



# Corporate Presentation

April 2023

VIGILADO SUPERINTENDENCIA FINANCIERA DE COLOMBIA

AVAL  
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NYSE



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 and only parent of BHI. Furthermore, on December 19, 2022, Banco de Bogotá sold 20.89% of the outstanding investment of BHI through a tender offer. As of December 31, 2022, Banco de Bogotá held 4.11% of BHI. This investment is reflected as an investment at fair value through other comprehensive income.

As a result, for comparability purposes, we have prepared and present supplemental unaudited pro forma financial information for the twelve months ended December 31, 2021, that assumes the spin-off was completed on January 1, 2021. As a result of the sale of 20.89% of BHI, in this presentation we have reclassified the BHI’s equity method to discontinued operation for the second and third quarter of 2022.

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.

**1** About Grupo Aval

**2** Financial Results

**3** Macro Overview

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**3** Macro Overview

# Grupo Aval key highlights

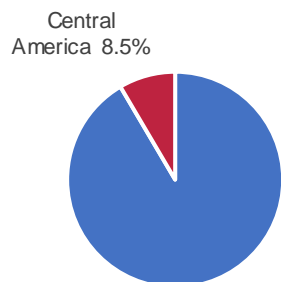
## Key Figures (as of December 31, 2022)

Balance Sheet		US\$ billions	Key Ratios (12M 2022)	
Total Assets		\$61.5	ROAA <sup>(1)</sup>	1.6%
Net Loans		\$37.2	ROAE <sup>(1)</sup>	14.0%
Deposits		\$36.0	Tangible Equity Ratio <sup>(2)</sup>	9.1%
Attr. Net Income (US \$ mm)		\$516	Efficiency	45.8%
			Deposits to Net Loans Ratio	96.8%

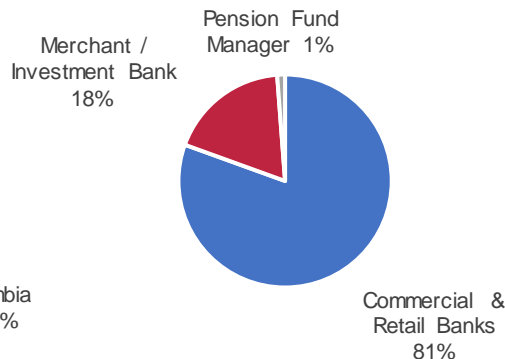
## Business Composition

### By Assets (as of December 31, 2022)

#### Geographic

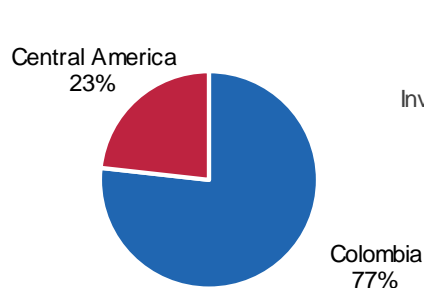


#### Type of Business

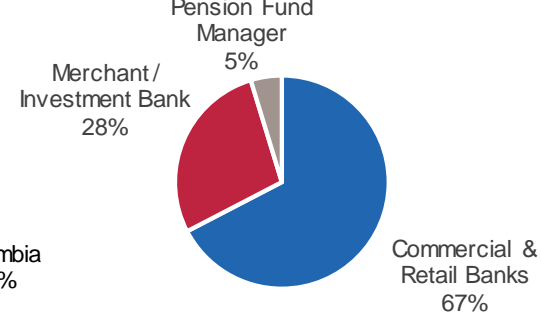


### By Net Income (for 12M22)

#### Geographic



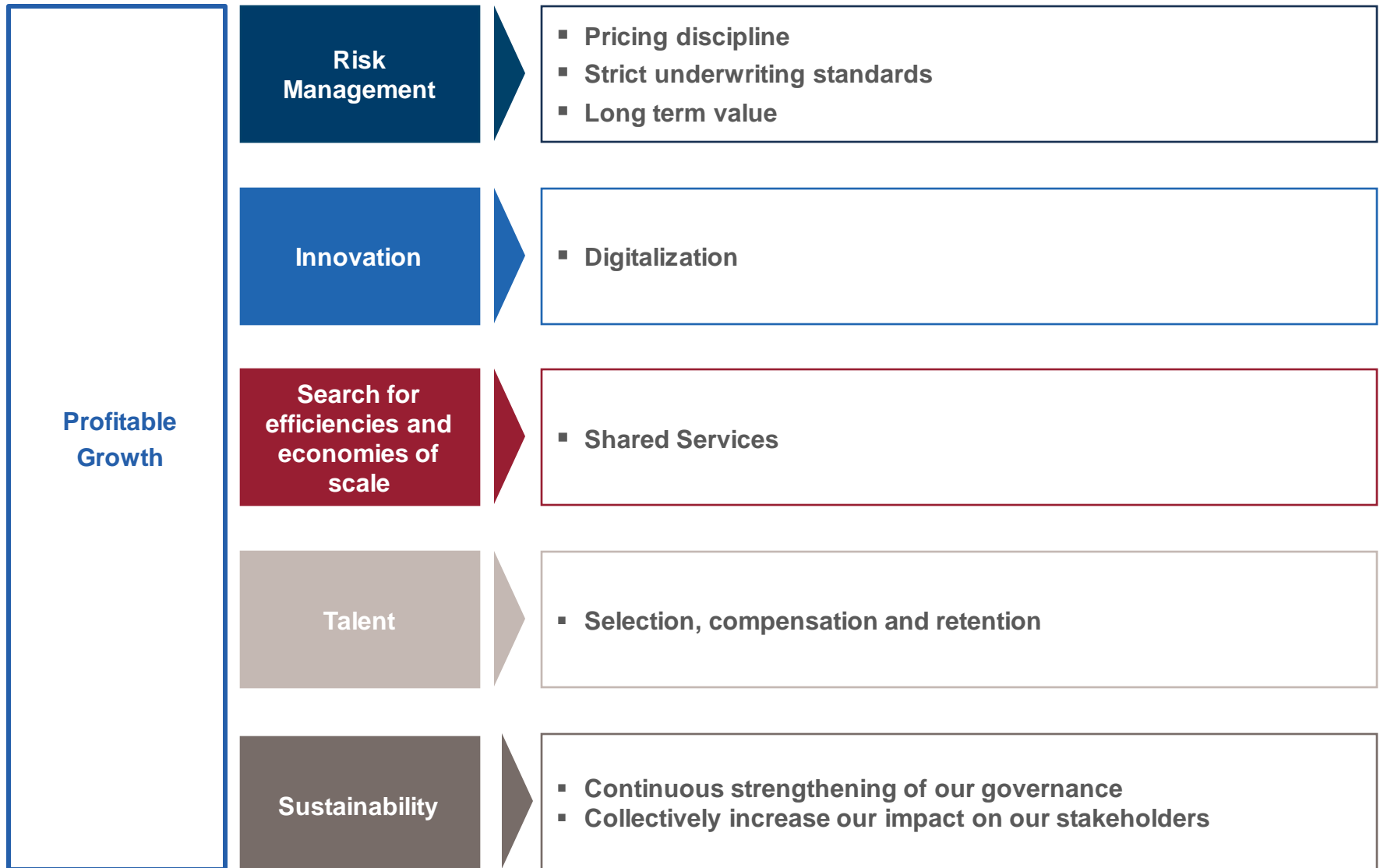
#### Type of Business






Source: Consolidated company filings

Note: Peso amounts were converted to U.S. dollars using the representative market rate as computed and certified by the Superintendency of Ps \$4,810,2 per U.S. \$1.00 as of December 30, 2022.

(1) Calculated as annualized net income divided by the average of assets for the five quarters ending December 31, 2022 divided by five. (1) Calculated as annualized net income attributable to owners of the parent divided by the average of attributable equity for the four quarters ending December 31, 2022 divided by five. (2) Calculated as total equity minus intangible assets (goodwill plus other intangible assets) divided by total assets minus intangible assets.



	Market Share	Market Position
	<ul style="list-style-type: none"> <li>Complete suite of banking products offered through our four Colombian banks</li> <li>23.5% market share in assets</li> <li>23.8% market share in gross loans</li> <li>24.6% market share in deposits</li> <li>27.0% market share in corporate lending</li> <li>26.9% market share in consumer lending</li> <li>45.3% market share in payroll lending</li> <li>18.6% market share in credit cards</li> <li>25.1% market share in vehicle loans</li> <li>20.7% market share in net income</li> </ul>	<ul style="list-style-type: none"> <li>#2 in assets</li> <li>#2 in gross loans</li> <li>#2 in deposits</li> <li>#2 in corporate lending</li> <li>#1 in consumer lending</li> <li>#1 in payroll lending</li> <li>#2 in credit cards</li> <li>#2 in vehicle loans</li> <li>#2 in net income</li> </ul>
	<ul style="list-style-type: none"> <li>Leading private pension and severance fund manager in Colombia</li> <li>46.1% market share in assets under management (1)</li> <li>60.1% market share in affiliates (1)</li> <li>29.3% market share in net income</li> </ul>	<ul style="list-style-type: none"> <li>#1 in assets under management</li> <li>#1 in affiliates</li> <li>#1 in net income</li> </ul>
	<ul style="list-style-type: none"> <li>Largest toll road operator in Colombia</li> <li>Largest gas transportation and distribution company in Colombia</li> <li>Largest business hotel chain in Colombia</li> <li>+26 thousand hectares of agribusiness farmable land</li> </ul>	

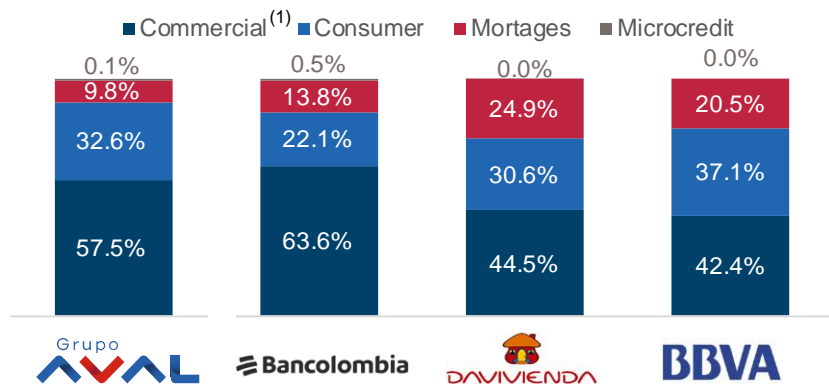
Figures as of December 31<sup>st</sup>, 2022

Figures as of December 31<sup>st</sup>, 2022

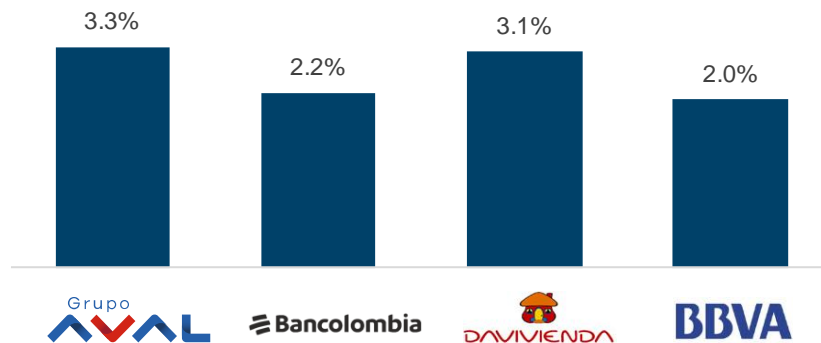
# Grupo Aval remains a strong competitor among its peers

Figures as of December 31st, 2022

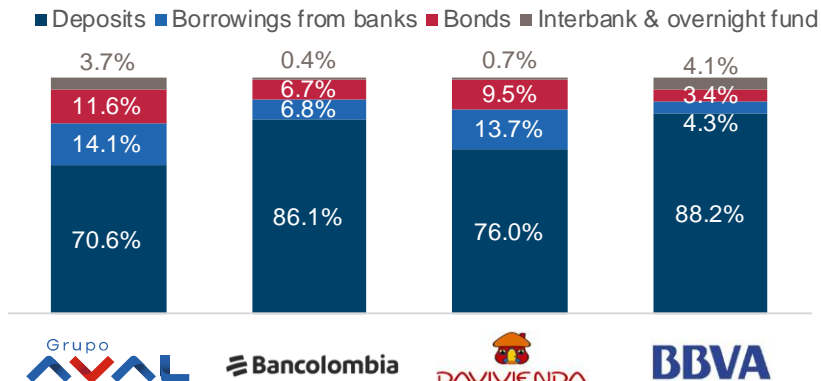
## Gross Loan Portfolio Composition



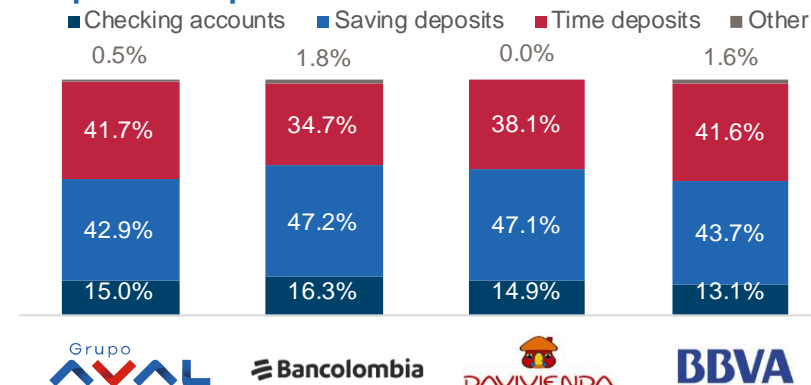
## Loan Portfolio Quality (PDLs 90+)<sup>(2)</sup>



## Funding Composition



## Deposit Composition



### Cost of risk

Grupo Aval	Bancolombia	DAVIVIENDA	BBVA
1.5%	1.6%	2.4%	1.4%

### Deposits / Net loans

Grupo Aval	Bancolombia	DAVIVIENDA	BBVA
96.8%	98.6%	86.5%	103.1%

Source: Consolidated figures based on companies' filings as of December 30, 2022. BBVA as of December 2022. (1) Excludes interbank & overnight funds and others; (2) PDLs 90+ as reported in consolidated figures, except for BBVA which refers to loan capital 90+ days past due for commercial, consumer and microcredit loans and 120+ days past due for mortgages, on an unconsolidated basis as reported to the Superintendencia of Finance;



1 About Grupo Aval

2 **Financial Results**

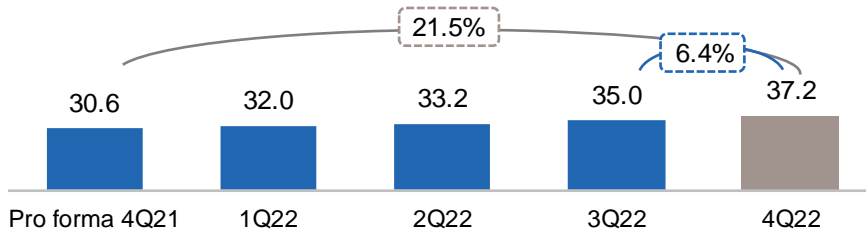
3 Macro Overview

# Proven capability to deliver sound financial results (1 | 2)

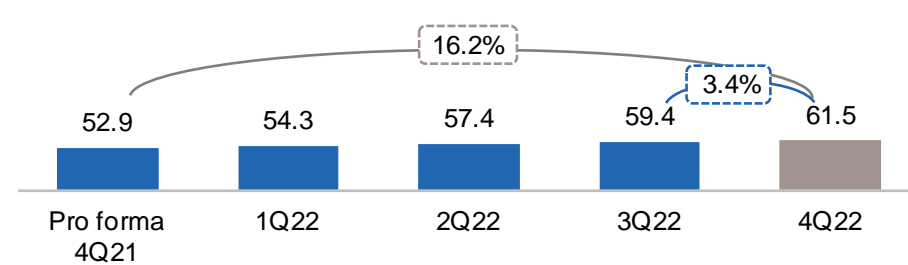
## Continuous and sustained growth

US\$ billion

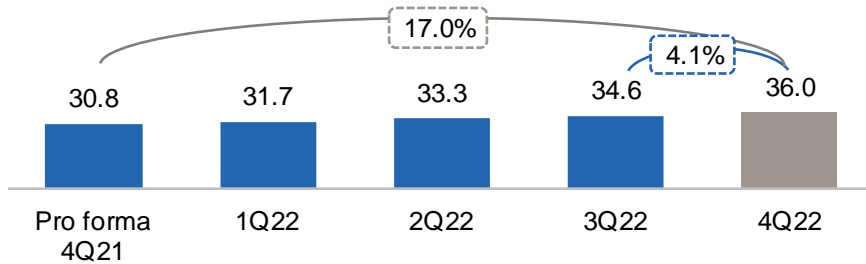
### Net Loan Portfolio



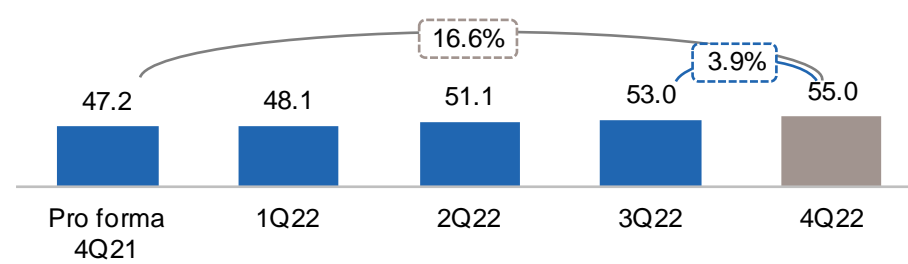
### Assets



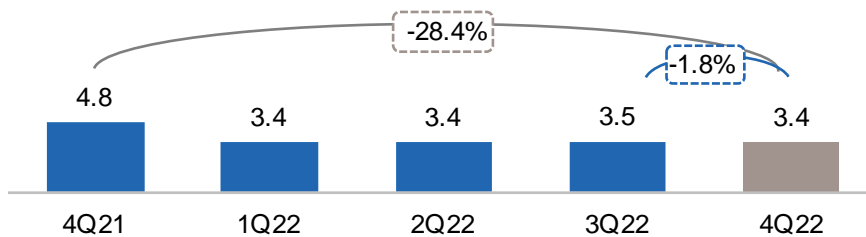
### Deposits



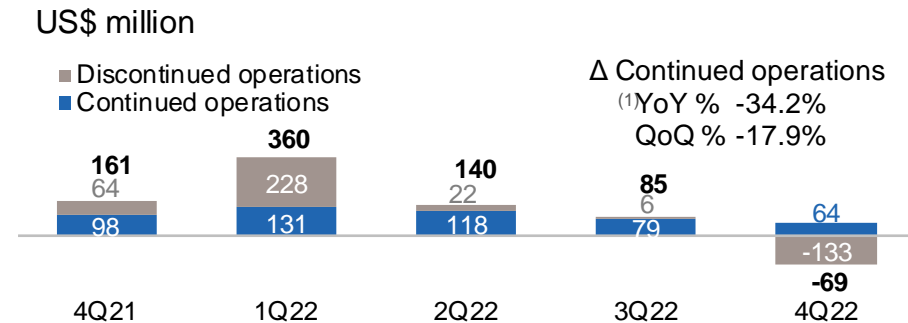
### Liabilities



### Attributable Shareholders' Equity



### Net Attributable Income



Source: Consolidated company public filings.

Peso amounts were converted into U.S. dollars using the representative market rate as computed and certified by the Superintendency of Finance Ps \$4,810.2 per U.S. \$1.00 as of December 31, 2022.

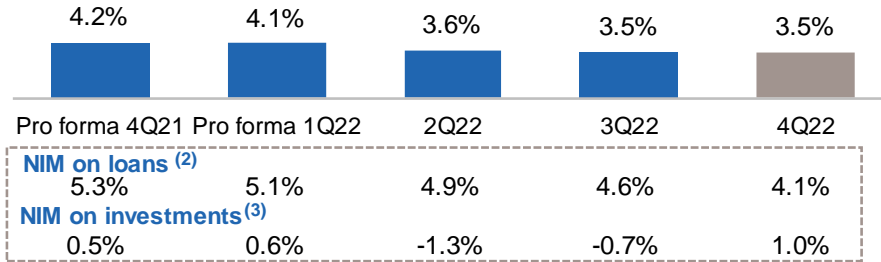
Pro-forma Total assets, net loan portfolio, deposits and liabilities are calculated based on the reported consolidated figures excluding BHI's contribution to these numbers.



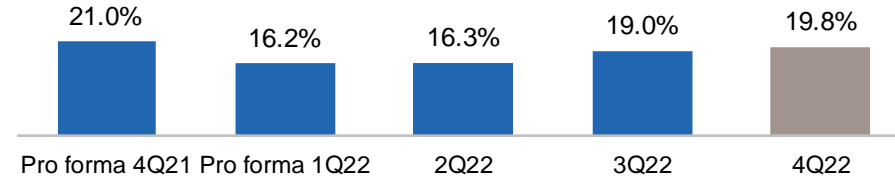
# Proven capability to deliver sound financial results (2 | 2)

## Continuous and sustained growth

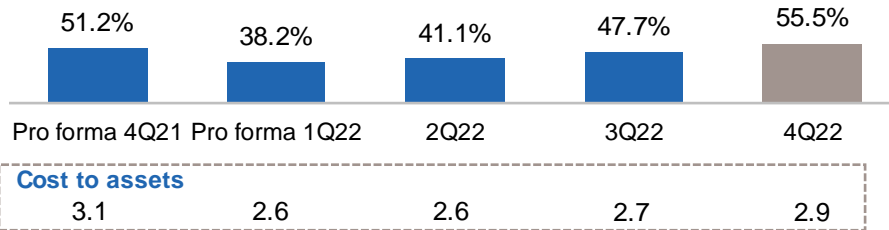
### Net Interest Margin (%) <sup>(1)</sup>



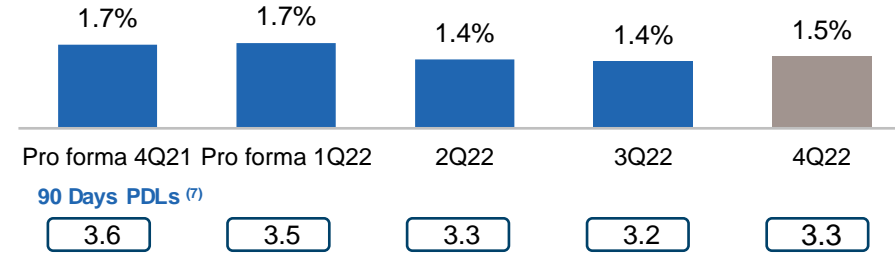
### Fee Income Ratio (%) <sup>(4)</sup>



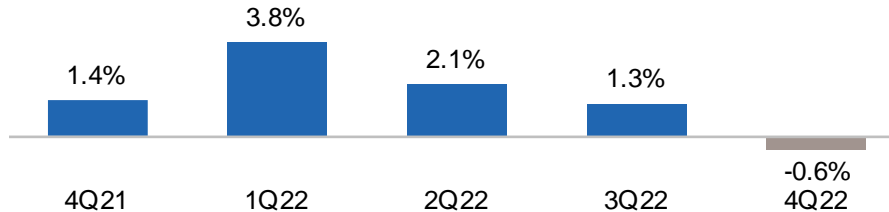
### Efficiency (%) <sup>(5)</sup>



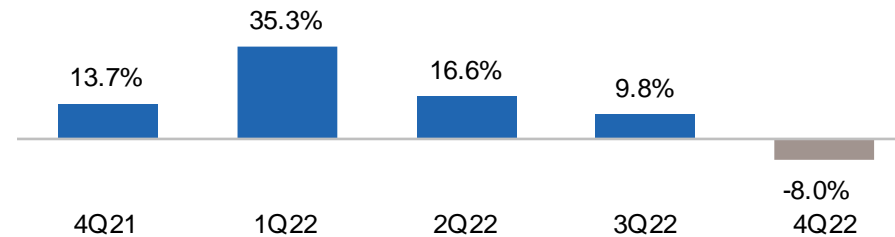
### Cost of Risk (%) <sup>(6)</sup>



### ROAA as reported (%) <sup>(8)</sup>



### ROAE as reported (%) <sup>(9)</sup>



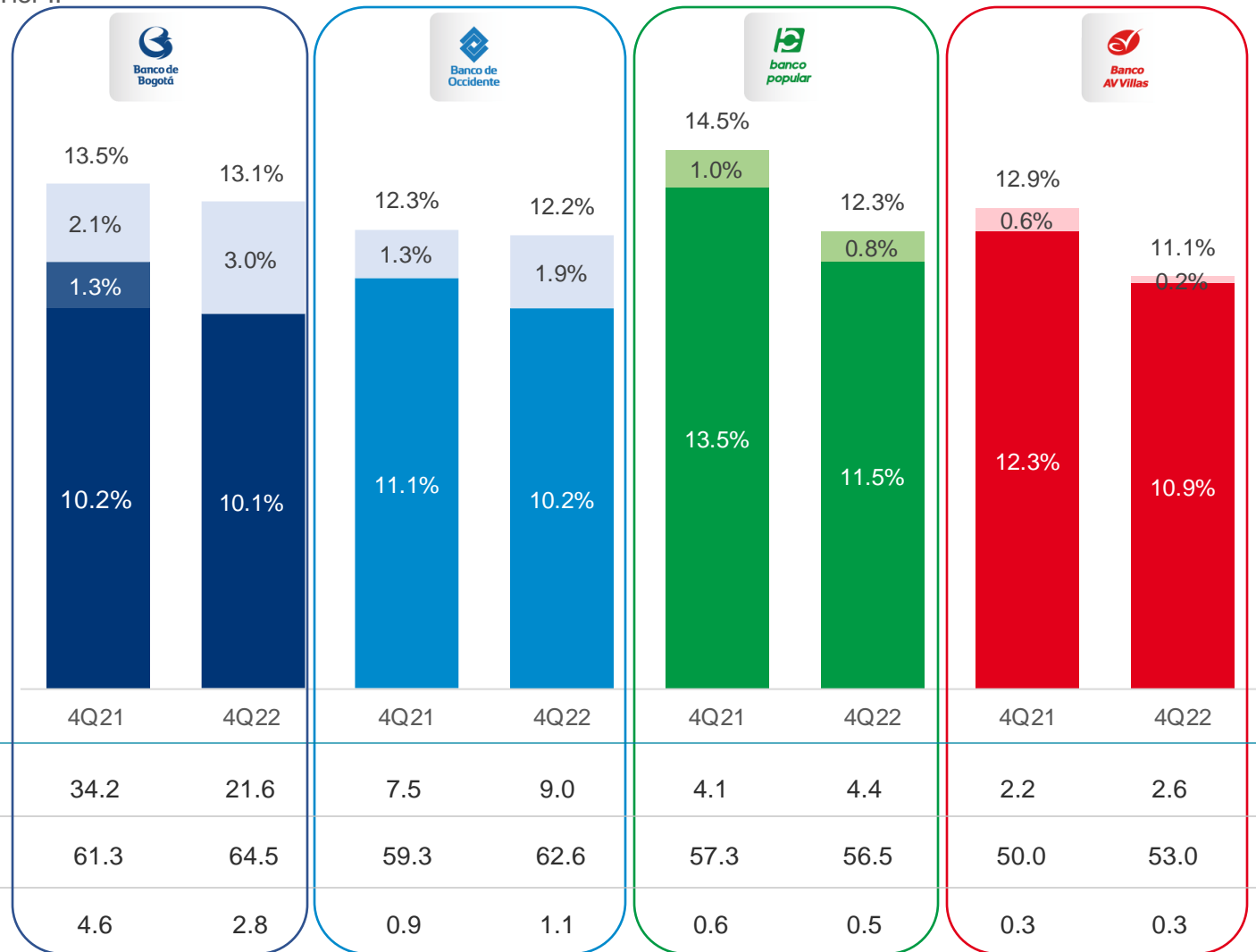
- Pro-forma ratios are calculated based on the pro-forma figures calculated based on the reported consolidated figures excluding BHI's contribution to these numbers
- Pro-forma ratios for 1Q22 are based on reported revenues and expenses, associated to each ratio; however, the denominators averages used to calculate these ratios contain pro-forma figures from previous quarters.

Source: Consolidated company public filings. (1) Calculated as net interest income divided by total average interest-earning assets; (2) Calculated as net interest income on loans to average loans and financial leases; (3) 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; (4) Fee income ratio calculated as net fee income divided by total operating income before net provisions. (5) Calculated as operating expenses before depreciation and amortization divided by total operating income for efficiency and divided by average total assets for cost to assets. (6) Calculated as Impairment loss on loans and other accounts receivable net of recoveries of charged-off assets divided by Average gross loans excluding interbank and overnight funds; (7) PDL 90+ defined as loans more than 90 days past due. Figures exclude interest accounts receivable. (8) ROAA calculated as net income before non-controlling interest divided by average of assets (9) Calculated as net income attributable to owners of the parent divided by the average of attributable equity.

# Supported on a sound capital structure

- CET1
- Tier I
- Tier II

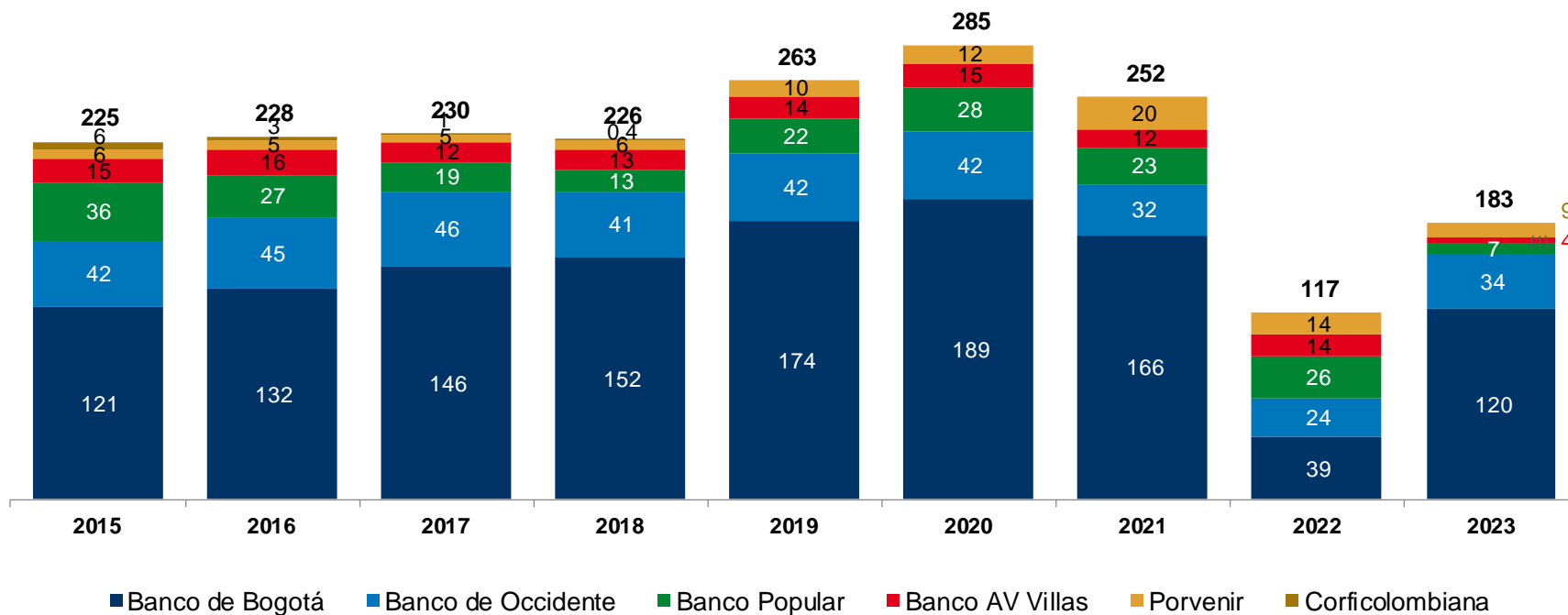
## Solvency Ratios under Basel III



Source: Company public filings.

Peso amounts were converted into U.S. dollars using the representative market rate as computed and certified by the Superintendency of Finance of Ps \$4,810.2 per U.S. \$1.00 as of December 31, 2022. (1) RWA includes regulatory value at risk and operational risk. (2) Risk-weighted assets excluding operational risk and regulatory value at risk to total assets.

## Cash Dividends Received by Grupo Aval (US\$ million)



Figures were converted with the representative market rate as computed and certified by the Superintendency of Finance of Ps \$4,810.2 per U.S. \$1.00 as of December 30, 2022.

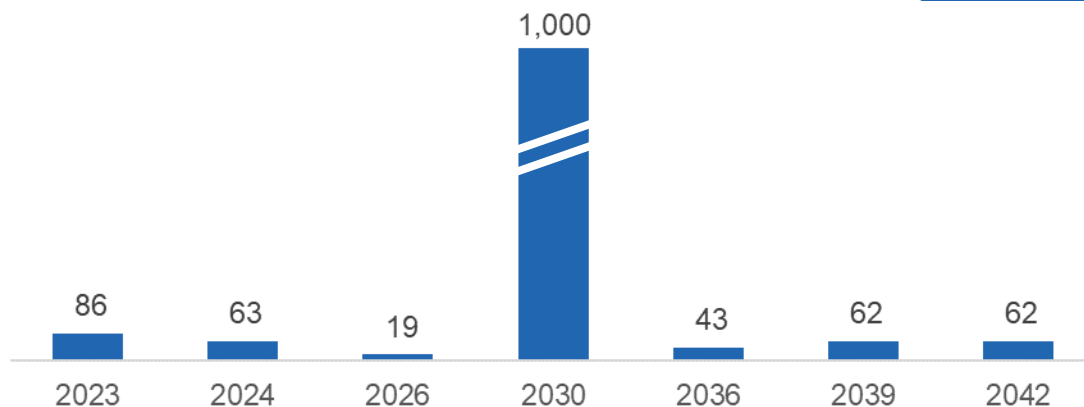
# » Grupo Aval's debt profile and total assets

## Combined Debt Profile (as of December 31, 2022 ; US\$ million)

### Total Assets

Cash and equivalents	56
Fixed income investments	31
Fixed income investments (AT1)	522
Loans with related parties	313
<b>Cash and loans with related parties</b>	<b>923</b>
Investments in subsidiaries	3,961
Other assets	21
<b>Total assets</b>	<b>4,905</b>

### Maturity Schedule of Loans and Bonds



### Evolution of Key Combined Ratios

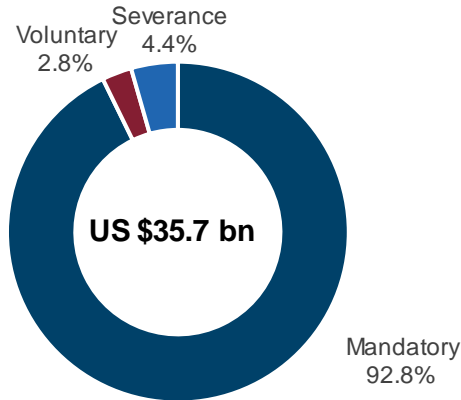
Debt service coverage and leverage ratios	4Q21	3Q22	4Q22
Double leverage <sup>(1)</sup>	1.18x	1.26x	1.27x
Net debt / Core earnings <sup>(2), (3)</sup>	3.1x	4.5x	9.0x
Net debt / Cash dividends <sup>(2), (3)</sup>	4.5x	12.0x	16.3x
Core earnings / Interest expense <sup>(2)</sup>	5.0x	1.7x	1.5x

Source: Company filings. Combined figures for Grupo Aval Acciones y Valores S.A. and Grupo Aval Limited. Figures were converted with the representative market rate as computed and certified by the Superintendency of Finance Ps \$4,810.2 per U.S. \$1.00 as of December 30, 2022. (1) Double leverage is calculated as investments in subsidiaries at book value (excluding revaluations), subordinated loans to subsidiaries and goodwill as a percentage of shareholders' equity. (2) Core earnings are defined as annualized recurring cash flow from dividends, investments and net operating income. (3) Net debt is calculated as total gross debt minus cash and cash equivalents and fixed income investments.

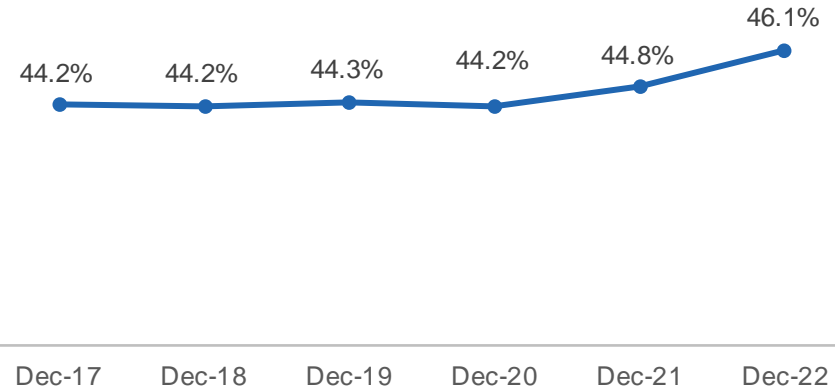
# Porvenir is the leading private pension and severance fund in Colombia

## Assets Under Management

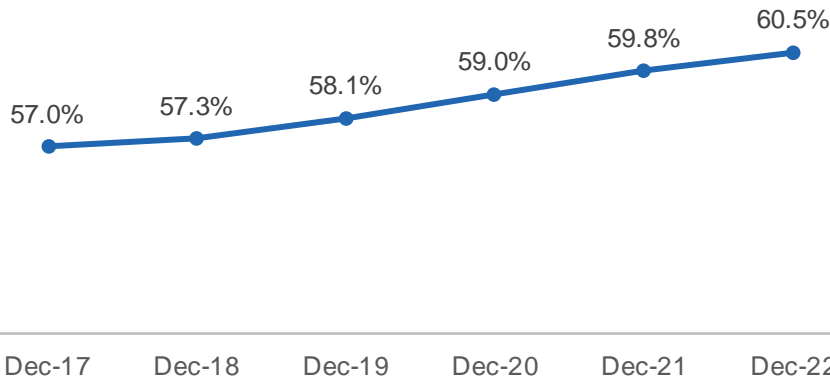
Figures under IFRS as of December 31<sup>st</sup>, 2022



## % Market Share Mandatory (AUM)

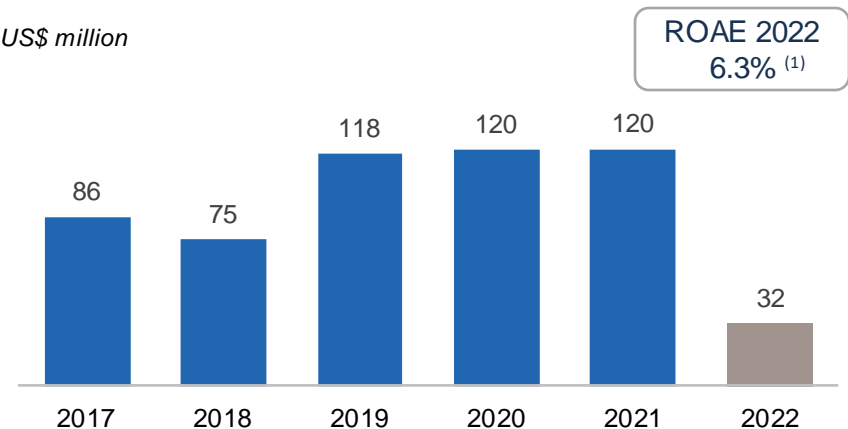


## % Market Share Mandatory (Affiliates)



## Attributable Net Income

US\$ million



Source: Superintendency of Finance. Information compiled for private pension funds (AFP) only.

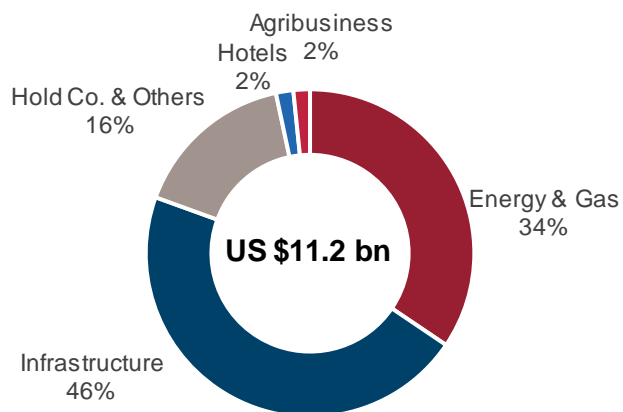
Peso amounts were converted into U.S. dollars using the representative market rate as computed and certified by the Superintendency of Finance \$4,810.2 per U.S. \$1.00 as of December 30, 2022.

(1) Calculated as annualized net income attributable to owners of the parent divided by the average of attributable equity for the five quarters ending December 30, 2022 divided by five.

# Corficolombiana invest primarily in four industries

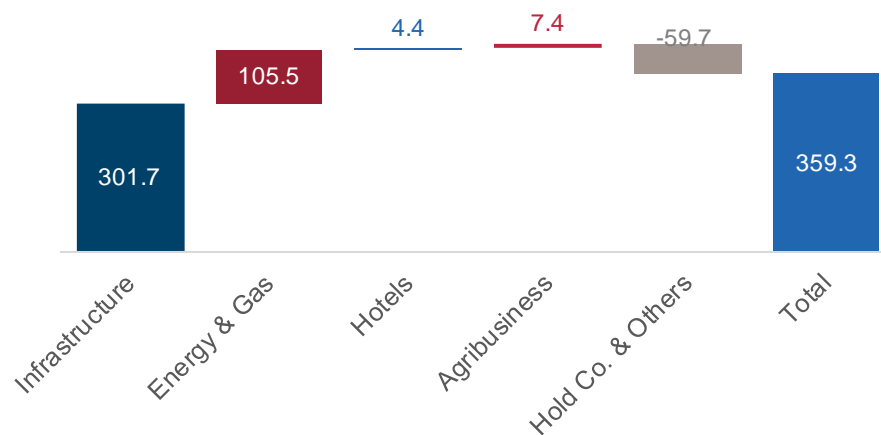
## Assets Composition by Sector

Figures as of December 31<sup>st</sup>, 2022



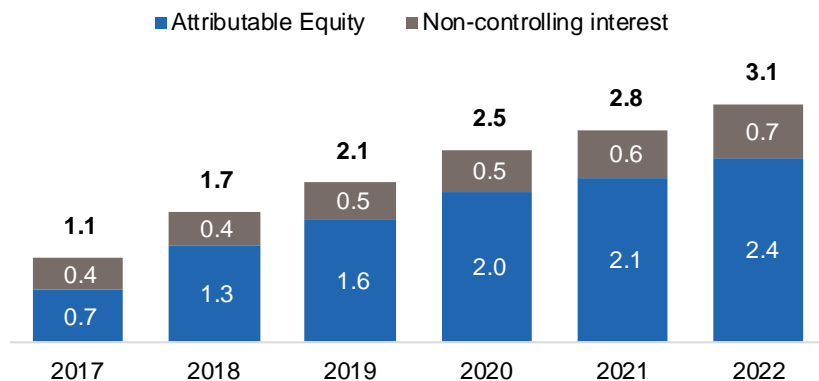
## Contribution per Sector to Attributable Net Income

12M as of December 31<sup>st</sup>, 2022; US\$ million



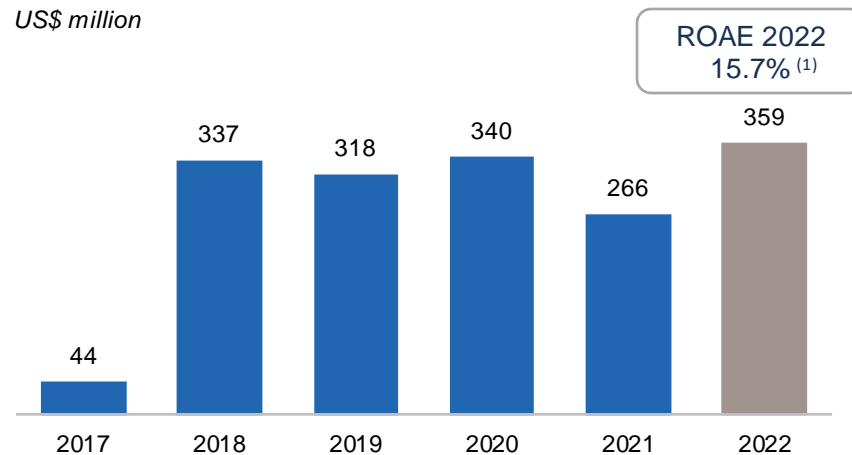
## Equity

US\$ billion



## Attributable Net Income

US\$ million



Source: Company fillings and Superintendency of Finance

Peso amounts were converted into U.S. dollars using the representative market rate as computed and certified by the Superintendency of Finance Ps \$4, 4,810.2 per U.S. \$1.00 as of December 30, 2022. (1) Calculated as annualized net income attributable to owners of the parent divided by the average of attributable equity for the five quarters ending December 30, 2022 divided by five.



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2 Financial Results

3 **Macro Overview**

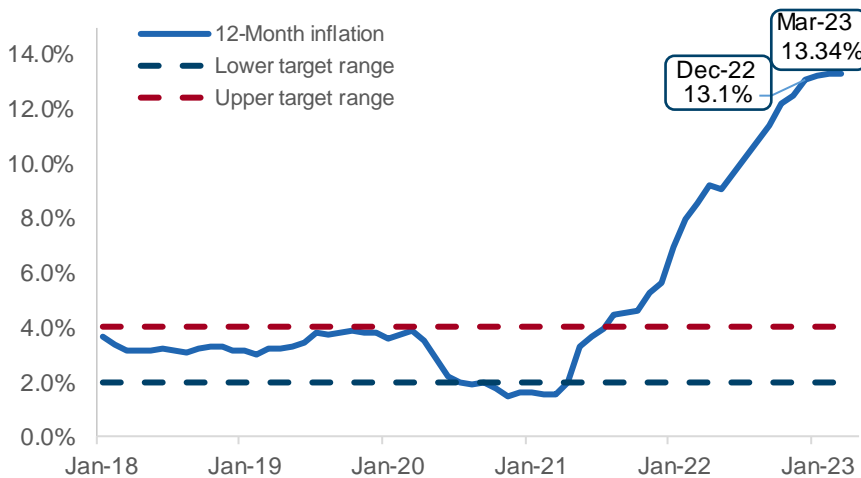
# Macroeconomic context - Colombia ( 1 | 2 )

## GDP Growth (%)



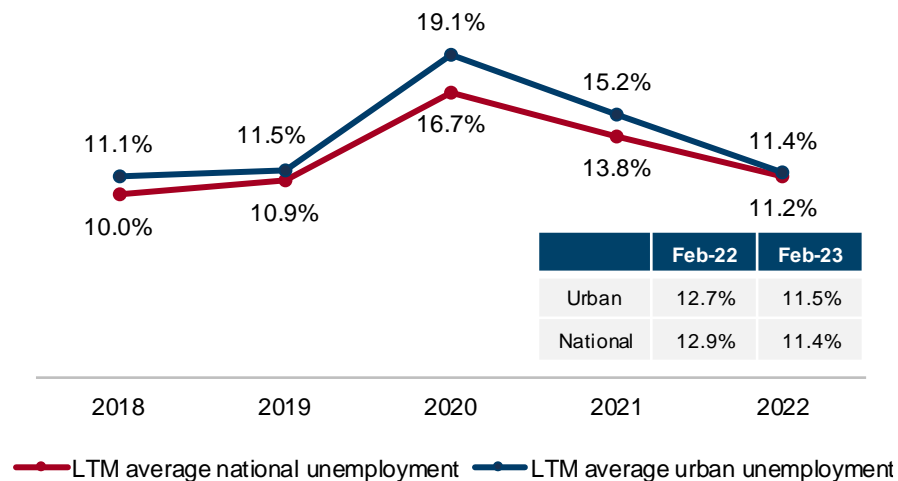
Source: DANE. Seasonally adjusted, constant prices of 2015 GDP

## Inflation (%)



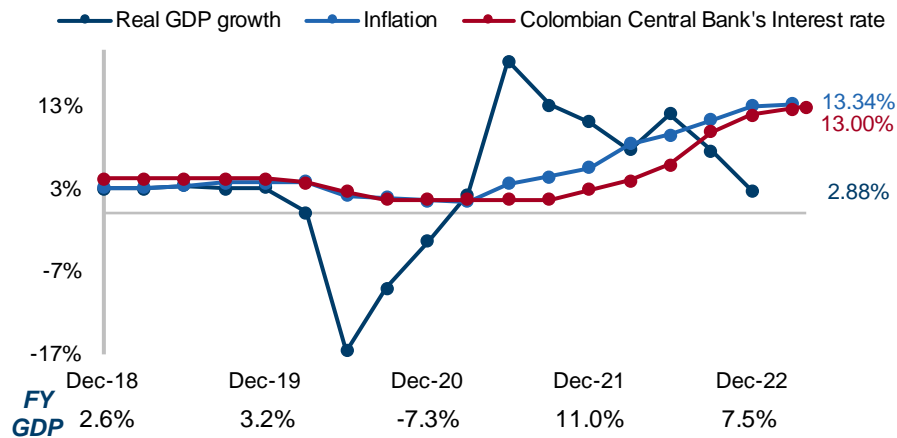
Source: Banco de la República de Colombia and DANE.

## Unemployment (%)



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

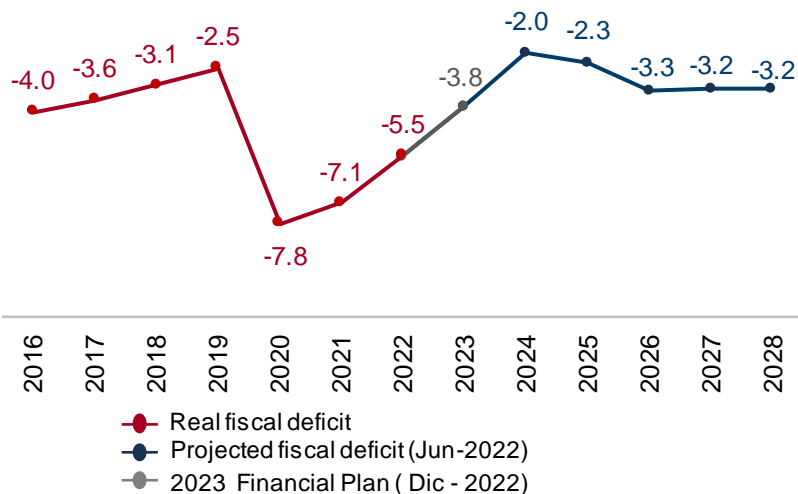
## Central Bank's Monetary Policy



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

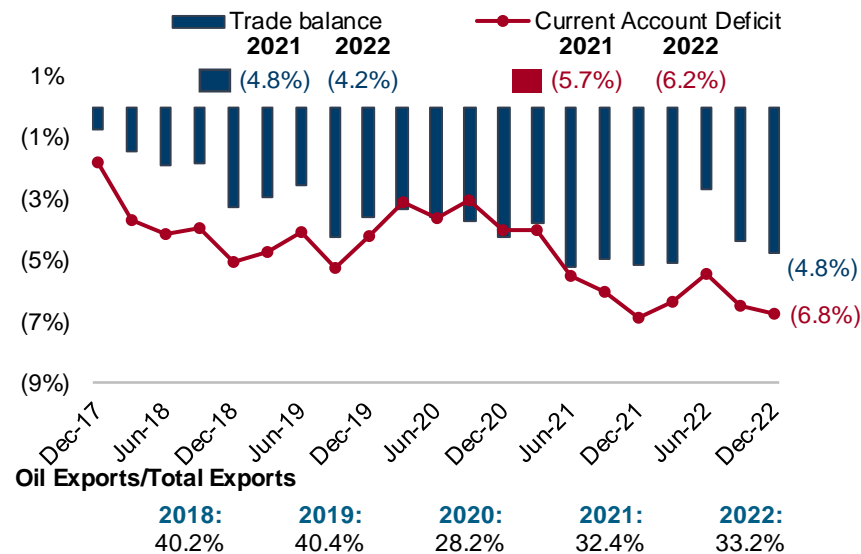
# Macroeconomic context - Colombia ( 2 | 2 )

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



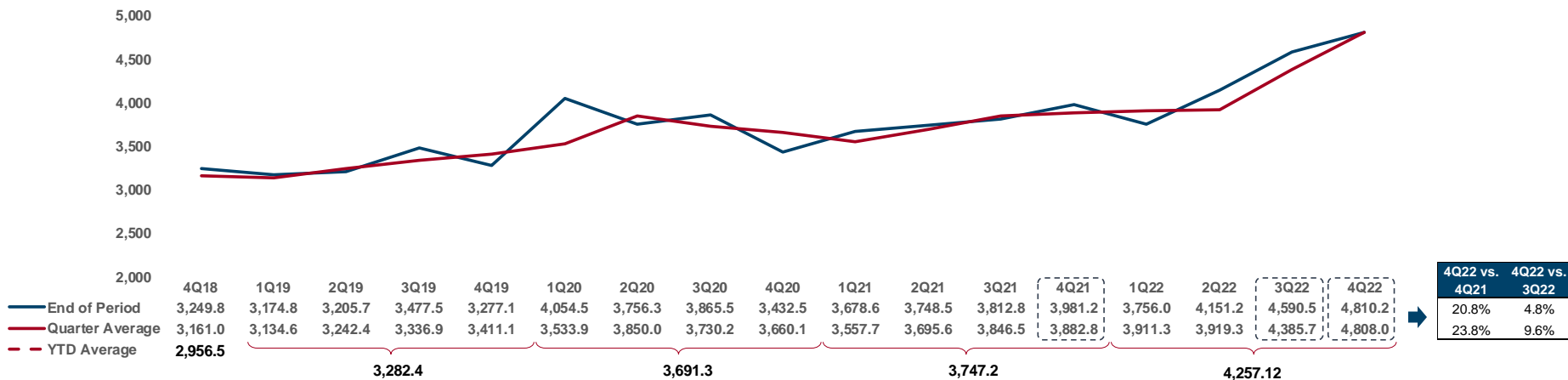
Source: Ministry of Finance. Projections start in 2023.

## Current Account (% GDP, quarterly)



Source: Banco de la República de Colombia and DANE.

## Colombian Peso Exchange Rate



Source: Banco de la República de Colombia.

Grupo

