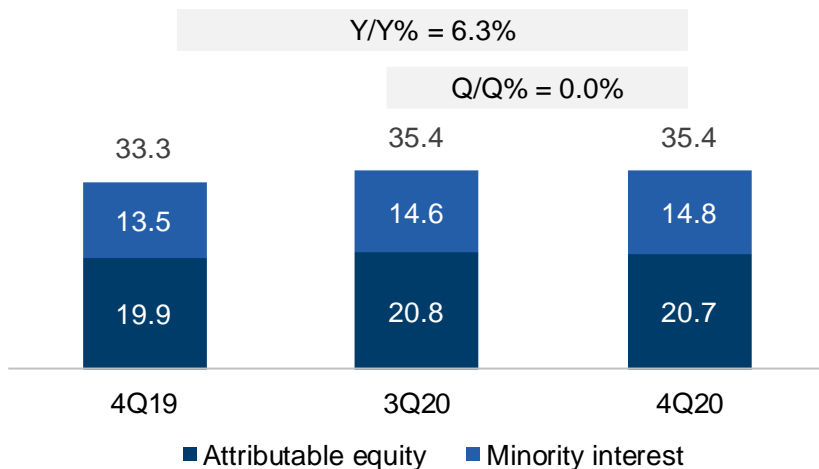
Exc. FX = Growth excluding FX movement of Central American Operations

(1) Includes Ps. 14.6 trillion of funding of Multi Financial Group. Growth excluding FX and the acquisition would have been 9.6% vs. 4Q19

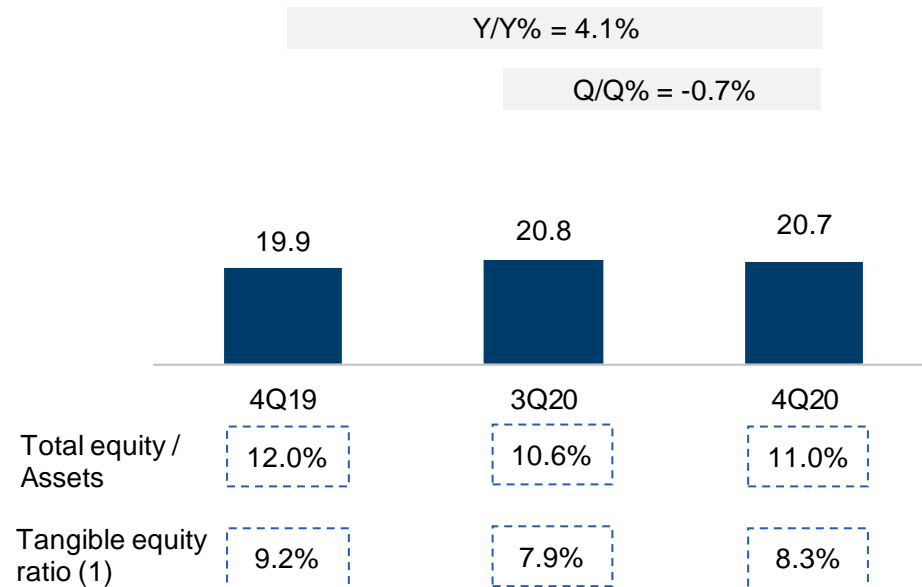
(2) Includes Ps. 10.1 trillion of deposits of Multi Financial Group. Growth excluding FX and the acquisition would have been 13.2% vs. 4Q19

(\*) 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 (%)



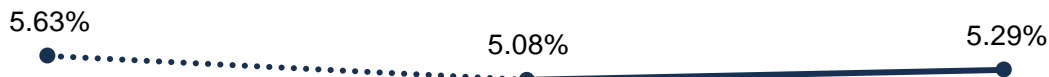
	Banco de Bogotá			Banco de Occidente			banco popular			Banco AV Villas		
	4Q19	3Q20	4Q20	4Q19	3Q20	4Q20	4Q19	3Q20	4Q20	4Q19	3Q20	4Q20
Primary capital (Tier 1)	9.1	9.7 <sup>(2)</sup>	8.9 <sup>(2)</sup>	9.6	8.4	8.7	8.5	8.8	8.7	9.7	11.0	10.7
Solvency Ratio	12.8	12.7	12.1	11.8	10.5	10.6	10.6	10.4	10.5	10.7	12.3	12.0

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

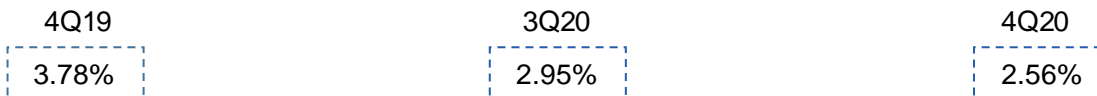
(2) For 3Q20 Total Tier 1: CET1 :8.5% and AT1: 1.2% and for 4Q20 Total Tier 1: CET1 :7.8% and AT1: 1.1%

4Q19	3Q20	4Q20	4Q20 / 4Q19	4Q20 / 3Q20
3.0	3.2	3.4	10.8%	3.5%

### Net Interest Margin<sup>(1)</sup>

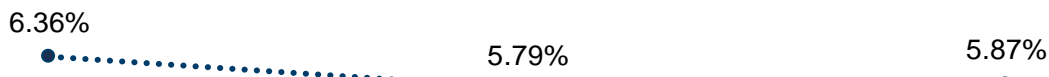


Cost of funds

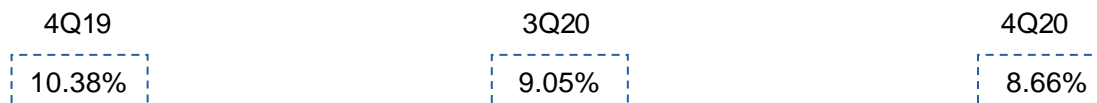


	FY19	FY20
■	5.70%	5.17%
▤	3.74%	3.10%

### Loans Interest Margin<sup>(2)</sup>



Avg. Yield on loans

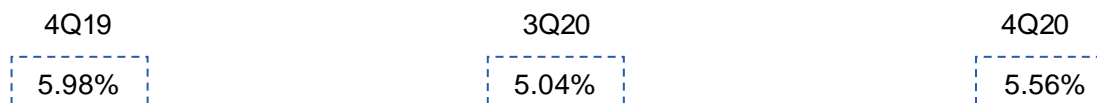


	FY19	FY20
■	6.40%	5.95%
▤	10.36%	9.35%

### Net Investments Margin<sup>(3)</sup>



Avg. Yield on fixed income and interbank & overnight funds



	FY19	FY20
■	2.28%	1.54%
▤	6.24%	4.93%

(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 5.0% for 4Q20, 4.9% for 3Q20 and 5.6% for 4Q19.

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

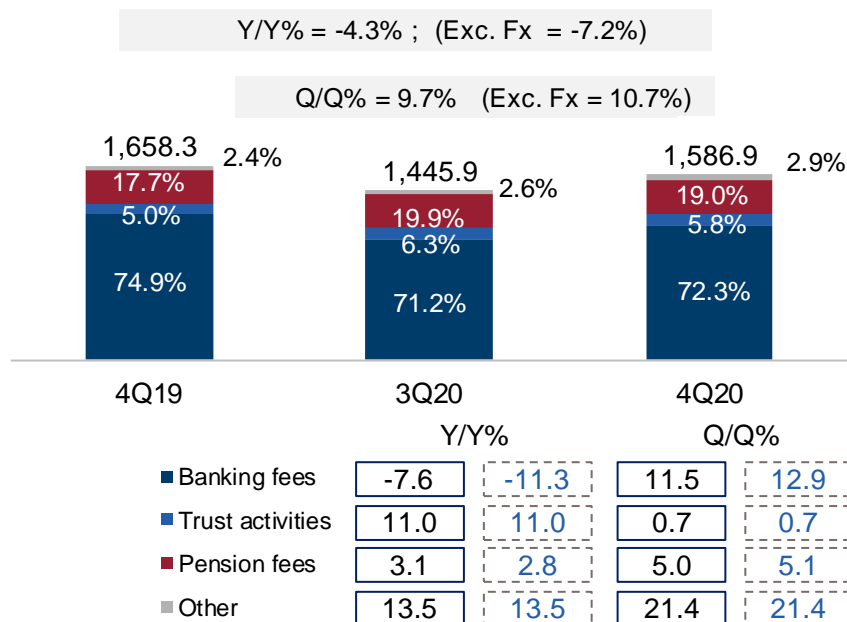
(3) Net Investments Margin: Net Interest income on fixed income securities, net trading income from equity and fixed income investment securities held for trading through profit and on interbank and overnight funds to Average securities and Interbank and overnight funds.



# Fees and other operating income

Figures in Ps. Billions

## Gross fee income



## Non-financial sector <sup>(1)</sup>

	4Q19	3Q20	4Q20	FY19	FY20
Energy & gas	143	194	594	665	1,139
Infrastructure	478	637	500	2,028	2,046
Hotels	9	-16	13	32	-22
Agribusiness	14	5	11	14	23
Other <sup>(2)</sup>	-105	-86	-102	-363	-363
<b>Total</b>	<b>539</b>	<b>734</b>	<b>1,016</b>	<b>2,375</b>	<b>2,823</b>

(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

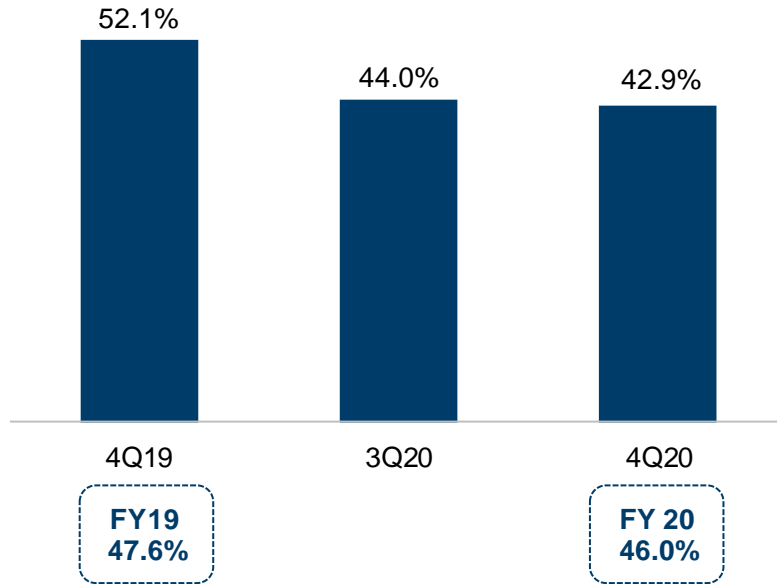
	4Q19	3Q20	4Q20	FY19	FY20
Foreign exchange gains (losses), net	337	222	731	312	363
Net income (loss) on financial derivatives	-179	-50	-216	20	531
Other trading income on derivatives	12	39	1	122	139
Derivatives and foreign exchange gains (losses), net <sup>(1)</sup>	170	212	516	454	1,032
Gains on valuation of assets	12	-4	-47	14	-50
Net income from other financial instruments mandatory at FVTPL	55	60	60	218	252
Net gain on sale of investments and OCI realization <sup>(2)</sup>	9	313	100	199	613
Gain on the sale of non-current assets held for sale	5	9	68	23	112
Income from non-consolidated investments	57	55	65	314	312
Other income from operations	106	85	72	420	367
<b>Total other income from operations</b>	<b>414</b>	<b>729</b>	<b>833</b>	<b>1,643</b>	<b>2,639</b>

Exc. FX = Growth excluding FX movement of Central American Operations

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

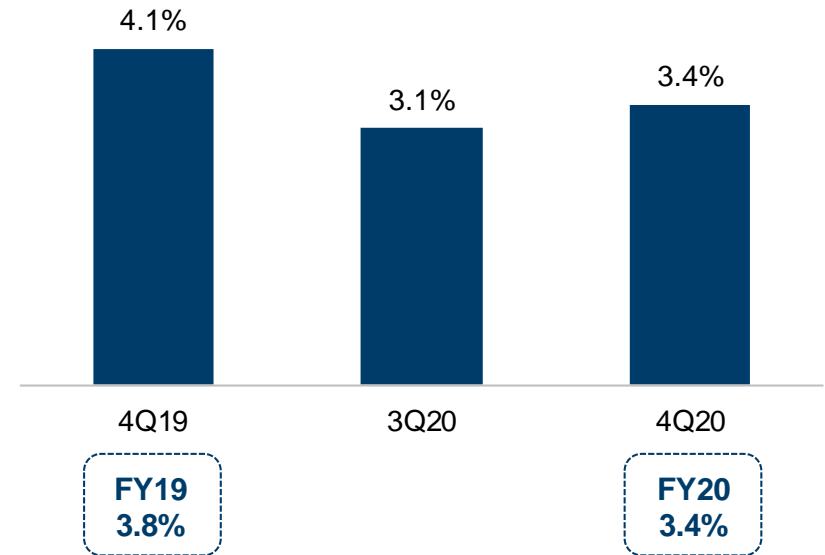
(2) Includes share of profit of equity accounted investees, net of tax, and dividend income.

## Cost to income



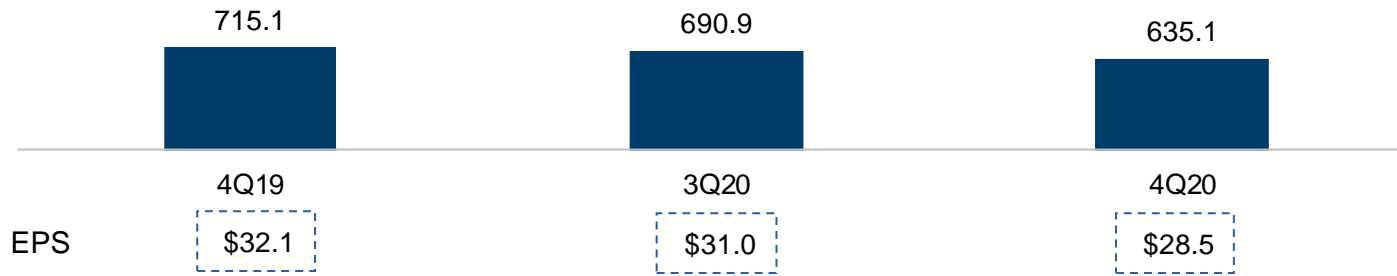
Cost to income efficiency ratio is calculated as total other expenses divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income.

## Cost to assets



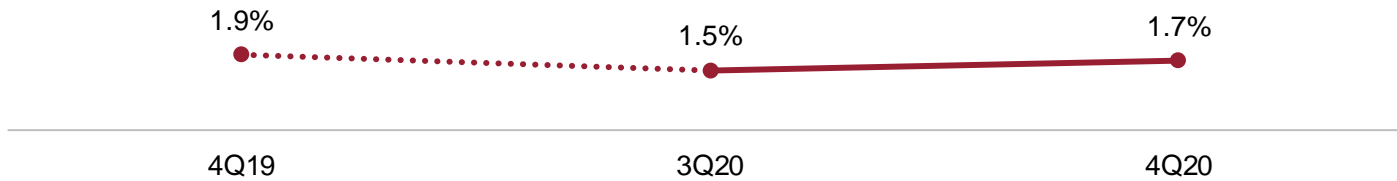
Cost to assets efficiency ratio is calculated as annualized total other expenses divided by average total assets.

## Net income attributable to controlling interest



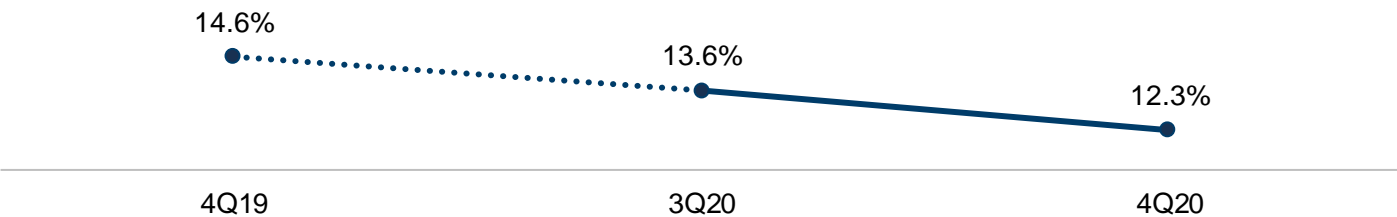
	FY19	FY20
■	3,034.4	2,349.5
□	\$ 136.2	\$ 105.4

## ROAA <sup>(1)</sup>



	FY19	FY20
■	2.0%	1.5%

## ROAE <sup>(2)</sup>



	FY19	FY20
■	16.4%	11.7%

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

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

Grupo

