



MANAGEMENT AND SUSTAINABILITY REPORT **2020**



MANAGEMENT REPORT 2020

VICI S.A. - Grupo Aval



Content

1	President's Report 2020 (GRI102-14)	10
2	About This Report.....	16
	Introduction of the management report.....	17
3	Grupo Aval and its Subsidiaries.....	20
	3.1 Grupo Aval's direct and indirect shareholding in its subsidiaries.....	23
	3.2 Geographic presence and markets served.....	32
	3.3 Employees (overall approach).....	39
	3.4 Changes in the organization.....	40
	3.5 Summary of the performance of our operations.....	40
	3.6 Analysis of the performance of our operations in colombia.....	42
	3.6.A. Colombian economic environment.....	42
	3.6.B. Measures to mitigate the impact of covid-19: national government and financial superintendency of Colombia.....	50
	3.6.C. Recent results from the colombian banking system.....	52
	3.6.D. Grupo Aval in Colombia's banking system.....	60
	3.6.E. Result of the holding company's separate financial statements.....	62
	3.6.F. Result of the consolidated financial statements of Grupo Aval.....	65
	3.6.G. Performance of grupo aval shares.....	69
	3.6.H. Results of our subsidiaries in colombia.....	70
	3.7 Analysis of the performance of our operations in Central America.....	85
	3.7.A. CentralAmericaneconomicenvironment.....	86
	3.7.B. Recent results of the central american banking system.....	88

3.7.C. Grupo Aval in the Central Amer- ican banking system.....	89
3.7.D. Results of leasing Bogotá Panama (lb panama).....	91
3.8 Other entities related to Grupo Aval.....	93

4	Structure and strategic management.....	94
	4.1. Governing bodies.....	95
	4.1.A. Main members of the board of directors.....	95
	4.1.B. Alternate members.....	99
	4.1.C. Secretary general.....	102
	4.1.D. Support committees.....	103
	4.2. Organization chart.....	104
	4.2.A. Financial senior vice presidency.....	105
	4.2.B. Senior vice presidency of information technology.....	105
	4.2.C. Senior vice presidency of corporate controller- ship.....	105
	4.2.D. Corporate risk vice presidency.....	106
	4.2.E. Corporate marketing vice presidency.....	106
	4.2.F. Legal vice presidency.....	106
	4.2.G. Internal audit management.....	107
	4.3. Strategic Managent.....	107
	4.3.A. Mission and Vision.....	108
	4.3.B. Values and guiding principles.....	108
	4.3.C. Strategic pillars.....	110
	4.3.D. Organizational objectives.....	115

5 Laws and regulation 116

5.1 Status of compliance with intellectual property rules, copyright and free movement of invoices.....	117
5.2 Events after closing.....	117
5.3 Risks facing Grupo Aval.....	117
5.4 Regulations in matters of conglomerates.....	118
5.5 Laws.....	118
5.6 Decrees.....	119
5.7 Newsletters.....	121
5.8 External newsletters.....	121
5.9 Resolutions.....	123

6 Sustainability at Grupo Aval 124

6.1 Stakeholders.....	125
6.2 Materiality analysis	127
6.2.A. Our sustainability model.....	129
6.3 Relationship with entities for the sake of sustainability.....	131
6.4 Our alliances, memberships and standards to follow.....	132
6.5 Corporate governance management, risk and ethics.....	132
6.5.A. Corporate governance structure.....	133
6.5.B. Risk management and internal control.....	135
6.5.C. Ethics.....	138
6.6 Financial performance.....	141
6.6.A. Management of entities.....	142
6.6.B. Relationship with investors.....	144
6.7 Corporate efficiencies.....	147
6.7.A. Corporate marketing.....	147

6.7.B. Corporate procurement.....	151
6.7.C. Innovation and digital transformation.....	153
6.8 Human talent.....	157
6.8.A. Well-being and quality of working life.....	157
6.8.B. Attraction, retention and performance of human talent.....	160
6.8.C. Pride and sense of belonging.....	163
6.8.D. Diversity and inclusion.....	163
6.9 Environment.....	168
6.9.A. Financial inclusion.....	168
6.9.B. Social investment.....	171
6.9.C. Environmental management.....	175

7 GRI content index 178

8 Corporate governance report 186

8.1 Pertinent facts.....	187
8.1.A. Aval financial conglomerate.....	187
8.1.B. Sustainability report.....	188
8.2 Conglomerate property structure.....	188
8.2.A. Capital and structure of company property.....	188
8.2.B. Identity of shareholders with significant, direct, and indirect shareholding.....	188
8.2.C. Information of shares which are directly (in personal ownership) or indirectly (through companies or other vehicles) owned by the members of the board and of the voting rights they represent.....	190
8.2.D. Family, commercial, contractual or corporate relationships that exist between the holders of significant shareholding and the company, or between the holders of significant shareholding with each other.....	190

8.2.E.	Synthesis of known shareholder agreements.....	191
8.2.F.	Own shares in the possession of the company.....	191
8.3	Conglomerate management structure.....	191
8.3.A.	Composition of the board of directors and identification of the origin of each member.....	191
8.3.B.	Resumens of board members.....	192
8.3.C.	Changes to the board of directors during the year.....	192
8.3.D.	Members of the board of directors of the corporation who are on the boards of directors of subordinate companies or who hold executive positions in t h e m	192
8.3.E.	Policies approved by the board of directors during the reporting period.....	193
8.3.F.	Process of appointment of the members of the board of directors.....	193
8.3.G.	Board compensation policy.....	193
8.3.H.	Compensation of the board of directors and members from senior management.....	194
8.3.I.	Quorum of the board of directors.....	194
8.3.J.	Attendance data for meetings of the board of directors and committees.....	194
8.3.K.	Chairman of the board of directors (key functions and topics).....	194
8.3.L.	Secretary of the board of directors (key functions and topics).....	194
8.3.M.	Functions of the secretary of the board of directors (key functions and topics).....	194
8.3.N.	Relationships of the board of directors with the tax reviewer, financial analysts, investment banks and rating agencies throughout the year.....	194
8.3.O.	External advice received by the board of directors.....	194
8.3.P.	Management of board information.....	195
8.3.Q.	Activities of the board committees.....	195
8.3.R.	Information on the completion of the evaluation processes of the board of directors and senior management, as well as a synthesis of the results.....	195
8.4	Operations with linked parties.....	196
8.4.A.	Powers of the board of directors on such operations and situations of conflict of interest.....	196

8.4.B.	Detail of the transactions with most relevant related parties to the company's opinion. including operations between conglomerate companies.....	196
8.4.C.	Conflicts of interest presented and action of the members of the board of directors.....	196
8.4.D.	Mechanisms to resolve conflicts of interest between companies of the same conglomerate and its implementation during the financial year.....	196
8.5	Company Risk Management Systems.....	197
8.6	general shareholders assembly.....	197
8.6.A.	Differences in functioning of the assembly between the minimum regime of the current regulations and those defined by the bylaws and regulations of the company assembly..	197
8.6.B.	Measures taken during the period to encourage the participation of shareholders.....	197
8.6.C.	Information to shareholders and communication with them.....	198
8.6.D.	Number of requests and materials on which shareholders have required information.....	199
8.6.E.	Data on attendance at the general shareholders meeting.....	199
8.6.F.	Details of the main agreements made.....	199

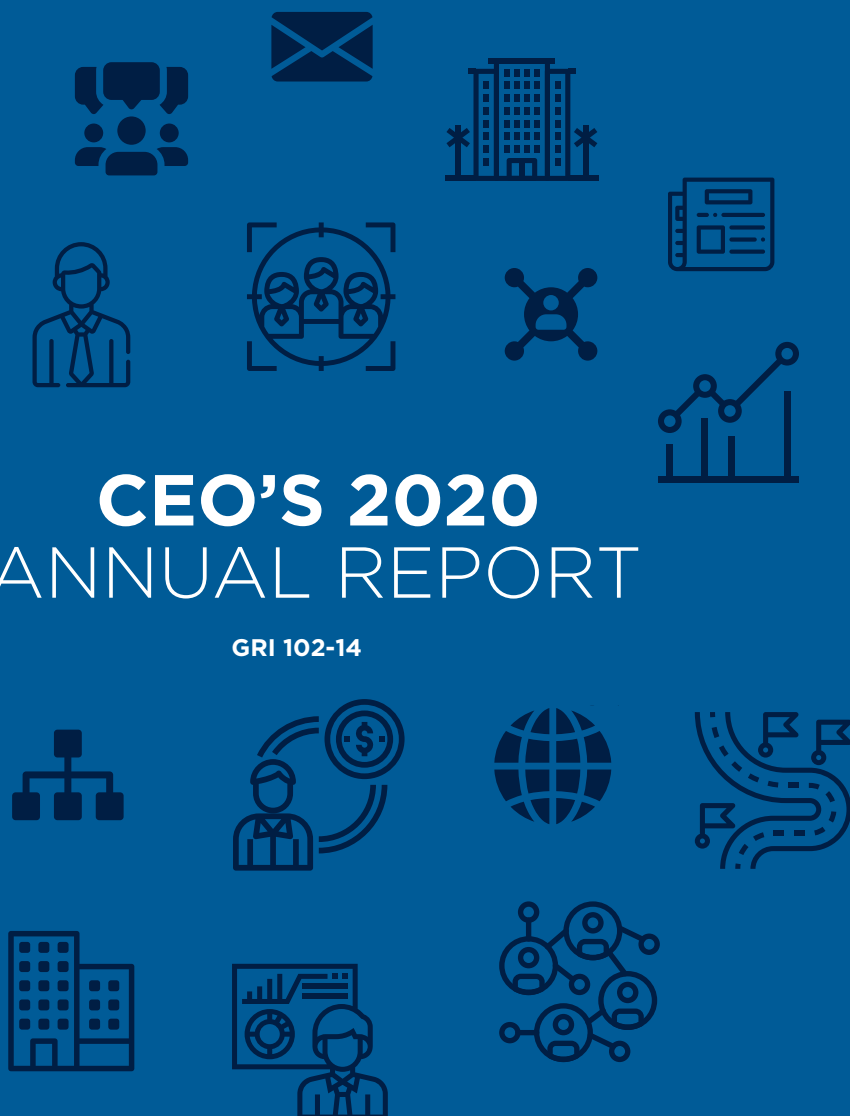
ANNEX 1

200

1

CEO'S 2020 ANNUAL REPORT

GRI 102-14



CEO'S 2020 ANNUAL REPORT

Bogota D.C.

Dear Shareholders:

I am pleased to present the results of Grupo Aval Acciones y Valores S.A. for 2020. 2020 will be remembered as the year of the Coronavirus pandemic but above all, it will be remembered for the devastating loss of lives and the global economic crisis, the deepest in recent history, produced by COVID-19. On average, every 100 years humanity faces a pandemic; however, it is impossible to know how well you are ready for the next one. In this regard, I am proud to say that Grupo Aval and its employees have exemplarily endured the situation experienced since March of the past year, as you will read below and in more detail throughout this management report. This does not mean we were spared from its effects, nor were our customers. However, the traditional conservative practices of *Bancos Aval* in conjunction with the capacity of our employees to adapt to the new way of conducting our business, a consequence of quarantines, allowed us to face this juncture with less impact to that experienced by the rest of the system.



In fact, Grupo Aval's results support our strategy of profitable and sustainable growth, leveraged in prudent risk management and diversification of businesses and geographies.

From day one of the first quarantine, we successfully tested all the preparations that we had undertaken over the years to ensure the continuity of our operations precisely at times like these. Our priorities focused on protecting our employees and supporting our customers, within a risk management framework adjusted to this juncture. Therefore, at the worst peak of last year, we implemented a remote work scheme and as a result almost 95% of our workforce was working from their homes. In addition, we strengthened our digital service channels and expanded the capacity of our call-centers.

I should emphasize the resilience of our call-center operators, our technologists, the sales forces, and the staff of our branches network, who never shied away from their duties including, when necessary, the commuting to their usual work sites. As for our customers, we adopted strict biosecurity controls in all our branches and established maximum capacities to comply with social distancing measures. In addition, since March we provided reliefs to our customers, in accordance with the provisions established by the regulators in the countries where we operate. We also provided structural reliefs from August on, where we redefined our clients' credits by seeking sustainable conditions in the long term under the framework of the Debtor Support Program (PAD for its Spanish acronym) in Colombia and of domestic policies in Central America.

As a relevant event within our international operation, in May we renegotiated, at an excellent price, and completed the acquisition of Multi Financial Group (MFG), holding company of Multibank Bank in Panama. This business complements our share in the Panamanian financial system, where we became leaders in various business segments and the second most important player by assets size.

There are several lessons that this 2020 year has left us so far. Among them, the on-site work mode has been redefined, and our new normalcy will include a percentage of our workforce working remotely. Likewise, travel needs have been redefined and therefore we expect a material reduction in costs from thousands and thousands of employees who previously traveled as part of their work. We have also learned to take advantage of technological progress in communications. To this day, a meeting by Teams, by Zoom or others is part of the lexicon of Colombians. Proof of the above is that during 2020, digital transactions increased 52%. Progress in this area was instrumental in ensuring that, in the midst of the most complex health juncture the country has faced, our customers continued doing their banking operations with safety and efficiency.

As usual, before I refer to the performance of our entities, I will start by contextualizing the macroeconomic scenario of the regions where we operate. At the end of the year, most of our assets (65%) were in Colombian territory, while the remaining (35%) were in other countries, mostly in Central America. For this reason, I will first refer to the Colombian scenario.

Colombia:

The beginning of 2020 augured a year in which the economic recovery achieved in 2019 would continue and be consolidated. In mid-March, these expectations were thwarted by the global spread of COVID-19. Most countries around the world saw their health systems, stock markets and distribution chains collapse, leading their economies to a rapid cool. Colombia was no exception.

Amid this context and after a particularly good first bimester, Colombia's GDP grew by only 0.1% in the first quarter of 2020 when compared to the same quarter in 2019. During the second quarter of the year, and as COVID-19 gained ground, strict quarantines became the norm; as a result, the economic

activity in Colombia came to a strident halt and a 15.6% contraction compared to the second quarter of 2019.

As the strict quarantines became more flexible, the economic activity recovery responded accordingly. Therefore, the third quarter of the year showed an 8.3% contraction in GDP compared to the same quarter last year. Although economic activity was still on negative ground, it grew 9.4% compared to the previous quarter. The last quarter of the year continued to show a recovery in the economy and although still affected by some sectorized quarantines, it allowed a contraction of 3.5% in GDP compared to the fourth quarter of 2019. This said, the 2020 GDP contracted 6.8% compared to 2019.

On the production side, only four of the twelve sectors that comprise the GDP were on positive ground. One of such sectors, was finance, a sector where most of our business is concentrated, with a growth of 2.1% in 2020. Domestic demand contracted 7.6%, the result of a 21.2% drop in gross capital formation and a contraction in final consumption of 4.1%, caused by a 5.8% contraction in household consumption. Rising unemployment and job uncertainty because of business closures and payroll cuts were accompanied by a marked deterioration in consumer confidence that slowed household dynamics. The decline in household demand was partly offset by a 3.7% increase in government consumption, associated with government-implemented health emergency policies to counter the impact of the virus on the economy.

The average national total unemployment rate reached a level of 16.1% in 2020, the highest level of the last 20 years, compared to 10.4% on average in 2019. The average unemployment rate for the thirteen metropolitan areas rose from 11.2% in 2019 to 18.4% in 2020. On monetary policy, the Central Bank reacted to the sharp deterioration of the economy and reduced its benchmark rate by 250 basis points from 4.25% to an all-time low of 1.75% between March and September 2020. Inflation began the year with an uptrend reaching 3.85% in March. However, consecutive quar-

antines between March and September debilitated the demand's inflationary pressures. As a result of the absence of pressures amid the situation, inflation in Colombia fell below the target range (2% to 4%) closing the year at 1.61%. Government support for households through utilities subsidies, freezing leases and the drop in commodity prices also contributed to the downward trend in inflation.

The exchange rate registered volatility episodes during the year, registering a minimum of \$3,253.89 per US dollar and a maximum of \$4,153.91 per US dollar, closing at \$3,432.50. On average, the exchange rate depreciated 12.5% during the year, because of two different stages: in the first few months there was a weakening of the peso against the dollar mainly associated with the oil price war between Russia and Saudi Arabia, which, from May onward, was followed by a weakening of the dollar due to the global context.

On the other hand, on the external front, the fall in oil and coal prices materially affected the volume of exports, which, as of November, fell by 22.5% compared to the same period of the previous year. During the same period, imports contracted 19.1%. In this context, the trade balance deficit will surely deteriorate by 2020, and could be around 3.7% of GDP.

Prior to the pandemic, Colombia's fiscal outlook was improving, to the point where the national government recorded a primary surplus of 0.5% of GDP in 2019 (the first since the Fiscal Rule was enforced in 2012) and the expectation was that this figure would reach 0.6% in 2020. However, the deterioration in economic activity and the reliefs in the government's tax calendar to give liquidity to companies led to a deterioration in collection. In addition, the collapse in crude oil prices and the creation of the Economic Emergency Mitigation Fund (FOME for its Spanish acronym), amounting to \$40.5 trillion COP (2.5% of GDP), generated a sharp reversal of the country's fiscal adjustment trajectory. Thus, we estimate that the fiscal deficit of 2020 shall reach levels of 8.2%, well above the expected 2.2% before the pandemic.

Central America:

During 2020, the Central American region was particularly affected by the crisis caused by COVID-19 due to its significant openness to international trade and the relevance of foreign exchange income from remittances, foreign direct investment, and tourism. In addition, the government authorities of each country adopted measures to restrict mobility and the partial or total closure of activities. On the other hand, the geographical position of the Central American continent makes the region prone to nature's onslaught; indeed, during 2020, strong natural phenomena deepened economic contraction in some of the countries, especially Hurricanes Eta and Iota, which left material losses in the northern triangle (composed of Honduras, Guatemala, and El Salvador) and in Nicaragua, including the destruction of infrastructure and crops.

As a result, the IMF expects a 5.7% decline in actual GDP in the region in 2020. In addition, it expects the largest contractions in El Salvador and Panama (9.0%), followed by Honduras (6.6%), Costa Rica and Nicaragua (5.5%). Guatemala would have the least impact with a contraction of 2.0%.

Grupo Aval results in 2020:

Finally, I will give you a summary of what I believe were the main factors that drove the results of the year.

Despite the difficult situation, we achieved a separate net income of \$2.4 trillion COP, 21% lower than the \$3.0 trillion COP earned in 2019, the year with the highest profits in our history. At the end of the year, we had consolidated assets of \$322.9 trillion COP and a consolidated total equity of \$35.4 trillion COP. Our diversification strategy and prudent approach to risk management paid off during 2020. Corficolombiana and Porvenir's strong performance dampened the decline in the results of our banking business. On the other hand, our preference for credit and higher credit quality segments mitigated the im-

pairment caused by the economic slowdown. Despite these favorable factors, profits were strongly impacted by an increase of more than 2.2 trillion COP or 60% in consolidated net provision expenditures. We are confident that the large provisions accounted for as a result of our estimates of the foreseeable past due deterioration shall be more than enough once we return to the normal installment payment schedule of the credits relieved during 2020. In this context, it is worth noting that as of December 31, 2020, the balance of active reliefs granted under External Notifications 07 and 14 and PAD to our clients in Colombia amounted to 7.3% of the gross in-country loan portfolio. In Central America, the balance of active reliefs and with structural reliefs reached 23.1% of our gross loan portfolio in the region.

In addition, the banking business suffered a contraction in our interest spreads because of cuts in reference rates, our focus on lower-risk products and segments, intensified competition via interest rates, and the effect of financial relief on loan portfolio interest income. There was also a decrease in our commission revenue associated with less transactions in our Aval Network (branches, ATMs and other in person service points) due to mobility restrictions for much of the year and the decision not to charge fees to our customers during the initial months of the pandemic on digital transfers and ATM withdrawals.

To compensate for the reduction in our income, we carried out a cost optimization strategy that allowed us to reduce 2.2% total expenditures on our operations in Colombia and 3.1% on our operations in Central America, not including the exchange rate effect and growth resulting from the acquisition of MFG. We expect that 2021 will be a transitional one. Regarding the economies of the countries where we operate, we expect that they will continue the gradual path of recovery that began during the second half of 2020. From what we have seen in 2021, the recovery of the economy has evidenced through greater dynamism in commercial activity and less pressure on cost of risk. These elements com-

bined with discipline in spending allow us to see this year's performance more optimistically. Either way, we will continue to support our crisis-affected clients by providing them with structural financial solutions that promote the sustainability of their business or personal finance in the long run.

In terms of our digital strategy, a significant 60% of our monetary transactions value is currently done through digital channels. We will also continue to prioritize the effort to renew ourselves to serve our customers in an agile, timely and tailor-made way to satisfy their needs. On the other hand, we will continue to strengthen our sustainability model to improve our social and environmental impact, in addition to our commitment to long-term value generation for all our stakeholders. Finally, in addition to inviting you to browse through the management report, I want to say that I have nothing but words of gratitude to each and every one of our direct and temporary employees and our excellent management group for their efforts and dedication in a challenging year, as was 2020. I am confident that together we will be able to meet the goals for next year.

We hope to continue delivering!

Kind regards,

Luis Carlos Sarmiento Gutierrez
CEO Grupo Aval S.A.

2

ABOUT THIS
REPORTINTRODUCTION OF THE MANAGEMENT
REPORT

GRI 102-50,102-52,102-54

This management report is part of the requirements of the Code of Commerce, the recommendations of the Code of Best Corporate Practices - Country Code, issued by the Financial Superintendency of Colombia and the standards of the Global Reporting Initiative (GRI)

Below is our management report for 2020, which is reported annually to our General Meeting of Shareholders in March every year. We are pleased to incorporate our sustainability report as part of this management report, communicating the main activities, initiatives, challenges, and achievements in social, environmental, and economic matters for the best interests of our Shareholders and Investors.

Also, our commitment to our investors and stakeholders, framed in our values of transparency and integrity also motivate us to communicate the main achievements and progress in the management of these topics throughout 2020.

We have prepared the sustainability report in accordance with the Core option of the GRI Standards. Throughout the text, there are indicators related to the management of material topics in sustainability, which have been compiled in the GRI table of contents at the end of this report.

Here are some definitions and clarifications that may facilitate understanding of this report:





Holding Company, Grupo Aval or the Company: refers to Grupo Aval Acciones y Valores S. A., separately.



Consolidated Grupo Aval or consolidated: refers to Grupo Aval Acciones y Valores S.A. and its subsidiaries.



Aval Financial Conglomerate of Aval FC: refers to the set of companies in Colombia and abroad engaged in a financial, insurance or stock market activity, where Grupo Aval acts as Financial Holding Company under Law 1870 / 2017 (hereinafter “Law on Financial Conglomerates”). At cut-off date December 31, 2020, CF Aval consists of 74 entities, including Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, Porvenir, Corficolombiana, BAC Credomatic Inc. and Multi-bank Inc.



Aval Banks: refers to the 4 banking subsidiaries of Grupo Aval in Colombia, specifically Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas.



Red Aval: refers to the set of ATMs of Aval Banks, which have a fully integrated platform and allow our customers to make transactions from any of the 4 banks. This network fully managed by A Toda Hora S.A.S (ATH). Similarly, it refers to the offices of the Aval Banks, integrated so that clients can carry out the most common transactions (withdrawals, appropriations, balance inquiries and debt payments, among others) at any office of these banks.



BAC: refers to BAC Credomatic Inc., holding company of our operation in 6 Central American countries.



MFG: refers to Multi Financial Group, holding company of Multi-bank Inc. bank. and other subsidiaries located mainly in Panama.



LB Panama: refers to Leasing Bogotá S.A. Panama, holding company of BAG and MFG, and a subsidiary of exclusive ownership of Banco de Bogotá. In this document, unless otherwise specified, we refer to “Central America” or the “Central American Operation” as LB Panama.



All financial information is published under Colombian Financial Information Standards (NCIF).



The accounting and financial information of this report and its annexes, was audited by KPMG S.A.S (KPMG Colombia)



The figures are expressed in Colombian Pesos (\$) and US dollars (U.S.\$), under the North American numerical system (commas in thousands and decimal points). We present one thousand million as one billion and one million million as one trillion.



All US Dollar figures converted to pesos were expressed using the Official Exchange Rate (TRM for its Spanish acronym) certified by the Colombian Financial Superintendency (hereinafter “SFC”) as of December 31, 2020 of \$3,432.50.

3

GRUPO AVAL AND ITS SUBSIDIARIES

GRI 102-1, 102-2, 102-5

THIS CHAPTER PRESENTS A BRIEF DESCRIPTION OF GRUPO AVAL AND ITS STRUCTURE

Grupo Aval Acciones y Valores S.A. is the Holding Company of the Aval Financial Conglomerate, one of the main financial groups in Latin America, operating in 13 countries. We have positioned ourselves as the largest financial group in Colombia and the leading banking group in Central America by level of assets through the ongoing evolution of our businesses which, jointly with a successful history of acquisitions and mergers, has enabled us to expand in Colombia and Central America.

Our mission is to provide our clients with socially responsible, safe, and easy-to-access, understand and manage financial solutions wherever and whenever they require it. With this in mind, we have defined a cost-effective and sustainable growth strategy that allows us to create value in our subsidiaries and for our shareholders through comprehensive risk management, innovation, the pursuit of corporate efficiencies, recruiting of the best talent and ensuring sustainability of our businesses.

Our portfolio of investments in subsidiaries consists mainly of six entities in Colombia, dedicated to providing financial financial, pensions, investment services and management of companies in the real sector.

· Banco de Bogotá: founded in Bogota in 1870, is the oldest financial institution in Colombia. Operating in 11 countries, it provides global banking services for individuals, companies and SMEs in Colombia and Central America - through LB Panama and its subsidiaries BAC and MFG. The bank is in a process of transformation to become a referent of digital banking, leading the innovation of financial services that benefit the lives of our customers, and enable us to be more efficient and timely.

· Banco de Occidente: Founded in Cali in 1965,

its main focus is commercial business banking and banking for affluent segments, also rendering several retail banking services. The bank has a particularly strong presence in the southwestern part of the country, where it is originally from.

· Banco Popular: Founded in Bogota in 1950, it was consolidated as the state bank par excellence, later privatized in the 1990s. The bank has managed to sustain a strong relationship with the country's public entities and remains the leader in the country's payroll loan market with its "Prestayá" product.

· Banco AV Villas: Founded in Bogota in 1972 as Corporacion de Ahorro y Vivienda Las Villas, the bank began its activities as a mortgage credit entity focusing on the low- and middle-income population. Today the bank renders all the services of a commercial bank, focusing on consumer services, complemented by its traditional line of mortgage products.

· Corporacion Financiera de Colombia (Corficolombiana): Founded in Bogota in 1959 as an affiliate of Banco de Bogotá, Corficolombiana is the result of the merger of seven financial companies between 1997 and 1999. In 2005, Corficolombiana merged with Corfivalle and it was consolidated as the largest financial company in the country, with a directly managed investment portfolio and in several sectors of the Colombian economy.

· Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir (Porvenir): Founded in Bogotá in 1991 by Banco de Bogotá and Banco de Occidente as a severance fund administrator. With the creation of Colombia's private compulsory pension system (Individual Savings Regime with Solidarity - RAIS for its Spanish acronym) in Colombia in 1993, Porvenir ventured into this business in 1994 and over time, it has established itself as the largest pension and severance fund in the country, measured by subscribers and managed resources. Porvenir also renders volun-

tary pension and autonomous estates.

Through our subsidiaries and their subsidiaries, we consolidated 164 companies operating in the financial services, pensions and severance funds, energy and gas, infrastructure, hotel, and agribusiness sectors, among others.

Our origin as Grupo Aval dates back to 1994 when Dr. Luis Carlos Sarmiento Angulo, our controlling shareholder, established this company for the management of his investments. In 1999 we carried out our first issuance of common shares on the Colombian Stock Exchange (BVC for its Spanish acronym) under GRUPOAVAL mnemonic, for a gross value of \$65.2 billion. Subsequently, in 2007 we carried out a second issuance of common shares in the BVC for a gross value of \$372.0 billion.

Our internationalization began in 2010 with the acquisition of BAC Credomatic from GE Consumer Finance Central Holdings Corp, and General Electrical Capital Company. In 2013, we expanded our operation in Central America through the acquisition of BBVA Panama (merged with BAC International Bank, Inc.) and Grupo Reformador (merged with Banco de América Central S.A. Guatemala).

In 2011, we registered with the Securities and Exchange Commission (“SEC”) and the first issuance of preferential shares in the BVC under the PFAVAL mnemonic, for a gross value of \$2.1 billion. In December 2013, we made the third issuance of common shares in the BVC for a gross value of \$2.4 trillion and on September 23rd, 2014 we made our initial public offering (IPO) by issuing U.S. certificates of deposit (ADRs representative of 20 preferential shares each) under the AVAL mnemonic on the New York Stock Exchange (NYSE) for a gross value of USD \$1.3 trillion.

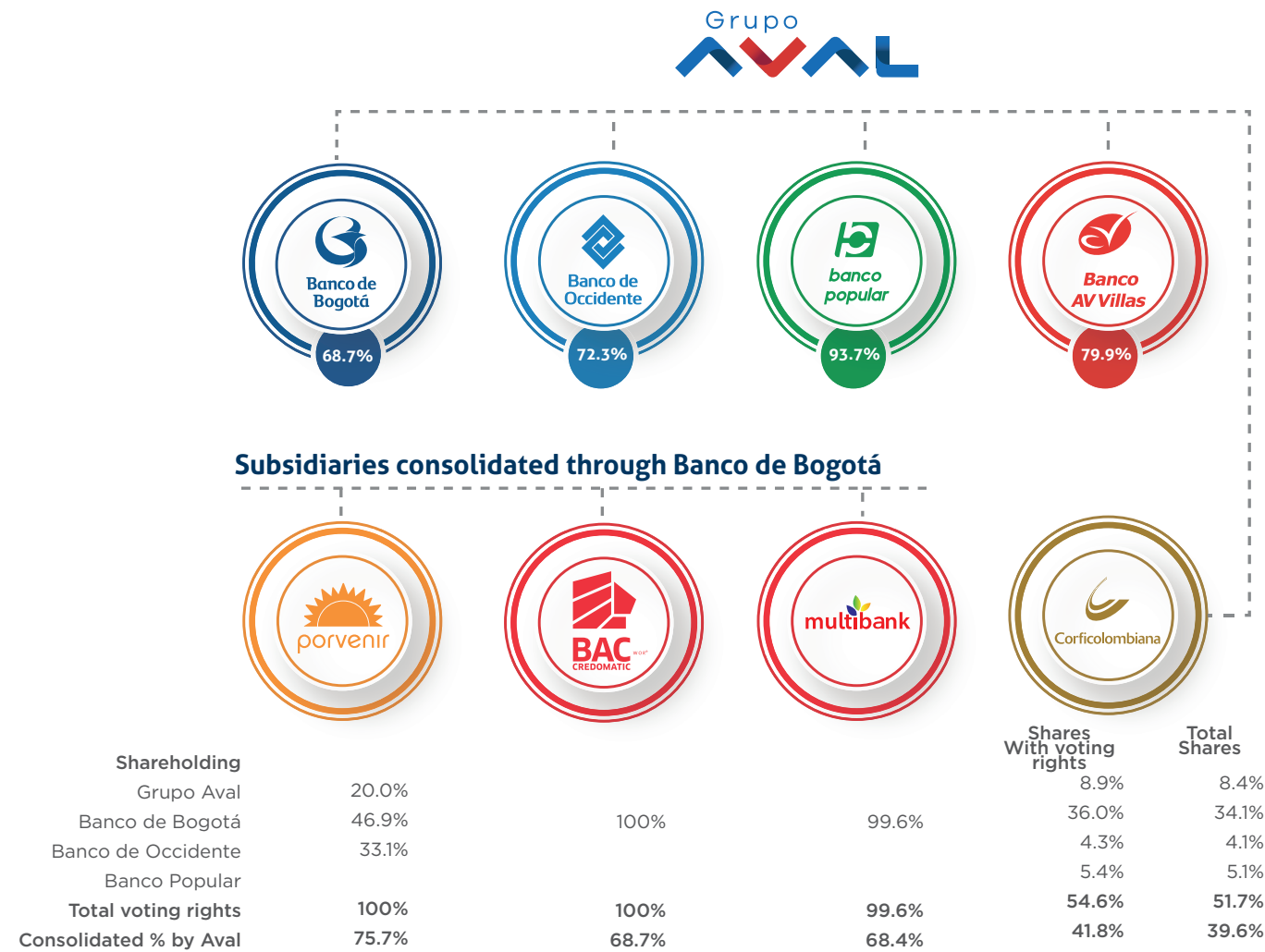
The situation of the business group was registered on December 31, 2018, because Mr. Luis Carlos Sarmiento Angulo determined the existence of a unit of purpose and direction

over Grupo Aval and other companies that comprise the Grupo Empresarial Sarmiento Angulo. As of February 6, 2019, the Law of Financial Conglomerates came into effect and in this way, we are set up as the Financial Holding Company of Aval FC which is why, today we are subject to the supervision and surveillance of the SFC only as Financial Holding and we are obliged to meet certain requirements that we will detail later in this document.

On May 22, 2020, through LB Panama we concluded the acquisition of Multi Financial Group Inc. (MFG), the holding company of Multibank Inc. for an adjusted final value of U.S. \$432.2 million. As of December 31, 2020, LB Panama controlled 99.6% of MFG’s shares. At the end of the year, the acquisition of MFG contributed assets of \$16.5 trillion (\$11.6 trillion net portfolio) to our consolidated financial statements.

3.1 GRUPO AVAL’S DIRECT AND INDIRECT SHAREHOLDING IN ITS SUBSIDIARIES

Our business model focuses on growing profitably and sustainably, organically, or inorganically. The structure of our investment portfolio allows us to leverage on a multi-brand strategy, where we capitalize crosswise on the strengths, specific knowledge, and best practices of each of our subsidiaries. Our investment portfolio is concentrated in Colombia, with the following capital ownership structure of our subsidiaries:



Grupo Aval is part of Grupo Empresarial Sarmiento Angulo which was established on December 31, 2018 and registered on January 31, 2019.

Source: Grupo Aval with cut-off date as of December 31, 2020. We refer to the consolidated percentage by Aval as our controlling interest in these subsidiaries.

We work in an articulated way with our subsidiaries through procedures and policies that align their specific objectives around a corporate strategy. We recognize the experience and background of each of our management teams and for this reason we promote individual development of each of our subsidiaries, all within the framework of the corporate strategy.

This way of operating promotes free competition, enables us to capture new market opportunities, transform and innovate in supplying products and services to our customers and generate efficiencies through the materialization of corporate synergies. It also maximizes the profit we generate our stakeholders and helps us lead the markets and segments where we develop our activities.

Market Share		Market Position
Complete set of banking products offered through our four banks		
   	25.7% in Assets 25.0% in Net Portfolio 25.9% in Deposits 31.1% in Corporate Loans 27.0% in Consumer Loans 42.4% in payroll loans 20.0% in Credit Cards 24.1% in Vehicle Loans 53.9% in Net Income	#1 in Assets #2 in Net Portfolio #1 in Deposits #1 in Corporate Loans #1 in Consumer Loans #1 in payroll loans #2 in Credit Cards #2 in Vehicle Loans #1 in Net Income
Leading Central American banking group operating in Panama, Costa Rica, Guatemala, Honduras, El Salvador and Nicaragua		
 	11.2% in Assets 12.6% in Net Portfolio 11.4% in Deposits 36.7% in Credit Card Plastics 53.8% in Acquiring Credit Cards 15.1% in Net Income	#1 in Assets #1 in Net Portfolio #1 in Deposits #2 in Credit Card Plastics #2 in Vehicle Loans #1 in Net Income
Leading pension and severance funds administrator in Colombia		
	44.3% in Administered Assets 61.0% in Net Profit 56.5% in Subscribers	#1 in Administered Assets #1 in Net Income #1 in Subscribers
	· Largest operator of roads in Colombia · Largest gas transport and distribution company in Colombia · Largest hotel chain in Colombia · More than 25 thousand hectares cultivated	

Source: Grupo Aval calculations with information from the SFC, the Financial Superintendency of each country in Central America and corporate information with cut-off date September 2020, latest data available at the same cut-off.

The strength and sustainability of our business and that of each of our subsidiaries allow us to have high quality credit ratings that allows us to finance ourselves at competitive rates, leveraging our growth and profitability.

Issuer	Class	Moody's Rating	Fitch Rating	S&P Rating	National Fitch Rating	BRC S&P Rating	Moody's Outlook	Fitch Outlook	S&P Outlook
Grupo Aval	Foreign Currency - LP	Ba2	BBB-				Negative	Negative	
	Local Currency - LP	Baa2	BBB-	BB+					
Banco de Bogotá	Foreign Currency - LP	Baa2	BBB-	BB+			Negative	Negative	Stable
	Foreign Currency - LP	P2	F3	B					
	Local Currency - LP	Baa2	BBB-	BB+		AAA			
	Local Currency - LP	P2	F3	B		BRC1+			
Banco de Occidente	Foreign Currency - LP		BBB-					Negative	
	Foreign Currency - LP		F3						
	Local Currency - LP		BBB-		AAA	AAA			
Banco Popular	Local Currency - LP								
	Local Currency - LP					BRC1+			
Banco AV Villas	Local Currency - LP					AAA			
	Local Currency - LP					BRC1+			
Corficolombiana	Foreign Currency - LP		BBB-					Negative	
	Foreign Currency - LP		F2						
	Local Currency - LP		BBB-		AAA	AAA			
	Local Currency - LP		F2		F1+	BRC1+			

Source: Moody's, Fitch Ratings, Standard & Poor's (S&P) and BRC Standard & Poor's.

Successfully executing our strategy and that of our subsidiaries has allowed us to receive important awards and recognitions locally and internationally.



Awards	Description
International Finance 2020 Best Banking CEO	In February 2021, our CEO Luis Carlos Sarmiento Gutiérrez International Finance was awarded the 2020 Best Banking CEO. This award 2020 Best Banking CEO recognizes the talent of senior industry executives, the leadership skills and the results of the companies that make up the financial sector at the international level.
International Finance Best Investor Relations Area	In February 2021, we were awarded for having the best Investor Relations Area
Global Banking & Finance Review CEO of the decade	Luis Carlos Sarmiento Gutiérrez, Grupo Aval
Global Banking & Finance Review 2020 Latin American Banking CFO	Diego Solano Saravia, Grupo Aval
Global Banking & Finance Review	Best Corporate Social Responsibility Company in Colombia 2020 Best Investor Relations Company in Latin America 2020 Decade of Excellence Banking Group Latin America 2020



Awards	Description
Global Finance Outstanding Leadership In Crisis	Banco de Bogotá was the only Colombian entity recognized by Class Editori group magazine as an outstanding leader in the management of the crisis caused by the pandemic. This recognition was created in 2020 by the publication, which especially highlighted our support for client and employees, as well as the Payroll Program of the National Guarantee Fund (FNG for its Spanish acronym) and the launch of digital products.
Global Finance Best Bank in Colombia 2020	During the five-year period we received the award as Best Bank in Colombia, from Global Finance. As part of the group of the best banks in the world, they highlighted our digital strategy and our initiative of new banking branches.
Global Finance Best Bank in Digital Credits in Latin America	Thanks to Banco de Bogotá's extensive digital credit product offering that includes free investment loans, credit cards, payroll loans and housing loans, the prestigious Global Finance publication recognized us at the 2020 World's Best Digital Bank Awards as Best Bank in Digital Loans.



Awards	Description
Global Finance Best Foreign Currency supplier in Colombia 2021	For the eighth year in a row, Global Finance awarded us the award as the Best Foreign Exchange Provider in Colombia, recognizing on this occasion our services in the midst of a shocked and rapidly changing foreign trade market.
Euromoney Best Bank in Colombia 2020	For the seventh time in the last decade, we received the recognition of Best Bank of Colombia by the British publication Euromoney, highlighting the strength of our financial results, our digital strategy, and the new office format.
The Banker Bank of the Year in Colombia 2020	English magazine The Banker, belonging to the Financial Times Group, selected Bank of Bogota as Bank of the Year in Colombia, stressing on leadership demonstrated by the Bank during the crisis, especially the boost given to employment in Colombia through payroll lines of credit with the support of the FNG and the complete portfolio of 100% digital services.
The Banker Top 1,000	In addition, The Banker ranked Banco de Bogotá as the Best Performing Bank in Colombia, within its annual Ranking exercise of the Top 1,000 World Banks.
Latin Finance Bank of the Year in Colombia 2020	In its selection of the best banks in Latin America, the magazine chose Banco de Bogotá as Bank of the Year in Colombia stressing on our financial performance, as well as the actions taken to meet the challenges of the COVID-19 pandemic, benefiting the organization and especially our clients.
Global Business Outlook Best Bank in the Use of Technology in Colombia Best Customer Oriented Bank in Colombia	We obtained these distinctions from the British publication, stressing on our digital innovation strategy focused on improving the experience of our customers, with agility and satisfaction of their needs. In addition, our customer-centered 6C strategy was also recognized as outstanding in the annual awards edition.
Great Place to Work Bank of the Year in Colombia 2020	Great Place To Work certification recognition to Banco de Bogota as a very satisfying stage work environment, recognizing it as an attractive employer in the country.
Dow Jones Sustainability Index Sustainability Yearbook	We become part of the Sustainability Yearbook, which recognizes companies (Top 15%) with best sustainability practices in the world. This recognition goes hand in hand with the implementation of our Sustainability Strategy.
Compass Branding	Compassbranding highlighted Banco de Bogotá brand is one of the three most valuable of 2020 in the services category. In a year marked by the situation caused by the pandemic, the brands that managed to maintain a close relationship with their customers, as well as strong leadership during the crisis, excelled.
Fundacion Exito 17th Child Nutrition Award	Category Companies - Companies that are friendly to breastfeeding, promote and protect breastfeeding in the workplace and among their stakeholders.



Awards	Description
Great Place To Work A Great Place to Work	Certificate of Recognition of Great Place To Work to Banco de Occidente as a great place to work with a very satisfying stage work environment, recognizing it as an attractive employer in the country.



Awards	Description
Largest Donor of Recyclable to Sanar Cancer Foundation	For the third year in a row Banco AV Villas was the largest plastic lid donor for Sanar supporting treatment for the children of the Foundation. Since the alliance started in 2014 and at the end of 2020 approximately 120 tons of plastic lids have been delivered.
Transunion Quality Award	First Place Category A Financial Entity for the third year in a row, for the quality in the information that the Bank refers to the Risk Centers which is consulted by other entities or by the users themselves.



Awards	Description
ranked first Focus Economics Analyst Forecast Awards	Corficolombiana's Economic Research team ranked first in the best economic forecast team awards in Gross Domestic Product forecast and second place in Inflation for Colombia. It is based on forecasts from 89 countries and involving more than 1,200 economic experts from around the world.



Awards	Description
Colombian Stock Exchange BVC IEA Awards	The Economic Research team at the AIE Awards of the Colombian Stock Exchange obtained the first place in the categories Exact Forecasts - Equity and Innovation.
Colombian Stock Exchange IR recognition for the fifth year in a row	With this recognition, Corficolombiana is part of the 32 companies in the country to adopt the best practices required by the Colombian Stock Exchange regarding the disclosure of information and good practices in investor relations
Dow Jones Sustainability Index MILA - Pacific Alliance	For the first time, the Company was included in the DJSI index which evaluates three dimensions in organizations: environmental criteria including environmental and eco-efficiency criteria: social criteria, which is divided into the internal aspect, which values the development of human capital and the strengthening of talent, and the external one, including topics such as philanthropy and corporate image; and the economic dimension where aspects such as crisis and risk management, codes of conduct and corporate governance are evaluated.
Great Place to Work A Great Place to Work	For the first time the Company received the certification granted by Great Place to Work, accrediting the Company as an attractive employer in the country. This recognition is given thanks to the processes that the Company has been implementing in search of the permanent well-being of its employees, their ongoing development, and their personal and professional growth.



Awards	Description
PRI signatories	First entity with the highest AUM in Colombia: We integrate the ASG criteria (Environmental, Social and Corporate Governance for its Spanish acronym) within our investment processes, being the 2nd largest AUM entity in Latin America.
Friendly Biz Certification	We were the first AFP in Colombia to receive this certification, legitimizing adequate service to the LGBT community and an inclusive work environment.
Most valuable brand among AFP'sCertification	In their study "The Most Valuable Colombian Brands", Compassbranding ranked Porvenir as part of the country's most valuable brand ranking in the category of service companies, occupying place 11 and being the first AFP in the country.



Awards	Description
Euromoney <ul style="list-style-type: none">• Euromoney - Best Bank, Central America• Euromoney - Best Bank, Costa Rica• Euromoney - Best Bank, Honduras• Euromoney - Excellence in Leadership, Central America	For the sixth year in a row, Euromoney awards Grupo Financiero BAC Credomatic as the “Best Financial Institution in Central America and the Caribbean”, Costa Rica’s best bank and best bank in Honduras, for its sustained growth and position as the most important bank in the region. Additionally, BAC Credomatic received the award in the new category of Excellence in Leadership, thanks to the management carried out during the pandemic throughout 2020.
Latin Finance <ul style="list-style-type: none">• LatinFinance - Bank of the Year, Central America• LatinFinance - Bank of the Year, Panama	LatinFinance annually recognizes the excellence of institutions in rendering financial services in Latin America and the Caribbean, as chosen after a rigorous and exhaustive selection process. For the third time in a row, BAC Credomatic has a place among the best banks in the region and the best bank in Panama. Recognition is awarded to the institution for its outstanding performance in providing retail, commercial and investment services in the region.
World Finance <ul style="list-style-type: none">• Best Consumer Digital Bank- Panama, Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala• Best Mobile Banking Application- Panama, Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala	For the second year in a row, World Finance awards BAC Credomatic in each of its six countries in the categories of best digital bank and best mobile app. World Finance recognizes the bank’s culture of innovation and rewards BAC Credomatic’s commitment to its customers by offering more personal and digital experiences with the opening of new branches in the region, with a “client-centric” model.
The Banker <ul style="list-style-type: none">• Best Bank - Costa Rica	BAC Credomatic Costa Rica was awarded as a bank of the year 2020 by The Banker magazine. Recognition was given to the institution for progress in terms of digital transformation and for continually improving its efficiency allowing the organization to be taken to the next level.
The Banker <ul style="list-style-type: none">• Best Bank - Costa Rica	Global Finance recognized BAC Credomatic as the best bank in Costa Rica, in the delivery of the 27th annual awards where the magazine recognizes the best banks in the world.
Global Banking & Finance Review <ul style="list-style-type: none">• Banking Brand of the Year Central America 2020	BAC Credomatic was recognized as the best banking brand in Central America, for its innovation in marketing initiatives and branding principles.

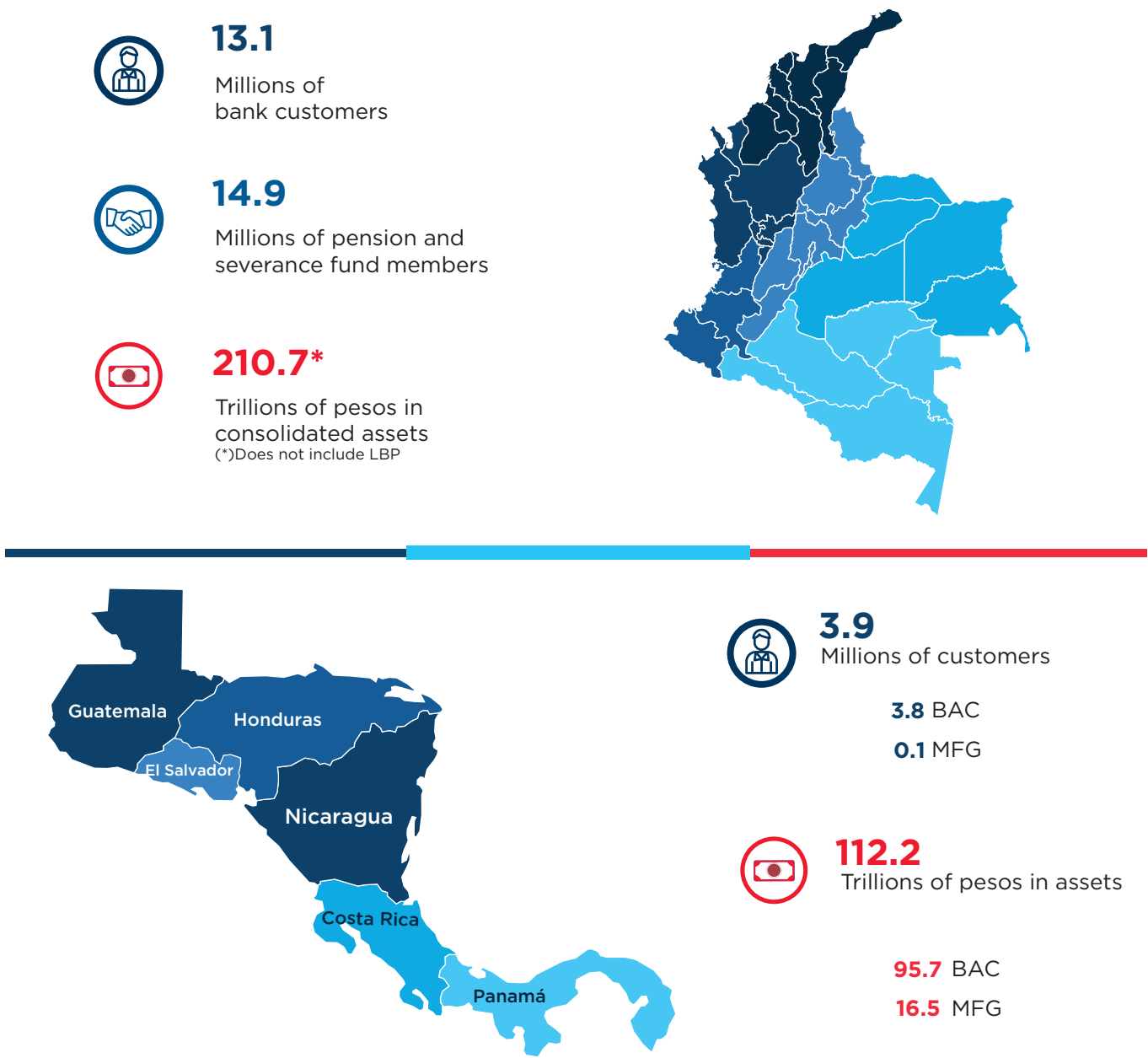


Awards	Description
The European <ul style="list-style-type: none">• The European - Best Bank of the Year (Costa Rica)• The European - Best Bank for Financial Inclusion (Costa Rica)	BAC Credomatic was awarded by The European magazine with the following categories: bank of the year in Costa Rica and best bank for inclusion in Costa Rica. The institution was nominated in these categories by the magazine’s supporters worldwide, for being an entity that excels in its management and being a pillar of the local and regional economy
International Investor <ul style="list-style-type: none">• International Investor - Bank of the Year, LATAM• International Investor- Excellence in Digital Transformation, LATAM• International Investor - Best Sustainable Bank, LATA	As part of its 2020 Spring Awards, the British magazine International Investor awarded BAC Credomatic a special recognition in the following categories: excellence in digital transformation, best sustainable bank and bank of the year in Latin America. The prestigious magazine hands these awards to the companies that are consistent in providing first-class services through performance and innovation.
Summa Magazine - Reputation and Ethics	For the second time, Summa Magazine conducted its own survey to find out which companies and entrepreneurs are best valued in Central America in terms of their public image, integrity, and adherence to good practices. On this occasion the magazine recognizes BAC Credomatic as one of the companies with The Best Reputation and Ethics of 2020 in Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica.



3.2 GEOGRAPHIC PRESENCE AND MARKETS SERVED
GRI 102-4,102-6,102-7

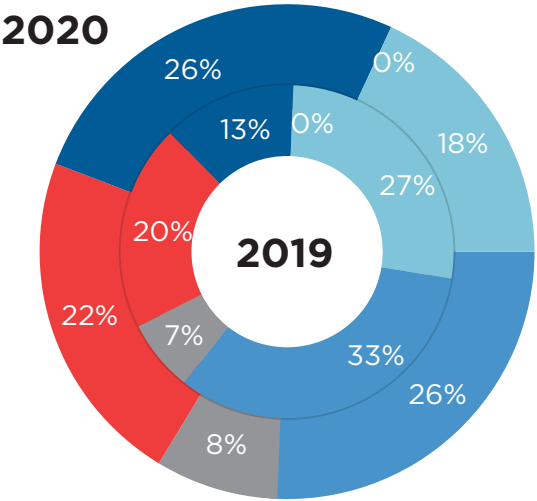
Through our subsidiaries we have a large geographical presence allowing us to serve about 17 million bank clients and 15 million clients in compulsory pension, severance, and voluntary pensions funds. As of December 31, we have \$322.9 trillion in total assets, \$321.4 trillion in assets under management, and a consolidated equity attributable to our shareholders of \$20.7 trillion.



GRI 102-10

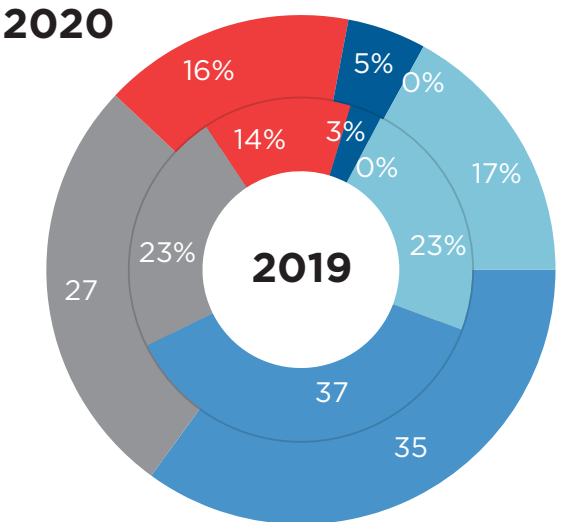
In 2020 we strived to ensure access to our digital channels to enable our customers to continue to carry out their transactions and requests with agility and security. Our customers’ transactional habits changed as a result of mobility restrictions decreed in March 2020, significantly increasing the use of digital channels. As a result, the number of successful monetary transactions through digital channels (web and mobile banking) increased 34% compared to 2019, gaining 9 percentage points of relative share in the total. With this, about 31% of successful monetary transactions were made through our digital channels. In our mobile banking they grew 93% and in web banking they increased 10% compared to the previous year.

Central AmericaG

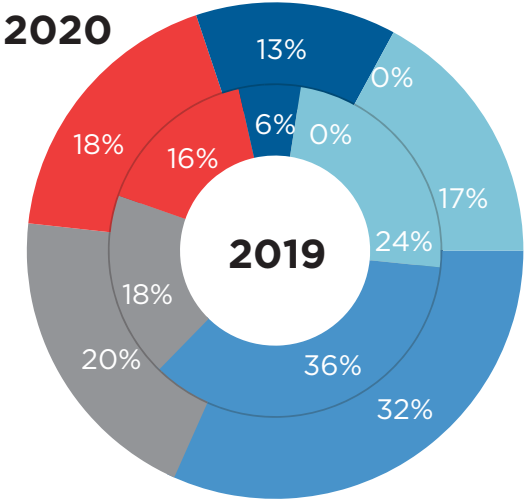


● Offices ● ATMs ● Non-Banking Correspondents and Other ● Web ● Mobile ● Phone

Colombia

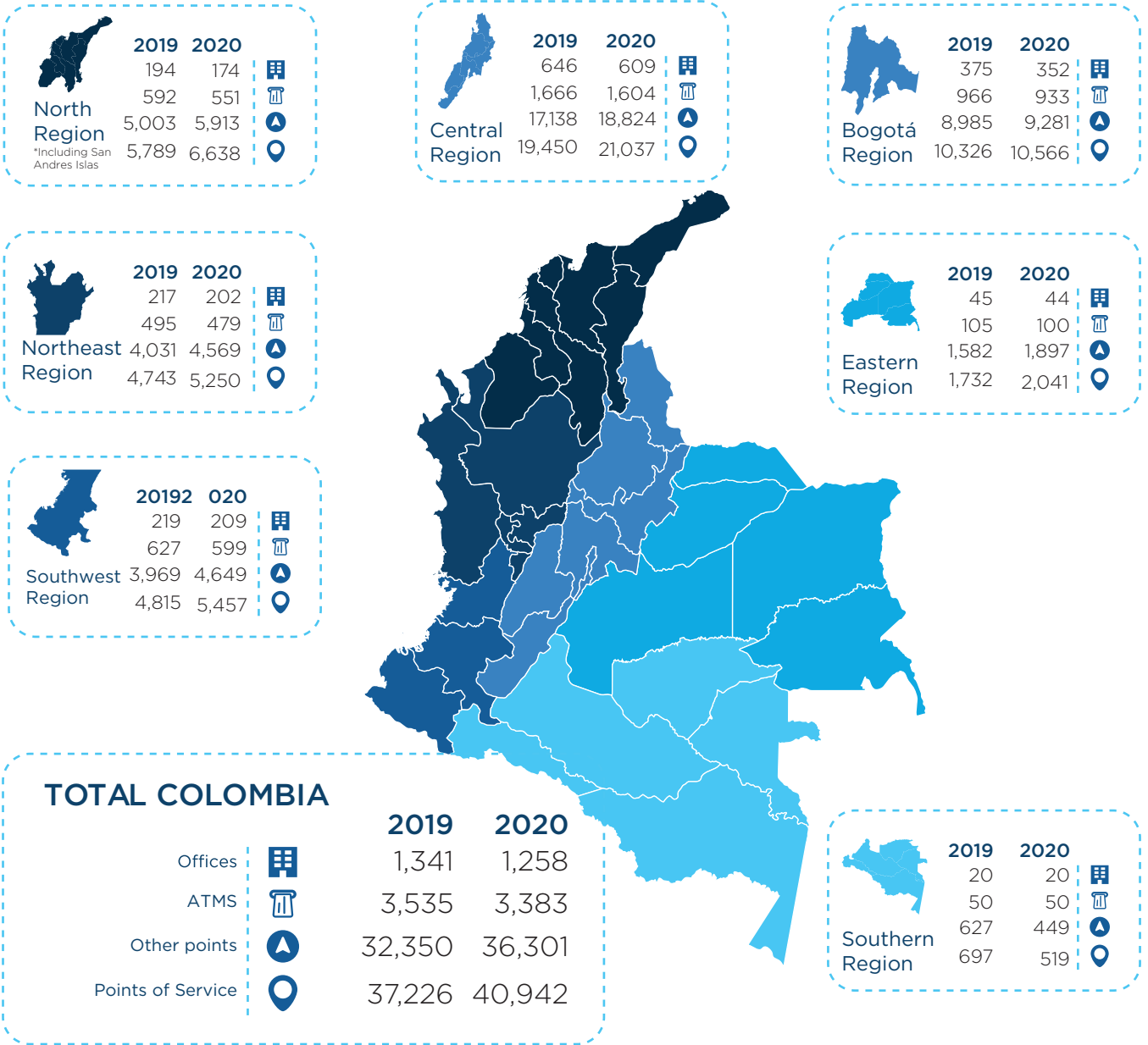


Grupo Aval



Throughout the year, we continue the optimization efforts of our distribution network through the closure, relocation or adaptation of offices and ATMs in Colombia and Central America to increase their effectiveness.

Here is the region distribution of the Aval Network at the 2020 and 2019 cut-offs:



Our subsidiaries are governed by strict origination standards (Loan granting) and pricing discipline, allowing us to generate long-term value.

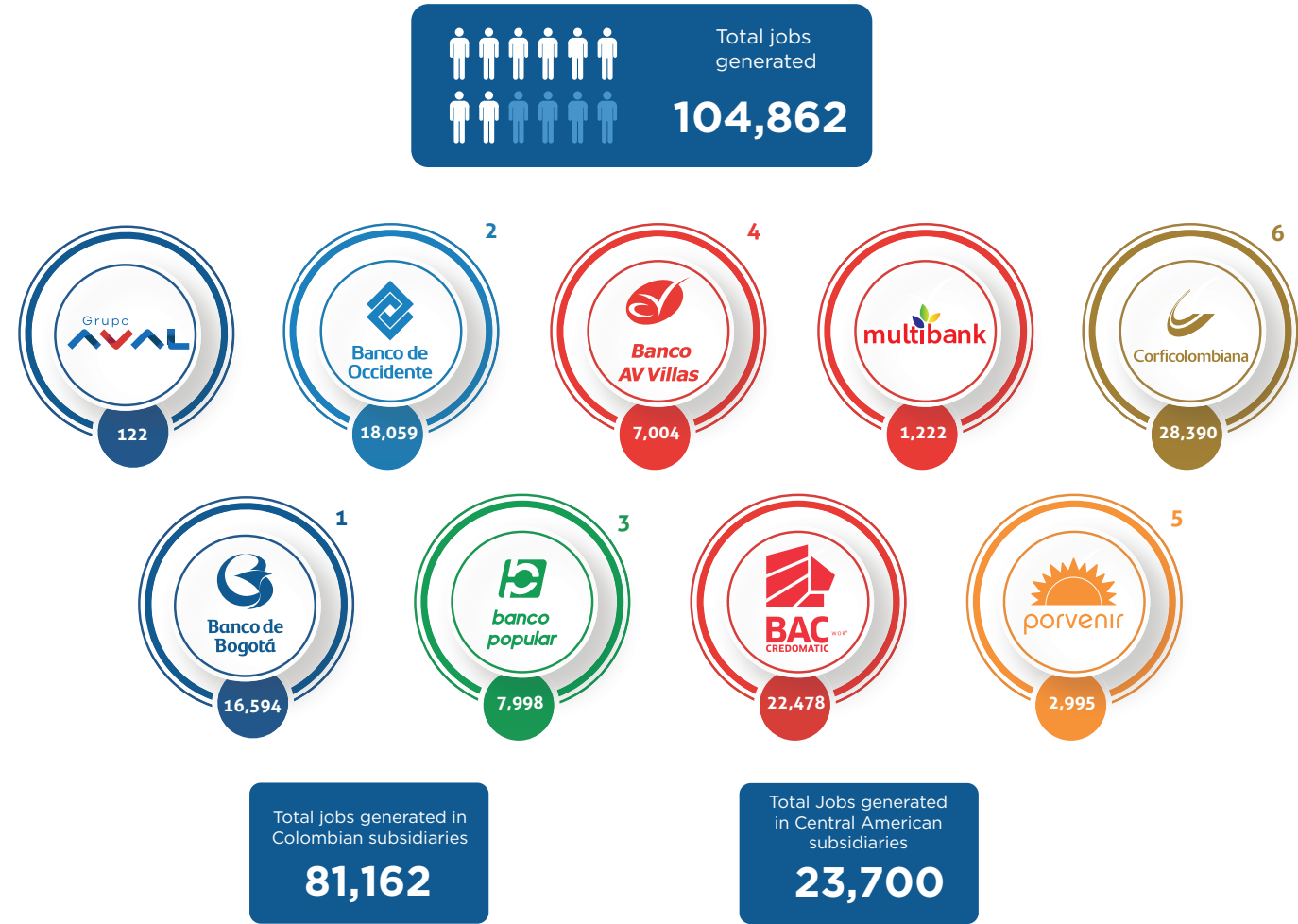
Aval Banks have been characterized by having loan portfolio with a diversification of products that has not only allowed us to be leaders in market share in the countries where we operate, but also maintain adequate risk management, with a significant share of products with lower credit risk. Our careful consideration of credit and higher credit quality segments mitigated the deterioration caused by the economic slowdown. Despite these favorable factors, profits were strongly impacted by an increase of more than two billion pesos or 50% in consolidated provisions expenditure. We hope that the large provisions accounted for will allow us to deal to the foreseeable increase of bad debt., which will accompany the return to the normal routine of payment of loans relieved during 2020.

At the consolidated level, our commercial portfolio accounted for 56.0% of the gross portfolio as of December 31, 2020, 0.2% more than in 2019, with a significant emphasis on companies and large and medium-sized companies. The consumer loan portfolio accounted for 31.9% of the gross portfolio, 1.0% less than in 2019, payroll loans is the product with the largest share with 46.5%, gaining 2.5% stake relative to the total consumer loan portfolio, while personal loan and credit card products had a share of 17.0% and 24.8%, decreasing their share of the total consumer loan portfolio by 0.8% and 2.9% compared to 2019. The housing loan portfolio, which by its nature has real estate guarantees, accounted for 11.9% of the gross loan portfolio and increased its share of the total loan portfolio by 0.8% during the year. For its part, the micro-credit loan portfolio accounted for only 0.2% of the total portfolio at the end of 2020



3.3 Employees (OVERALL APPROACH)
GRI 102-7,102-8,102-9,102-41

In Grupo Aval we create about 105 thousand jobs. We have about 71,000 direct employees, employ 5,000 temporary employees and generate 29,000 jobs in the companies that provide services to us through outsourcing. In addition, Banco de Bogotá, Banco de Occidente and Corficolombiana were certified with the Great Place to Work badge.



Source: Grupo Aval with cut-off date as of December 31, 2020, includes direct and temporary employees, and through outsourcing companies.

(1) Excludes BAC and Porvenir's employees and their respective subsidiaries. 51.24% (5,095) of Banco de Bogotá's direct employees (9,944) (separate) are represented by labor unions and 56.16% (5,585) of them are covered by the collective convention that expires in August 2021.

(2) 45.91% (3,222) of Banco de Occidente's direct (7,018) employees (separate) are represented by labor unions and are covered by the collective agreement that expires in December 2021.

(3) 61.96% (2,269) of Banco Popular's direct employees (3,662) (separately) are represented by labor unions and 94.78% (3,471) of them are covered by the collective convention that expires in December 2023.

(4) 14.04% (609) of Banco AV Villas's direct employees (4,339) are represented by labor unions and 85.69% (3,718) of them are covered by the collective convention that expires in December 2023.

(5) 0.08% (2) of Porvenir's direct employees (2,531) (separate) are represented by labor unions.

(6) Total jobs generated include 27,275 in non-financial subsidiaries and 1,115 in financial institutions.

3.4 CHANGES IN THE ORGANIZATION
GRI 102-10

In line with our expansion strategy, on May 22, 2020, Leasing Bogotá S.A. Panama (“LB Panama”), a subsidiary of Banco de Bogotá, acquired Multi Financial Group Inc. (MFG), composed mainly of 100% of the issued and outstanding shares by Multibank Inc. subsidiaries. MFG provides a wide variety of financial services mainly in corporate banking in-

vestment, mortgage, and consumer banking, as well as insurance, securities brokerage, factoring, leasing, and real estate services. For more information refer to the Notes to the Consolidated Financial Statements of Grupo Aval.

3.5 SUMMARY OF THE PERFORMANCE OF OUR OPERATIONS

In this section of the report, we will present the general context of our subsidiaries, as well as the most relevant information about their financial performance.

In 2020, separate net income stood at \$2.4 trillion, down 20.9% from \$3.0 trillion in 2019, while consolidated net income declined 22.6%, closing the year at \$2.35 trillion. The lowest profits in 2020 compared to 2019 are mainly related to the following factors:

- First, the economic crisis caused by the COVID-19 pandemic led to a 6.8% contraction in GDP in Colombia, the worst in recent history. On the demand side, the contraction was caused by a decrease in fixed investment and a contraction in household consumption. On the supply side, weak economic activity for much of the year added to the collapse in international oil prices.
- Second, the increase in expected credit loss (PCE for its Spanish acronym) involved an increase of 49.4% or \$2.1 trillion in credit deterioration losses. However, our focus on less risky products and segments reduced the need to constitute provisions. In addition, the relief programs and structural solutions provided by our banks to support our customers mitigated impairment associated with the impacts of the economic downturn on their ability to pay.

- Third, in response to the sharp economic contraction, the Board of Directors of the Central Bank cut its benchmark from 4.25% to 1.75% between March and September 2020. Thus, the average reference rate was reduced by 138 basic points to 2.9% by 2020 compared to 4.3% in 2019, squeezing the brokerage margins. Our banks managed to reduce their funding cost. However, the fall in interest rates in the loan portfolio was greater. This can be explained by (i) the appreciation of variable rate loans and new loans, (i) an intensification of competition via interest rates towards the second half of the year, (ii) the appetite for lower risk that brought a growth in less risky loan portfolios and thus with a lower interest rate, and (iv) the effect of the reliefs on income estimated using the effective rate method.
- Fourth, net commission income was impacted by the effects of quarantines and mobility restrictions in the countries where we operate. The lower transactional activity in our offices and ATMs, coupled with temporary exemptions offered by our banks (in fees for wire transfers and withdrawals at ATMs), led to a decrease in bank service fees. In addition to this, the lower volume of originations during the year, led to a contraction in income from banking. Also, the commissions of the acquisition business were impacted by lower transactions in the shops. Finally, the de-

cision to stop charging some commissions to our clients or, in certain cases, the regulation regarding commission charges in some countries in which we operate also impacted us.

- Fifth, in order to mitigate the decrease in income during 2020, we focused on implementing expenses savings plans. This allowed the expenses to decrease by 2.2% in our Colombian operation and 3.1% in our Central American operation, not including the effect of exchange rate and the growth derived from the acquisition of MFG. On the other hand, some of our banks managed to execute capital and fixed assets optimization strategies, which generated income during the year, mitigating the unfavorable factors mentioned above.
- Sixth, our companies’ strong performance in the non-financial sector and pension business helped offset the drop in banking business results. Therefore, Corficolombiana and Porvenir, achieved an increase in their profits

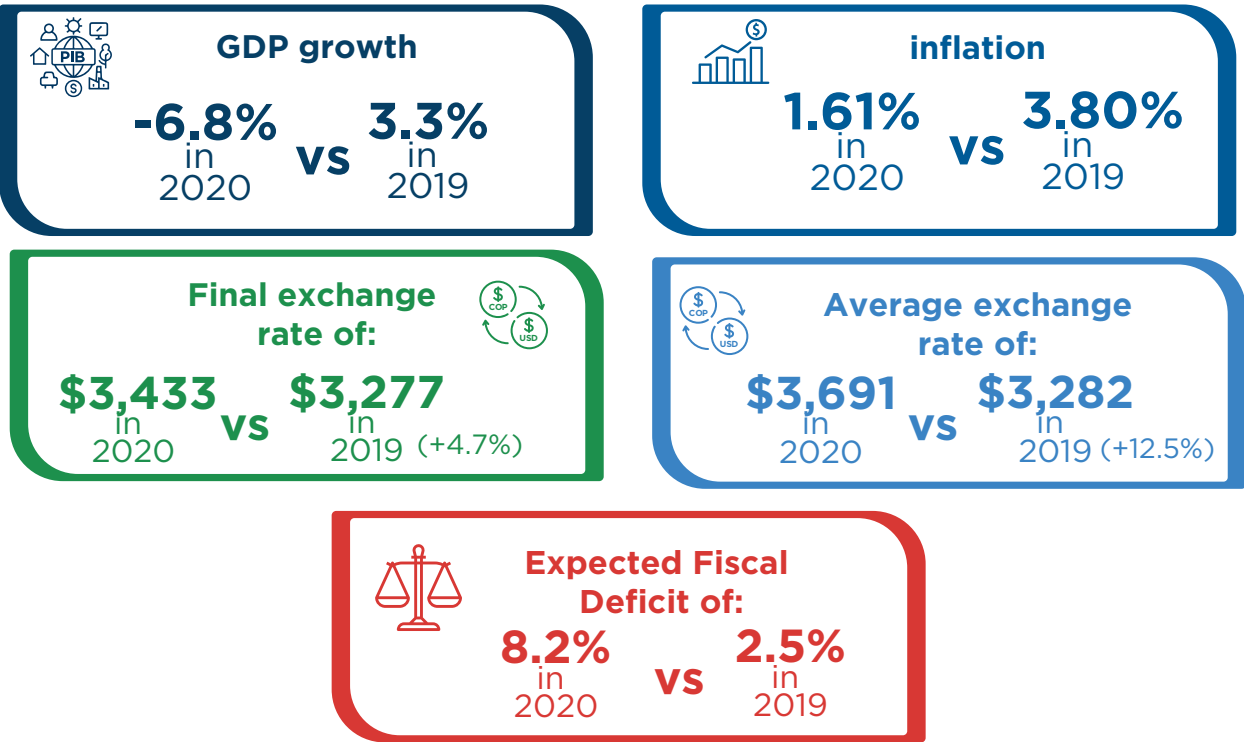
compared to 2019 even in the midst of a challenging situation.

- Seventh, despite the volatility evident in international fixed and equity markets throughout the year, our financial subsidiaries managed to increase their portfolios at favorable prices between March and April. As markets recovered May and December, the strategy focused on realizing profits on a significant portion of their investments.
- Finally, we maintained the strength of our balance sheet. As of December 31, 2020 at the consolidated level, the share of deposits to the net debt was 108%, our liquidity position (measured as cash and cash equivalents to total deposits) was 16% and the tangible equity indicator stood at 8.3%.



3.6 ANALYSIS OF THE PERFORMANCE OF OUR OPERATIONS IN COLOMBIA

Below is a comprehensive report on the macroeconomic performance and evolution of the banking system of the regions where we operate, accompanied by an analysis of our results and those of our main subsidiaries.



On the other hand, the fiscal policy response was instrumental in strengthening health systems, providing tax support to businesses, and mitigating job destruction and reduced household incomes. However, the response in emerging economies was weaker than in developed ones, due to the disjunction between current fiscal stimulus and long-term public finance sustainability. The fiscal package approved for 2020 amounted to 7.3% of global GDP in October, but while in advanced economies it was 9.2%, in emerging countries it was 4.4%. At the same time, a significant sum of resources was channeled through the financial sector in the form of credit guarantees.

The International Monetary Fund (IMF) estimates that global GDP contracted 3.5% in 2020, presenting a significantly deeper recession than in 2009, when the global economy fell back 0.1%. The global pre-pandemic product level would recover at the end of 2021, when a 5.5% expansion driven mainly by emerging economies is anticipated. Latin American economies faced double pandemic shocks and lower international commodity prices, plus weakness in the automotive and textile industry. By 2020, the IMF projects a more severe contraction (-7.4%) for this group of countries than for other regions.

IMF economic growth projections

	Projections Jan-21		
	2019	2020(p)	2021(p)
World GDP	2.8	-3.5	5.5
Advanced economies	1.6	-4.9	4.3
USA	2.2	-3.4	5.1
Euro Area	1.3	-7.2	4.2
United Kingdom	1.4	-10.0	4.5
Japan	0.3	-5.1	3.1
Emerging economies	3.6	-2.4	6.3
Emerging Asia	5.4	-1.1	8.3
China	6.0	2.3	8.1
India	4.2	-8.0	11.5
Emerging Europe	2.2	-2.8	4.0
Russia	1.3	-3.6	3.0
Latin America	0.2	-7.4	4.1
Brazil	1.4	-4.5	3.6
Mexico	-0.1	-8.5	4.3
Colombia*	3.3	-6.8	5.3

In addition to the pandemic, there were other events of global importance in 2020, such as the US general election and UK's final withdrawal from the European Union (Brexit). On the one hand, the Democratic candidate Joe Biden was elected president of the United States as of 2021 and his party won a majority in both chambers of Congress, which will facilitate the governance of the new administration. On their side, the United Kingdom and the European Union reached an agreement for an ordered Brexit starting 2021.

. COLOMBIAN ECONOMIC ENVIRONMENT

International context

In 2020 the world experienced the deepest recession in recent history. The COVID-19 crisis represented an unprecedented shock to both supply and demand, due to disruption over supply chains, isolation measures, reduced household and business incomes, and changing consumption patterns.

The policy response was strong and highly coordinated to mitigate the impact of the pandemic on the production apparatus. On the one hand, central banks cut their intervention rates and implemented unconven-

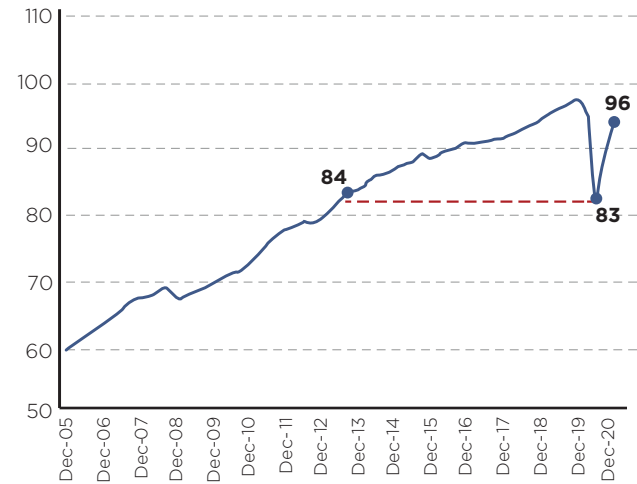
tional stimulus measures to increase the effectiveness of monetary accommodation and adequately respond to the financing needs of the real sector.

This re-established the operation of financial markets following mass sales from the panic episode in March, when even the most representative safe haven assets such as gold and 10-year U.S. treasury bonds significantly devalued and only the dollar strengthened in the face of a high liquidity preference.

Colombian economic environment

Colombia's economy suffered in 2020 its worst contraction in modern history. Social isolation measures taken to contain the progress of the coronavirus resulted in paralysis of economic activity for much of the year, in addition to the collapse of international oil prices and their negative effects on the mining-energy sector, both in investment and production, as well as in the country's external and fiscal accounts.

Real GDP index



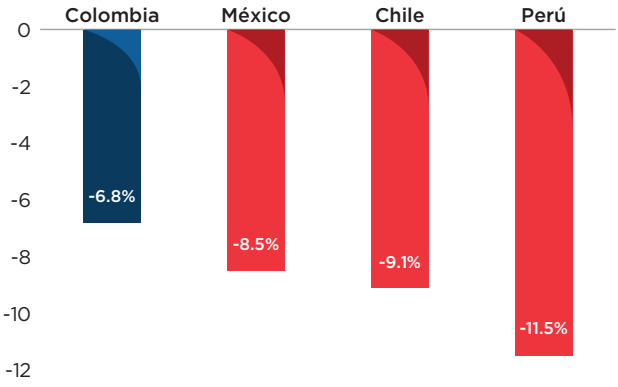
Source: Dane. Corficolombiana's estimates.

Although in Colombia widespread social isolation at the national level was initially decreed between March 25th and April 13th, its extension to May generated an average 48% drop in mobility, which led to an annual collapse of 15.6% in economic activity in 2Q20, to similar levels to those observed in the first quarter of 2013. Subsequently, the process of gradually opening up of most productive sectors allowed a partial recovery, moderating its annual contraction to -8.3% in 3Q20 and -3.5% in 4Q20.

Thus, Colombia's economy recorded an unprecedented drop of 6.8% in 2020, a less negative figure than seen in other countries in

the region. the nature of the collapse meant a sharp decline in domestic demand, from growing 4.3% in 2019 to falling 7.6% in 2020, decreasing its contribution to GDP growth by about 12.5 percentage points (p.p.).

GDP in Latin American countries 2020



•IMF Forecast
Source: Eikon.

Impairment of fixed investment in 2020 (-21.1%) was more pronounced than that of household consumption (-5.8%), as a result of weak construction investment performance (-29%). The latter item was particularly affected by the weak dynamics of the building subsector (residential and non-residential) and civil works for mining. Investment in machinery and equipment also had a significant drop (-10.5%), in an environment of high uncertainty where business confidence was significantly impaired and a large number of companies, particularly micro and small businesses, disappeared.

On its side, household consumption, the main driver of economic growth in 2019, saw a contraction of 5.8% in 2020. Although in the first part of the year it maintained a positive dynamic, measures of social isolation and deterioration in labor market indicators result-

ed in an annual contraction of 15.4% in private spending during 2Q20. This, despite the slowdown in inflation and the Central Bank's cuts in intervention interest rate.

By type of expenditure, the most affected item was semi-durable goods, with a contraction of 16.8%, particularly the clothing segment, whose contraction was close to 30% for much of the year, according to RADDAR data. Similarly, the nature of the crash led to a considerable impairment in service spending (-9.9%), while uncertainty about pandemic developments and productive reactivation reduced the willingness to buy durable goods, resulting in lower credit appetite and a consequent slowdown in consumer portfolio growth.

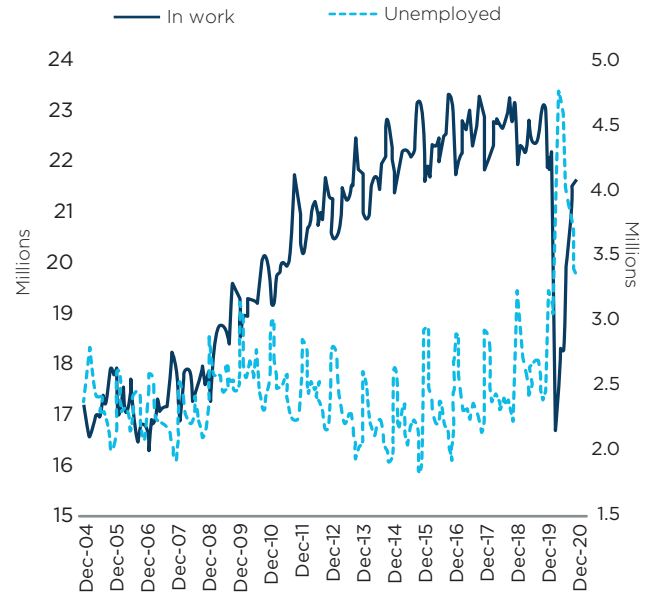
The mentioned adjustment in domestic demand and border closure during the first months of the pandemic led to a pronounced correction of the external imbalance. As a result, net exports made a positive contribution on GDP growth.



Regarding the labor market, strict confinement measures drove an annual drop of about 22% in the number of employed people during 2Q20, when an average of 4.8 million jobs were destroyed, being women and

young people the most affected population groups. The most critical point was April, when only 16.5 million people were registered as employed in the country. Although 4.6 million jobs had been recovered between May and December, the number of people with a job was still below pre-pandemic levels.

Number of in work and unemployed



Source: Dane.

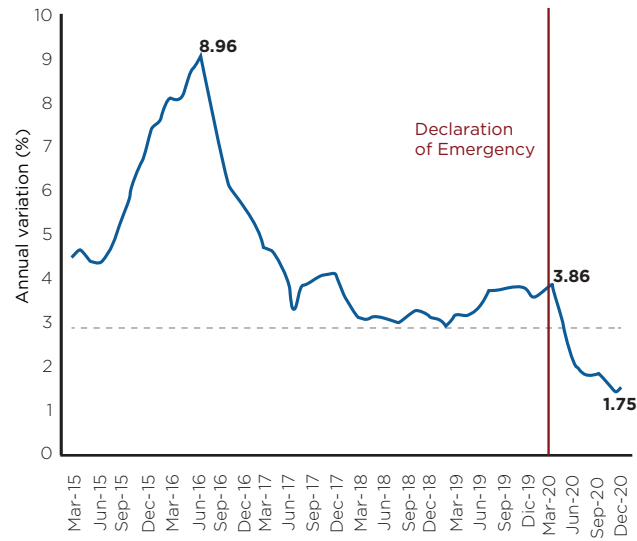
Under this context, the national average monthly unemployment rate was 16.1% in 2020, higher by 5.6 p.p. than in 2019. After reaching an all-time high of 21.4% in May, the unemployment rate in Colombia has been declining and in December it stood at 14.3%, amid a gradual reopening of the economy that has allowed people to return to their productive activities, especially in the informal sector.

Inflation and Monetary Policy in Colombia

Inflation fell from 3.8% in 2019 to 1.6% in 2020, an all-time low. The reasons behind the marked disinflationary process were: (i) the sharp contraction in private consumption as a result of impairment of the labor market loss of jobs and fall in the incomes of the employed and lower household spending amid

social isolation, especially in semi-durable goods (clothing) and some services (entertainment, tourism); and (ii) the measures taken by the Government in the context of the economic and social emergency to mitigate the adverse impact of the households' crisis.

Inflation in Colombia



Source: Dane.

In the first stage of the pandemic, between March and July, the effects of the measures taken by the National Government to alleviate the economic situation of households, especially those related to subsidies and discounts in utilities payments, were evident. Thanks to these reliefs, the inflation of utilities such as water and sewage fell by more than 10 p.p. compared to the end of 2019. This, together with the unprecedented reduction of \$1,200 pesos per gallon decreed for gasoline, caused the annual inflation of regulated items to be at negative levels (minimum -0.78% in June) and explains more than half of the total inflation reduction between March and April. These effects diluted as the relief programs finalized.

In the second stage of the pandemic, downward pressures due to demand weakness gained strength, explaining more than half of the disinflation accumulated since March.

Non-tradable goods and services were the main culprits for this trend, especially the leasing subcomponent, the item with the highest weight in the Consumer Price Index (IPC for its Spanish acronym) with 25% of the total, partly as a result of the prohibition to make adjustments to lease charges between April and June through Decree 579 of 2020. Inflation of this component continued to decline during the second half despite the fact that the defined period of such Decree had already ended.

In this context, the Board of Directors of the Central Bank began in March a cycle of cuts that took the intervention interest rate from 4.25% to 1.75%, the lowest level since the establishment in the country of the target inflation scheme. The expansion of the accommodative stance of monetary policy was accompanied by a package of measures aimed at providing greater liquidity to the economy, including the direct purchase of government and private debt securities of nearly \$11 trillion pesos, the extension of deadlines, amounts and counterparties for transitional financing operations and the reduction of 2 p.p. in the legal banking reserve.

Exchange rate

The dollar in Colombia closed 2020 at \$3,432 pesos, representing a devaluation of the Colombian peso of 5% compared to the end of 2019. However, the average exchange rate in 2020 was close to \$3,700 pesos which means a 12.5% devaluation compared to 2019. During the most critical episode of global risk aversion in March and April, the exchange rate in Colombia reached an all-time high of \$4,154 pesos, amid the global strengthening of the dollar and the worst collapse in oil prices in several decades.

In Colombia, the Exchange rate registered a year-to-date devaluation of 26.4% at the end of March and remained at levels above \$4,000 pesos for several weeks. As a result of increased risk aversion, investors liquidat-

ed assets from their portfolio in Colombia for \$652 million dollars in 1Q20, of which \$489 million corresponded to fixed income assets (\$289 million in TES) according to Balance of Payments data.

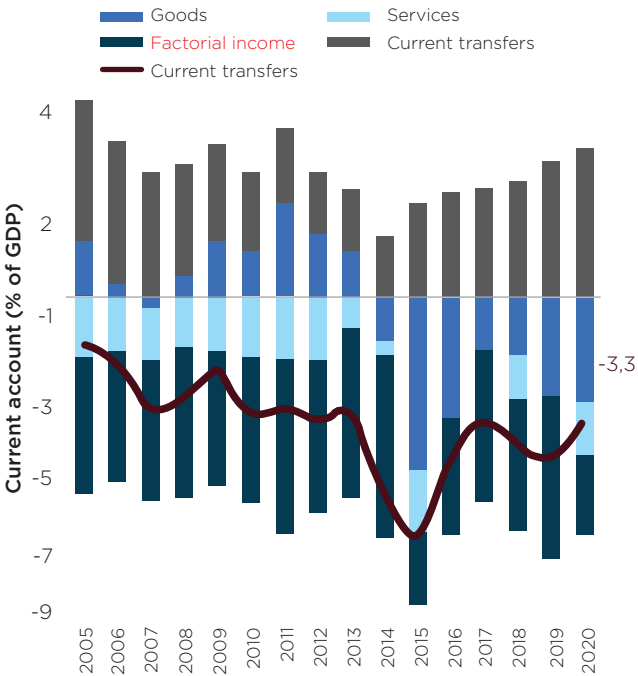
However, in the last bimester the appetite for risk assets at global level increased, which brought the exchange rate to levels below \$3,500 pesos, similar to those of the pre-pandemic period. This was the result the resolution of the electoral uncertainty in the US with Joe Biden's victory and the positive announcements about the effectiveness of several vaccines and the start of vaccination programs in several countries. Added to this, the monetization of part of the \$5.300 million dollars disbursed by the IMF's Flexible Credit Line (FCL) to the national government, reinforcing the exchange rate trend revaluation in the last weeks of 2020.

External sector

The economic crisis generated by the pandemic prompted an adjustment in the external imbalance of the Colombian economy (one of its main vulnerabilities). Indeed, the current account deficit decreased by 1 p.p. during the first half of 2020, to 3.3% of GDP and we anticipate that at the end of the year it will be between 3.2% and 3.7% of GDP, in line with the reduction of factorial expenditures and reduced trade imbalance.

In particular, the deficit reduction in the first half of 2020 amounted to \$2.14 billion, as a result of the decline in net factorial expenditure (\$2,465 million), offset by increased trade deficits (\$169 million) and declining net transfers (\$156 million).

Composition of the current account deficit



Source: BanRep. Estimates: Corficolombiana

The annual drop in net factorial expenditures was 47.5% and was accounted for by almost 90% by the lower profits of foreign direct investment (EDI for its Spanish acronym) companies in the country, while the remaining effect relates to the decrease in portfolio investment dividends and lower interest payments on external credits.

On the other hand, although trade imbalance of goods increased 7.7% in the first half, import impairment is becoming deeper than that of exports, to the point where the trade deficit in the first nine months of 2020 was less than \$1 trillion (-17% per year).

In fact, external purchases up to September recorded an annual contraction of 20.8%, where about half (9 p.p.) was justified by lower demand for investment goods (intermediate goods for industry and transport equipment) and the remaining effect is mainly explained by lower consumption of fuels, lubricants, and durable consumer goods. On its side, the annual contraction in exports as

of September was 23.5%, explained by more than 80% of the fall in external oil sales and by 14% due to lower coal exports.

Meanwhile, worker remittances plummeted in April and May, precisely in the most critical months of the globally enforced isolation, driving a 3.9% annual drop in net transfers during the first half of 2020. In 3Q20 there was a reversal of this trend and in September, an increase of 16.2% was registered.

Between January and June, Foreign Direct Investment (FDI) fell to \$4,796 million dollars (-36.4% per year), due to fall in the financial (-8.9 p.p.), manufacturing (-8.9 p.p.), oil (-8.3 p.p.) and mines and quarries (-8.2 p.p.) sectors. Two thirds of the decline can be explained by lower reinvestment of profits and one third by the reduction of new capital contributions.

By contrast, foreign portfolio investment amounted to \$4,052 million dollars during the first semester as a result of long-term government and corporate debt issuance in the international markets, as well as the loans from the multilateral banks to address the COVID-19 emergency.

Tax accounts

Prior to the pandemic, Colombia's fiscal outlook was improving, to the point where the National Government recorded a primary surplus of 0.5% of GDP in 2019 (the first since the Fiscal Rule was introduced in 2012) and the expectation was that this figure would reach 0.6% in 2020. However, social isolation measures to contain the progress of COVID-19 and the collapse in crude oil prices generated a sharp reversal of the country's fiscal adjustment trajectory.

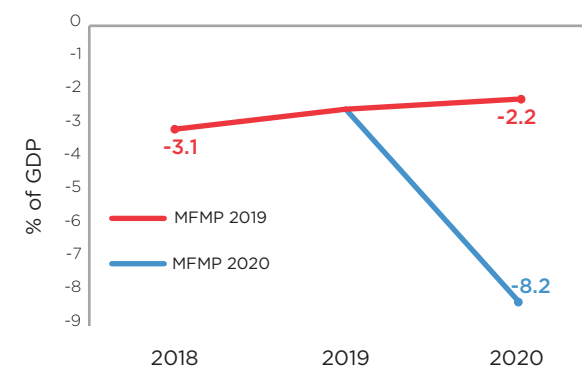
Fiscal impairment was explained, on one hand, by a deep drop in tax collection, partly as a result of the severe economic downturn, but also by the tax reliefs granted by the Government to give liquidity to companies during the social isolation.

To address the costs associated with the health crisis and provide aid to businesses and households, the National Government created the Economic Emergency Mitigation Fund (FOME for its Spanish acronym), amounting to \$40.5 trillion pesos (2.5% of GDP). Spending programs include Solidarity Income, refund of VAT to lower-income households, and payroll subsidies for companies through the Formal Employment Support Plan (PAEF for its Spanish acronym). Initially, these measures were seen as a transitional mechanism of a few months, but the duration of the pandemic led to them being extended until 2021.

By the end of 2020, 48% of the FOME's resources (\$18 trillion pesos) had been spent, in addition to the \$3.2 trillion pesos for the capitalization of the National Guarantee Fund, which backs 90% of the financial system's credits to companies. This suggests that about \$22.5 trillion pesos were moved to the 2021 budget. However, it is important to note that Colombia's fiscal response was comparatively low to that observed in other countries. In Latin America, the most aggressive tax packages occurred in Chile and Peru, with 7.7% and 6.9% of GDP, respectively, while the average in emerging countries was 3.3% of GDP, higher than the 2.5% in Colombia.

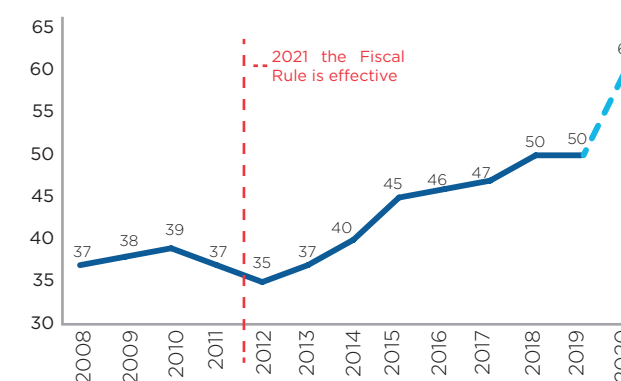
In this scenario, we estimate that the fiscal deficit will increase from 2.5% of GDP in 2019 to 8.2% by 2020, well above the 2.2% forecasted before the pandemic. For its part, the national government's gross debt increased to 62% of GDP by 2020, from 50% in 2019.

National Government fiscal deficit



Source: Ministry of Finance. Corficolombiana estimates.

National Government fiscal deficit



Source: Ministry of Finance. Corficolombiana estimates.

Amid the enormous financing needs in 2020, the Ministry of Finance's initial strategy was to disavow some funds from the General Royalty System, the use of resources from the sale of Isagén, the issuance of Solidarity Bonds (TDS for its Spanish acronym) and access to credit with multilateral agencies. As the impact of the crisis deepened, it resorted to loans with multilateral entities and issued debt in local and international financial markets at relatively favorable rates, where it also managed to continue extending the debt duration with the issuance of 30-year bonds both in pesos and in dollars, and through debt swaps. In late September, the Ministry of Finance announced that it would request a partial disbursement of the Flexible Credit Line (LCF for its Spanish acronym) with the IMF to finish financing this year's deficit (approximately \$90 trillion pesos) and other obligations.

Additionally, the issuance of the fixed rate TES with maturity in 2050 (the highest maturity in the peso curve) and the materialization of several debt swaps, allowed the reduction of repayments of 2020 and 2021 by more than \$5 trillion pesos, extend the average duration of the debt from 7.4 to 7.6 years and keep the average interest payment of the debt below 7%.

In the midst of the complex fiscal situation generated by the pandemic, it should not go unnoticed that Colombia maintained in 2020 the investment grade. Specifically, S&P and Fitch Ratings, the two agencies that had the country just a step away from going to speculative degree (BBB- and negative outlook), spoke in November on the country's institutional framework and economic policy, supported by the Government's commitment to present a fiscal reform of 2% of GDP next year to ensure the sustainability of public finances in the medium term.

However, both risk-assessment agencies believe that the political environment will not facilitate the approval of the reform in Congress, as this is a pre-election year. In this regard, Colombia's investment grade will be at risk during 2021. Future rating decisions will be highly dependent on economic data and signals about tax reform.

3.6.B. MEASURES TO MITIGATE THE IMPACT OF COVID-19:
NATIONAL GOVERNMENT AND FINANCIAL SUPERINTENDENCY OF COLOMBIA

Following the declaration of the pandemic by the WHO, on March 12 the Colombian National Government declared the health emergency. On March 24, 2020, the National Government decreed compulsory preventive isolation across the national territory, with the exception of persons providing essential services. After this compulsory isolation, the restriction on mobility was extended again until May 31, extending the sectors covered by the exceptions, including construction and manufacturing. Later, isolation was extended until August 31, allowing progressive opening of more economic sectors.¹ Bogotá was one of the cities most hardly hit by the quarantines. In response to the crisis caused by the pandemic and the measures taken by the National Government and local governments, the SFC issued four external communiqués aimed at mitigating the negative impacts of the economic crisis on financial consumers and regulating the actions to be adopted by the financial institutions in this regard.

On March 17, 2020, the SFC External Newsletter (EC for its Spanish acronym) 007 was issued, providing financial relief, characterized by establishing grace periods or extensions for loans which as of February 29, 2020 had an arrears of not less than or equal to 30 days. On March 30, 2020, the SFC issued CE014, setting forth the minimum conditions to be met by the financial reliefs defined in EC007 2020, mainly with respect to interest

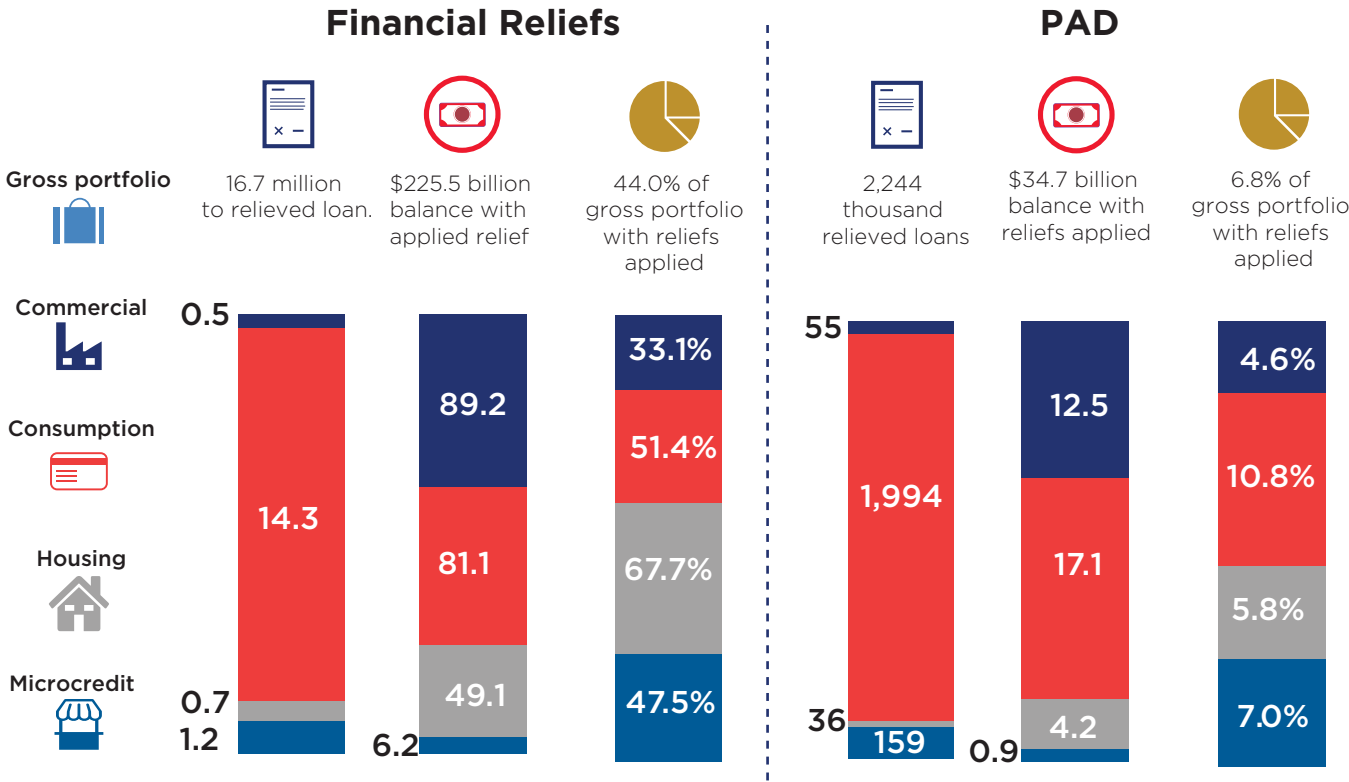
rates, loan installments and effective communication of the implications of such reliefs to financial consumers. In addition, it was established that loans that as of February 29, 2020 had arrears of less than or equal to 60 days could be subject to the financial relief established in EC007 in 2020.

On June 30, 2020, the SFC issued CEO22, setting forth an extension of the implementation of EC007 and CE014 until July 31, 2020, the Debtor Accompaniment Program (PAD for its Spanish acronym) was defined and supplementary measures were issued regarding credit risk. PAD opened the possibility of redefining the conditions of loans meeting certain requirements set forth in that external communicate from August 1, 2020, without being considered amended or restructured.

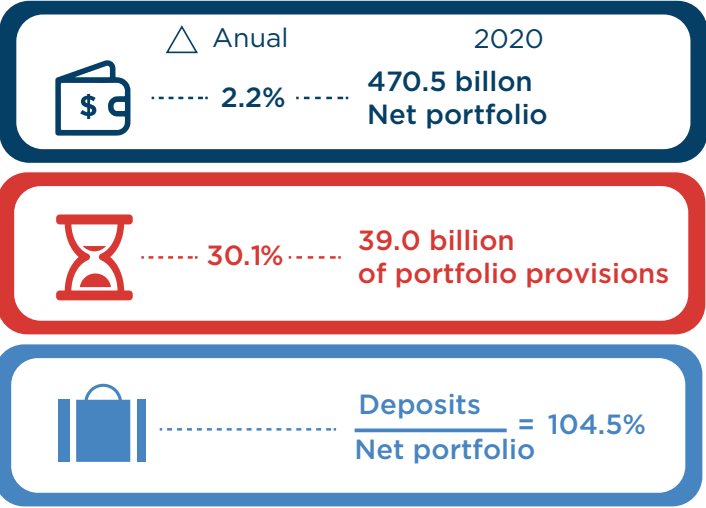
Regarding loan portfolio provisions, CEO22 set forth additional general provisions on loans relieved under EC007 and CE014. Finally, through CE039 2020, the SFC extended the validity of PAD until June 30, 2021 under the same conditions set out in CEO22. Below, we detail as of December 31s, 2020 the main results of the financial system in relation to the measures applied under the external communiqués explained above.

1. Coronavirus Colombia (2021). Coronavirus Colombia. Retrieved from: <https://coronaviruscolombia.gov.co>

Financial Superintendency of Colombia (2020). Retrieved from: <https://www.superfinanciera.gov.co/inicio/normative/>



3.6.C. RECENT RESULTS OF THE COLOMBIAN BANKING SYSTEM ^{3 4}



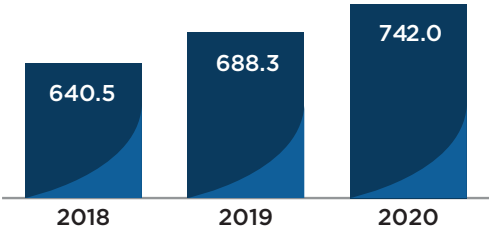
3 The banking system is defined as Banks and Commercial Financing Companies surveilled by SFC at cut-off of each period.

4 Figures in trillions, unless otherwise indicated.

Main items of the Financial Position Statement

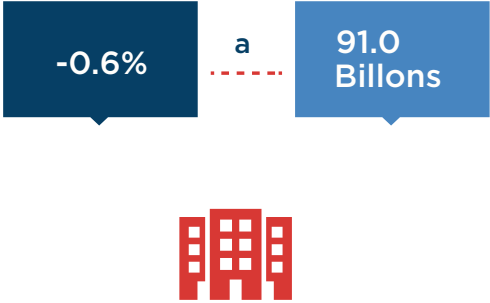
Assets

At the end of 2020, the assets of the banking system reached \$742 trillion, recording growth of 7.8% compared to the end of 2019.



Asset growth was mainly influenced by fixed income investments and net portfolio growth, which as of December 2020 accounted for 63.4% of total assets.

Equity Entities

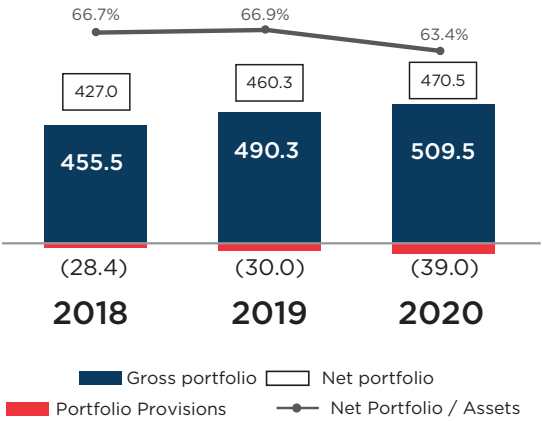


Net credit and leasing portfolio ⁵

At the end of December 2020, the system's net portfolio amounted to \$470.5 trillion and recorded an increase of 2.2% compared to December 2019, compared to a contraction of 5.5% in nominal GDP over the same period. This results from gross portfolio growth of 3.9% compared to December 2019 amounting to \$509.5 trillion as of December 2020, which was offset by an increase in portfolio provisions to \$39.0 trillion in 2020, 30.1% more than in December 2019, as a result of the establishment of pandemic-associated provisions.

5 Defined as capital of portfolio, minus provisions of capital of portfolio (account 14 of the Single Catalog of Financial Information (CUIF for its Spanish acronym, according to provisions of SFC).

Net portfolio



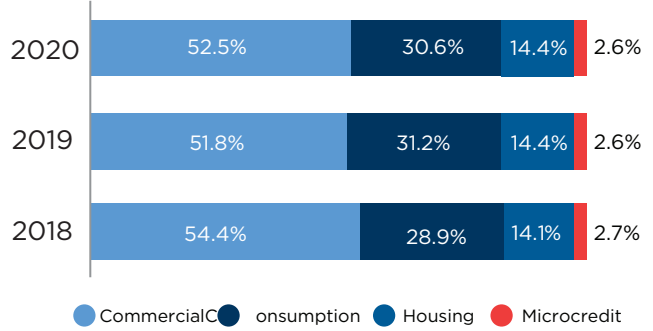
The net commercial portfolio closed in 2020 at \$247.1 trillion, recording growth of 3.6% compared to the end of 2019. The net commercial portfolio recorded strong dynamics during the first quarter of the year, which spread during the first months of the pandemic. This behavior was followed by a contraction during the second semester.

On its side, the net consumer loan portfolio amounted to 143.8 trillion at the end of 2020, recording growth of 0.1% compared to the end of 2019. The net consumer loan portfolio contraction during the first half of the year can be attributed to a lower risk appetite of credit institutions and lower customer demand. During the second half of the year, this portfolio regained some of its growth dynamics.

Finally, the net housing loan portfolio amounted to \$67.7 trillion at the end of 2020, growing 2.4% compared to 2019, while the microcredit portfolio contracted 0.2% by closing 2020 at \$12.0 trillion.

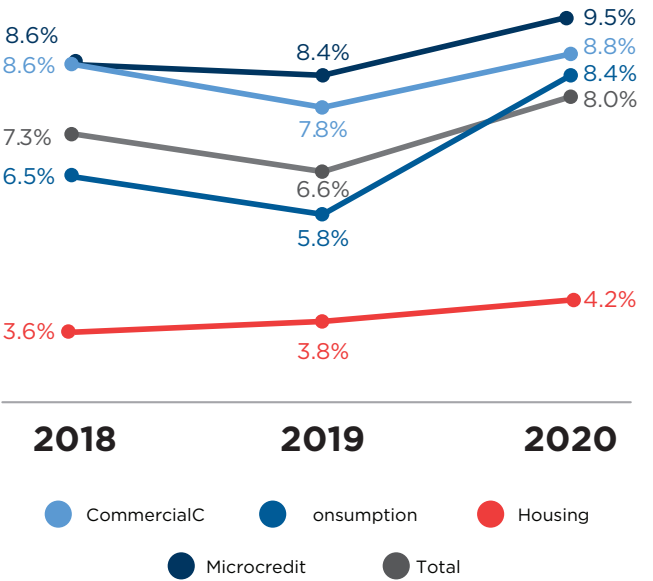
The composition of the loan portfolio showed a greater concentration in the commercial portfolio at the end of 2020 compared to 2019, explained by the decrease in the share of the consumer loan portfolio.

Net portfolio



Portfolio quality⁶

At the end of 2020, the portfolio quality of the system showed significant impairment from the end of 2019. The CDE portfolio indicator (measured as CDE/total gross portfolio) increased to 8.0% in December 2020 from 6.6% in December 2019, representing an impairment of 136 basic points. Portfolio impairment was pulled by the consumer portfolio that was impaired 259 basic points to 8.4%, while the commercial portfolio deteriorated from 93 basic points to 8.8%.



6 Estimated as the capital balance of portfolio rated as C, D and E, divided by the gross portfolio capital balance.

It should be noted that between January and August 2020 loan portfolio quality was, on average, lower than that observed in the 2019 average mainly as a result of the temporary suspension of installment payments under the provisions of the ECO07, CE014 and CEO22 issued by the SFC. However, in the last months of the year the loan portfolio quality significantly deteriorated due to the termination of a relevant portion of the reliefs and the credit assessment review process carried out in November 2020.

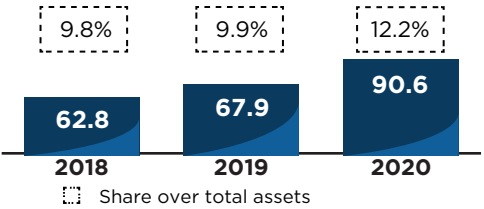
On the other hand, the gross loan portfolio capital coverage (measured as portfolio provision balance / CDE portfolio) closed at 95.6% in 2020, compared to 92.1% in 2019.

Fixed income investments

Fixed income investments closed at \$90.6 trillion as of December 2020, with an increase of 33.5% from 2019. The percentage of fixed income investments on total assets increased in December 2020 by closing at 12.2% compared to 9.9% as of December 2019.

The figure below presents the evolution in fixed income investments at the 2018, 2019 and 2020 annual cuts.

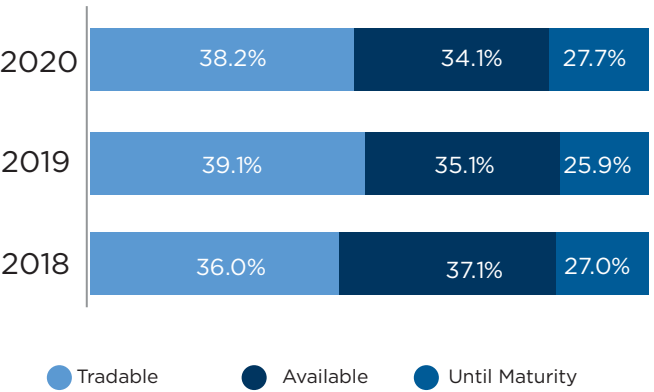
Fixed income investments



Fixed income investment growth as of December 2020 versus 2019 is mainly related to higher liquidity in the system, due to differences in money raising versus to the loan portfolio growth. The distribution of fixed in-

come investments at the end of 2020 showed a greater concentration in investments until maturity compared to 2019.

Fixed Income Composition

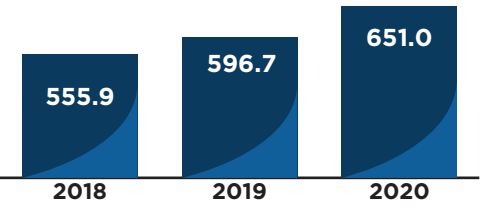


In addition to the net loan portfolio and fixed income investments, the assets of the banking system includes cash on hand (7.4% of total assets), investments in equity and in controlled, associated or joint-venture companies (9.2% of total assets) and other tangible and intangible assets (7.8% of total assets).

Liabilities

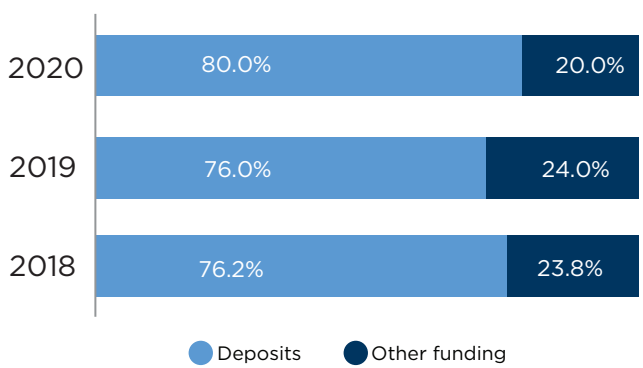
As of December 2020, the system's total liabilities reached \$651.0 trillion, representing growth of 9.1% compared to December 2019.

Total Liabilities



At the end of 2020, total funding (deposits, bonds, financial obligations, credits with government finance institutions and interbank funds) amounted to \$614.7 trillion showing an 8.8% increase from December 2019. Of the total funding, the deposits accounted for 80.0% and the other funding 20.0%

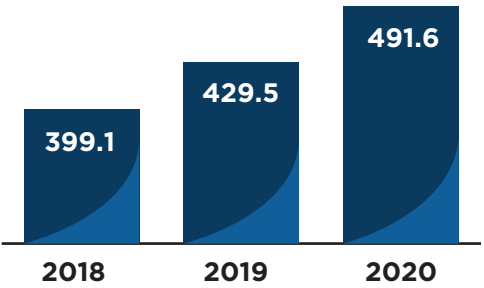
Total Funding Composition



Deposits

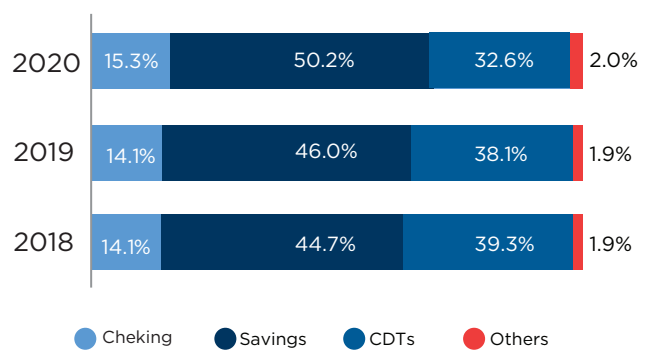
As of December 2020, deposits reached \$491.6 trillion, showing a growth of 14.4% compared to the end of December 2019. The analysis of deposit rate behavior shows that savings account deposits were the most dynamic product with growth of 25.0%, or \$49.3 trillion, compared to December 2019 followed by deposits in current accounts that grew 24.0%, or \$14.5 trillion, over the same period. By contrast, Fixed Term Deposits (CDT for its Spanish acronym) deposits decreased by 2.1%, or \$3.4 billion compared to December 2019.

Deposits



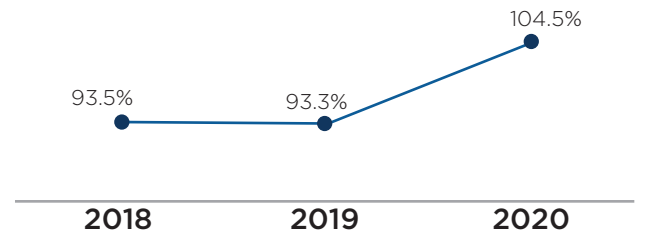
Due to increased growth in savings account deposits, their relative share of total deposits increased compared to the previous year, while CDTs were the type of deposit that lost the most relative share over total deposits in the last year.

Composition deposits



The system's net loan portfolio deposits to net loans ratio reached 104.5% in December 2020 and showed a significant increase from the December 93.3% level in December 2019. This indicator reflects an increase in the liquidity of the banking system that arose from higher growth in deposits versus loan portfolio growth during 2020.

Deposits/Net portfolio



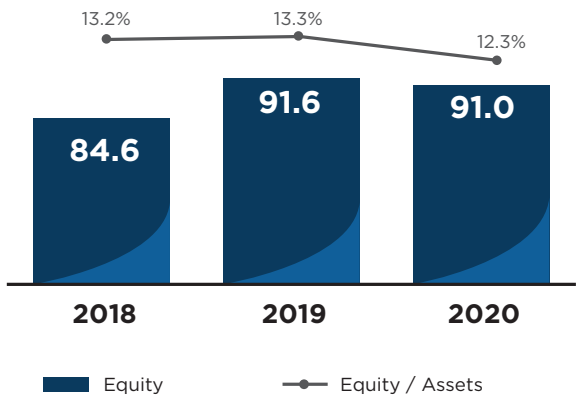
Other Funding

The other funding consists of bonds, financial obligations, credits with government finance institutions and interbank funds. Total funding different from the banking system stood at \$123.1 trillion at the end of 2020, representing a contraction of 9.1% compared to 2019, mainly caused by financial obligations and interbank funds.

Equity

At the end of December 2020, the bank system’s equity balance amounted to \$91.0 trillions showing a decline of 0.6% compared to December 2019. The decline in the system’s equity during the year is related to the lower profits in the financial year, which were partly offset by the increase in reserves. At the end of December 2020, the equity over total banking system assets ratio lies at 12.3%.

Equity



Main items of the Profit and Loss Statement and management indicators

Interest income

Interest income from the banking system reached \$55.9 trillion between January and December 2020, showing a decline of 2.9% compared to the same period in 2019. The 2020 income included interest on credit portfolio, leasing and repos for \$51.1 trillion and investment income and changes in the reasonable value of fixed income and equities for \$4.8 trillion.

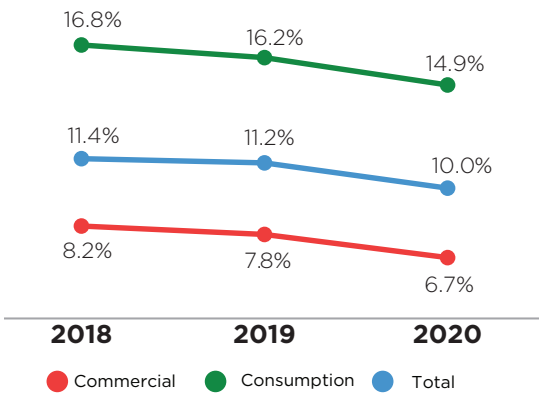
Loan portfolio income declined by 2.8% between January and December 2020 compared to the same period last year, mainly offset by lower commercial loan portfolio revenues associated with the Central Bank’s reduction of the reference rate and the lower-

ing of interest rates due to increased competition which were offset in part by an increase in the average balance during the year.

Investment and repos and interbank income also declined during 2020 despite the higher balance average, due to the pandemic’s impact on asset prices.

The implicit 2020 portfolio ratio, excluding late payment interests and repos and interbank interests, was 10.0%, down 113 basic points compared to the 2019 ratio. The following graphic presents the implicit rates for each period of the commercial portfolio, consumption and total portfolio.

Implicit portfolio rates



The reduction in 113 basic points in the average rate of portfolio allocation contrasts with a drop of 104 basic points in the average Fixed Term Deposits (FTD) rate, which was 3.5% in 2020 and 4.5% in 2019. When analyzing the movements of commercial and consumer portfolio there are contractions higher than that of the total rate for a mixing effect within the average total portfolio, where the average consumer portfolio grew more than the average commercial portfolio.

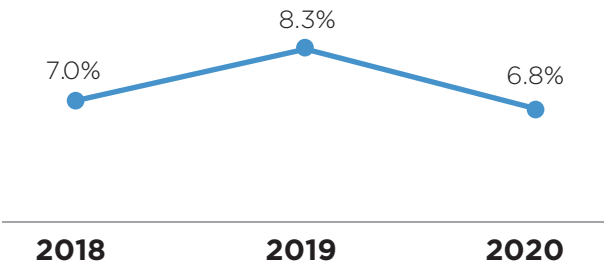
It should be noted that 2020 was a year of low interest rates in line with the Central Bank’s 6 rate cuts between March and September 2020 from 4.25 to 1.75%, which led to the fall in the FTD mentioned before.

7Estimated as income of interest of portfolio divided by average of the 12 ends of average monthly balance of gross portfolio.

In addition, during the year there was (i) greater competition through fees, particularly in better quality clients, (ii) a lower appetite for risk of credit institutions, that led to higher growth in less risky portfolios and thus with lower rate, and (iii) the effect on interest income from the financial reliefs generated by the external letter of the SFC.

On the other hand, the average return on the fixed income investment portfolio⁹ (interest on coupons, valuations and ORI (Other Comprehensive Result) materializations), between January and December 2020 was 6.8%, compared to 8.3% return recorded during the same period in 2019, as a result of the lower investment income explained above.

Fixed Income Rate



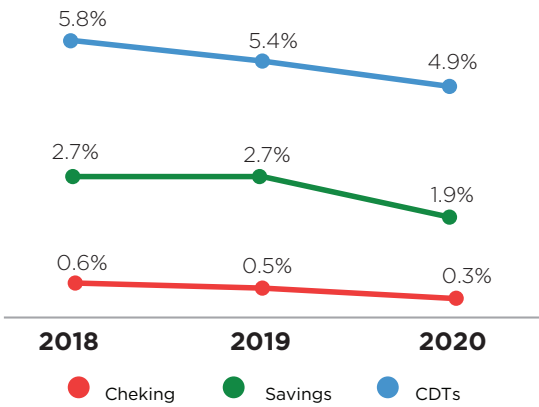
⁸Estimated as income for interest on fixed income investments divided by the average of the 12 ends of average monthly balance of fixed income investments.

Interest expense

Between January and December 2020, the bank system’s interest expenditure was \$18.9 trillion (\$12.9 trillion in deposit expenditure and \$6.0 trillion for other funding), which represents a 10.4% reduction compared to the same period last year. Lower interest expenditure is related to lower interest expenditure on deposits of 10.0%, or \$1.4 trillion and lower interest expenditure from the other funding of 11.3%, or \$0.8 trillion. Analyzing the average cost of deposits¹⁰ shows a decrease in 77 basic points, passing from an average cost of 2.8% in 2020, compared to an average cost of 3.5% in 2019. Below is the evolution of the average cost per deposit type.

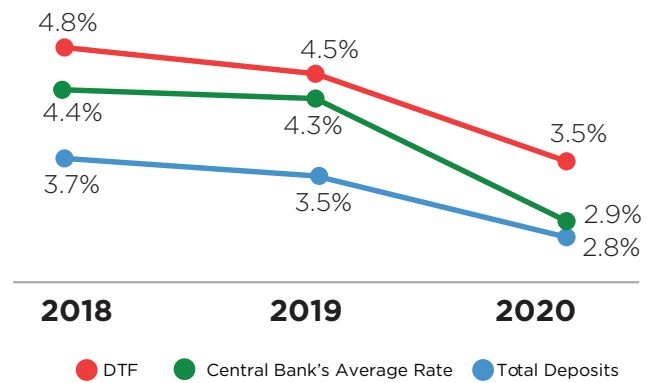
⁹Estimated as expense for interest of deposits divided by average of the 12 ends of average monthly balance of deposits.

Average cost per deposit type



The drop in deposit rates is related to the Central Bank’s rate cuts mentioned above. The rate of savings accounts had the biggest drop with 78 basic points at 1.9%, followed by FTDs with 57 basic points at 4.9% and current accounts with 20 basic points at 0.3%. The average Central Bank’s intervention rate, the average DTF, and the total average cost of deposits are compared next.

Reference rates*



*For the DTF rate the monthly average was taken for 2018, 2019 and 2020, and for the Central Bank intervention rate the daily average was taken for 2018, 2019 and 2020.

¹⁰ Estimated as expenditure for interests of deposits divided by the average of the 12 points of average monthly balance of deposits.

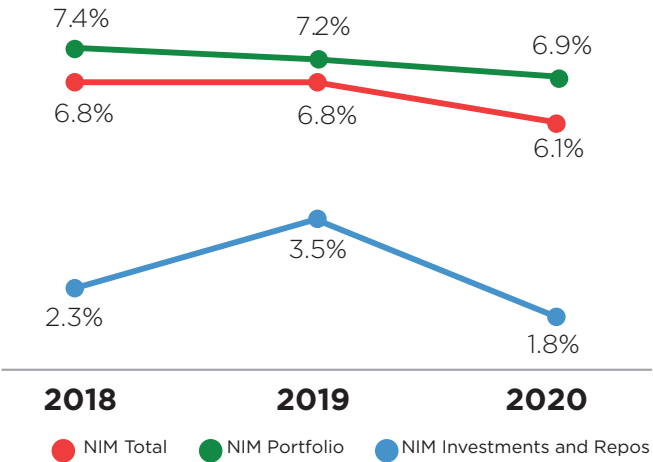
Net interest margin

The net interest margin, estimated as net interest income on average productive asset (understood as average gross portfolio plus investments¹⁰ and repos and interbank investments) showed a significant decrease of 67 basic points to 6.1%. The net interest margin of the loan portfolio (portfolio's NIM) lost 32 bps to 6.9%, in line with the reduction of loan rates analyzed above, while the net investment interest margin (investment and repo NIM) lost 170 bps to 1.8%.

Net interest margin

Net interest margin, estimated as net interest income on average productive asset (understood as average gross portfolio plus investments¹⁰ and repos and interbank investments) showed a significant decrease from 67 basic points to 6.1%. Net portfolio interest margin (NIM portfolio) declined from 32 bps to 6.9%, in line with the compression of portfolio rates analyzed above, while the net investment interest margin (investment and repo NIM) contracted 170 bps to 1.8%.

Net interest margin



¹⁰ Includes tradable variable income and fixed income, fixed income available for sale and fixed income kept until maturity.

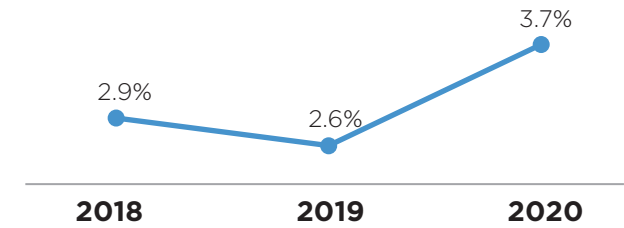
Net expense of loan portfolio provisions

The net expense of loan portfolio provisions (measured as the provision for loan portfolio and interest receivable less recoveries of written-off portfolio) reached \$ 19.4 trillion between January and December 2020, showing

a 55% increase compared to the same period last year. The growth in net provision expenditure is mainly explained by the establishment of the additional general provision that was implemented as of June 2020 as set out in the 2020 CEO22 issued by the SFC. In addition, the impairment in CDE quality in the last months of the year contributed to the increased expenditure of portfolio provisions by 2020.

As a result, the cost of risk¹¹ increased by 112 bps to 3.7% from 2.6%. Below is the evolution of the cost of risk.

Cost of risk



Commission income

Net commission income reached \$4.8 billion between January and December 2020, representing a 10.4% decline from nearly \$5.4 billion recorded in the same period of the previous year. The lower net commission income is mainly explained by a decline of 10.8% or \$0.5 billion in bank service fees, which were affected by the reduced customer influx to offices, ATMs and other points of service due to mobility restrictions imposed by the National Government and local governments. Finally, the banking fees were affected by the lower commercial activity during the period of strict confinements. On its part, commission expenditure increased by 0.1% between January and December 2020 compared to the same period last year.

As a percentage of total operating income, net commissions accounted for 10.3% as of

¹¹ Estimated as net expenditure of portfolio provisions divided by average of 12 ends of average monthly balance of loan portfolio.

December 2020 versus 11.7% for the same period in 2019. As a percentage of the average asset, net commissions accounted for 0.6% as of December 2020 and 0.8% as of December 2019.

Operational expenses

Due to the application of IFRS 16 as of 2019, we migrated the efficiency metric and operational expenditure analysis to include all system expenditures and not just personnel and administrative expenses. Now we also include in operating income, all income except the MPU and dividends because they reflect the net profits of subsidiaries and not their costs and income separately, which creates distortions in the efficiency metric.

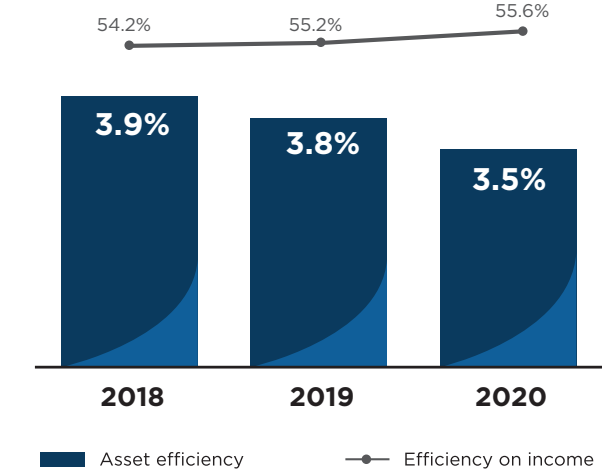


Between January and December 2020, operating expenses reached \$26.2 trillion, up 3.2% from \$25.4 trillion in the same period in 2019. Administrative expenditure as of December 2020 reached \$14.1 trillion, growing 4.5% or \$0.6 trillion compared to the same period in 2019, depreciation and amortization expenditure at \$2.2 trillion, with growth of \$0.4 trillion or 23.3%, while staff costs reached \$9.2 trillion decreasing \$0.1 trillion or 1.3%.

The rate of operating expenditure to operating income was 55.6% as of December 2020, with an increase of 41 bps compared to the same period in 2019, when this ratio was 55.2%. The ratio of operating expenditure to

average asset was 3.5% as of December 2020 compared to 3.8% in the same period of 2019, representing a reduction of 31 bps. The efficiency indicators are presented below.

Efficiency indicators



Implicit tax rate

The implicit tax rate (income tax expense) increased to 25.0% in 2020 from 21.6% in 2019.

Net income

Finally, net financial sector income was \$4.2 trillion between January and December 2020, showing a decline of 61.7% compared to \$11.1 trillion recorded in the same period of the previous year. Below are ROAE¹² and ROAA¹³ performance indicators.

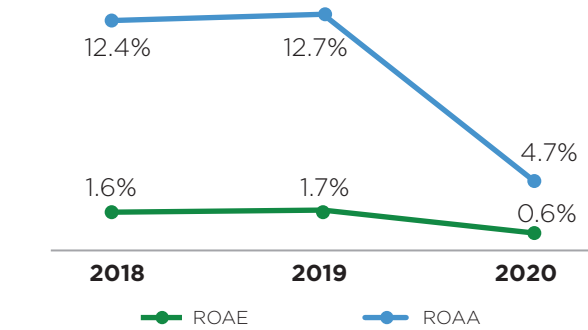
Net income

Finally, net financial sector income was \$4.2 billion between January and December 2020, showing a decline of 61.7% compared to \$11.1 billion recorded in the same period of the previous year. Below are ROAE12 and ROAA13 performance indicators.

12 Estimated as the net income divided by the average of the 12 points of the average monthly balance of equity.

13 Estimated as the net income divided by the average of the 12 points of the average monthly balance of the asset.

Profitability indicators



3.6.D. GRUPO AVAL IN COLOMBIA'S BANKING SYSTEM

Next, the market shares of the Aval Bank are presented. These figures were calculated with information from the separate financial statements reported to the SFC based on the International Financial Reporting Standards applicable in Colombia (NCIF for its Spanish acronym).

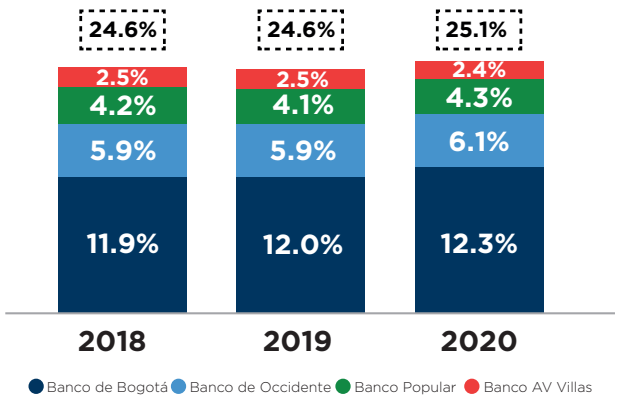
Through the Aval Banks we are leaders in local market share in total assets (25.7%), net loan portfolio (25.1%), deposits (26.0%), equity (32.6%) and net income (67.8%) as of December 30, 2020.

Assets

As of December 2020, Aval Banks continue to be leaders in the Colombian financial market with a combined share of assets of 25.7% and gaining 3 bps of market share compared to December 2019. To date, Aval Banks' assets reached \$190.7 trillion, representing a growth of 7.9% compared to December 2019. The system grew 7.8% during 2020, reaching a total of assets of \$742.0 trillion. Below is the evolution of our market shares over total assets.

Net loan portfolio

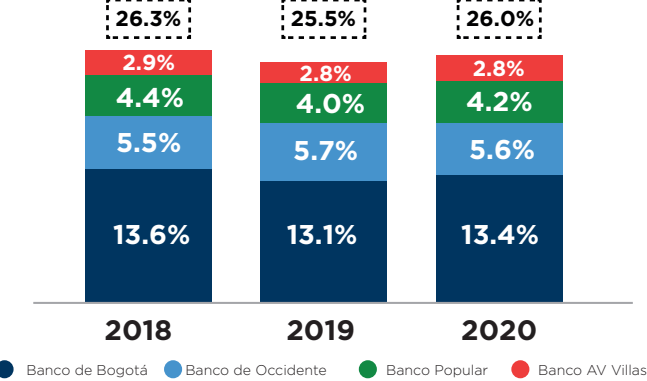
Our market share, as of December 2020 in net portfolio closed at 25.1%, gaining 53 bps compared to December 2019. As of December 2020, the sum of Aval Banks' net loan portfolio balance amounted to \$118.1 trillion and grew 4.4% compared to December 2019, while the system's net loan portfolio reached \$470.5 trillion and grew 2.2% compared to the previous year.



Deposits:

The market share in the Aval Banks deposit balance as of December 2020 closed at 26.0%, higher by 52 bps than the market share, as of December 2019. The deposit balance as of December 2020 for Aval Banks amounted to \$127.9 trillion, with growth of 16.8% compared to December 2019. Total system deposits reached \$491.6 trillion as of December 2020, growing 14.4% compared to December 2019.

Below is the evolution of market shares in deposits.

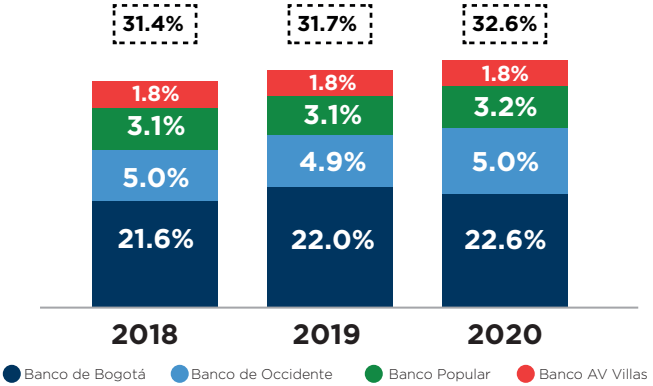


Equity:

As of December 2020, the market share of our banks' equity was 32.6%, higher by 89 bps than in December 2019. The sum of equities of Aval Banks closed in \$29.7 trillion as of December 2020, a growth of 2.2% compared to December 2019. Equity of the system at closing of 2020 was \$91.0 trillion, showing a decline of 0.6% compared to December 2019.

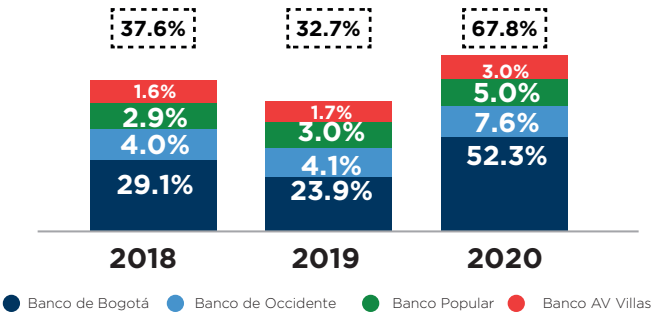
Just as it has been historically, our banks have a market share in equity higher than in loan portfolio.

Below is the evolution of market share in equity.



Net profit:

As of December 2020, the market share in the net profit of Aval Banks amounted to 67.8%, compared to that observed as of December 2019 of 32.7%. Below is the evolution of market share in net profits.



Increase of market share of Aval Banks in 2020 is mainly related to better performance compared to their main competitors. While Aval Banks' net profit declined in 20.7%, the banking system without Aval Banks declined in 81.7%

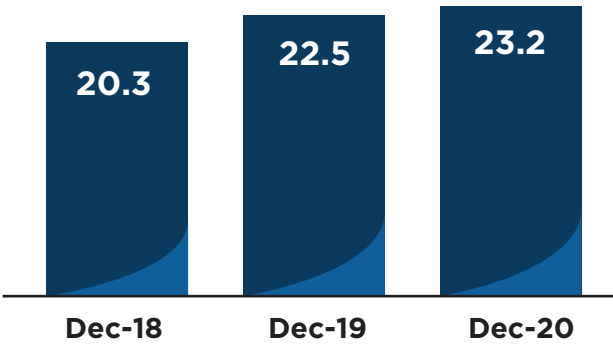
3.6.E. RESULT OF THE HOLDING COMPANY’S SEPARATE FINANCIAL STATEMENTS

Below is a summary of the main figures for our separate financial statements at the end of 2020. The results presented are in accordance with the NCIF. As of January 1, 2019, we adopted IFRS16 retroactively with cumulative effect.

Assets

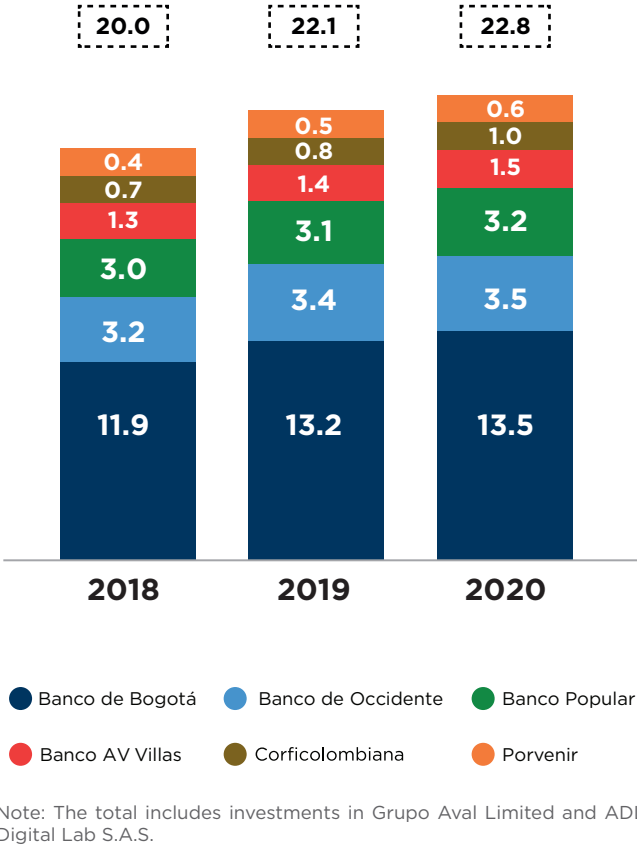
As of December 31, 2021, our total assets amounted to \$23.2 trillion, showing a 3.5% increase over the balance recorded as of December 31, 2019 of \$22.5 trillion.

Assets



Our assets are represented mainly by the shares we hold in Banco de Bogotá (68.7%), Banco de Occidente (72.3%), Banco Popular (93.7%), Banco AV Villas (79.9%), Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir (20.0%) Colombian Finance Company (8.4%).

The growth in asset category directly associated with growth in the investment category, originated from the equity movements of subordinated entities. Between 2019 and 2020 investments grew 3.1%.



Liabilities

Our total liabilities amounted to \$2.1 trillion as of December 2020 showing a decrease of 0.3% or \$6,796 million, compared to the balance of December 31, 2019.

As of December 31, 2020, Peso-denominated outstanding bonds account for 53.2% of liabilities and amounted to \$1.1 trillion, financial obligations 24.9% and the remaining 21.9% correspond to dividends, taxes and other accounts payable.

The following are the issuances that Grupo Aval has in the local market:

Year	Main (millions)	Rate	Qualification
2009 Issuance (Series A - 15 years)	\$ 124,520l	PC+5.20%	AAA – BRC Investor Services S.A.
2016 Issuance (Series A - 10 years)	\$ 93,000	IPC+3.86%A	AA – BRC Investor Services S.A.
2016 Issuance (Series A - 20 years)	\$ 207,000	IPC+4.15%	AAA – BRC Investor Services S.A.
2017 Issuance (Series A - 25 years)	\$ 300,000	IPC+3.99%	AAA – BRC Investor Services S.A.
2019 Issuance (Series C- 5 years)	\$ 100,000	6.42%	AAA – BRC Investor Services S.A.
2019 Issuance (Series A - 20 years)	\$ 300,000	IPC+3.69%	AAA – BRC Investor Services S.A.
TOTAL\$	1,124,520		

Equity

At the end of December 31, 2020, shareholders’ equity amounted to \$21.1 trillion, showing an increase of 3.9% or \$0.8 trillion compared to December 2019 closing equity. The variation in equity reflects the growth in the value of the investments and profits of the period.

Equity



Net Profit

Net profit in our separate financial statements is derived from the income from our participation in our investments and other income, net of holding’s operating, financial and tax expenses.

At the end of 2020 we presented a net profit of \$2.4 trillion compared to one of \$3.0 trillion for the year ended on December 31, 2019, representing a decline of 20.9% or \$0.6 trillion. Net profits per share for 2020 were 108 pesos. Grupo Aval’s decline in net profit resulted mainly from a decrease in income by method of share of 22.1% or \$0.7 trillion compared to the 2019 result.

Net profit



Key figures
Grupo Aval Limited (GAL)

Grupo Aval Limited (GAL) is a Company owned in 100% by Grupo Aval through which we have issued senior bonds on the international market, 100% guaranteed by Grupo Aval. As of December 31, 2020, GAL had two outstanding issuances. On February 4th, 2020, we issued U.S. \$1.0 trillion with a 4,375% to 10-year coupon with six-monthly coupon payments. This issuance was rated Ba2 by Moody’s and BBB- by Fitch Ratings and is irrevocably and unconditionally guaranteed by Grupo Aval Acciones y Valores S.A.

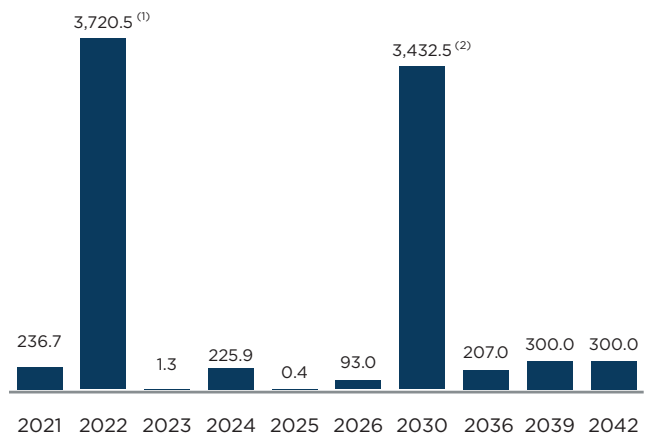
The bond issuances that remain in the market are the following:

Current issuances	2012	2020
Duration	10 years	10 years
Maturity	Sep-22	Feb-30
Amount	\$1 billion	\$1 billion
Coupon rate	4.750%	4.375%

As of December 31, 2020, GAL’s assets amounted to U.S. \$1.9 billion. Cash and liquidable investments amounted to US\$726.6 million. Linked loans amounted to US\$635.0 billion (of which US\$443.9 million corresponded to credits granted to Covioriente and US\$186.1 million corresponded to loans granted to Porvenir). Additionally, GAL had US\$522.5 million for investments in subordinated bonds convertible into shares (hybrid securities) of BAC International Bank, Inc. The liabilities associated with capital and interest of the bonds detailed above amounted to US \$2.0 billion as of December 31, 2020.

Capital maturity profile of financial obligations of Grupo Aval and Grupo Aval Limited (billion pesos)

As of December 31, 2020, Grupo Aval and Grupo Aval Limited had a combined total debt of \$8.6 trillion, including interests. Below is the maturity profile of the financial obligations of Grupo Aval and Grupo Aval Limited (trillions).



Source: Grupo Aval. (1) Corresponds mostly to the issuance of GAL for \$1 billion in 2012; (2) Corresponds to the issuance of GAL for \$1 billion in 2020. Dollar figures expressed at the exchange rate of \$3,432.50 as of December 31, 2020.

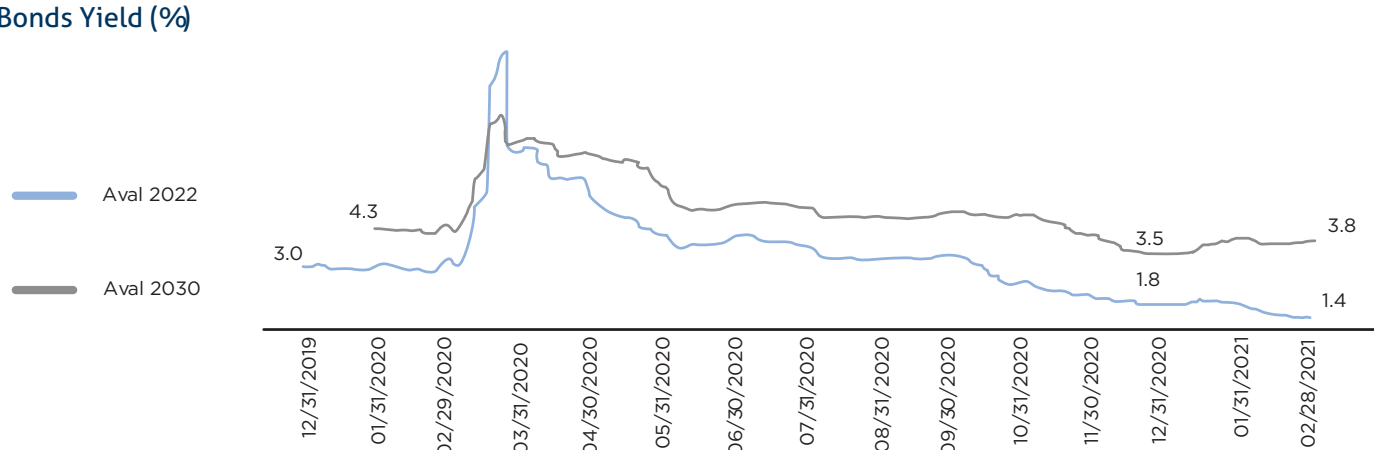
Main debt metrics and debt service coverage of Grupo Aval and Grupo Aval Limited (combined)

Debt and hedging of the debt service	2018	2019	2020	2020 vs. 2019
Double leverage	1.15x1	.14x	1.18x0	.05
Net Debt / Income from flow	2.82x	2.57x3	.39x	0.82
Net Debt / Flow of dividends	3.53x3	.16x	4.36x1	.20
Income from flow / Interest Expenses	5.26x5	.63x	4.08x-	1.56

Double leverage is estimated as investments in subsidiaries at carrying amount (excluding revaluations), subordinated loans to subsidiaries, investments in hybrid securities and capital gains, as a percentage of shareholders’ equity. Income from cash flow is defined as the recurring cash flow of dividends, investments, and net operations income. Net debt is estimated as total debt minus cash and cash equivalents and fixed income investments.



Evolution of market rates of bonds issued by Grupo Aval Limited during 2020



Source: Bloomberg. Latest prices as of February 26, 2021.

As of February 26, 2021, Grupo Aval Limited issuances were rated BBB- by Fitch and Ba2 by Moody’s.

3.6.F. RESULT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF GRUPO AVAL

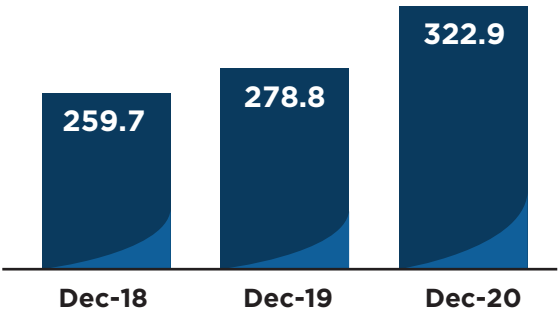
Below is a summary of the main figures in our consolidated financial statements at the end of 2020. The results presented are in accordance with the NCIF. As of January 1, 2019, we adopted IFRS 16 retroactively with cumulative effect. The figures presented are expressed in trillions of pesos, except where otherwise indicated.

In May 2020 we closed the acquisition of Multi Financial Group (MFG), the holding company of Multibank Panama, a business that complements our share in the Panamanian financial system, a country where we became the second largest player by asset size, and which consolidates our leading position in Central America. The acquisition of MFG was made through LB Panama, a subsidiary of Banco de Bogotá in Central America, which in turn is BAC’s holding company.

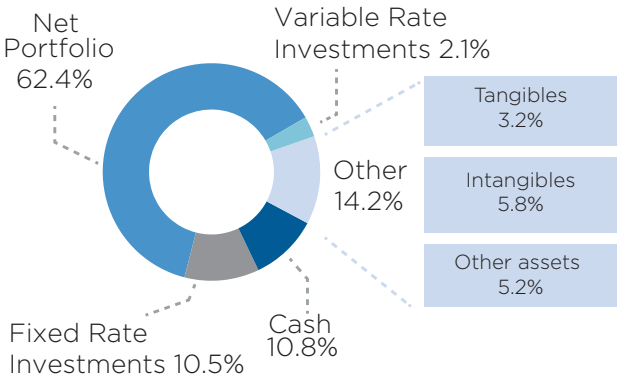
Assets

As of December 31, 2020, our assets amounted to \$322.9 trillion, showing a 15.8% increase over the balance recorded as of December 31, 2019 of \$278.8 trillion. The assets of our Colombian operation, which account for 65.2% of total consolidated assets, grew 7.5% in the year while the Central American operation, which accounts for 34.8% of total consolidated assets, grew 35.4% in pesos (29.3% in dollars). MFG’s assets were \$16.5 trillion in December 2020.

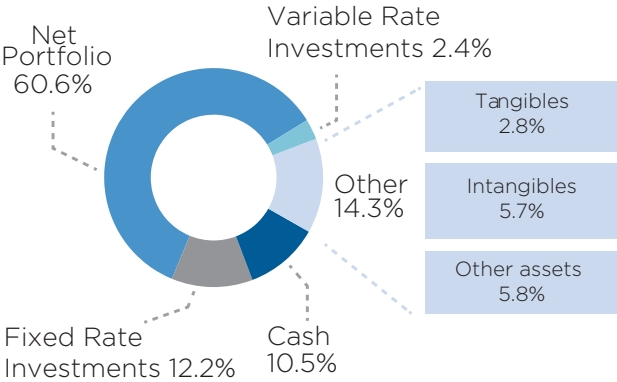
Assets



2019 Asset Allocation



2020 Asset Allocation



Our net portfolio, at the end of 2020, stood at \$195.5 trillion and had a growth of 12.4% or \$21.6 trillion during the year. The net portfolio accounted for 60.6% of total assets as December 31, 2020.

Our net loan portfolio, excluding repos, grew 11.5% in the year and amounted to \$190.8 trillion. By portfolio type: (i) the net commercial loan portfolio, which accounts for 55.4% of the total net loan portfolio (excluding repos), grew 11.6%; (ii) the net consumer loan portfolio, which accounts for 31.9% of the total net loan portfolio (excluding repos), grew 8.2%, (iii) the net mortgage portfolio, which accounts for 12.6% of the total net loan portfolio (excluding repos), grew 20.8%. The net microcredit portfolio representing only 0.1% of the total net loan portfolio (excluding repos) declined by 22.5%.

The net microcredit portfolio representing only 0.1% of the total net loan portfolio (excluding repos) declined by 22.5%, grew 4.2% in the year, while the Central American operation representing 35.7% of the total net loan portfolio (excluding repos), grew 27.3% in pesos (21.6% in dollars). MFG's net loan portfolio stood at \$11.5 trillion as of December 2020.

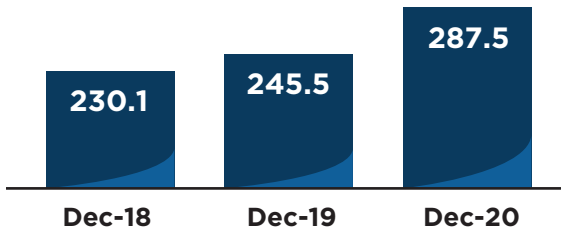
On the other hand, fixed income investments, which accounted for 12.2% of total assets, amounted to \$39.3 trillion as of December 31, 2020, showing growth of 34.0% or \$10.0 trillion in the year. Within the fixed income portfolio 44.1% of investments are represented in sovereign securities of Colombia, 25.2% in sovereign securities other than Colombia, 10.2% in securities issued by other Colombian government entities and 4.7% by securities issued by foreign central banks.

Cash on hand accounted for 10.5% of the total asset and the other assets include intangible assets and tangible assets weighing 5.7% and 2.8% of the total assets, respectively.

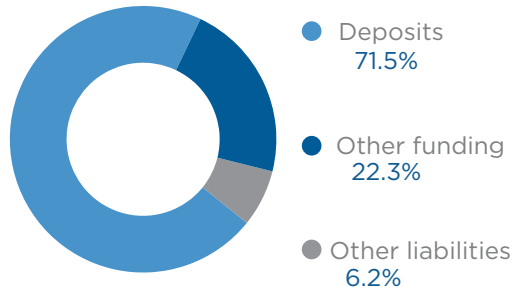
Liabilities

Our liabilities were \$287.5 trillion at the end of 2020, growing 17.1% or \$42.0 trillion over the balance as of December 31, 2019. The liabilities of our Colombian operation, which account for 66.1% of total liabilities, grew 7.2% in the year, while those of the Central American operation representing 33.9% of our liabilities grew 42.7% in pesos (36.2% in dollars). MFG liabilities were \$15.0 trillion in December 2020.

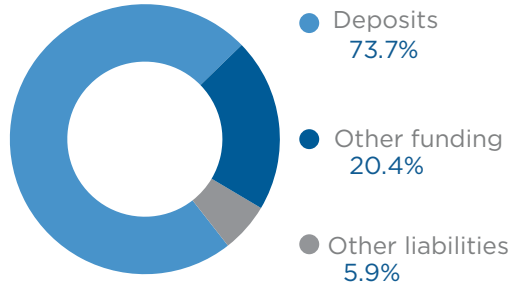
Liabilities



2019 Liabilities allocation



2020 Liabilities allocation



Client deposits accounted for 73.7% of our total liabilities as of December 31, 2020 and 10.7 trillion, showing growth of \$36.4 trillion or 20.7% in the year. Among the total deposits: (i) deposits in FTDs, which account for 39.4% of total deposits, grew by 14.1%; (i) deposits in savings accounts, which account for 36.1% of total deposits, grew by 29.0%; and (ii) checking account deposits, which account for 24.2% of total deposits, grew by 20.6%. The other deposits represent only 0.3% of the total deposits.

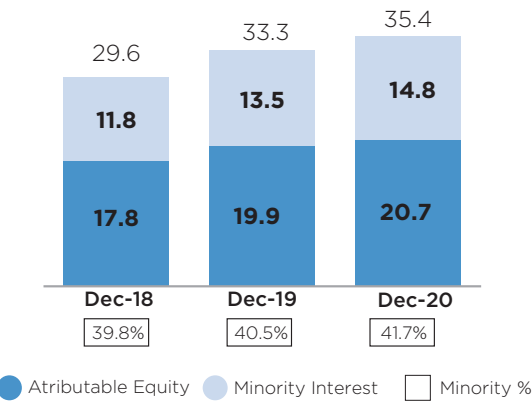
The deposits of the Colombian operation, which account for 62.3% of total deposits, grew 10.8% in the year, while our Central American operation representing 37.7% of total deposits grew 41.8% in pesos (35.4% in dollars). MFG deposits amounted \$10.1 trillion as of December 2020.

On the other hand, the other funding consisting of financial obligations, bonds, interbank and obligations with government finance institutions, which account for 20.4% of our total liabilities, amounted to \$58.6 trillion as of December 31, 2020, showing growth of 6.9% or \$3.8 trillion in the year. The increase in the year is due to an increase of \$5.8 trillion in the bond balance, a decrease of \$0.1 trillion in the credit balance with banks and others, and a decrease of \$2.1 in the balance of interbank funds. The largest bond balance in 2020 is mainly related to GAL's issuance of US\$1 billion in February and the re-expression of U.S. dollar-backed bonds.

Equity

At the end of December 31, 2020, our total equity amounted to \$35.4 trillion, showing an increase of \$2.1 trillion or 6.3%, compared to the closing equity of December 2019. Equity attributable to Grupo Aval shareholders amounted to \$20.7 trillion as of December 31, 2020 and had growth of 4.1% or \$0.8 trillion in the year, while minority interest reached \$14.8 trillion and had growth of 9.5% or \$1.3 trillion.

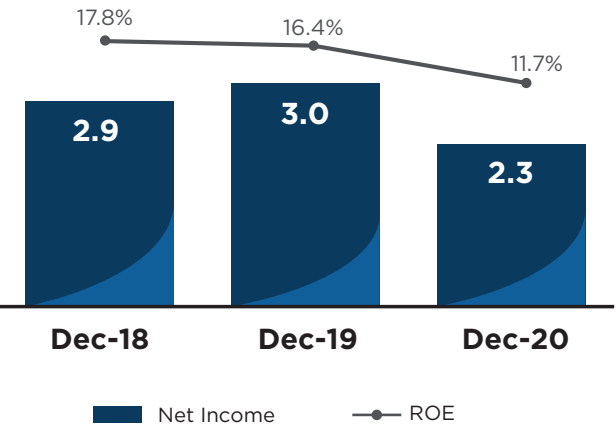
Equity



Consolidated net income

At the end of the year ended on December 31, 2019, Grupo Aval reported profits attributable to shareholders of \$2.3 trillion showing a decline of 22.6% compared to \$3.0 trillion in 2019. Finally, our profitability indicators in 2020 were 11.7% on equity (ROE) and 1.5% on assets (ROA), compared to the 2019 indicators of 16.4% and 2.0%, respectively.

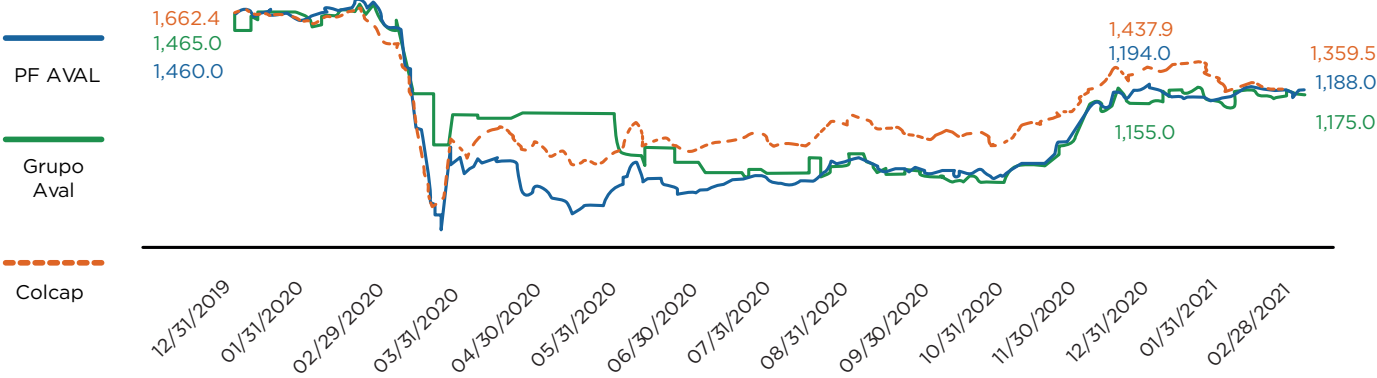
Net Income



3.6.G. PERFORMANCE OF GRUPO AVAL SHARES

During the period from December 31, 2019 to December 31, 2020, the price of our common stock (GRUPOAVAL) went from \$1,465 to \$1,155, showing a decrease of 21.2%. On its side, our preferred stock (PFAVAL), the company's highest liquidity share, went from \$1,460 to \$1,194 in the same period showing a 18.2% decrease. During the same period COLCAP decreased by 13.5% from \$1,662 to \$1,438.

Share price of Grupo Aval vs. Colcap*

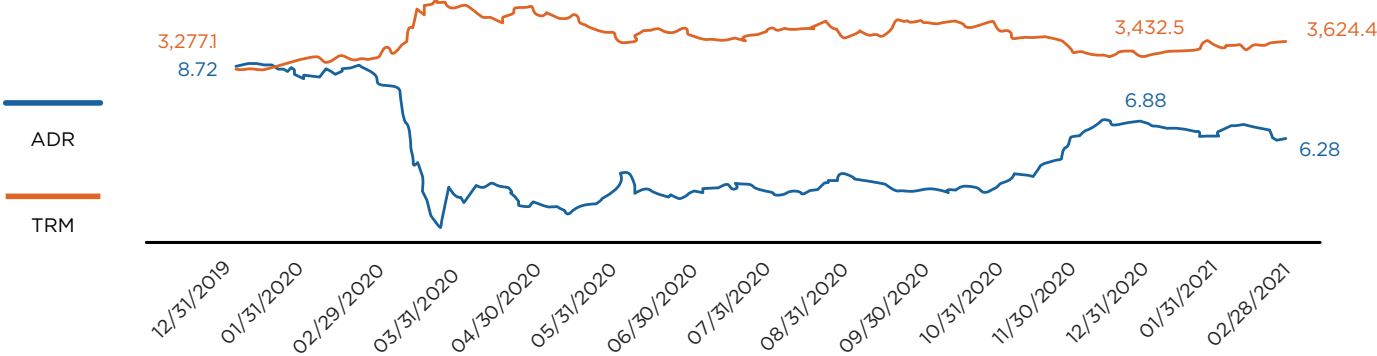


*100 base graph starting from the prices of December 31, 2019. Latest prices as of February 26, 2021. Source: Bloomberg.

At the February 26, 2021 cut-off, the price of our common share was \$1,175, which shows a 1.7% increase over the year, while the price of our preferred shares was \$1,188, showing a 0.5% reduction so far this year.

Moreover, the ADR (AVAL), listed in the NYSE and equivalent to 20 Aval's preferred shares, was at US\$6.88 at the cutoff of December 31, 2020 showing a 21.1% decrease from the price at December 31, 2019, when it was at US\$8.72. ADR's performance, in addition to considering the price of preferred share, is positively or negatively affected by the evolution of the exchange rate. In the year, the exchange rate showed a devaluation of 4.7%, from \$3,277.1 as of December 31, 2019 to \$3,432.5 as of December 31, 2020.

ADR Aval vs. TRM*



100 base graph starting from the prices of December 31, 2019. Latest prices as of February 26, 2021. Source: Bloomberg.



3.6.H. RESULTS OF OUR SUBSIDIARIES IN COLOMBIA

At the end of 2020, our main subsidiaries in Colombia were Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, Corficolombiana and Porvenir, whose results are detailed below. The results presented are in accordance with the NCIF and refer to the consolidated financial statements of each of the entities. The figures presented are expressed in trillions of Colombian pesos, except where otherwise indicated.

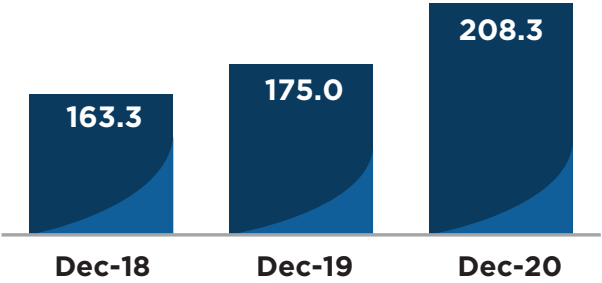
Banco de Bogota



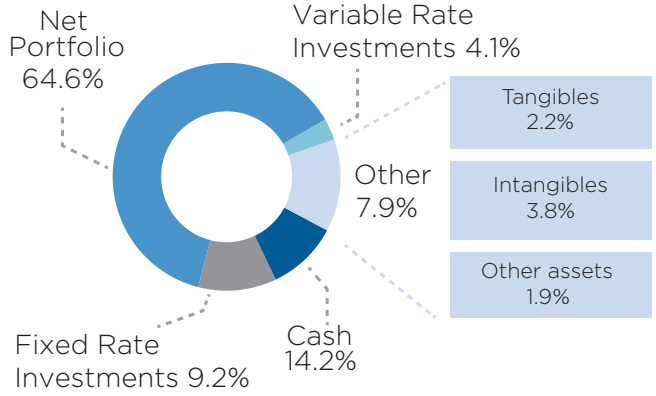
Assets

As of December 31, 2020, the bank's total assets amounted to \$208.3 trillion, representing a growth of 19.0% corresponding to \$33.2 trillion compared to the December 31, 2019 balance. The assets of Banco de Bogotá's Colombian operation, which accounted for 46.1% of total assets, grew 4.2% in the year while the Central American operation, which accounted for 53.9% of total assets, grew 35.4% in Colombian pesos (29.3% in dollars). MFG's assets were \$16.5 trillion in December 2020.

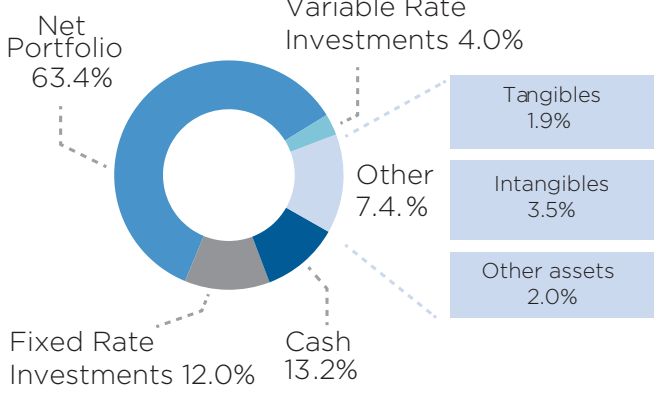
Assets



2019 Asset allocation



2020 Asset allocation



The Net loan portfolio, which accounted for 63.4% of assets as of December 31, 2020, amounted \$132.0 trillion and grew 16.7% or \$18.9 trillion during the year.

Net portfolio, excluding repos, grew 15.4% in the year and amounted to \$128.5 trillion. By portfolio type: (i) net commercial loan portfolio, which accounts for 58.8% of the total net portfolio (excluding repos), grew 16.6%; (ii) the net consumer loan portfolio, which accounts for 26.5% of the total net loan portfolio (excluding repos), grew 8.7% and (ii) the net mortgage portfolio, which accounts for 14.6% of the total net portfolio (excluding repos), grew 25.0%. The net microcredit portfolio represents only 0.2% of the total net portfolio (excluding repos).

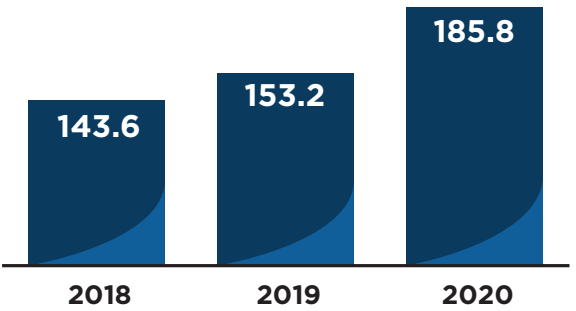
The net portfolio (excluding repos) of Banco de Bogotá's Colombian operation, which account for 46.9% of the total net portfolio, grew 4.4% in the year, while the Central American operation representing 53.1% of the total net portfolio grew 27.3% in pesos (21.6% in dollars). MFG's net portfolio (excluding repos) stood at \$11.5 trillion as of December 2020.

Fixed income investments, which accounted for 12.0% of total assets, amounted to \$25.0 trillion as of December 31, 2020, showing growth of 55.3% or \$8.9 trillion in the year, of which \$6.3 trillion corresponds to the Central American operation. Assets other than the bank's portfolio and fixed income investments include cash on hand, intangibles, investments in equity instruments and partner companies, and property, plant, and equipment.

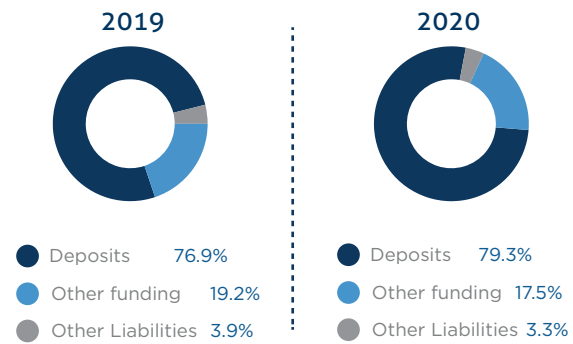
Liabilities

Liabilities were \$185.8 trillion at the end of 2020, growing 21.3% on the balance of December 31, 2019. Liabilities of Banco de Bogotá's Colombian operation, which accounted for 47.6% of total liabilities, grew 4.1% in the year while the Central American operation, which accounted for 52.4% of total liabilities, grew 42.7% in pesos (36.2% in dollars). MFG liabilities were \$15.0 trillion in December 2020.

Liabilities



Liabilities allocation



Public deposits accounted for 79.3% of total liabilities and amounted to \$147.3 trillion as of December 31, 2020, showing growth of 25.0% or \$29.5 trillion in the year. Among the total deposits: (i) deposits in CDTs, which account for 40.6% of total deposits, grew by 22.7%; (ii) deposits in savings accounts, representing 30.2% of total deposits, grew by 28.2%; and (iii) checking account deposits, which account for 28.9% of total deposits, grew by 25.3%. Other deposits represent only 0.2% of the total deposits.

Deposits from Banco de Bogotá's Colombian operation, which account for 45.8% of total deposits, grew 9.7% in the year, while the Central American operation representing 54.2% of total deposits grew 41.8% in pesos (35.4% in dollars). MFG deposits were located at \$10.1 trillion as of December 2020.

On the other hand, other funding consisting of loans from financial institutions, bonds, interbank and obligations with government finance institutions, which account for 17.5% of total liabilities, amounted to \$32.4 trillion as of December 31, 2020, showing a growth of 10.4% or \$3.1 trillion in the year. The increase in the year is mostly due to growth in the bond balance of \$3.7 trillion with a contribution of \$1.7 trillion MFG, which was partially offset by the decrease of \$2.2 trillion from the other funding of the Colombian operation.

It should be noted that banco de Bogotá issued a Green Bond in Colombia on Septem-

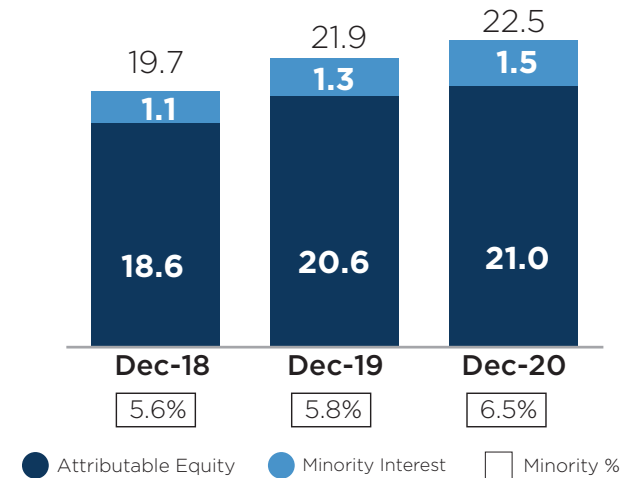
ber 24th, 2020 at 3 and 5 years with an IBR (Bank Benchmark Index for its spanish acronym) rate+1.14% nominal interest rate per month and TF 4.75% yearly effective for \$114 billion and \$186 billion, respectively. Additionally, BAC International Bank Inc. issued subordinated bonds convertible into shares (hybrid securities) for US\$520 million in May 2020.

Equity

At the end of December 31, 2020, Banco de Bogotá's total equity amounted to \$22.5 trillion, showing an increase of 2.9% or \$0.6 trillion compared to equity in December 2019 cut-off.

Equity attributed to the bank's shareholders amounted to \$21.0 trillion as of December 31, 2020 and had growth of 2.1% or \$0.4 trillion in the year. The assets attributable to third parties (minority interest) amounted to \$1.5 trillion growing 15.6% or \$0.2 trillion in the year.

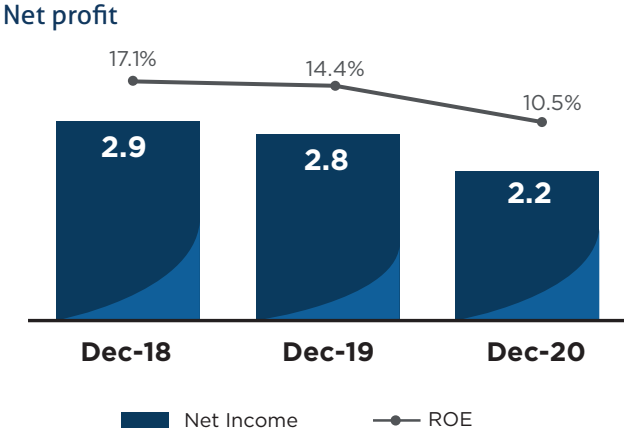
Equity



Consolidated net profit

During the year ended December 31, 2020, Banco de Bogotá reported consolidated net profit attributable to shareholders for \$2.2 trillion compared to \$2.8 trillion for the year ended December 31, 2019. The less net profit of 2020 compared to 2019 is mainly related to higher provision expenditure of 58.1% or \$1.6 trillion and a decrease of 7.1% or \$0.3 trillion in net commission income. It partly made up for the largest net interest income of 10.1% or \$0.8. The Colombian operation contributed \$0.4 trillion to the decline in profit attributable to shareholders, while the Central American operation contributed \$0.2 trillion.

Finally, the 2020 profitability indicators were 10.5% on equity (ROE) and 1.2% on assets (ROA), compared to the 2019 indicators of 14.4% and 1.8%, respectively.



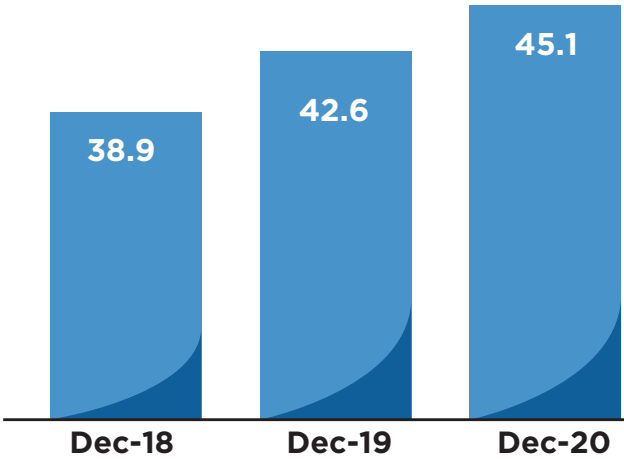
Banco de Bogota



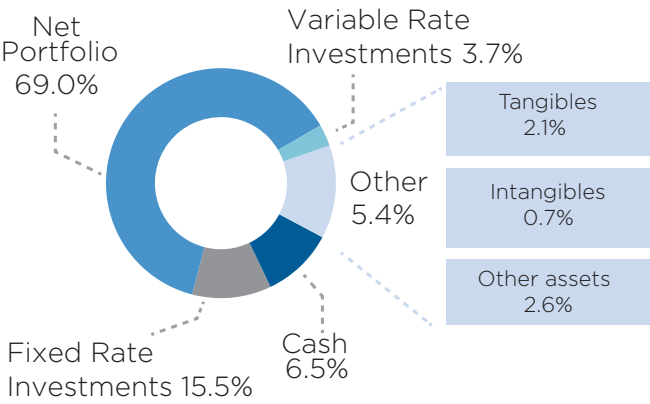
Assets

As of December 31, 2020, the bank's total assets amounted to \$45.1 trillion, corresponding to growth of 5.9% or \$2.5 trillion compared to the December 31, 2019 balance.

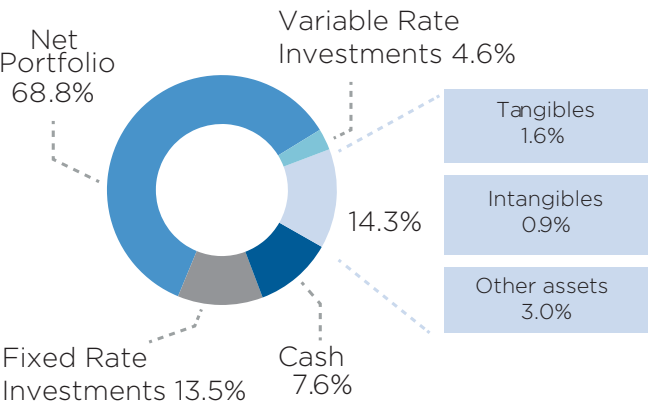
Assets



2019 Asset allocation



2020 Asset allocation



Net portfolio representing 68.8% of assets stood at \$31.0 trillion, showing growth of 5.7% or \$1.7 trillion during the year. Net portfolio, excluding repos, grew 6.5% in the year to \$30.7 trillion. By portfolio type: (i) the net commercial loan portfolio, which accounts for 70.9% of the net portfolio (excluding repos), grew 6.2%; (i) the net consumer portfolio, which accounts for 23.3% of the net portfolio (excluding repos), grew 5.4% and (iii) the net mortgage portfolio, which accounts for 5.9% of the net portfolio (excluding repos), grew 14.4%.

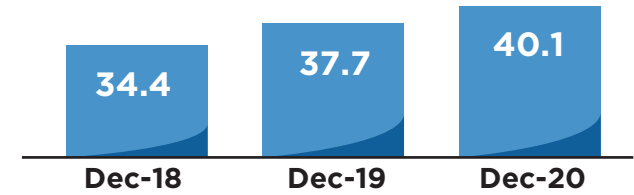
Fixed income investments, which accounted for 13.5% of total assets, were \$6.1 trillion at the end of December 31, 2020, showing a decline of 7.6% in the year. Assets other than

the bank's portfolio and fixed income investments include cash, investments in equity instruments and partner companies, and property, plant and equipment.

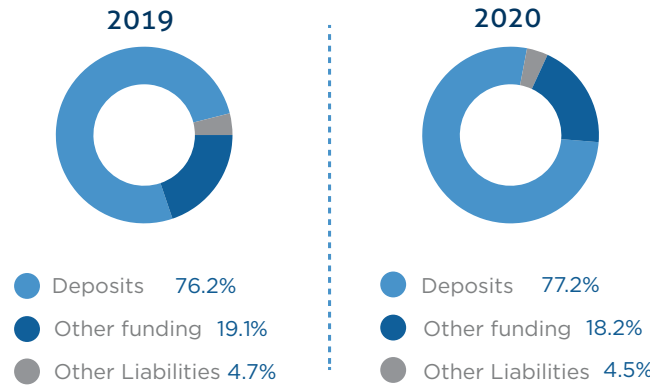
Liabilities

On the other hand, liabilities were \$40.1 trillion, growing 6.4% compared to the balance as of December 31, 2019.

Liabilities



Liabilities allocation



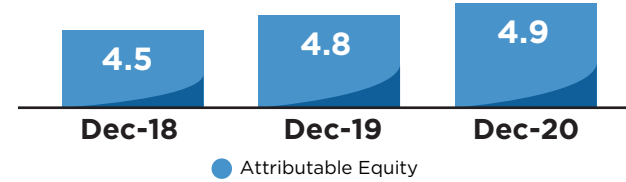
Deposits accounted for 77.2% of total liabilities and showed growth of 7.8% compared to the balance of December 31, 2019. Among the total deposits: (i) deposits in savings accounts, which account for 49.4% of total deposits, grew by 21.8%; (i) deposits in CDTs, which account for 27.6% of total deposits, decreased by 12.0%; and (iii) checking account deposits, which account for 22.7% of total deposits, grew by 10.4%. The other deposits represent only 0.2% of the total deposits.

Other funding consisting of loans from financial institutions, bonds, interbank and bonds with government finance institutions accounted for 18.2% of the bank's liabilities and amounted to \$7.3 trillion, growing 1.7% in the year.

Equity

At the end of 2020, equity attributed to shareholders amounted to \$4.9 trillion, 2.2% higher than the December 2019 value. Equity attributed represents 99.4% of the total assets.

Equity

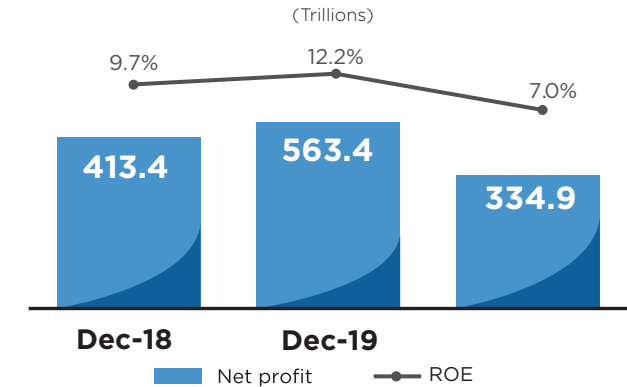


Consolidated net profit

Banco de Occidente reported a net profit attributed to shareholders of \$334,890 million during the year ended December 31, 2020, which was lower than the \$563.356

million during 2019. Less net profit of 2020 compared to 2019 is mainly related to higher provision expenditure of 43.8% or \$379,548 million and a decrease of 8.1% or \$28,216 million in net commission income. It partly made up for the largest income from ORI's performances of \$37,076 million.

Finally, the profitability indicators for 2020 were 7.0% on equity (ROE) and 0.7% on assets (ROA). The indicators for 2019 were 12.2% and 1.4%, respectively.



Banco de Bogota



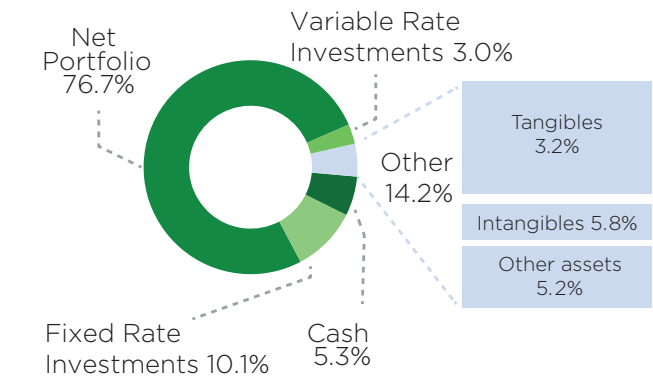
Assets

As of December 31, 2020, the bank's total assets amounted to \$27.4 trillion, an increase of 9.1% or \$2.3 trillion compared to the December 31, 2019 balance.

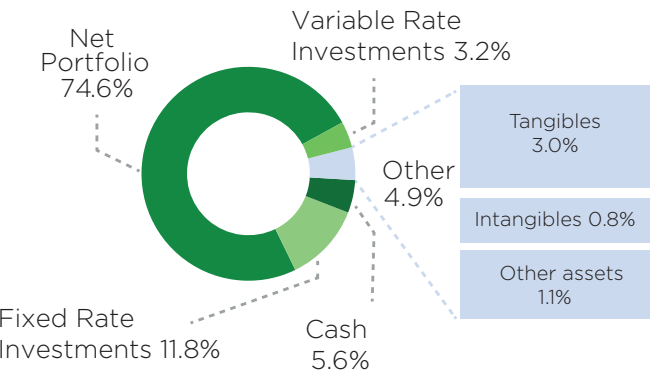
Assets



2019 Asset allocation



2020 Asset allocation

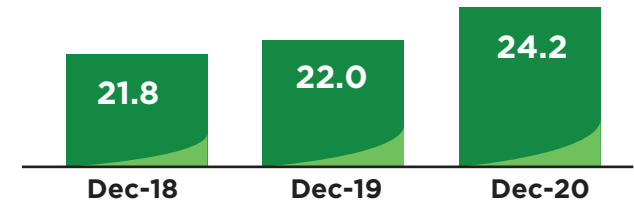


The net loan portfolio that accounted for 74.6% of assets reached \$20.4 trillion and had growth of 6.1% or \$1.2 trillion during the year. By portfolio type: (i) the net consumer loan portfolio, which accounts for 61.6% of net portfolio (excluding repos), grew 11.2%; (ii) net commercial loan portfolio, representing 32.9% of net portfolio (excluding repos), declined 3.5% and (iii) net mortgage portfolio, which accounts for 5.4% of the net portfolio (excluding repos), grew 17.4%. Fixed income investments, which accounted for 11.8% of total assets, amounted to \$3.2 trillion at the end of December 31, 2020, showing growth of 26.6% or \$0.7 trillion in the year. Assets other than the bank's portfolio and fixed income investments include cash, investments in equity instruments and partner companies, and property, plant, and equipment.

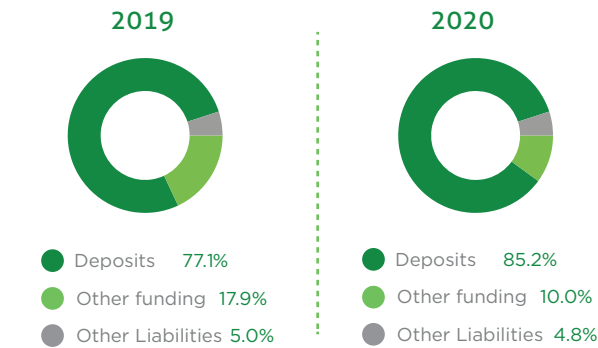
Liabilities

On the other hand, liabilities were \$40.1 trillion, growing 6.4% compared to the balance of December 31, 2019.

Liabilities



Liabilities allocation

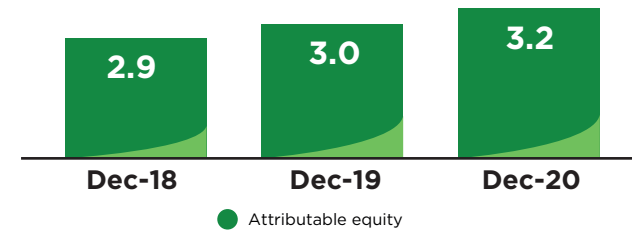


Deposits represented 77.2% of total liabilities and showed an increase of 7.8% compared to the balance of December 31, 2019. Among the total deposits: (i) deposits in savings accounts amounted to 49.4% of total deposits and grew 21.8%; (ii) FTD deposits, which account for 27.6% of total deposits grew by 12.0%; and (iii) checking account deposits, which account for 22.7% of total deposits, grew by 10.4%. The other deposits represent only 0.2% of the total deposits. Other funding consisting of loans from financial institutions, bonds, interbank, and bonds with government finance institutions accounted for 10.0% of the bank's liabilities and amounted \$2.4 trillion, decreasing by 38.6%. The decline in the year is mostly due to a lower balance of interbank credits.

Equity

At the end of 2020, the equity attributable to shareholders amounted to \$3.2 trillion, increasing 3.9% compared to the value of December 31, 2019. The equity attributed to shareholders represents 99.0% of the total equity.

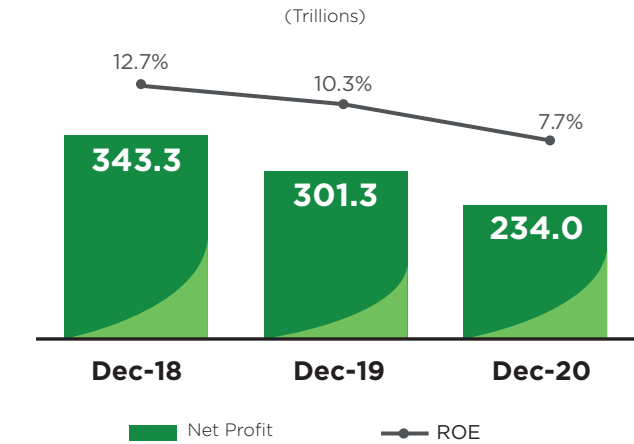
Equity



Consolidated net profit

Banco Popular reported a net profit attributable to shareholders of \$233,974 million during the year ended December 31, 2020, showing a decline of 22.3% compared to \$301,256 million recorded during 2019. Lower net income of 2020 compared to 2019 is mainly related to lower net interest income of 1.3% or \$18,018 million, mainly due to lower portfolio interest income and a decrease of 5.7% or \$11,463 million in net commission income. It partly accounted for the lower provision expense of 4.9% or \$17,323 million and the greater income from profits from controlled and associated companies and dividends of 8.3% or \$6,891 million. The lower provision expenditure in the year is mainly related to (i) lower expenditure of provisions of the commercial loan portfolio, associated with the lower balance and the expenditure of provisions made by the bank in 2019 in relation to loans to Concesionaria Ruta del Sol to increase coverage to 100% (written-off in 2020), (ii) increased provision spending on consumer and mortgage loan portfolios. Finally, the profitability indicators for 2020 were 7.7% on equity (ROE) and 0.9% on assets (ROA). For 2019 these indicators were 10.3% and 1.2%, respectively.

Net Income



Banco AV Villas



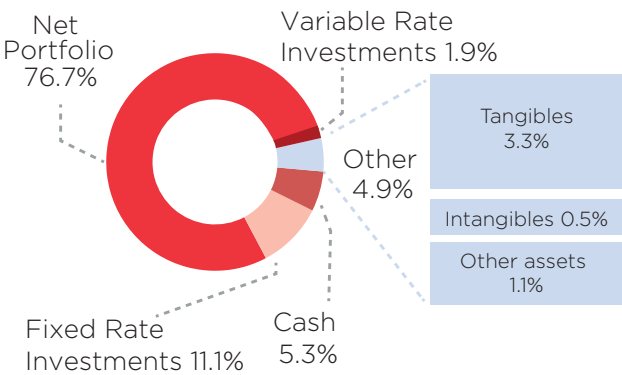
Assets

As of December 31, 2020, the bank's total assets amounted to \$16.6 trillion, an increase of 9.1% or \$1.4 trillion compared to the end of December 2019.

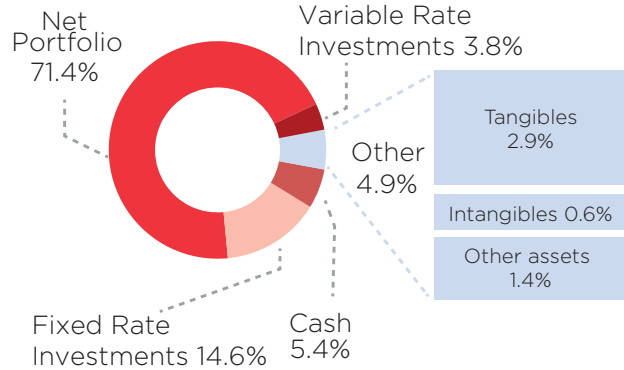
Assets



2019 Asset allocation



2020 Asset allocation



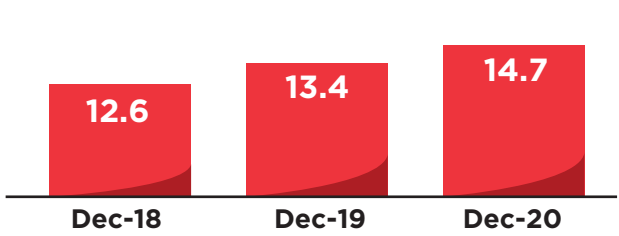
Net loan portfolio, which accounted for 71.4% of assets, stood at \$11.8 trillion, showing growth of 1.4% or \$0.2 trillion compared to December 2019. By portfolio type: (i) the net consumer loan portfolio, which accounts for 59.3% of the net portfolio (excluding repos), grew 4.5%; (ii) the net mortgage portfolio, which represents 20.8% of the net portfolio (excluding repos), decreased by 0.2% and (iii) the net commercial loan portfolio, which represents 19.9% of the net portfolio (excluding repos), decreased by 19.7%.

Fixed income investments, which accounted for 14.6% of total assets, recorded a balance of \$2.4 trillion at the end of December 31, 2020, showing growth of 43.1% or \$0.7 trillion in the year. Assets other than the bank's portfolio and fixed income investments include cash, property, plant, and equipment.

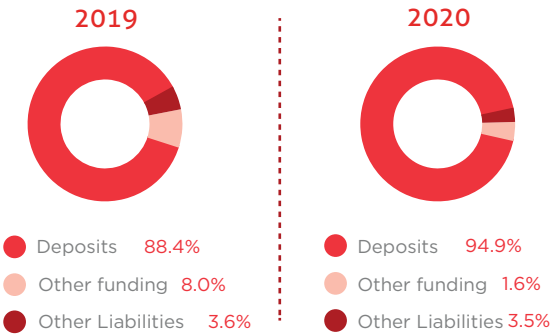
Liabilities

As of December 31, 2020, the bank's total assets amounted to \$16.6 trillion, an increase of 9.1% or \$1.4 trillion compared to the end of December 2019.

Liabilities



Liabilities allocation



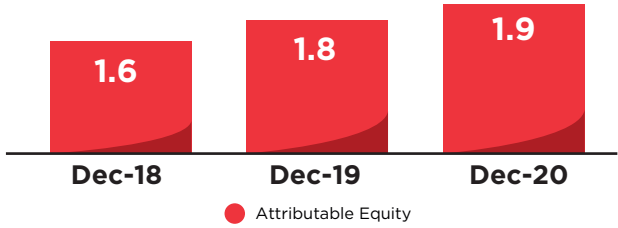
Deposits accounted for 94.9% of total liabilities reached \$14.0 trillion and showed an increase of 17.8% or \$2.1 trillion compared to the December 31, 2019 balance. Among the total deposits: (i) deposits in savings accounts, representing 62.3% of the total deposits, grew 41.4%; (ii) deposits in FTDs, which account for 28.0% of total deposits, decreased by 15.2%; and (iii) checking account deposits, which account for 9.6% of total deposits, grew by 24.8%. Other deposits represent only 0.04% of the total deposits.

Other funding consisting of loans from financial institutions, bonds, interbank and obligations with government finance institutions accounted for 1.6% of the bank's liabilities and recorded a balance of \$0.2 trillion, showing a decline of \$0.8 trillion. This decline in the year is mostly due to a lower balance of interbank loans.

Equity

At the end of 2020, the equity attributable to shareholders amounted to \$1.9 trillion, 4.5% higher than the value as of December 31, 2019. The attributable equity represents 99.6% of the total assets.

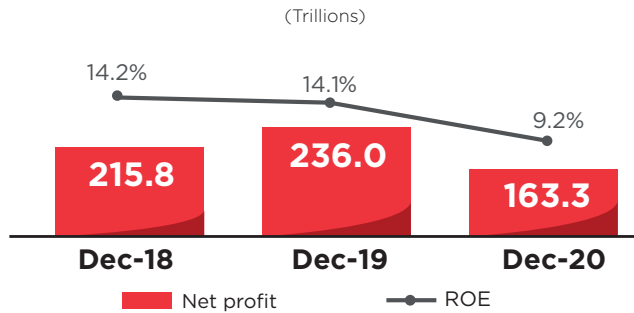
Equity



Consolidated net profit

Banco AV Villas reported a net profit attributable to shareholders of \$163,282 million during the year ended December 31, 2020, from \$235,998 million during 2019. The lower net profit of 2020 compared to 2019 is mainly related to lower net interest income of 4.1% or \$42,301 million, greater provision expenditure of 11.6% or \$31,348 million, and a decrease of 27.6% or \$44.9 billion in net commission income. This was partly offset by the greater income from ORI executions of \$8,649 million. Finally, the profitability indicators for 2020 were 9.2% on equity (ROE) and 1.0% on assets (ROA). For 2019 these indicators were 14.1% and 1.6% respectively.

Net Profit



Corporación Financiera Colombiana (Corficolombiana)



Assets

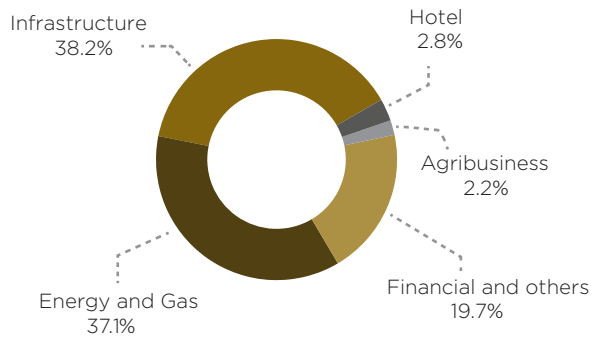
As of December 31, 2020, the Company reached consolidated assets of \$38.1 trillion, representing a 19.9% increase compared to the December 31, 2019 balance.

Assets

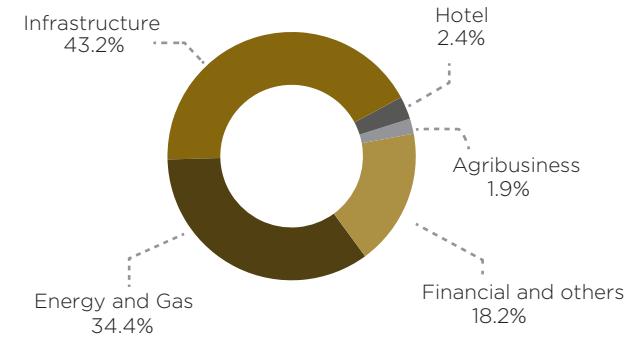


Allocation of Corficolombiana's consolidated assets by sector as of December 31, 2020

2019 Asset allocation by sector



2019 Asset allocation by sector

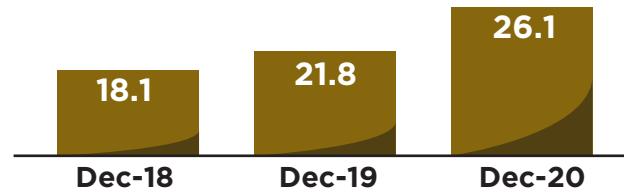


The strategic sectors where Corficolombiana invests, as shown in the graph, are infrastructure, energy and gas, and financial.

Liabilities

The liabilities reached \$26.1 trillion, showing an increase of 19.6% compared to December 31, 2019.

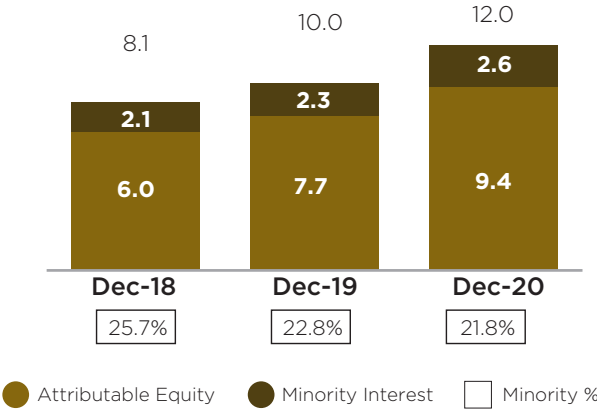
Liabilities



Attributable equity

At the end of December 31, 2020, total equity amounted to \$12.0 trillion, showing an increase of \$2.1 trillion or 20.7%, compared to equity at closing of December 2019. Shareholder-attributable equity amounted to \$9.4 trillion as of December 31, 2020 and grew 22.3% or \$1.7 trillion in the year, while minority interest reached \$2.6 trillion and grew 15.3% or \$0.3 trillion

Equity



Consolidated net profit

Net profit attributable to shareholders was \$1.6 trillion during the year, with growth of 6.9% compared to 2019. The sectors that contributed the most to this increase were energy and gas, and infrastructure. In the first, there was a reduction in distribution volumes, particularly to the industry, during the first months of the pandemic that recovered towards the end of the year. Additionally, in Peru, Quavil recognized higher income than last year.

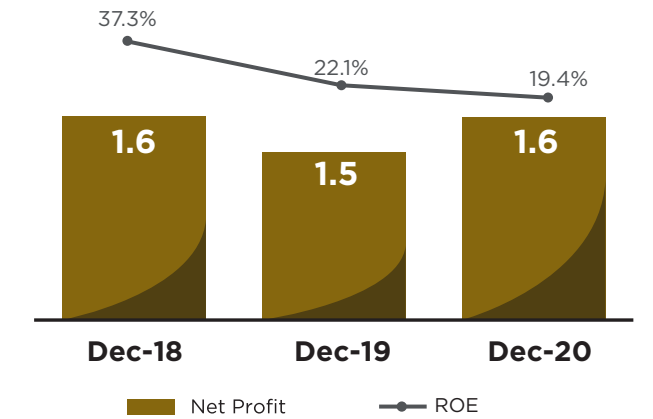
As for the infrastructure sector, it was negatively affected in April and May by the cease of work ordered by the ANI (National Infrastructure Agency for its Spanish acronym), that directly impacted the work progress on 4G projects (mainly in Pacific 1, Villavicencio - Yopal and Chirajara - Fundadores). Starting in June, the projects resumed to the pace of construction prior to suspension. In the case of concessions in operation (PISA, CCFC and Panamericana), traffic was reduced as a result of mobility restrictions imposed by COVID-19, a situation that recovered towards the second half of the year, with the lifting of those restrictions.

Corficolombiana's hotel sector was negatively impacted by mobility and transport restrictions, a situation that led to a contraction in its occupancy rates. However, Hoteles Estelar and Santamar took advantage of the situation

by preparing their operations for the gradual return to normal. During the year, all operations in Colombia obtained SAFEGUARD seals from Bureau Veritas and operations in Peru obtained the SAFETRAVEL seal from the municipality of Lima. This ensures biosecurity measures for guests.

In the agribusiness sector, the results were positive during the year and the activity was focused on expanding the planted areas, continuing the technological renewal of operations and increasing efficiency in production processes. In 2020 the approval process of Mavalle was completed with the Tornel (Mexico) and Michelin (Brazil) tire producers, as part of its business strategy to become a strategic supplier of natural rubber in the region.

Net Profit



Finally, by 2020 the Return Over Equity (ROE) and on Assets (ROA) were 19.4% and 6.5% respectively. These indicators had been 22.1% and 7.0% respectively during 2019.

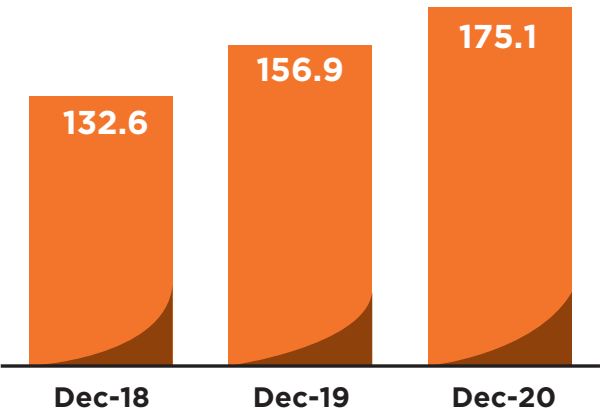
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir



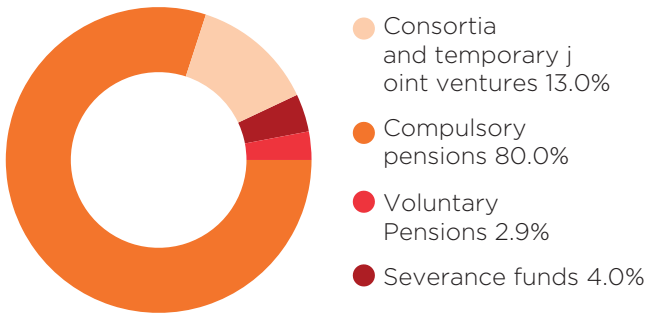
Magaged Funds

The total value of the funds managed by Porvenir as of December 31, 2020 was \$175.1 trillion, representing an increase of 11.6% compared to the balance as of December 31, 2019. This total includes shares in private equity.

Magaged Funds



Managed Funds allocation as of December



Funds managed in compulsory pensions funds accounted for 80.0% of total funds as of December 31, 2020 and amounted to \$140.1 trillion, showing a growth of 12.2% in the year.

Managed severance funds accounted for 4.0% of total funds as of December 31, 2020 and amounted to \$7.1 trillion, showing growth of 15.5% in the year.

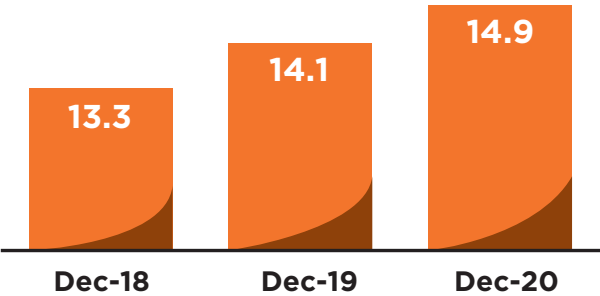
Voluntary pension funds accounted for 2.9% of total funds as of December 31, 2020 and amounted to \$5.1 trillion, showing 12.9% growth in the year. Finally, funds managed

in private equity accounted for 13.0% of total funds as of December 31, 2020 and amounted to \$22.8 trillion, showing growth of 6.7% in the year.

Members

As of December 31, 2020, Porvenir had 14.9 million members of compulsory pensions, voluntary pensions and severance payments, representing a growth of 5.8% compared to the total number of members as of December 31, 2019.

Members

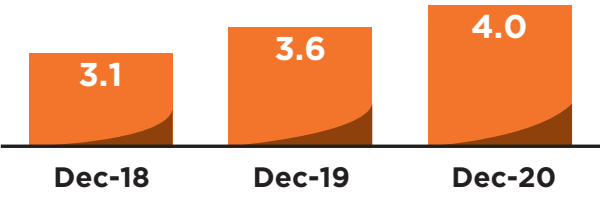


Of the total number of members, (i) 10.1 million members, or 67.4%, are affiliated with compulsory pensions growing 5.4% in the year, (i) 4.7 million members, or 31.3%, are affiliated with severance payments growing 6.7% in the year and (iii) 188 thousand members, or 1.3%, correspond to affiliated to voluntary pensions growing 3.3% in the year.

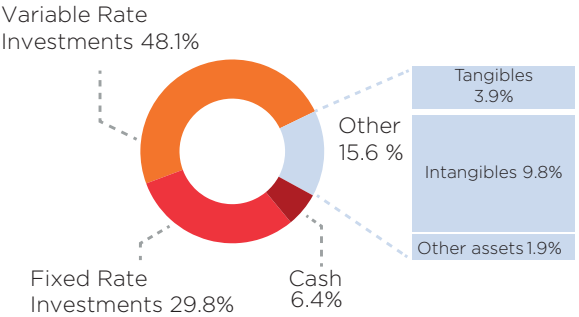
Assets

As of December 31, 2020, the total consolidated assets of the Management Company was \$4.0 trillion, a growth of 9.5% compared to the end of December 2019.

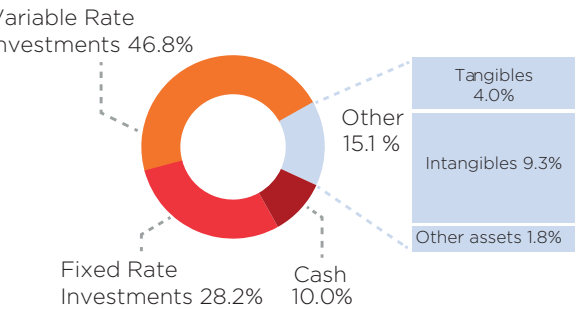
Assets



2019 Asset allocation



2020 Asset allocation



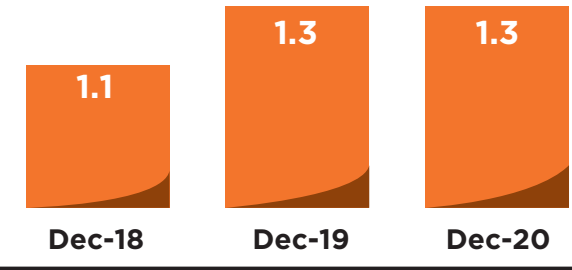
Variable income investments (mainly the Company's own stabilization reserve and investments), which account for 46.8% of total assets at the end of December 2020, grew 6.4% in the year and fixed income investments, which account for 28.2% of total assets at the end of December 2020, increased by 3.5% in the year.

Assets other than variable and fixed income investments include intangible assets (associated with capital gains from the acquisition of BBVA Horizonte in 2013), plant and equipment ownership and cash.

Liability

Liability reached \$1.3 trillion, showing an increase of 3.0% compared to the closing of December 2019.

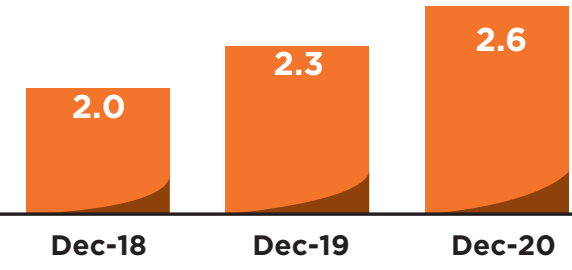
Liabilities



Attributable equity

The entity's equity increased by 13.0% in the year and ended with a value of \$2.6 trillion.

Equity



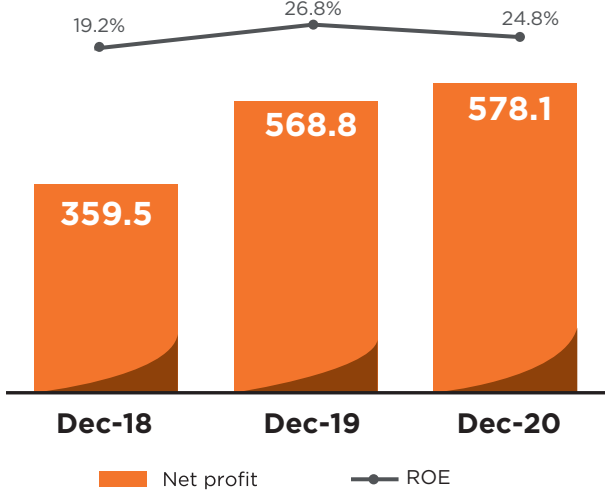
Net Profit

Porvenir reported net profit attributable to shareholders of \$578,083 million during the year, with growth of 1.6% compared to \$568,782 million in 2019. Porvenir's results for the year were solid, even in the midst of a challenging juncture for AFPs (Pension Funds Administrators for its Spanish acronym). The implementation of a strict spending control plan made it possible to cope with the situation and offset for the drop of 1.7% or \$23,206 million in total revenue. The return on Porvenir's investments was 7.8% in 2020, down from the 12.8% of 2019, resulting in a decrease of 19.6% or \$60,437 million in revenue. These, pulled by a lower profitability of the stabili-

zation reserve, where we received the same profitability as our members. An increase of 2.5% or \$26,726 million in commission revenue helped offset the decline in investment income.

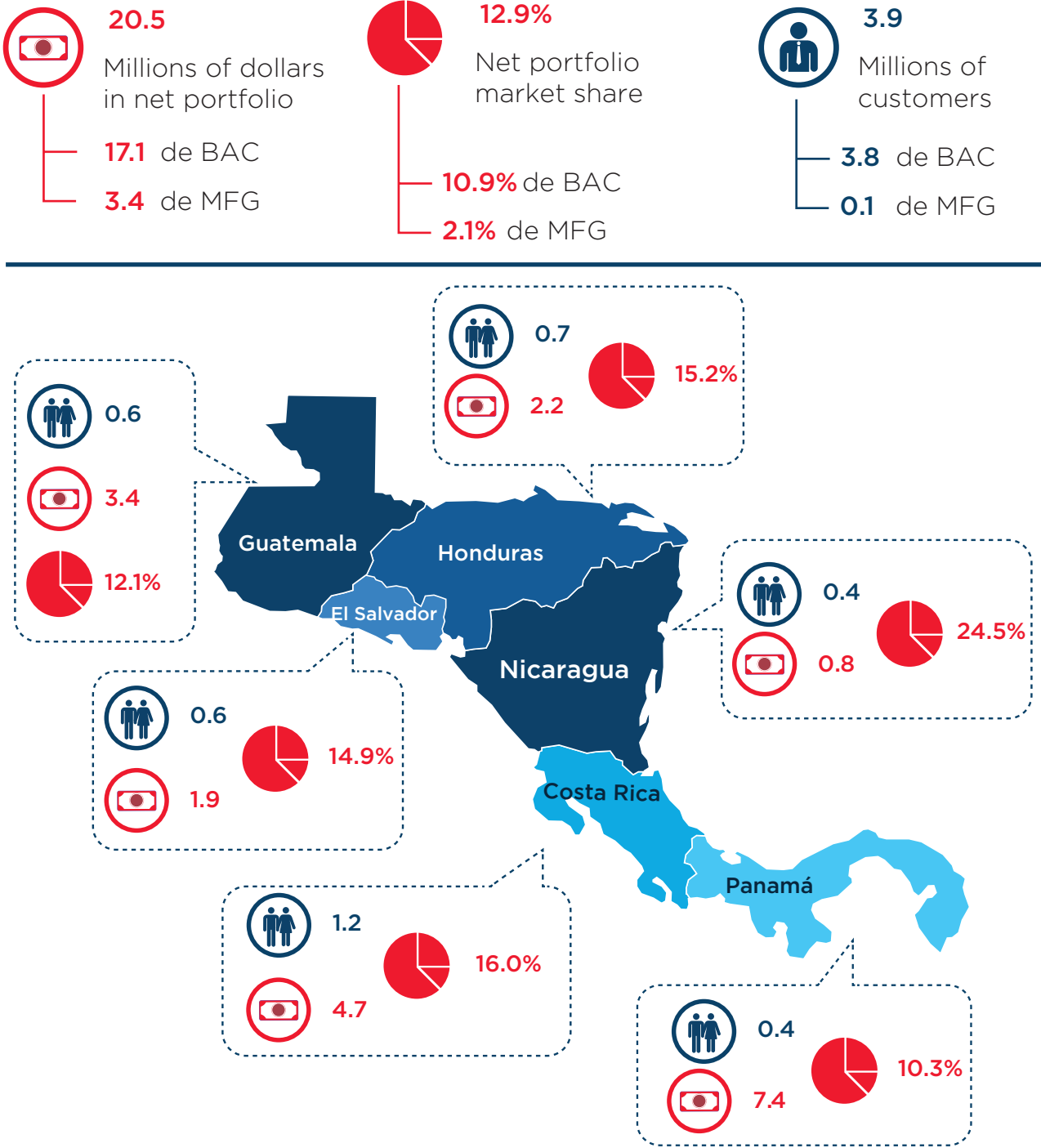
The good performance of voluntary pension, severance payment funds and pension liabilities commissions was affected by a contraction in income from compulsory pension commissions. On the one hand, there was a lower level of contributions from active clients, associated with increased unemployment. By contrast, performance fees charged to unemployed clients were better than in 2019 and helped offset the decline in compulsory pension fees for active clients.

Net Profit



Finally, by 2020 the equity (ROE) and asset (ROA) return indicators were 24.8% and 15.4% respectively. These indicators had been 26.8% and 16.8% respectively during 2019.

3.7. ANALYSIS OF THE PERFORMANCE OF OUR OPERATIONS IN CENTRAL AMERICA



Source: BAC. Customer information and net portfolio balance as of December 31, 2020. Panama includes BAC International Bank Inc., Multi Financial Group Inc., offshore activities, disposals, and consolidation adjustments. Regional market share built with cut-off as of December 2020, except for Panama that is in November, being the last available information.

3.7.A. CENTRAL AMERICAN ECONOMIC ENVIRONMENT

The Central American region is characterized by its openness to international trade, comprised of small economies that are mainly energized by trade (exports and imports), as well as foreign exchange in remittances, foreign direct investment, and tourism. Government authorities in each country adopted measures to restrict mobility and the partial or total closure of activities in response to the spread of the virus and seeking to safeguard public health, contributing to economic impairment. The International Monetary Fund estimates a contraction of 5.7% in the region's real GDP.

In addition, the geographical position of the Central American continent makes the region prone to nature onslaught, during 2020 the occurrence of natural impacts deepened economic contraction in some of the countries, especially Hurricanes Eta and Iota, left greater losses in the northern triangle (composed of Honduras, Guatemala and El Salvador) and Nicaragua. These countries, still recovering from the aftermath caused by Hurricane Eta, were hit in less than two weeks by the passage of Iota, leaving infrastructure and crop losses in rural areas.

In Panama, the IMF expects a GDP contraction of about 9.0% by 2020 and growth of 4.0% by 2021. Economic activity figures (IMAE Monthly Economic Activity Indicator for its Spanish acronym) published by the Central American Monetary Council (SECMCA for its Spanish acronym) as of November showed a more negative performance than forecast by the IMF. This nation's dependence on foreign trade, which was one of the main ones affected by COVID-19, explains the performance for both years. In addition, as one of the countries most affected in terms of public health, Panama implemented the region's most restrictive and lengthy lockdown plan. Costa Rica expects a GDP contraction of about 5.5% and moderate growth of 2.3%

by 2021, according to IMF projected data. It should be noted that after such publication, the Central Bank of Costa Rica projected a slightly better picture, with a rate of decline of -4.5% for 2020 and growth of 2.6% for 2021. In both scenarios the economic contraction in 2020 would be the second largest since 1950.

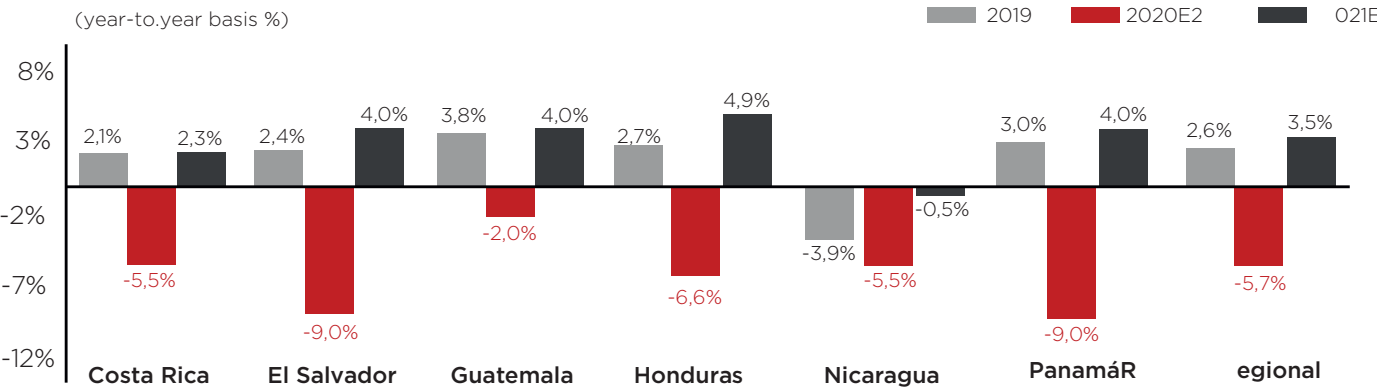
In Guatemala, a contraction of 2.0% is expected for 2020 and growth of 4.0% for 2021. The Guatemalan economy performed better in the third quarter explained by the progressive reopening of the economy, in particular the gradual lifting of measures that restricted people's mobility, allowing the usual functioning of companies to resume.

For Honduras, a contraction of 6.6% is forecasted for 2020. From the approach of production, by negative performance in the manufacturing industry, given a decrease in the manufacture of clothing and textile products, in machinery and equipment (harnesses), in non-metallic minerals, in the manufacture of paper and paper products and in the processing of food and beverages. From the demand approach, by reducing exports, final consumption spending and investment. By 2021, economic growth in IMF data shows a rate of 4.9%

In the case of El Salvador, the IMF's forecast envisages a contraction of 9.0% by 2020 and growth of 4.0% in 2021.

Finally, in Nicaragua IMF forecasts a contraction of 5.5% for 2020 and a contraction of 0.5% for 2021.







GDP - Real growth



Sovereign Risk Ratings

During 2020, several movements were recorded in the long-term debt ratings of countries in the region. Mitigation measures taken to contain COVID-19 led to an increase in public spending, a reduction in tax collection as a measure of tax relief, and an increase in public indebtedness.

Long-term sovereign debt ratings in foreign currency (January 2021)

	 Panamá	 Costa Rica	 Nicaragua	 Honduras	 El Salvador	 Guatemala
STANDARD & POOR'S	BBB	BB	--	BB-	B	BB-
MOODY'S	Baa1	B2	B3	B1	B3	Ba1
Fitch Ratings	BBB	B	B-	NR	B-	BB-

Source: Moody's, Standard & Poor's and Fitch Ratings Risk Qualifiers.

Panama: Fitch Ratings changed its outlook from stable to negative in February 2020 and affirmed its BBB rating, while Moody's maintained its Baa1 rating, but adjusted its outlook from stable to negative in October 2020. Standard & Poor' adjusted its rating in November 2020 from BBB+ to BBB, with a stable outlook.

Costa Rica: Maintained a negative risk perspective by the three risk qualifiers. Moody’s adjusted its rating in February 2020 by moving it from B1 to B2. Fitch Ratings also adjusted its rating in May 2020 from B+ to B and Standard & Poor’s adjusted it in June 2020, from B+ to B.

Guatemala: Maintained a BB- rating with a stable outlook by Standard & Poor’s. Fitch Ratings adjusted its rating in April 2020 from BB to BB- with a stable outlook. Moody’s rating is Ba1, while its outlook was adjusted in November 2020 from stable to negative.

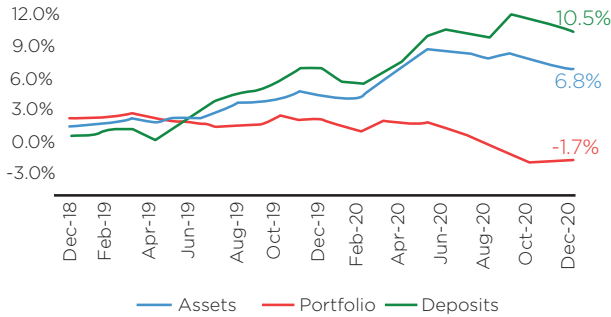
Honduras: There were no changes in any ratings during 2020.

El Salvador: There were no changes to any ratings during the year. Moody’s adjusted its outlook in March 2020, moving from stable to positive.

Nicaragua: Moody’s adjusted its risk rating in February 2020 from B2 to B3 and updated its outlook from negative to stable. Meanwhile, Fitch Ratings maintained a B-rating, but updated its outlook from stable to negative in June 2020. Standard & Poor’s maintained its B- rating with stable outlook

3.7.B. RECENT RESULTS OF THE CENTRAL AMERICAN BANKING SYSTEM ¹⁴

The Central American financial system shows a relevant dynamism with data as of November 2020. Total assets had year-on-year growth of 6.8% and deposits showed growth of 10.5% compared to November 2019, representing higher-than-observed growths than the previous year. By contrast, the net portfolio declined by 1.7% compared to November 2019.



14. The banking system considers the sum of the banking systems reported by the superintendencies of each country. In the case of Guatemala, the Financial Groups (FGs) are added and the banks that do not belong to any FG. In Panama, only banks with general license are considered, total deposits and net local portfolio, with figures as of November (last available information).

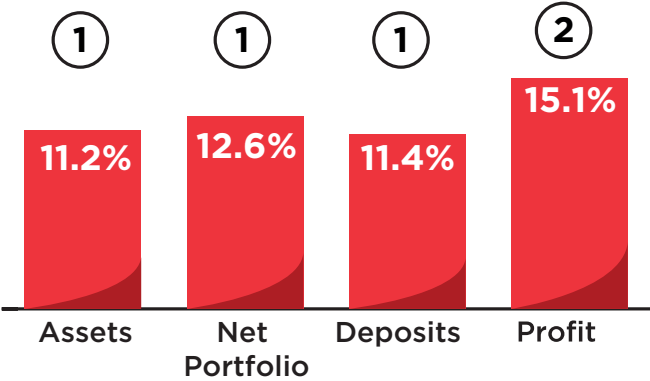
Central American Banking System by Country						
Dec-20	Assets		Net portfolio		Deposits	
Millions of dollars	US\$	Annual Variation	US\$	Annual Variation	US\$	Variación anual
Guatemala	55,002	9.9%	27,058	3.2%	40,762	13.6%
Honduras	28,562	15.2%	14,475	3.6%	17,860	21.8%
El Salvador	20,944	4.9%	12,864	0.0%	15,250	11.5%
Nicaragua	6,566	3.8%	3,204	-6.6%	4,574	15.1%
Costa Rica	48,165	1.9%	27,654	-6.3%	34,526	3.7%
Panamá	111,567	6.2%	66,485	-2.7%	83,594	9.3%
Total	270,806	6.8%	151,739	-1.7%	196,566	10.5%

Source: Superintendency of each country.

3.7.C. GRUPO AVAL IN THE CENTRAL AMERICAN BANKING SYSTEM

Through our Banks in Central America, we continue to be market leaders in the region and maintain significant operations in all the countries where we operate, with a diversified portfolio among the economies of the region, that will provide high profitability with lower risk exposure.

2020 market shares



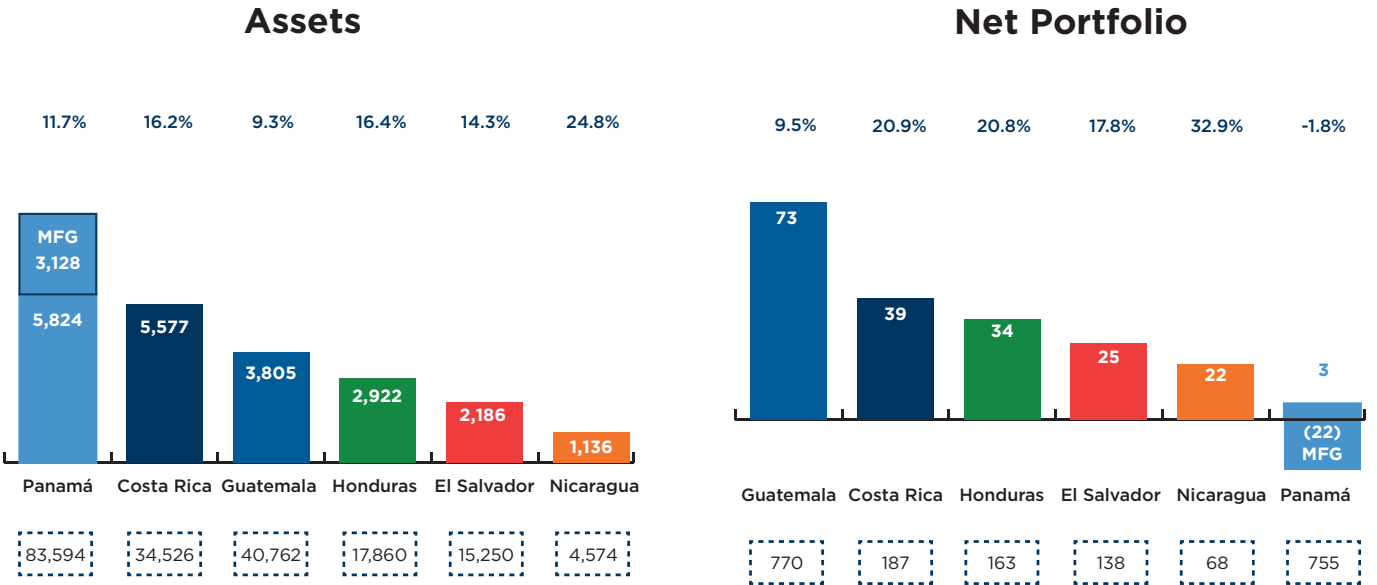
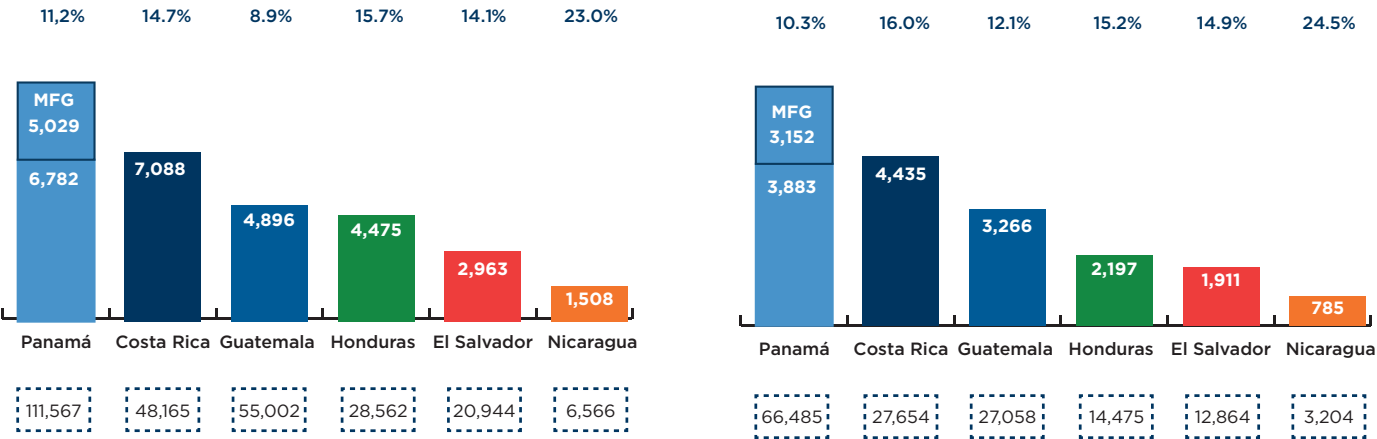
Source: BAC calculations. Data as of September obtained from the superintendencies of each country.

In addition, with the acquisition of MFG we strengthened our leading position in market share in assets, portfolio and deposits. Despite the economic situation of 2020, we maintained outstanding performance thanks to our customer loyalty strategy through digital transformation, offering them modern and versatile electronic banking.

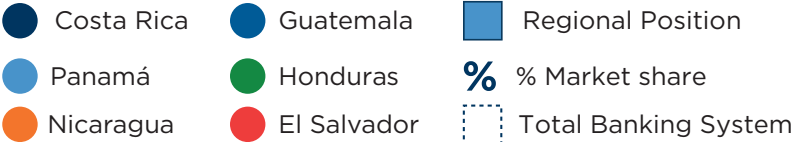
Through our organic growth, and the acquisition of MFG, we achieved a regional market share of 11.2% over assets as of September 2020, increasing 2.0% compared to the same period last year. With respect to net portfolio and deposits, we managed to increase our market share by 2.4% and 2.0% to 12.6% and 11.4% respectively. Finally, our market share of the region's net income amounted to 15.1% as of September 2020, increasing 2.6% compared to the same period of the previous year.

Market Share by Country

As of December 2020, through BAC and MFG, Grupo Aval remains the only financial group with significant operations in all 6 countries, with a net portfolio market share of 10.3% in Panama, 12.1% in Guatemala, 15.2% in Honduras, 14.9% in El Salvador, 24.5% in Nicaragua and 16.0% in Costa Rica. The percentages for each country refer to the market share of loans as of December 2020, except Panama whose available cut-off date is November 2020.



Information about the Banking System of each country. (Local GAAP) Figures in millions of US\$ Panama as of November 2020



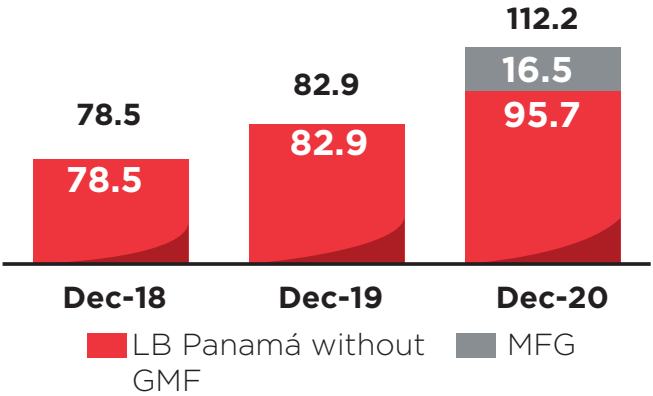
Source: BAC calculations. Data obtained from the superintendency of each country, Panama with figures as of November. The profit figures for MFG cover the year accumulated as of November and not the profit from 22 May 2020, at which point LB Panama acquired the transaction and began to recognize it in its financial statements.

3.7. D. RESULTS OF LEASING BOGOTÁ PANAMA (LB PANAMA)

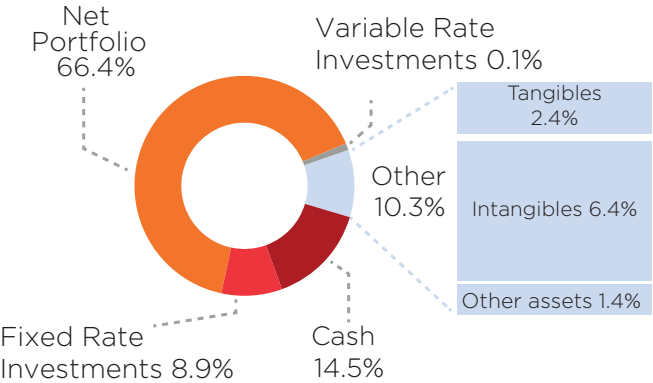
Assets

As of December 31, 2020, LB Panama's total assets amounted to \$112.2 trillion, an increase of 35.4% or \$29.3 trillion compared to the end of December 2019.

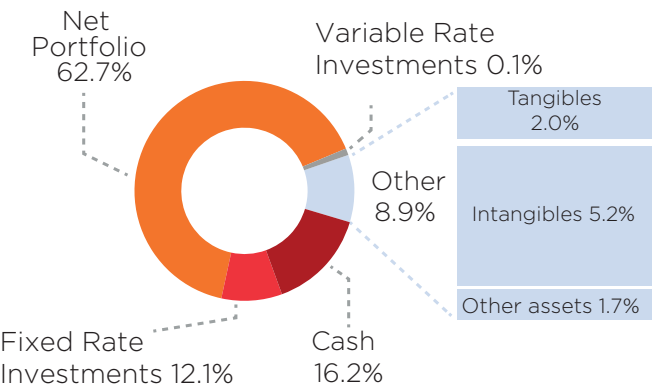
Assets



2019 Asset allocation



2020 Asset allocation



Net portfolio, which accounted for 62.7% of assets, stood at \$70.3 trillion, showing growth of 27.8% or \$15.3 trillion compared to December 2019. MFG's net portfolio stood at \$11.6 trillion at the end of 2020.

By portfolio type: (i) the net commercial loan portfolio, representing 47.5% of the total net portfolio, grew 38.4% (MFG contributed 28.3%); (i) net consumer portfolio, which accounts for 31.8% of the total net portfolio, grew 12.9% (MFG contributed 13.3%) and (iii) the net mortgage portfolio, which accounts for 20.7% of the total net portfolio, grew 29.0% (MFG contributed 21.6%).

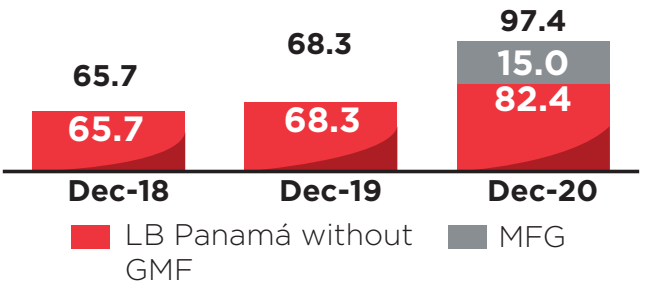
Fixed income investments, which accounted for 12.1% of total assets, recorded a balance of \$13.6 trillion at the end of December 31, 2020, showing growth of 85.8% or \$6.3 trillion in the year, of which \$3.6 trillion corresponds to MFG.

Assets other than LB Panama's portfolio and fixed income investments include cash, intangible and property, plant and equipment.

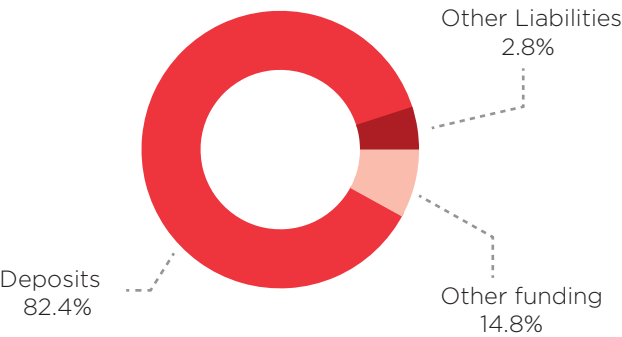
Liabilities

As of December 31, 2020, the total consolidated assets of the Management Company was \$4.0 trillion, a growth of 9.5% compared to the end of December 2019.

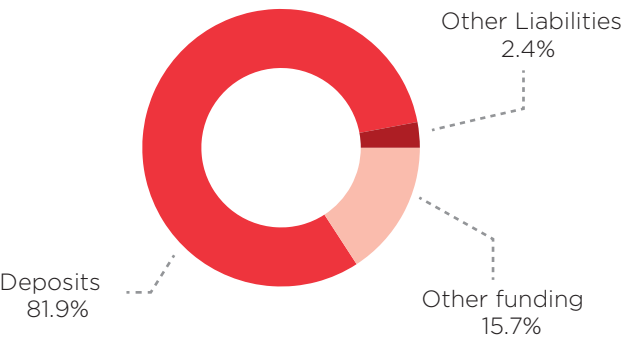
Liabilities



2019 Liability allocation



2020 Liability allocation



Costumers deposits accounted for 81.9% of total liabilities and showed an increase of 41.8% or \$23.5 trillion against the December 31, 2019 balance, with an MFG contribution of \$10.1 trillion to LB Panama’s total deposits in 2020.

Among the total deposits: (i) deposits in FTDs, which account for 45.3% of total deposits, grew 39.1% (MFG contributed 28.8%); (ii) deposits in checking accounts, representing 34.6% of total deposits, grew by 44.2% (MFG contributed 6.9%); and (iii) deposits in savings accounts, representing 19.8% of total deposits, grew by 44.6% (MFG contributed 12.1%). The other deposits represent only 0.3% of the total deposits.

Other funding comprised of loans from financial institutions, bonds, interbank and obligations with government finance institutions accounted for 15.7% of LB Panama’s total lia-

bilities and recorded a balance of \$15.3 trillion, showing growth of \$5.2 trillion. Other MFG funding was \$4.5 trillion at the end of 2020.

Equity

At the end of December 31, 2020, shareholders’ equity amounted to \$21.1 billion, showing an increase of 3.9% or \$0.8 billion compared to December 2019 closing equity. The variation in equity reflects the growth in the value of the investments and profits of the period.

Equity



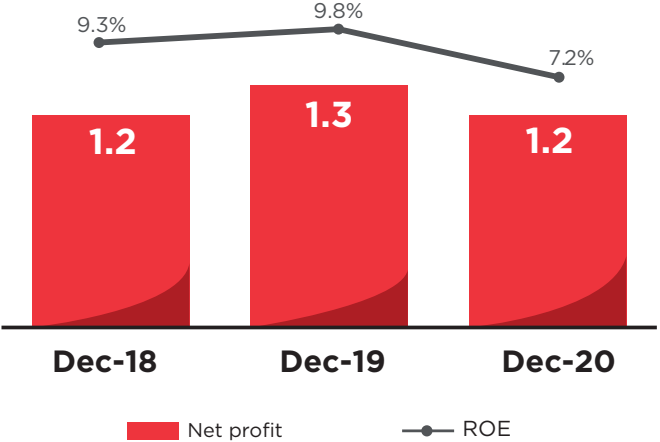
Consolidated net profit

Leasing Bogotá Panama reported consolidated net profit attributable to shareholders of \$1.2 trillion during the year ended December 31, 2020, decreasing 13.1% compared to 2019. The lower net profit of 2020 compared to 2019 is mainly related to higher provision expenditure of \$552,556 million, higher operating expenses of \$620,447 million, and lower net commission revenues of \$143,116 million compared to 2019. It partly offset for the largest net interest income of \$681,929 million. It should be noted that operating expenses in dollars excluding MFG’s contribution decreased by 3.1% or the U.S. \$38 million as of December 2020 compared to 2019

Finally, the profitability indicators for 2020 were 7.2% on equity (ROE) and 1.1% on assets (ROA).

For 2019 these indicators were 9.8% and 1.7% respectively

Net profit



3.8. OTHER ENTITIES RELATED TO GRUPO AVAL

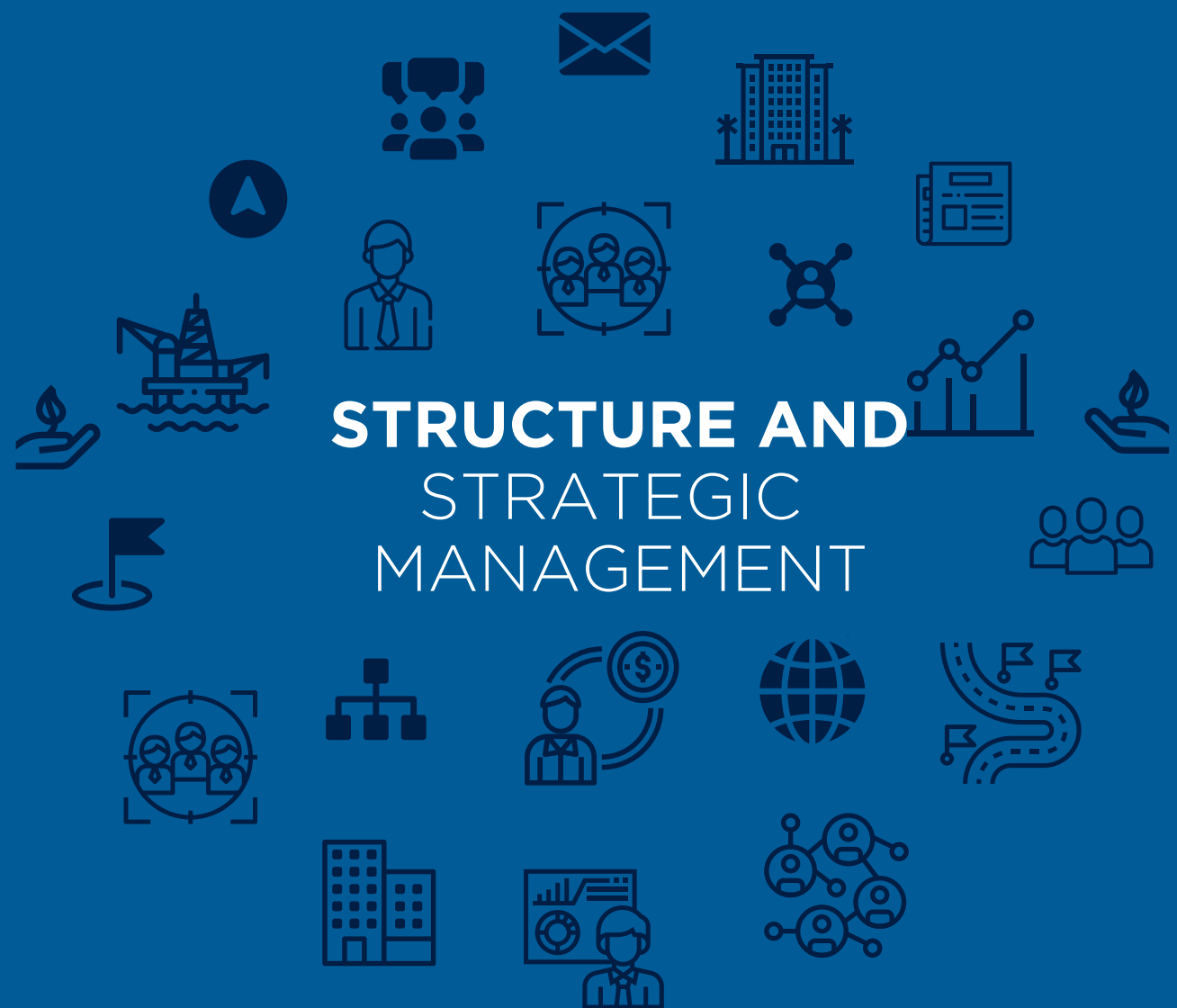
In addition to our subsidiaries, we also have subsidiaries or related entities that lead the cross-cutting endeavors of Grupo Aval and are supported by our Senior Vice President of Information Technology. These are a crucial part of our strategy of profitable and sustainable growth through the pursuit of corporate efficiencies. In this sense, through these companies we support the Holding and some of our subsidiaries.

- ATH (subsidiary): This subordinate entity seeks to provide more agile and timely services to the clients of our financial subsidiaries in Colombia, services that are based on providing a reliable and safe operation through appropriate technology, innovation, productivity in the operation and a high positioning of brand and quality, with a specialized human team. The challenge of technological changes in the market has meant that the research and development of new services is a constant.
- ADL Digital Lab S.A.S. or “ADL” (associated) This related entity seeks to deepen the innovation process and strengthen the digital transformation processes of the financial services of our subsidiaries in Colombia.



4

STRUCTURE AND STRATEGIC MANAGEMENT

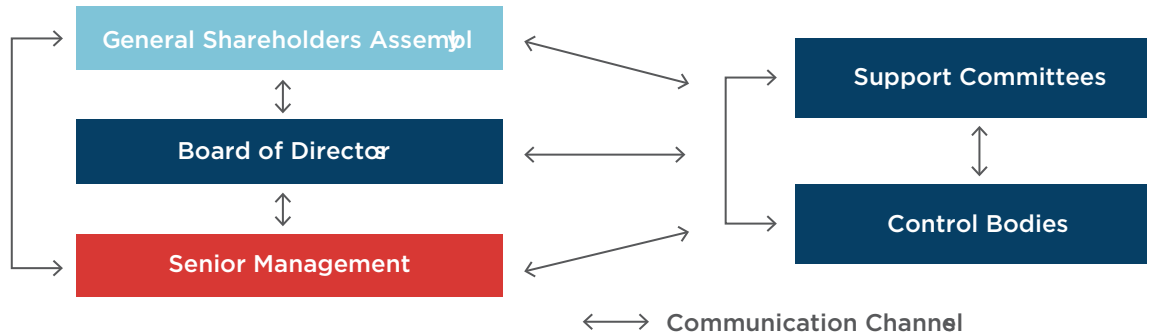


4.1. GOVERNING BODIES GRI 102-18

To meet our strategic mission and objectives, we have defined a sustainable and profitable governance structure and growth strategy, where the efficient management of our subsidiaries and the constant management of our main stakeholders prevail. This strategy has been consolidated from the Presidency and Senior Management.

Currently, in Grupo Aval we have an architecture of governance and control comprised by the General Shareholders Assembly, the Board of Directors, the Support Committees of the Board of Directors, the Control Bodies and Senior Management. For more information on corporate governance refer to chapters [6.5.A and 8] of this report.

Organizational architecture of government and control



4.1.A. MAIN MEMBERS OF THE BOARD OF DIRECTORS



Luis Carlos Sarmiento Angulo
Civil Engineer from Universidad Nacional de Colombia

Chairman of the Board of Directors of Grupo Aval Acciones y Valores SA. since March 1999 and member of the following Boards of Directors: Organización Luis Carlos Sarmiento Angulo Ltda., since May 1995, Casa Editorial El Tiempo SA. since September 2010. He also serves as Chairman of the Board of Directors of the following non-profit foundations: Fundación Grupo Aval, Fundación Luis Carlos Sarmiento Angulo and Fundación Centro de Tratamiento e Investigación del Cáncer - "CTIC". Mr. Sarmiento Angulo is the controlling shareholder of the Grupo Empresarial Sarmiento Angulo of which Grupo Aval Acciones y Valores S.A. is part, which in turn is controlling shareholder of Banco de Bogotá, Banco de Occidente, AV Villas and Banco Popular).

Under Decree 1081 / 2015 he is not considered a PEP (Politically Exposed Person).



Alejandro Figueroa Jaramillo
Civil Engineer of the National School of Mines of Universidad Nacional de Colombia.

Master's degree in Economics and a PhD candidate in Economics from Harvard University. He has held the position of president of Banco de Bogotá since 1988. He belongs to the following Boards of Directors: Grupo Aval Acciones y Valores S. A. since March 1999; Porvenir SA. since December 1991; Corporacion Financiera Colombiana S. A. since August 1998; Fundación Grupo Aval since 2011; Banco de Bogota - Panama and Banking Association of Colombia. He is also a member of the Board of Directors of BAC Credomatic Inc.

Under Decree 1081 / 2015 he is not considered PEP.



Maria Lorena Gutierrez Botero
Industrial Engineer from Universidad de los Andes

She holds postgraduate studies in Finance from Universidad de los Andes, an MBA and a PhD in Finance from Tulane University's Freeman School of Management and Business. She has held the position of CEO of Corficolombiana since August 2018. She was Minister of Industry, Trade and Tourism from 2017 to 2018, Colombia's ambassador to Germany from 2016 to 2017 and Minister of Presidency from 2010 to 2016. She also served as Dean of the Faculty of Business Administration of Universidad de los Andes. She belongs to the following Boards of Directors: Grupo de Energía de Bogotá S.A since 2020, Promigas S.A. since 2019, Proindesa S.A.S. since 2018, Fiduciaria Corficolombiana since 2018, Gas Comprimido del Perú since 2018, Gases del Caribe since 2018 and Calidda since 2018.

Under Decree 1081 / 2015 he is not considered PEP.



Alvaro Velasquez Cock
Economist from Univeridad de Antioquia

MSc Economics candidate from the University of London. Among other positions he was Professor of Economics and Dean of the Faculty of Economics of Universidad de Antioquia, Director of DANE, Manager in Bogotá of the National Finance Company, President of Pedro Gómez & Cía. S.A., Manager of Apple Computer Representations and member of the Advisory Committee of the Banking Superintendency. He belongs to the following, among other Boards of Directors: Grupo Aval Acciones y Valores SA. 2008, Banco de Bogotá from 1983 to 1987, from 1993 to 1997 and from 2001 to date, Banco de Bogotá (Panama) since 1984, Corporación Financiera Colombiana SA. since 1992, Unipalma from July 1996 and several entities of the BAC Credomatic group in Central America since 2010. He has belonged to the Boards of Directors of: Banco Ganadero, Banco Extebandes, Empresa de Acueducto y Alcantarillado de Bogotá, Deceval S.A., Compañía Agrícola de Inversiones S.A., Coviandes S.A. and Gas Natural S.A. Mr. Velasquez is a member of the Audit Committee and the Corporate Affairs Committee of Grupo Aval.

Under Decree 1081 / 2015 he is not considered PEP.



Fabio Castellanos Ordóñez
Business Administrator of California State Polytechnic University in Pomona

Master's degree in Management in the Network Economy from the Università Cattolica del Sacro Cuore, Italy (in collaboration with the University of California, Berkeley). Mr. Castellanos has served as Chief Country Officer and CEO of ABN-AMRO Bank (Colombia) S.A., The Royal Bank of Scotland (Colombia) S.A. and Scotiabank Colombia S.A. Likewise, Dr. Castellanos served as Vice President and Chief Financial Officer of the Colombian Representation Office of The Chase Manhattan Bank, N.A. and was Local Representative of AMF (Ascending Markets Financial Guaranty Company). Mr. Castellanos is a member of the following Boards of Directives: Junior Achievement Colombia, Ignacio Gómez IHM S.A. and Corporación Umabarí. Mr. Castellanos is a member of the Audit Committee and the Corporate Affairs Committee of Grupo Aval.

Under Decree 1081 / 2015 he is not considered PEP.

4.1.B. ALTERNATE MEMBERS



Miguel Largacha Martínez
Lawyer from Universidad Javeriana

He has graduate studies in Financial Legislation and Executive Management at Universidad de los Andes. President of Porvenir since 2008 and main member of the Board of Directors of Grupo Aval since 2019. Mr. Largacha Martínez was President of Horizonte Sociedad Administradora de Fondos de Pensiones y Cesantías S.A. (affiliate of BBVA Colombia), and has held other positions within BBVA Colombia, including that of Executive Vice President and Vice President of Banco Ganadero (predecessor of BBVA Colombia) and as been a member of the Board of Directors of Fundación Grupo Aval since 2011.

Under Decree 1081 / 2015 he is not considered PEP.



Esther America Paz Montoya
Business Administrator, Universidad del Valle

She served as President of Banco AV Villas and Ahorramas Corporación de Ahorro y Vivienda. She has been on the Board of Directors of Grupo Aval Acciones y Valores S.A. since March 2005. Ms. Paz Montoya is a member of the Audit Committee and the Corporate Affairs Committee of Grupo Aval.

Under Decree 1081 / 2015 he is not considered PEP.



Mauricio Cardenas Muller
Electrical Engineer from Universidad Javeriana

Master's in business administration from the School of Management and Business of Universidad de la Sabana - INALDE. He has been an alternate member of the Board of Directors of Grupo Aval since 2015. Mr. Cárdenas Muller has been an advisor to Organización Luis Carlos Sarmiento Angulo since 2004. He is a member of the following Boards of Directors: Seguros Alfa SA and Seguros de Vida Alfa SA since 2014 where he also served in this same position from 2002 to 2010; Fundacion para el Futuro de Colombia - Colfuturo since 2007, Porvenir since 2008, and Casa Editorial El Tiempo since 2011.

Under Decree 1081 / 2015 he is not considered PEP.



Juan María Robledo Uribe (R.I.P)
Economist from Colegio Mayor Nuestra Señora del Rosario

He served as Executive Vice President of Banco de Bogotá. He belonged to the following Boards of Trustees: Corporación Financiera Colombiana S.A. since 2006, Grupo Aval Acciones y Valores S.A. since 2000, Fiduciaria Bogotá S.A. since 2007, Porvenir S.A. since 1991, Credomatic International Company since 2010 and Fundación Grupo Aval since 2011.

Under Decree 1081 / 2015 he is not considered PEP.



Juan Camilo Angel Mejía
Civil Engineer from Universidad de Medellín

He has served as President of Banco AV Villas since 2007. Among other positions he was Real Estate Vice President at Banco AV Villas, Vice President of Asset Standardization, Vice President of Credit and Portfolio and Capital Market Project Manager at Corfinsura S. A. He belongs to the following Boards of Directors, among others: Grupo Aval since 2008, Asobancaria since 2007, Titularizadora Colombiana S.A. since 2008 and Fundación Grupo Aval since 2011.

Under Decree 1081 / 2015 he is not considered PEP.



Ana María Cuéllar de Jaramillo
Accountant graduated from Universidad Jorge Tadeo Lozano

She is currently self-employed consultant, specializing in process consultancies and financial control systems. She was Director of National Taxes and held various positions at Citibank, including Vice President of Financial Control. She has been a member of the following boards: Banco de Bogotá since 2007, in addition to Megalínea S.A., BiomaxS.A., and Ladrillera Santa Fe S.A. She is also a member of several Boards of Directors of BAG Credomatic Group, among which the following stand out: Banco de América Central S.A. Guatemala since 2012, Banco de América Central S.A. El Salvador since 2012, Banco de América Central Honduras, S.A. since 2011, Credomatic de Honduras S.A. since 2011, Banco de América Central, S.A. Nicaragua since 2011, Banco BAC San José S.A. since 2011 and BAC International Bank Inc. since 2010.

Under Decree 1081 / 2015 he is not considered PEP.



Luis Fernando López Roca
Doctor of Law from Universidad Externado de Colombia

Master's in business administration from the School of Management and Business of Universidad de la Sabana - INALDE. He has been an alternate member of the Board of Directors of Grupo Aval since 2015. Mr. Cárdenas Muller has been an advisor to Organización Luis Carlos Sarmiento Angulo since 2004. He is a member of the following Boards of Directors: Seguros Alfa SA and Seguros de Vida Alfa SA since 2014 where he also served in this same position from 2002 to 2010; Fundacion para el Futuro de Colombia - Colfuturo since 2007, Porvenir since 2008, and Casa Editorial El Tiempo since 2011.

Under Decree 1081 / 2015 he is not considered PEP.



Cesar Prado Villegas
Lawyer from universidad del Rosario

He has graduate studies in commercial law from Universidad de los Andes and a master's degree in Law from the London School of Economics. President of Banco de Occidente since September 2018. Mr. Prado was administrative vice president of Banco de Bogotá from April to September 2018, president of Fiduciaria Bogotá from 2010 to 2018, and Financial Superintendent from 2007 to 2008. He belongs to the following Boards of Directors: Grupo Aval since 2019, Corporación Financiera Colombiana S.A. since 2019 and Fiduciaria de Occidente since 2020.

Under Decree 1081 / 2015 he is not considered PEP.

4.1.C. SECRETARY GENERAL



Germán Villamil Pardo
Lawyer from Universidad de los Andes

He holds graduate studies in Tax Law from Universidad de los Andes. Partner of Gómez Pinzón Zuleta Abogados S.A. and Gómez Pinzón Asemarcas S.A. He served in different positions at the Ministry of Finance and the Central Bank. He has been on the Board of Directors of Grupo Aval Acciones y Valores S.A. since 2006.

Under Decree 1081 / 2015 he is not considered PEP.



Luis Fernando Pabón Pabón
Lawyer from Universidad Javeriana

He holds graduate studies in Financial Law from Universidad de Los Andes. He is currently Legal Adviser to Organización Luis Carlos Sarmiento Angulo Ltda. and Secretary of the Board of Directors of Grupo Aval since 2000. He belongs to the following Boards of Directors: Banco AV Villas since 1998, Porvenir since 2003, Almaviva S.A. since 2007, Organización Luis Carlos Sarmiento Angulo Ltda. since 2006 and Casa Editorial El Tiempo and CEET TV since 2011. He previously worked as Legal Vice President of Banco de Colombia and as Legal Adviser to the President of Banco de Bogotá.

Under Decree 1081 / 2015 he is not considered PEP.

4.1.D. SUPPORT COMMITTEES
GRI 102-18

Compensation committee

In session held on 11 August 2010 (Act No. 124), the Board of Directors approved the establishment of the Compensation Committee, which is composed of two members of the Board of Directors.

The Company's Compensation Committee is responsible for setting the compensation of the Company's CEO, as well as defining the parameters for the Company to determine compensation of senior executives and employees thereof.

Although the appointment of the CEO and its alternates is a matter of exclusive competence of the Company's Board of Directors, the Compensation Committee is responsible for setting the compensation of the CEO of the Company.

Members

Luis Carlos Sarmiento Angulo
Mauricio Cardenas Muller



Audit Committee

In Minutes No. 131, the Board of Directors approved the establishment of the Audit Committee, which performs its functions attributed in Law 964 / 2005, the Company's Bylaws and other applicable provisions.

In accordance with the Internal Regulations of the Audit Committee, the Committee ensures transparency in the preparation, presentation and disclosure of the financial information prepared by the Company, and reviews and discusses the financial statements, quarterly reports and other financial reports prepared by the Company with the Administration and the Tax Reviewer.

Members

Esther America Paz Montoya
Fabio Castellanos Ordoñez
Álvaro Velasquez Cock

Corporate Affairs Committee

In session held on April 11, 2013 (Minutes No. 177), the Board of Directors approved the establishment of the Corporate Affairs Committee, which is comprised of three members of the Board of Directors.

The Company's Corporate Affairs Committee is responsible for reviewing issues related to planning and implementation of risk and controllership policies of Grupo Aval and its subordinate entities.

Members

Esther America Paz Montoya
Fabio Castellanos Ordoñez
Álvaro Velasquez Cock

Corporate Governance Committee

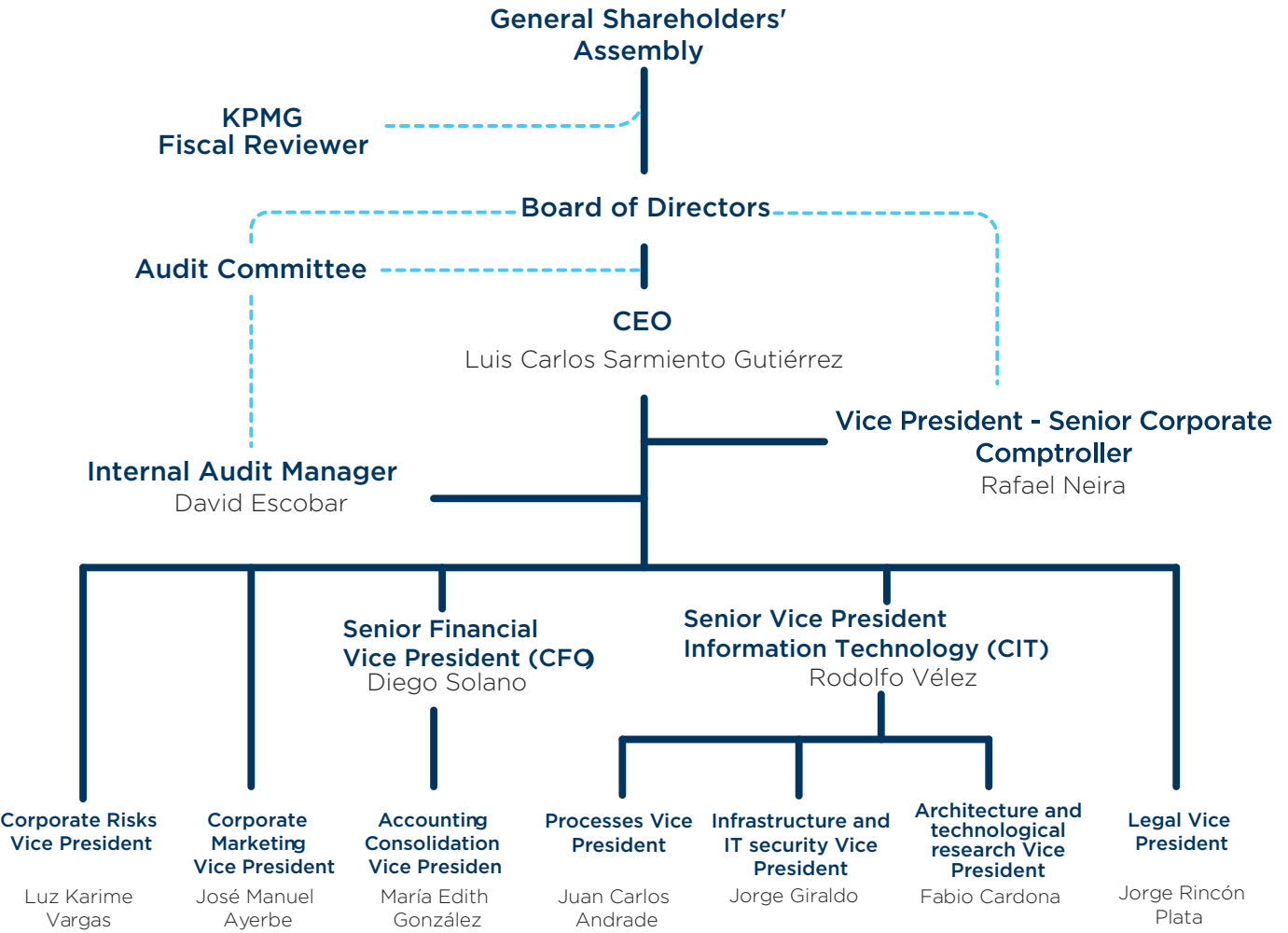
In session held on August 26, 2020 (Minutes No. 352) the Board of Directors approved the establishment of the Corporate Governance Committee, which is comprised by members of the Company’s Senior Management.

The Corporate Governance Committee is responsible for: (i) Conflict of Interest Issues; (i) Best Corporate Governance Practices Topics; and (iii) Sustainability Standards (ESG) topics.

Members

President of the Company, Dr. Luis Carlos Sarmiento Gutiérrez;
Senior Financial and Administrative Vicepresident, Dr. Diego Solano Saravia; Senior Vice President of Information Technology, Dr. Rodolfo Vélez Borda; Legal Vice President, Dr. Jorge Adrián Rincón Plata; and Vice President of Corporate Risks, Luz Karime Vargas Hurtado.

4.2 ORGANIZATION CHART



4.2.A. FINANCIAL SENIOR VICE PRESIDENCY

This Vice Presidency is responsible for follow up and analyzing the results of the Group’s main entities, as well as the financing transactions and management of the Holding Company’s cash flow. This area is responsible for the preparation and reporting of accounting information. In addition, it is responsible for holding’s administrative and human talent functions and supports the creation of the corporate talent management program for the main entities of Grupo Aval.

From the budgeting process, the financial and commercial performance of the main controlled entities is monitored and analyzed in order to support their strategic addressing and maximize financial benefit and sustainability for our shareholders and other stakeholders. At the Holding level, planning and control of expenditure, the design and execution of strategies for liability optimization is carried out. It also supports stock or bond issuance processes and other specialized operations.

This Vice Presidency leads the preparation of separate and consolidated accounting information for local regulatory reporting before SEC and for securities issuances. As part of this responsibility, it ensures that the highest standards of quality, transparency and opportunity are maintained in the disclosure of financial information for use by our shareholders, bondholders, supervisors, market analysts and other stakeholders, both domestic and international.

4.2.B. SENIOR VICE PRESIDENCY OF INFORMATION TECHNOLOGY

With the management of architecture, cybersecurity, processes, infrastructure and corporate procurement, this Vice Presidency supports both operational and technological business processes and continues to carry out their homogenization, standardization, and centralization for all our subsidiaries, seeking cost optimizations, improvements in their competitiveness and being at the forefront of product and service innovation.

4.2.C. SENIOR VICE PRESIDENCY OF CORPORATE CONTROLLER- SHIP

The Vice-President of Corporate Controllershship made audit visits to companies of Grupo Aval, in accordance with the annual plan approved by the Holding presidency, including within its reviews the assessment of the risk-oriented approach to the work of internal auditors. It also monitored improvement plans and good control practices that have been disclosed to these companies. In addition, it monitored the results of audit tests on Sarbanes-Oxley (SOX) controls and accompanied internal auditors to deliver guidelines and address concerns to support their work. The Corporate Controllershship also continued to promote the use of the Aval Ethical Line, as a communication channel to receive information on possible irregular facts or that go against ethical principles. This Ethical Line is implemented at: Aval Banks, Holding, the six countries where BAC Credomatic operates, the four fiduciaries, the stockbroker, Porvenir, ATH, the two general deposit warehouses, Corficolombiana and its subsidiaries, among others. It is also available on the internet at www.grupoaval.com. The complaints received through the Aval Ethical Line, during 2020, were analyzed in the Corporate Controllershship and forwarded to the internal auditors of each of the companies of Grupo Aval, who addressed them in a duly and timely manner. In each case, when the subject warranted it, the internal auditors conducted the respective investigations, and

the relevant correctives were taken. All of the above allowed the Corporate Controllershship to permanently follow up and monitor throughout during 2020, on the most important issues of corporate governance, inherent risks of greatest impact for Grupo group AVAL | report of management 2020 45

Aval's companies, controls, auditing, information security and cybersecurity, with a focus on the most relevant and critical aspects during the emergency by the COVID-19 pandemic.

4.2.D. CORPORATE RISK VICE PRESIDENCY

This Vice Presidency is responsible for contributing to the cohesion and control architecture of our entities, through a corporate risk management system with consolidated scope.

During the year 2020 we made progress in the execution of actions aimed at complying with Law 1870 / 2017, known as the "Law on Financial Conglomerates", as well as the decrees and newsletters of the SFC that develop it. The Board of Directors of Grupo Aval approved in February 2020 the Policy for exhibitions between the entities that comprise the Financial Conglomerate and between them and their related in compliance with Decree 1486 / 2018. It also initiated the implementation of the project for the design and implementation of the Financial Conglomerate Risk Management Framework required in SFC Newsletter 013, the deadline for its implementation being June 2021.

With regard to Corporate Risk Management, on the occasion of the pandemic declaration by WHO World Health Organization we monitored the impact of the COVID-19 pandemic on the different risk management systems of Grupo Aval and its Subsidiaries, i.e.: (i) the continuity of the business operation, under a "remote operation" scheme with high reliance on information technology, (i) relevant financial risks such as credit risk, liquidity and

market risks, (iii) operational risks (iv) cybersecurity risks v) impacts on financial reporting and disclosure processes (vi) impacts on Anti-Corruption, SARLAFT and SIPLA compliance schemes, and on the SOX compliance program. The Audit Committee of Grupo Aval supervised the management of Corporate Risk Management through regular meetings where the results of that management were presented. The Vice- Presidency of Corporate Risks reported to the Presidency and the Board of Directors of Grupo Aval the result of regular follow-up to the limits set out in the Policy for the exposure and concentration of risks without any non-compliance.

4.2.E. CORPORATE MARKETING VICE PRESIDENCY

This Vice Presidency is responsible for generating value to entities by taking advantage of synergies, capitalizing on best practices and corporate management initiatives to: Support the commercial effort of entities, gain differentiation and decrease customer desertion, increase the competitiveness of entities in products, services and channels, migrate transactions to more favorable and less expensive channels for entities and customers, strengthen the reputational assets of Grupo Aval and achieve a position in the market that strengthens and drives each entity.

The Vice Presidency of Corporate Marketing actively leads or participates in corporate committees with entities to follow up, detect opportunities and propose improvement plans to specific topics such as: marketing, loyalty, channels, sustainability, and reputation.

4.2.F. LEGAL VICE PRESIDENCY

The Legal Vice Presidency of the Holding addresses legal needs at the internal and corporate level, in particular with regard to the accompaniment in the processes of issuance of securities, preparation and negotiation of contracts, corporate governance matters, trademark follow up, advice and support in

M&A processes carried out by our subsidiaries and the fulfillment of regulatory duties typical of our status as a securities issuer and Financial Holding of Aval CF.

The Legal Vice Presidency coordinates some of the corporate projects where our subordinates participate

group AVAL | report of management 2020 46

together, as well as the implementation and monitoring of corporate guidelines provided by the Holding Presidency. In addition, the Legal Vice Presidency follows up on legislative initiatives and regulatory developments that affect the activities carried out by the Holding and our subsidiaries (mainly financial and stock market sector) in order to implement the necessary measures to comply with the applicable regulations.

4.2.G. INTERNAL AUDIT MANAGEMENT

This management conducts audits on the internal control of the company with a risk-based approach, in accordance with best practices, independently evaluating risk management and controls, as well as the Holding's processes and systems. In compliance with the audit plan approved by the Audit Committee for 2020, it issued reports and followed up the action plans established by those responsible to address the observations issued by the audit, ensuring ongoing improvement of internal control.

It also conducted audit tests on the design and operation of controls of the financial reporting process, for SOX purposes and as part of the 20-F report to SEC, as well as for the purposes of issuing local financial statements for the year ended on December 31, 2019. The Audit Committee supervised and followed up the performance of this management through periodical reports that were presented to them throughout the year, about the execution of the audit plan, the results of the audits, the independence and objectivity of their function, and on the status of the action plans of the audited processes.

4.3 STRATEGIC MANAGEMENT

Our mission and vision, as well as the ten values and guiding principles of the Holding, guide our actions, the way we do business, generate results and create value for all our stakeholders.



4.3.A. MISSION AND VISION

» Mission

Our mission is to provide our clients with socially responsible, safe, and easy-to-access, understand and manage financial solutions wherever and whenever they require it, through the legal vehicles available in each market where we operate. These solutions must also be profitable for our customers and our companies and the output is generating value for our shareholders.

» Vision

Our vision is to become one of the three main financial groups in Spanish America, offering portfolios of products and services that allow our clients to manage all their finances with us and comprehensively, and at the same time, maximize the value of our shareholders' investment based on trust in our soundness and consistent returns.



Confidentiality: We protect all our information (official or private in any form found) and that of our officers, shareholders and third parties. Our officers shall provide appropriate, prudent and reserved treatment to confidential or privileged information, refraining from using this information differently from the authorized one or providing it to third parties without the relevant authorizations, or for improper purposes. Any information in our officers' possession must be treated under integrity, privacy and booking availability, parameters.



Truth and honorability: we are interested in how we obtain results and are therefore committed to non-tolerance of any non-compliance or wrongdoing, thus prevailing the general interest over the particular interest. Accordingly, the statements and information provided by our officers will always be consistent with reality and facts, protecting the good name and image of the company, our officers, shareholders, control entities, customers, third parties or others.



Self-control and self-regulation: our officers apply self-control and self-regulation criteria as a fundamental tool to prevent, detect, monitor, and mitigate the different risks to which we are exposed and that we clearly communicate to make them useful.



Prudence: our doing is based in a correct understanding of the risks associated with value generation. As part of this, our officers must evaluate their decisions with good judgment and criteria, identifying, measuring and managing their risks and recognizing the value of the information and the importance of ensuring its confidentiality.

4.3.B. VALUES AND GUIDING PRINCIPLES
GRI 102-18



Legality: we ensure full compliance with the Constitution, the laws, rules, policies, regulations, and controls that the competent authorities and us adopt for the regulation of the activities we carry out.



Loyalty and Integrity: We act with ethics and loyalty to society, our shareholders and investors, stakeholders and/or third parties, always observing the applicable regulations, respecting and supporting the strengthening of institutions and collaborating with the authorities in the implementation and enforcement of the law.



Transparency: We recognize the importance and value of providing clear, complete, correct, and timely information for proper knowledge of our financial and non-financial situation, as a fundamental support of the relationship with our shareholders, investors, stakeholders and/or third parties and the Transparency: capital market.



Respect and equitable treatment: our officers provide credibility and peace of mind regarding their management, which must be developed within an environment of respect and fairness, recognizing the diversity of criteria, and fostering an adequate environment for equal opportunities and treatment to express opinions, raise concerns or make suggestions about our development.



Respect and equitable treatment: our officers provide credibility and peace of mind regarding their management, which must be developed within an environment of respect and fairness, recognizing the diversity of criteria, and fostering an adequate environment for equal opportunities and treatment to express opinions, raise concerns or make suggestions about our development.



Social responsibility: We recognize and understand our role in the development of society, as well as the importance and impact of proper action as a contributing factor to generate economic, social and environmental well-being to the community.

4.3.C. STRATEGIC PILLARS

Our strategy of profitable and sustainable growth is leveraged in five fundamental pillars:

Comprehensive risk management

Risk management is core for our banking business. We seek excellence in understanding, managing, and pricing the financial risks we take while developing our business. In addition, we strictly manage the non- financial risks we are exposed to. Through our corporate risk management teams and our subsidiaries, we seek to ensure that the financial risks we take are aligned with our risk appetite and that their prices have been properly set to ensure long-term value for our stakeholders. We constantly monitor changes in the business environment to adjust our risk exposure and anticipate potential impacts on our businesses. During 2020 we continued to strengthen the Asset Liability Management (ALM) model, which separates the structural and treasury

balance sheet of each bank, allowing more appropriate management, measurement, and control of balance sheet risks, in particular interest rate, exchange rate, and liquidity risks. One of the most important tools for the proper functioning of the ALM model is the Funds Transfer Pricing (FTP) mechanism. FTP curves allow to isolate the risks managed by the ALM units from those corresponding to the commercial units and play a major role in implementing a transparent price construction system for the collection and placement of resources. It is important to note that the FTP system in each entity is based on academic fundamentals but should be adjusted according to the particular and unique characteristics of each of them.

Innovation and digitization

We work to identify and capture technologies among our subsidiaries. To contribute to this goal, in 2018 we launched a consolidated effort to lead digital transformation, aligning our banking subsidiaries with a common vision of a digital future. Our banking subsidiaries and ADL Digital Lab, an entity linked to Grupo Aval, have joint efforts to align our digital strategy with their individual capabilities, with the aim of digitizing their products, channels, and processes to achieve operational efficiencies and create a more innovative portfolio of products and services. In Central America, we have made progress in the same direction, consolidating a Digital Experience Laboratory in Costa Rica. This laboratory is responsible for meeting the technological development needs of the six

countries where we operate on topics such as the innovation of the banking portal, the web and mobile banking of BAC Credomatic, as well as other payment platforms. Regarding the integration of MEG into Grupo Aval’s digital strategy, in 2020 we focused our efforts on updating sales processes for credits and deposits. In addition, we implement our digital tools in the operation of MFG, in areas such as service channels, allowing to digitally serve the customers of this entity through Chatbots and virtual assistants. Finally, we launched the Customer Experience Center at MFG to gradually transform customer interaction to digital channels. Our digital strategy is based on 3 main dimensions:



Develop new digital business models

The creation of new products and services like dale!, a 100% digital platform that we launched in February 2020, should allow us to serve new segments and markets that we couldn't reach before, mainly because of the high costs of client acquisition (CAC for its Spanish acronym). We hope that these innovative platforms will enable us to reach new customers with unmet financial needs, such as new generations who are most inclined to have exclusively digital relationships with banks and customers who had low profitability and high CAC under current models.



Digitize products and current processes

We aim to be more efficient, provide better service and improve the customer experience. We are aware that the change of the banking industry is based on efforts like ours. Achieving this goal is a minimum requirement to be able to compete within the changing financial industry. In this way, the largest share of our digitization efforts focuses on digitizing current products and processes. So far, product digitization has allowed us to accompany our customers in their homes and meet their financial needs, while taking care of their health in times of pandemic. Strengthening our digital channels has enabled us to make 1.5 million digital sales (active and passive products, among others) by 2020. In addition, we consolidated our processing capacity in the area of data strategy by implementing the 'AUGUSTA' data platform, which has successfully developed 40 cases of advanced analytics in Colombia. In Central America, BAG has developed 26 cases of advanced analytics. These cases solutions different business problems such as customer turnover, propensity to buy our digital products, better next action and fraud detection, both in business as in people banking.



Generating or participating in "digital ecosystems"

Today, consumers are looking for an integrated and seamless experience. Therefore, Grupo Aval aligns its subsidiaries' endeavors with strategic partners through a joint vision and supported by digital tools. These efforts are aimed at integrating our portfolio of services into digital experiences from start to finish, aimed at meeting the needs of savings, investment, financing, and providing complementary services such as insurance and payments, framed in the processes of purchasing goods and services. These initiatives seek to increase our presence in markets such as housing, vehicles, and education. Meeting this goal means offering our digital financial products in a complementary way that adds value to ecosystems where non-financial products and services are offered.

Our strategy has allowed us to make progress in inclusion and banking initiatives, helping us to fulfill our social and economic role in providing top quality financial services with responsibility and actively responding to the existing demands in the regions we operate. For more information on innovation and digital transformation refer to Chapter 6.5.C of this report.



Efficiencies and scale economies

We strive to find and execute strategies that create synergies between our subsidiaries and leverage our combined forces. We aim to benefit from our combined scale, maintaining the agility and resilience that a portfolio of investments provides in terms of business and geographies. In addition, we seek the cross benefit in the companies of Grupo Aval, derived from innovations in any of our subsidiaries. We focus on working on corporate projects, such as the digitization of banking and business processes, analytics, information technology, network integration (as is the case with Aval Network) and corporate purchases, among others. These efforts will enable us to achieve scale economies by involving all of our subsidiaries under a single umbrella. We believe that these efforts have improved our efficiency and will continue to do so.

In Central America, during 2019, BAC Credomatic created a shared service center in Costa Rica to centralize some business processes and serve its operations in Central America, achieving cost efficiencies and increasing control. Regarding the integration of MFG, the focus was on implementing Grupo Aval's technology tools such as SAP Payroll, the Transaction Monitoring System (SMT for its Spanish acronym) and LivePerson in key business areas such as human talent, auditing and service channels. In addition, an organizational simplification plan was launched at MFG, involving the merger by absorption of more than 80 entities in 2020, the cancellation of its bank license in Cayman Islands and the reduction of its operations in Costa Rica.

Talent management

Another of the core pillars of our strategy is focused on having the best talent through its achievement, compensation, development, and retention. To meet this objective, we and our subsidiaries are committed to the development of our employees, focusing on well-being and training, diversity, and inclusion programs, as well as promoting talent

within Grupo Aval at the corporate level. We are developing corporate talent retention and development policies, based on transparent targeting, objective performance measurement and compensation.

Sustainability

We believe that developing our businesses sustainably is key to achieving long-term value. Our sustainability strategy is based on sound corporate governance practices, environmental protection, and contribution to society. For more information on this strategic pillar please refer to Chapter 6 of this document.



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4.3.D. ORGANIZATIONAL OBJECTIVES

Grupo Aval has positioned itself as Colombia's leading financial conglomerate and the leading banking group in Central America. In the coming years we intend to continue to consolidate our leadership in the financial sector through a strategy aimed at capturing sustainable growth and profitability opportunities in the different businesses where we participate through our subsidiaries, seeking the fulfilment of the following objectives:

- Increase share and penetration in the financial markets of Colombia and Central America by encouraging and capturing the growth potentials offered by both regions given the low rates of bank penetration. We seek to leverage growth in a risk policy based on strict origination standards and discipline in pricing, allowing us to generate long-term value.

- Develop and capture operational synergies between Grupo Aval and its subordinate entities through rendering shared services in the different entities with the aim of achieving efficiencies as a result of the application of scale economies in aspects such as corporate procurement and centralized technological developments.

- Expand our product and service offering and diversify revenue streams by continually expanding these offerings to meet changing customer needs and improve our profitability by focusing on: (i) improving our market share in profitable segments and products where we have organic growth potential; (i) launching existing and new products to serve new segments (such as the unbanked population); (iii) improving our offer of products and services through their digitization; and (iv) extending our cross-selling efforts to our 17.0 million bank clients and our 14.9 million pension and severance payment fund clients in Colombia as of December 31, 2020.

- Acquire and integrate shares in companies that generate strategic value for Grupo Aval through the selective search for strategic investments and acquisitions in Colombia and Latin America.



5

LAWS AND REGULATION



5.1. STATUS OF COMPLIANCE WITH INTELLECTUAL PROPERTY RULES, COPYRIGHT AND FREE MOVEMENT OF INVOICES

In compliance with item 4 of article 47 of Law 222 / 1995, as amended by article 1 of Law 603 / 2000, Grupo Aval has fully implemented the rules on intellectual property and copyright. Products and programs subject to intellectual property rights are duly licensed.

In accordance with paragraph 2 of Article 778 of the Commercial Code, Grupo Aval notes that, during the financial year released in this report, the Company did not carry out any act which could impede the free movement of invoices issued by its suppliers.

5.2. EVENTS AFTER CLOSING

The Board of Directors of Banco de Bogotá authorized the issuance of regular bonds in the local market from the global quota of the Bond Issuance and Placement Program, approved in March 2020. As a result of the Dutch Auction held on February 10th, 2021, \$600,000 were awarded as follows:

The Board of Directors of Banco AV Villas authorized the issuance of regular bonds in the local market, approved in September 2020 which took place on February 23, 2021, where it was awarded \$500,000 (Series A in CPI, Subseries, one to 3 years and one to 5 years, maximum rate CPI+1.00% for 3-year subseries and CPI + 1.70% for the 5-year series).

5.3. RISKS FACING GRUPO AVAL

Grupo Aval and its financial and non-financial subsidiaries in Colombia and abroad are exposed to a number of risks associated with the development of their business or related purposes to the industries where they operate. Among the most representative risks are: risk of macroeconomic situation of the jurisdiction where they operate, credit risk, market risk or interest rate, liquidity risk, exchange risk (between the Colombian peso and dollar, or between the operating currencies of some of our entities in Central America and dollar), operational risk, risk of money laundering, risk of compliance with legal and regulatory requirements, among others. For more details on the risks facing Grupo Aval at the consolidated level please read note 4 of the Consolidated Financial Statements of Grupo Aval. The Holding's own risks are disclosed in footnote 4 of Grupo Aval's separate Financial Statements.

Series	Amount Demanded	Amount Awarded
Series E3 - 3 years fixed rate 3.40% Y.E.	420,430	210,000
Series A5- 5 years CPI + 1.16% Y. E.	907,2353	90,000
Total	1,327,665	600,000

5.4. REGULATIONS IN MATTERS OF CONGLOMERATES

The Law on Financial Conglomerates and its regulatory decrees introduced significant changes in the structure of Colombia’s financial system and in particular on companies acting as financial holding companies of their conglomerates. Through Resolution 0155 of February 6th, 2019, the Financial Superintendency identified Grupo Aval as the financial holding company of Aval Financial Conglomerate. In addition, the Company permanently updates the information of the subordinate financial institutions that are part of the Conglomerate. As of December 31, 2020, the Aval Financial Conglomerate was comprised of 74 companies.

The Company’s regulatory strategy aims to follow up, monitor, and report regulatory projects and new proposals that are presented in plenary sessions of Congress and in the different Ministries and regulatory authorities. In 2020 they presented a total of 5 reports of the legislative agenda to the administration Financial Conglomerate.

It is important to note that, through our regulatory strategy, the Company actively participated in working meetings with professional associations, in order to discuss regulatory projects that had some level of impact on the core of the Business of Aval Financial Conglomerate. In addition, the Company participated in question and comment sessions, open to the public, to discuss draft decrees and regulatory documents.

Finally, the Legal Vice Presidency followed up and informed Senior Management of the comments, traceability and development of amendments or changes to the bills they took in Congress, ensuring that action plans and compliance with the rules that are planned to be added in the legal order are anticipated.

Below is a compilation of the main laws, decrees, resolutions, external circulars, and letters that were issued in 2020, identified by the Company’s regulatory strategy and that affect in one way or another the development of our businesses and those of our subsidiaries in Colombia.

5.5. LAWS

Law 2024 / 2020

“Adopting payment rules in fair time in the commercial realm and other payment and billing provisions are made”.

The principle of good contractual faith is sought, through the issuance of this Law, by adopting a series of measures that protect natural and legal persons who are subject to serious contractual conditions in relation to the procedures and deadlines for payment and billing of their commercial transactions, incorporating the obligation to pay in fair time.

Law 2064 / 2020

“Declaring the strategy of general interest for Colombian population against COVID-19, fighting any pandemic and issuing other provisions.”

This law declared the immunization strategy against COVID-19 in Colombia as public interest. Article 3 of this Law provides that donations for the purchase of vaccines shall have a tax benefit consisting of an income tax discount of 50% of the donation made in the taxable year or period.

Law 2069 / 2020

“Promoting entrepreneurship in Colombia”.

The issuance of Law 2069 / 2020 promotes entrepreneurship in Colombia. It should be noted that Article 37 of this Law amends the business purpose of the National Guarantee Fund, for its part, Article 39 provides that financial intermediaries and organizations specializing in micro-enterprise credit shall report the fees and costs charged and Article 44 provides that the National Government shall establish the regulatory framework for collaborative financing or crowdfunding and establish which entities monitored by the Financial Superintendency may offer it.

Law 2071 / 2020

“Adopting financing measures for the reactivation of agribusiness, fisheries, aquaculture, forestry and agro-industrial sectors”.

The purpose of this Law is to take measures to alleviate the financial and non-financial obligations of small and medium-sized agricultural, fisheries, aquaculture, forestry, and agro-industrial producers affected by phytosanitary, animal health and biological phenomena, among others. Article 3 of this law empowers Banco Agrario and Finagro to enter into portfolio re-

covery and payment agreements with producers who have entered into arrears before November 30th, 2020 and provides that companies monitored by Colombia’s Financial Superintendency may also conclude such agreements.

Law 2079 / 2021

“Dictating housing and habitat provisions”.

The purpose of this law is to state public housing and habitat policy as a state policy. Article 7 is stressed, which provides that the rates of mortgage and housing leasing loans granted by the FNA may not be higher or in addition to the interest rates offered by the other financial institutions, and Article 9 states that the National Government shall lay down the maximum period for the financing of housing loans, which may in no case be less than 30 years.

5.6. DECREES

Ministry of Finance

Decree 636 / 2020

“Providing instructions under the health emergency generated by the Coronavirus COVID-19 pandemic, and the maintenance of public order.”

The objective of the Decree was to order the mandatory preventive isolation measure in order to prevent the spread of Coronavirus (COVID-19) by limiting free mobilization of persons and vehicles in the national territory, with the exceptions provided for.

Decree 685 of May 22, 2020

“Ordering issuance of Solidarity Titles -TDS for its Spanish acronym”.

The objective of this Decree was to order the



issuance, through the Ministry of Finance, of internal government debt securities called Solidarity Titles - TDS, and to order compulsory investment to credit institutions must subscribe Solidarity Securities - TDS on the primary market.

Decree 639 of May 8, 2020

“Creating the Formal Employment Support Program (PAEF for its Spanish acronym), within the framework of the State of Economic, Social and Ecological Emergency”.

The purpose of the Decree is to create the Formal Employment Support Program-PAEF, from the resources of the Emergency Mitigation Fund (FOME for its Spanish acronym) as a social program of the State that will provide the beneficiary of the same with a monthly monetary contribution of a state nature, and up to eleven times within the temporality of the Program, in order to support and protect the formal employment of the country during the new Coronavirus COVID-19 pandemic.

Decree 770 of June 3rd, 2020

“Adopting a protection measure to the unemployed, alternative measures are taken with respect to the working day, an alternative is adopted for the first payment of the service premium, the Service Premium Support Program – PAP (for its Spanish acronym) is created, and the Contractual Suspension Workers Relief Program is created, within the framework of the Economic, Social and Ecological Emergency”.

The aim of the Decree is to adopt measures in the workplace of the Unemployed Protection Mechanism and to create employment support programs within the framework of the Economic, Social and Ecological Emergency.

Decree 1692 of December 18th, 2020

“Amending Decree 2555 of 2010 in terms of low-value payment systems and dictating general provisions in operation”.

The objective of this Decree is to regulate the rules applicable to low-value systems includ-

ing principles, definitions, surveillance, corporate governance, fees, scope of services authorized to provide and resolve conflicts of interest, among others.

Decree 1234 / 2020

“Adding Decree 2555 of 2010 in terms of the controlled testing space for financial innovation activities”.

The purpose of this Decree is to regulate controlled spaces for technological developments in financial matters, where operational requirements and stages are defined as a tool to promote innovation in rendering of financial services and to make it easier for supervisory and regulatory authorities to identify new developments.

Decree 1398 of October 26th, 2020

“Amending Decree 2555 of 2010 with the conditions of operation of real estate annuity and issuing other provisions”.

The purpose of this Decree is to establish the stages and conditions for the development of real estate annuity by life insurers. Such entities may offer real estate annuity, in the terms and conditions contained in the applicable rules, granting a periodic income in exchange for the price of the premium, together with the conditions described in the Decree.

Decree 1393 of October 26th, 2020

“Amending Decree 2555 of 2010 on the investment regime for compulsory pension and severance payment funds, insurers and capitalization companies and other provisions.”

The purpose of this Decree is to extend the investment authorization of AFPs, insurers and capitalization companies, including within their portfolio private equity funds that include the characteristics described in the Decree. In this regard, aspects such as maximum investment limits per issue, investment policies and approvals or amendments of limits by the Boards of Directors are regulated.

Decree 1291 of September 28th, 2020

“Amending Decree 2555 / 2010 on investor classification, the private equity fund regime and issuing other provisions.”

The purpose of this Decree is to continue implementing measures aimed at boosting supply and demand in the capital market, adjusted the classification of investors, ensuring protection, efficiency, transparency, access to products and market confidence.

Decree 1235 of September 14th, 2020

“Amending Decree 2555 of 2010 on the rules for issuance on the stock market regulating Article 2 of Legislative Decree 817 / 2020 and issuing other provisions.”

The purpose of the Decree is to streamline supply and demand in the capital market, incentivizing access to collaborative financing platforms, extending the deadlines of issuance and placement programs, regulating guarantee funds, operations of collective investment fund management companies, private equities, trustees or third-party portfolios in central counterparty risk chambers.

Decree 1207 of September 1, 2020

“Amending Decree 2555 / 2010 on the legal regime of the Voluntary Pension Funds”.

The purpose of this Decree is to regulate a new legal regime applicable from 25 May 2021 for pension and severance payment funds managers, trust companies and insurance companies, which serves best practices and is compatible with developments in financial markets.

Decree 1745 of December 1, 2020

“Updating Decree 2555 of 2010”.

The purpose of this Decree is to update definitions, procedures and instructions in Decree 2555 / 2010, to maintain it as the main reference for consultation of the regulatory framework applicable to the financial, insurance, and stock market sectors, and to ensure compliance

with the guidelines of regulatory technique of the national government.

Decree 151 / 2021

“Amending the disclosure regime by the issuers of securities is amended and dictating other provisions”.

This decree aims to modify and update the National Register of Securities and Issuers - RNVE for its Spanish acronym, by sending periodic and relevant information, to the Financial Superintendency of Colombia which must also be sent to the trading systems where these securities are traded.

**5.7. CIRCULAR LETTER
Circular Letter 76 / 2020**

Reports the list of information with systemic importance.

**5.8. EXTERNAL CIRCULAR
External Circular 007 / 2020:**

“Prudential instructions are provided by the Superintendency to mitigate the effects of the financial markets situation and the health emergency situation declared by the National Government by Resolution No.585 of March 12th, 2020, in the debtors of the financial system”.

This Circular provides instructions for credit institutions to establish effective policies and procedures for identifying customers who will be subject to the agile implementation of special measures to address the situation, emphasizing those segments or sectors determined as of particular attention by the National Government.

External Circular 014 / 2020:

“Providing minimum elements of changes to credit conditions and basic information for an informed decision by financial consumers”.

This Circular sets forth the policies and characteristics that credit institutions must have under the implementation of C.E.007 2020 when they change the conditions of loans, grace periods or extensions.

External Circular 016 / 2020:

"The Superintendency provides instructions on the measurement of market risk."

This Circular provides instructions to include the treatment of structural investments in the exchange rate module of market risk measurement models.

External Circular 017 / 2020:

"Giving instructions to increase availability in rendering financial services."

The purpose of the Circular is to promote the safe and orderly return of financial sector employees to render services, taking into account safety conditions for financial workers and consumers.

External Circular 022 / 2020:

"Creating the Debtor Accompaniment Program - PAD as a mechanism for managing the credit report of entities".

The circular aims to continue the risk management strategy established by Circulars 007 and 014 of 2020, for the remainder of 2020, credit institutions should adopt a program to establish structural payment solutions by redefining the credit terms of debtors affecting their income or ability to pay as a result of the situation arising from COVID-19, under conditions of financial viability for the debtor. Credits with valid grace periods or extensions, agreed because of said Circulars, shall be maintained until the expiration of the circular, in the terms established by the financial institution and the debtor.

External Circular 033 / 2020:

"Granting instructions by the Superintendency related to the Unique Taxonomy of Cyber Incidents – TUIC for its Spanish acronym."

The Circular incorporates the format for reporting information security and cybersecurity metrics and the labeling protocol for the exchange of Traffic Light Protocol (TLP) information

External Circular 036 / 2020:

"Providing instructions to increase availability in rendering financial services."

The Superintendency considers it necessary to provide instructions regarding the administration of the risks associated with the development of the real estate annuity product and the fulfilment of duties in the offering of the operation of that product.

External Circular 30 / 2020 and External Circular 041 / 2020:

"Creating Chapter II of Title V of Part I of the Basic Legal Newsletter-CBJ for its Spanish acronym (External Newsletter 029 of 2014) called "Linked and Limits of Exposure and Concentration of Risks" and "amending item 2 and creating items 2.2.4. 2.3.2. in Chapter IV of Title III of Part II of the CBJ".

This newsletter aims at the inCompany of instructions related to investment policies, strategic allocation of assets and functions of the risk and investment committees of pension and severance fund management entities (AFPC) that are part of a financial conglomerate.

External Circular 039 / 2020:

"Implementing the Debtor Accompaniment Program, as defined in External Circular 022 / 2020, extends until June 30th, 2021, in the same terms set forth in that Circular".

5.9. Resolutions

Resolution No. 1080 / 2020

"Identifying Banco de Bogotá S.A. as an entity of systemic importance, measuring its indicators the result for the four components established in the methodology for the identification of EIS".

Resolution No. 0114 / 2021

"Assigning the coordination of the supervision of financial conglomerates and surveillance entities are assigned among the supervisory directorates of the Delegates attached to the Deputy Delegation for Financial Intermediaries and Insurance of the Financial Superintendency of Colombia".

6

SUSTAINABILITY AT GRUPO AVAL



Grupo Aval and our entities, are committed to economic, social and environmental development to contribute to the sustainable progress of the countries where we operate, ensuring the well-being of our employees, through their development and the construction of an inclusive culture that values and respects diversity. We contribute to the development of the environment through financial education, social investment, and environmental management with our entities for profitable and sustainable growth of the business.

Our sustainability model includes five (5) pillars (i) Corporate Governance, risk and ethics; (i) economic performance; (II) corporate efficiencies and innovation; (iv) human talent; (v) and environment, which seek to increase positive impacts in conjunction with our entities. It should be noted that each of them has models and initiatives that are managed independently and autonomously, in accordance with its own business strategy and material issues aligned with the Group's strategy and each of them contributes significantly to the commitments we have made as a Group since 2019 with the creation of our sustainability model.

In this chapter we will refer to the sustainability report of Grupo Aval Acciones y Valores of the year 2020, which has been prepared in accordance with the Essential option of the GRI standards. In this section we will report on the progress and commitments in each of the 5 aforementioned pillars.

6.1 STAKEHOLDERS GRI 102-40,102-42,102-43

Our sustainability model aims to create sustainable value based on transparent and close relationships with our stakeholders. We recognize that it is essential to foster spaces of dialogue that allow us to obtain constant feedback on the processes and work to meet the expectations of the different actors that are impacted by Grupo Aval. For this reason, we define 8 stakeholders with whom we have a relationship scheme (see Table 1) allowing us to learn about their expectations and needs, align goals and objectives, and make them part of our strategy for sustainable growth.

2020 Merco Results, Responsibility and Corporate Governance, 10 Years

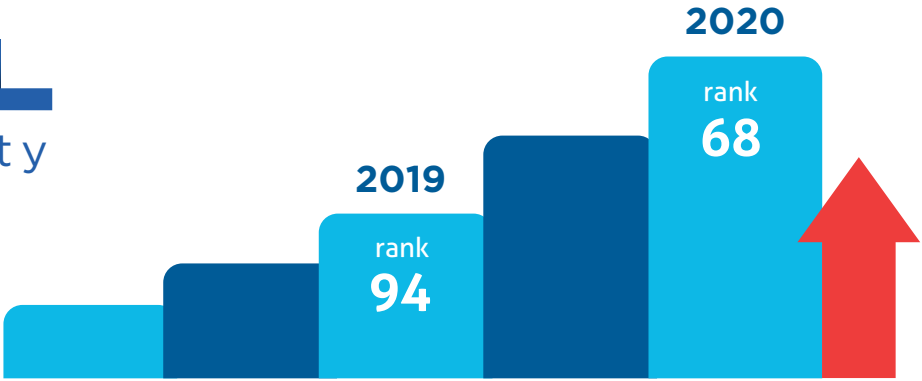


Table 1: Relationship scheme

Stakeholders	Relationship strategy	Communication channels	Frequency
Entities	<ul style="list-style-type: none">• Have a transparent structure, governed by policies and procedures that apply to all entities.• Ensure that ethics and conduct policies exist.• Have channels to report any complaints, irregularities, bad practices, among others.• Track financial, commercial performance, conjunctural events and projects.• Develop innovative solutions with advanced technological support.• Define synergy strategies in corporate procurement, marketing, and digital transformation.• Encourage a sense of belonging in the Group's employees.• Promote financial education, inclusion, and accessibility of the communities where we operate.	<ul style="list-style-type: none">• Board of Directors and Advisory Committee.• In person/virtual meetings• Specialized committees• Email and phone calls.• Corporate intranet.	<ul style="list-style-type: none">• Weekly.• On demand.
Employees	<ul style="list-style-type: none">• Communicate on guidelines, benefits, news, or other topics of general interest.• Implement agile methodologies framed in a culture oriented to the creation of value and executed through self-managed teams.• Encourage pride and belonging of our Grupo Aval employees.	<ul style="list-style-type: none">• Events.• Newsletters.• Ethical line.• Event: "I am Aval" Day.• Phone calls, in person/virtual meetings, and emails.	<ul style="list-style-type: none">• Weekly.• On demand.
Investors	<ul style="list-style-type: none">• Constantly report on the financial performance and other relevant topics of Grupo Aval.• Efficiently and effectively meet the requirements of our investors.• Provide information and address questions in due diligence processes.	<ul style="list-style-type: none">• Events: "Investor Day".• Annual reports.• Answers to requirements.• Phone calls, in person/virtual meetings, and emails.	<ul style="list-style-type: none">• Quarterly.• On demand.
Suppliers	<ul style="list-style-type: none">• Perform corporate dealing processes that fit the needs.• Manage current conventions in operational, communications, marketing, monitoring, and auditing aspects.	<ul style="list-style-type: none">• Technology platforms.• Phone calls, in person/virtual meetings, and emails.	<ul style="list-style-type: none">• Monthly.• On demand.

Stakeholders	Relationship strategy	Communication channels	Frequency
Media	<ul style="list-style-type: none">• Report relevant facts, product and service launching, news of interest and performance of Grupo Aval.• Address requests for media information.	<ul style="list-style-type: none">• Phone calls, in person/virtual meetings, and emails.	<ul style="list-style-type: none">• Quarterly.• Annual.
External analysts	<ul style="list-style-type: none">• Keep analysts informed about the financial performance and other relevant topics of Grupo Aval.• Address requests from outside analysts.	<ul style="list-style-type: none">• Phone calls, in person/virtual meetings, and emails.• Answers to requirements.	<ul style="list-style-type: none">• Weekly.• On demand.
Professional associations	<ul style="list-style-type: none">• Attend seminars, ANIF and Asobancaria discussion meetings.• Maintain constant communication with regulatory change professional associations and their implementation.	<ul style="list-style-type: none">• Events of aggressions.• Phone calls, in person/virtual meetings, and emails.	<ul style="list-style-type: none">• Quarterly.• On demand.
Society	<ul style="list-style-type: none">• Keep the public informed about the operation, products and services, and performance of Grupo Aval.	<ul style="list-style-type: none">• Annual report.	<ul style="list-style-type: none">• Yearly

6.2 MATERIALITY ANALYSIS
GRI 102-44,102-46,102-47

The content is framed by the principles of GRI standards on materiality (essential choice), context of sustainability, completeness, and involvement with stakeholders. In the first phase of the design of this model, we identified 11 material⁹ topics. However, during the validation phase we perform with the different stakeholders we identified 14 material topics, which we prioritize according to their impact on the business and on stakeholders, through the following process:

1. Identifying material topics

In 2019 we understood the strategic needs of the business, as well as the expectations of our entities and major stakeholders. These topics

were defined from sources such as standards and principles in sustainability, strategic information, and interviews with managers.

2. Prioritization of material matters

Based on the material topics identified, we made a materiality matrix to prioritize those issues with the greatest impact, depending on the importance for the business strategy, for our entities and other stakeholders. We defined our sustainability model starting from this prioritization.

Our first sustainability report published in 2020 presents this model, which began to be validated with our entities and stakeholders.

3. Validation with stakeholders

¹⁵ For more information on alignment of our material issues with GRI standards please see Index of GRI contents in Chapter 7 herein. ndards please refer to the GRI Content Index in Chapter 7 of this document.

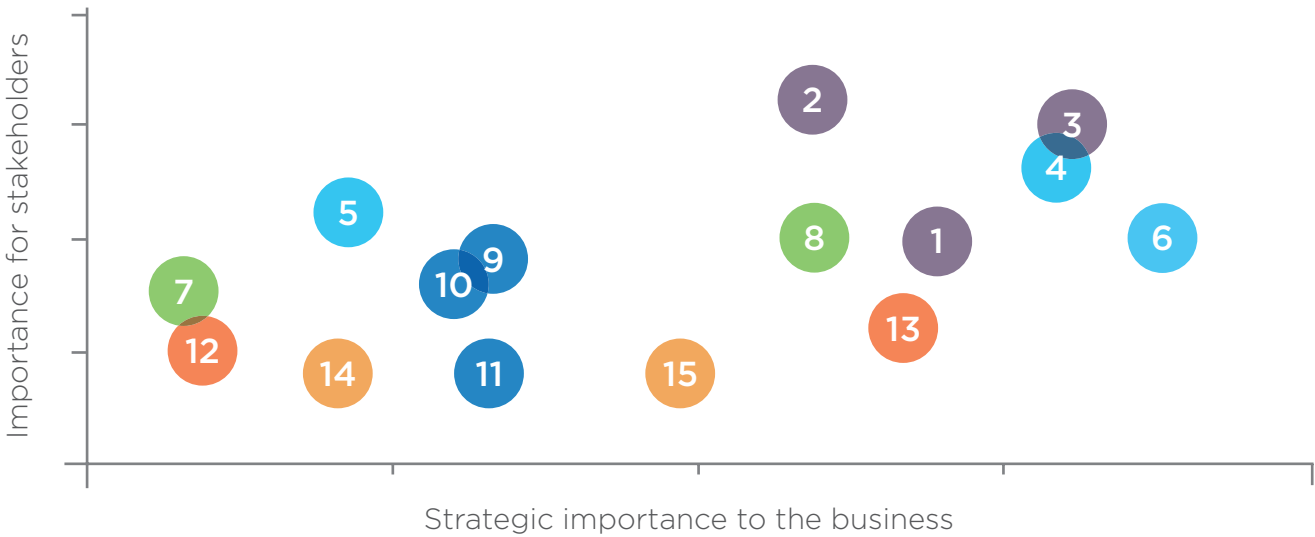
and definitive materiality

On the basis of recognizing the importance of knowing the expectations and needs of our stakeholders regarding the model, in the last quarter of 2020 we carried out a validation exercise with each of them. An update of the model presented in 2019 was made

based on the findings of these dialog spaces; the adjustments applied are detailed below in the prioritization of material topics (see Table 2), the materiality matrix (see Figure 1) and the updated version of our model (see Figure 1).

Materiality matrix

Figure 1: Materiality matrix



Prioritization of material topics

Table 2: Prioritization of Material Topics

Prioritized topics	Relevant topics	Emerging topics
1. Ethics	6. Financial inclusion	12. Corporate procurement
2. Subsidiary management	7. Investor relations	13. Diversity and inclusion
3. Innovation and digital transformation	8. Well-being and quality of working life	14. Environmental management
4. Risk management and internal control	9. Safety and health of employees	15. Pride and sense of belonging of employees
5. Governance structure	10. Marketing	
	11. Attracting, retaining, and developing talent	

6.2. A. OUR SUSTAINABILITY MODEL

Based on the strategy of profitable and sustainable growth we have designed our sustainability model which was validated by our stakeholders and is presented below:

Figure 1: Sustainability Model of Grupo Aval Acciones y Valores



We manage the material issues defined through rendering corporate services and the development of guidelines from Grupo Aval to the entities.

Currently, the following are the services we render our entities:



ECONOMIC PERFORMANCE

Financial and accounting advice: our entities receive services, advice and guidelines on topics related to quality, promptness, and reliability of information. From Grupo Aval, we also carry out follow up on the budget execution of the entities.



CORPORATE GOVERNANCE AND RISK

- Regulatory advice: we issue instructions and advise entities on implementing and complying with international regulations, including control regulations on financial reporting (Sarbanes-Oxley Act), Financial Compliance (FATCA), Money Laundering (SARLAFT), and anti-fraud and anti-corruption regulation (ABAC), among others.
- Internal control: in matters of control, our entities receive services from the Corporate Controllershship, a body that seeks the deepening of organizational culture with a risk-oriented approach. For this, we establish guidelines and good practices aimed at strengthening and effectiveness of the internal control system of each of our entities.
- Legal support: we provide ongoing support and issue guidelines to entities in aspects of Corporate Governance, understanding and interpreting regulatory matters, specific projects of relevance, and follow-up to the legislative and regulatory agenda with an impact on the business.



CORPORATE EFFICIENCIES

- Marketing, loyalty, innovation, and advertising activities: we design, produce, and execute cross corporate strategies to the interests of entities with the aim of contributing to the growth of market share, gaining differentiation and relevance, and achieving efficiencies and brand positioning.
- Shared Services: We seek to achieve significant efficiencies and reductions in the costs of contracting goods and services of entities, both on the technology and information security front, as well as in getting supplies and contracting necessary services for the operation.

6.3 RELATIONSHIP WITH ENTITIES FOR THE SAKE OF SUSTAINABILITY

GRI 102-9,102-48,102-49

Understanding that the scope of material topics exceeds the operation of Grupo Aval, we have defined strategic alliances and/or business relationships with other companies that allow us to properly manage some material topics. Specifically, we highlight:

BUSINESS OPPORTUNITIES WITH:



ATH, a subordinate entity of Banco AV Villas, through which we consolidate the provision of some corporate services in terms of information services and channel network management, mainly.



ADL Digital Lab S.A.S, a partner company through which we contract the provision of corporate services related to the digital transformation of our subsidiaries.

Aval Soluciones Digitales, a Company Specialized in Deposits and Electronic Payments (SEDPE for its Spanish acronym) that, through a technological platform, allows banked and unbanked people and shops to open an electronic deposit with which they can carry out financial transactions from a single 100% digital solution.

COMMITMENTS TO COMMUNITIES THROUGH:



Corporacion Microcredito Aval, an independent non-profit entity with which we partner for the management of our financial inclusion commitments.



The CTIC, Cancer Treatment and Research Center, where we participate through our entities.

6.4. OUR ALLIANCES, MEMBERSHIPS AND STANDARDS TO FOLLOW
102-13

In addition to the entities mentioned above, we make partnerships and memberships with entities that enhance our capabilities to effectively manage the material issues of the sustainability model, guided by the main national and international standards in this area.

Alliances, memberships and standards

- » Bloomberg LP
- » SET ICAP EX S. to
- » ACRIP Human Management Association
- » GRI
- » Green Protocol of Asobancaria
- » LGBTI Chamber of Commerce

6.5. CORPORATE GOVERNANCE MANAGEMENT, RISK AND ETHICS

We have a transparent structure, governed by policies and procedures that are applied homogeneously in all our entities to ensure high ethical standards and the sustainable development of activities, in line with what is defined by our governing bodies.

6.5.A. CORPORATE GOVERNANCE STRUCTURE

Our directors and management team allows us to be leaders in the Colombian and Central American financial sector, to the extent that it has high-level technical qualifications and a wide professional career.

We have a transparent governance structure and homogeneous policies and procedures in governing bodies, allowing us an adequate balance of all decisionmaking processes. In development of the current legal and regulatory provisions, we and our entities have a uniform governance structure. Therefore, most of the entities are companies by shares with management and administrative bodies composed of a General Shareholders Assembly, a Board of Directors and a Management or Presidency.

Thus, within the framework of competence of each of the governing bodies, the guidelines that guide the development of the business purpose of each entity are dictated, seeking to maximize the generation of value and the fulfillment of the objectives of the different stakeholders involved.

Initiatives and achievements

Reports

We carry out corporate governance reports given our status as an issuer registered in the National Register of Issuers and Securities (RNEV for its Spanish acronym). Specifically, we stage and transmit the Best Corporate Practices Survey (Country Code Survey) where we report the Holding’s status in terms of governance structure.

Corporate Governance Report

We implement our Corporate Governance Report under the guidelines of the Country Code Survey, where aspects that, in our view, are important to shareholders and investors and that we develop in the normal course of operations are reflected.

Corporate Governance Committee

During 2020 we established a Corporate Governance Committee to be responsible, among other matters, for ensuring compliance with commitments and targets related to the sustainability model.

Our 2021 Commitments

- We will continue to implement all necessary measures to strengthen Corporate Governance.
- We will follow up on sustainability issues on the Corporate Governance Committee.

Management of our entities in relation to the corporate governance structure

In 2020 and in the context of the health emergency, our entities took the necessary measures to continue their different instances of Corporate Governance with the aim of responding fully to their stakeholders in this context. In doing so, complying with the meetings planned by virtual means, some entities approved the update of the Code of Good Governance, including sustainability policies, management responsibilities and other entities strengthened their presidency support committees.

With these actions, our entities strengthened their corporate governance initiatives and we moved towards a progressive alignment with the global sustainable development agenda.

Below are each of these achievements and initiatives, along with the commitments of our entities by 2021.

Corporate Governance Structure in Our Entities



It is one of the pillars of its management, maintaining transparency as the central axis. During 2020, the implementation of country code recommendations was continued, the Code of Good Governance was adopted based on adjustments made to the audit committee’s regulations and updating tax review services and the annual Corporate Governance report.

2021 Commitment:

Continue to consolidate best practices, derived from corporate work and related practices such as the Country Code and the Dow Jones Sustainability Index.







It maintained a stable system of work from senior management, bank committees and the Board of Directors. Meeting efficiency was strengthened based on the ease provided by virtual meeting tools. In addition, efficient work was strengthened in the bank’s internal teams, in Senior Management and in the bank’s Internal Committees.

2021 Commitment:

That the Risk Committee be a Support Committee of the Board of Directors. Follow up on compliance with best corporate governance practices and results achieved after implementing the initiatives arranged and recommendations provided by the Board’s Support Committees, the Bank’s Internal Committees, and members of the Bank’s Senior Management.

Corporate Governance Structure in Our Entities

	<p>The presidency support committees were institutionalized. In addition, the general structure was modified by creating the Chief Risk Officer (CRO) with competence at the level of the bank's subsidiaries. The Corporate Governance Committee was established by the Board of Directors to support it with assistance in its functions of proposals and oversight of corporate governance measures.</p>	<p>2021 Commitment:</p> <p>Continue to strengthen the structure of the bank, taking into account best corporate governance practices.</p>
	<p>Good administrative management and transparency in direction from the Board of Directors, Senior Management and the various Committees continued to be the rules of corporate governance that constitute the pillar to ensure decision-making at the Bank. Under these rules, risk management was developed during 2020 in accordance with the guidelines defined, governed by the Mandate and Risk Appetite Framework approved by the Board of Directors. Regarding Internal Control System, 2020 was a year with unprecedented conditions, where the ability to continue rendering financial services was tested, having to activate immediate changes in processes, technology, and decisionmaking, which led to risks in safeguarding the resources of Clients and Investors.</p>	<p>2021 Commitment:</p> <p>By 2021, further practices focused on strengthening corporate governance will continue.</p>
	<p>With the approval of the Board of Directors, the responsible investment policy was defined and published aimed at determining guidelines for incorporating social and corporate governance environmental criteria into its investment processes.</p> <p>The Corporate Governance Committee assumed additional functions related to corporate sustainability issues and was called the Corporate Governance and Sustainability Committee.</p>	<p>2021 Commitment:</p> <p>Summon the first Committee on Corporate Governance and Sustainability in Porvenir to deal with accountability of management of the corporate sustainability strategy throughout 2020.</p>
	<p>The Board of Directors regulations was amended, incorporating the rules for communication of its decisions within the entity and its responsibility in the definition of related party transaction policies (TPRs for its Spanish acronym). In addition, the amendment of the Code of Good Governance was approved to include, among others, sustainability policy.</p>	<p>2021 Commitment:</p> <p>Define the diversity policy of the Board of Directors and have the evaluation of its performance.</p>
	<p>High-level Sustainability Forums were created, at BAC Latam and in each country. In addition to training sessions to the local Sustainability Boards.</p>	<p>2021 Commitment:</p> <p>Form 1 regional forum and 6 local forums.</p>

6.5.B. RISK MANAGEMENT AND INTERNAL CONTROL

We have a robust corporate risk structure that allows us to generate value to the organization, contribute to the cohesion and control architecture of entities, maximize the execution of strategies, and optimize operations. Our goal is to ensure the generation of value for our shareholders in the framework of legal compliance and proper risk management.

Initiatives and achievements

- During 2020, information was carried out on the activities carried out by entities on sustainability issues, in order to establish the strategies for identifying the risks and controls they have adopted to ensure the proper progress of their sustainability projects, as well as the guidelines that from the risk approach will be included within existing policies.
- An Audit visit was conducted, which reviewed topics of internal control, audit function and some aspects related to information security, such as controls for information leak prevention, security on remote connections, direct changes to databases, among others.

- The Senior Vice President of Corporate Controllershship participated in the 5 audit committees of the ATH Board of Directors, where the Internal Auditor presented the result of his audits on follow-up to action plans, information security, among others.

Management of our entities in relation to risk management and internal control

During 2020, our entities' approach was mainly focused on risk management on 4 fronts: (i) identification and risk management within the framework of the health emergency by COVID-19 (i) the design and implementation of the Environmental and Social Risk Management System (SARAS for its Spanish acronym); (ill) implementing the Integrated Risk Model; and (iv) updating of strategic risks, identification and assessment of emerging risks, identification and controls of human rights risks.

Here are each of these achievements and initiatives, along with our entities' commitments for 2021.

Risk management and internal control in our entities



It completed the implementation of the Environmental and Social Risk Management System, therefore identifying and managing the socio-environmental risks of customers and defining action plans focused on climate change mitigation and adaptation. In this context, it attached to the CDP (Carbon Disclosure Project), in order to learn and implement good global practices and to strengthen the identification of risks arising from climate change.

2021 Commitment:

- Develop scenarios of analysis to identify impacts of the bank's customers on climate change.
- Maintain training and awareness of socioenvironmental risks and how they are addressed.
- Maintain accompaniment from SARAS to define upcoming thematic bond issuances.
- Continue the consolidation of SARAS by increasing the number of evaluations carried out while strengthening the analysis and monitoring of socioenvironmental risks.



They remained resilient to the challenges of the situation (pandemic, lock down), adjusting to new alternative platforms, procedures, and ways of working.

No relevant operational risk events related to the pandemic or the new mode of work were presented.

The SOX Unit fully addressed the instructions given by Grupo Aval, accompanied SOX control managers to correct improvement opportunities identified by Internal Audit, and conducted regular monitoring of difficulties in implementing controls given pandemic lockdown.

2021 Commitment:

- Participate in the development of the project of accounting coverage strategies.
- Participate in the development of ALM management related to foreign exchange risk and offshore subsidiaries.
- Maintain the trend of reducing fraud.
- Keep the indicator of zero cybersecurity incidents.



It implemented the Integrated Risk Model (MIR), allowing comprehensive management of the risks inherent in business development. It has an administration system allowing it to manage the risks identified in the different processes, which they have managed within a framework of ongoing improvement.

With regard to the health emergency, early warnings that could lead to the realization of information security and cybersecurity risks were carried out.

2021 Commitment:

- Consolidate the MIR.
- Continue to incorporate risk management throughout the bank's agile model and digital transformation, aligned with the purpose of being a sustainable company that creates experiences that positively transform people's lives.

Risk management and internal control in our entities



It had within its objectives to ensure adequate risk management and event realization, through monitoring the risks of greatest vulnerability in the context of health emergency. In addition, through the analytical application of reliefs coupled with a mature and robust process of starting, monitoring, and recovering the portfolio, it manages to stand out favorably among the financial system by keeping its indicators of quality, risk and provision expenditure stable.

2021 Commitment:

- Grow in low-risk products/segments, as well as continue to accompany debtors who have difficulties in standardizing payments.
- Continue with adequate operational risk management.
- Manage the investment portfolio so that the market risk exposure indicator is maintained at levels corresponding to the defined market risk appetite.
- Maintain short- and long-term liquidity risk exposure indicators (IRLs and CFENs) at levels corresponding to defined liquidity risk appetite.



Risk training was developed for all employees and some third parties.

2021 Commitment:

- Certification in international standard 15027001:2013 that will allow data and information assurance, confidentiality, and integrity as well as of the systems that process it. Corporate guidelines for the security model will also be incorporated.



Strategic risks were updated based on the material issues of the Corficolombiana Sustainable Strategy. This is through an update of strategic risks, identification and assessment of emerging risks, identification and assessment of risks and risk controls of human rights in the Company and its financial subsidiaries. The proper management of liquidity and market risks in the parent company and subsidiaries abroad during 2020, allowed to monitor and alert about the adequacy of liquid assets to meet the commitments made by Corficolombiana and in turn generate profits through the Treasury in the midst of a turbulent environment arising from the crisis caused by COVID-19.

2021 Commitment:

- Expand emerging risk review by aligning our current methodology with best practices in climate change risk management.
- Design, approve and publish the Environmental and Social Risk Management Policy



It has a robust structure of comprehensive credit, liquidity, and market, operational, money laundering and terrorist financing, reputational, environmental and social risk management.

2021 Commitment:

- Strengthen the SARAS Environmental and Social Risk Analysis System.

6.5. C. ETHICS
GRI 102-17, 205-1, 205-2

Our values and strategic vision are oriented to compliance with the ethical standards defined by the Board of Directors and the General Assembly, both for the operation of Grupo Aval and for the operation of our entities. We focus on preventing potential events of fraud, corruption, bribery, bad practices, and all kinds of irregular situations. The main internal mechanisms for managing ethics are the Anti-Corruption Program, the Ethics Line, and the Code of Ethics and Good Conduct. Our goal is to ensure that there are ethics and conduct policies in Grupo Aval and in our entities, as well as to enable channels so that stakeholders can report any complaints, irregularities, or bad practices, among others. Finally, we generate reports on these issues and ensure that they are scaled to the required instances.

Initiatives and achievements

Anti-corruption program

Through the Anti-Corruption Compliance Program (ABAC), we seek to integrate the elements of the internal control system to prevent and manage corruption events within the group, directing and promoting the principles and values promulgated in relation to our business ethics and corporate policies.

Objectives include promoting an ethical culture to mitigate corruption risks in the relationship with third parties, as well as establishing guidelines for effectively and timely preventing, detecting, investigating, and remedying possible cases of corruption.

In the second line of defense the ethical component has been incorporated with greater emphasis on the Compliance Program. In the Anti-Corruption Policy we detail the “zero tolerance” to this type of risk, which implies

compliance with high standards of ethics in operations, mainly in terms of: conflict of interest management, donations, sponsorships, gifts and invitations, purchases (supply processes), business acquisition processes, joint and associated businesses, and social responsibility programs. We also set the minimum expected standards in managing the transparency of the accounting record of transactions.

Grupo Aval Ethical Line

We continue to implement and strengthen our Aval Ethical Line. This line is a communication channel that allows employees, suppliers, investors and clients of the Group entities, to send complaints about possible fraud, bad practices, corruption, money laundering and any other situation that is considered irregular or possible facts that violate established standards. This mechanism is documented by a manual and a procedure. In addition, in the process of induction of new employees and linking suppliers we publicize the existence of this channel of complaints. Finally, we carry out the following actions in relation to the proper functioning of the Ethics Line:

- We validate and manage access to the Aval Ethics Line on the websites of the entities that comprise Grupo Aval (banks, funds, among others).
- We carry out periodic tests to validate the operation of the Aval Ethical Line.
- We have an updated log where complaints recorded in the Ethical Line are registered, classified, and assigned to those responsible. This document also includes the progress of the review and the results.

During 2020 we received the following reports through our Aval Ethics Line and carried out investigations corresponding to all communications received through it.

Type of report	Year 2020
Possible fraud	17
Possible workplace harassment	37
Human talent 11	11
Other (*) 125	125
Total yearly 190	190

(*) Reports that mention quality issues in service or failures in the internal processes of entities.

Code of Ethics and Good Conduct

It defines our commitment to carry out business activities under criteria of transparency, ethical behavior, and adherence to compliance with the rules that apply to it as an issuer of securities in the domestic and international market. This Code is a key element of the Internal Control System (SCI). Our interest is that all employees know and apply the guidelines.

For this purpose, we continuously train new employees on the guidelines of the Code of Ethics and Conduct and send regular communications to encourage the conduct set out in the Code.



Commitments 2021

- Continue to promote the Grupo Aval Ethics Line through our entities.
- Maintain the preparation of the log, where we observe control and monitoring of the complaints received by the Ethical Line of Grupo Aval.

Area in charge: Senior Vice Presidency of Corporate Controllershship, Vice Presidency of Risks and Human

Talent Management.

Management of our entities in relation to ethics In 2020 our entities received and investigated all allegations made through the ethical line and conducted campaigns to encourage its use. In addition, they have codes of ethics, anti-corruption programs and train both their employees and third parties.

Below are each of these achievements and initiatives, as well as the commitments of our entities by 2021.

Ethics in our entities



Banco de Bogotá

The reviewing, monitoring, and surveilling processes determined that no corruption events occurred in 2020. This is the result of the robustness of the anti-corruption program, which was certified by the external audit of KPMG, who found that the anticorruption program is in an optimal and formalized state of implementation. This in addition to the aforementioned Aval Ethics Line.

2021 Commitment:

- Continue to strengthen internal control systems, as well as the assessment of the risks inherent in the business, digital transformation, and contracted activities under the outsourcing modality, which are part of the bank's corporate strategy and sustainability model.



Banco de Occidente

It has a Code of Ethics and the 2020 Code of Ethics and Conduct course was launched for all bank employees.

2021 Commitment:

- Conduct annual review of the Code of Ethics and Conduct to assess the need for updates.
- Implement the Code of Ethics and Conduct Course.



banco popular

Internal Campaigns were carried out to strengthen the availability of the ethical line in the bank's own channels.

The Anti-Corruption Program was developed, which complies with regulatory requirements under the Foreign Corrupt Practices Act (FCPA).

2021 Commitment:

- Continue to strengthen the bank's channels to promote the ethical line and develop initiatives to strengthen the anticorruption program.



Banco AV Villas

They have a Code of Ethics and conflict resolution of interest.

2021 Commitment:

- Continue to ensure and promote compliance with the Code of Ethics and resolution of conflicts of interest.



porvenir

They promoted ethical line reporting mechanisms and conducted investigations for 100% of communications received through this channel.

2021 Commitment:

- Comply with the annual audit plan approved in December 2020 by the Audit Committee.
- Obtain international certification of the role of internal auditing, for which, in the next 2 years, work on the gaps identified by the consultancy of the Institute of Internal Auditors of Colombia shall continue.

Ethics in our entities



Corficolombiana

They trained employees on topics such as corporate principles and values, dimensions of ethics, responsibilities in the face of the Code of Ethics and Conduct, ethics in financial and banking business, rules of conduct of administrators and officers, and conflicts of interest. All complaints received through the ethical line were investigated, none of which corresponded to events associated with violations of codes of ethics and conduct and/or good governance, or fraud events.

2021 Commitment:

- Define reporting systems to the public on the results of effectiveness of anti-corruption policies, including the different reporting channels of Corficolombiana and its subsidiaries.
- Evaluate the implementation of the Human Rights Policy in Corficolombiana and financial subsidiaries.
- Finalize the implementation of the Compliance Policy.



BAC CREDOMAT

It developed an anti-corruption and antibribery policy, reporting channels, ethical line, and ombudsperson.

2021 Commitment:

- Continue to strengthen the bank's channels to promote the ethical line and develop initiatives to strengthen the anti-corruption program.

6.6. FINANCIAL PERFORMANCE

We understand that our financial performance is essential to ensure the sustainability of the business, generate value for our clients and investors and contribute to the well-being of all our stakeholders, based on proper management of entities and innovation.

As one of the most important financial conglomerates in the country, it is key to constantly reinvent ourselves, in order to adapt to changes in the environment and stay at a highly competitive level compared to our competitors. For this reason, we focus on proper management of entities through corporate guidelines and ongoing follow up and monitoring of activities of the operation, finance and execution of joint and synchronized initiatives that generate a collaborative impact.

We know that today's world is dynamic, modern, and technological, so we make sure to provide innovative products and services, of the highest quality, that use the latest, most practical, and convenient technological systems, allowing Grupo Aval to remain in a competitive position in the country.

The effective operation of the business through financial, strategic, and innovative management of the entities allows us to respond to the expectations of our shareholders. We work to maintain a close relationship with this important stakeholders to strengthen the confidence they place in our operation, generate economic value and the positive results they expect from Grupo Aval.

GRI 201-1

Type of report	Separate	Percentage
Method of profit-sharing	2,346	89.1%
Other income from common activities	287	10.9%
Generated financial value	2,632	100.0%
Shareholders (*)	1,203	45.7%
Funders	107	4.1%
Suppliers (**)	16	0.6%
Employees (**)	35	1.3%
Taxes and contributions	73	2.8%
Distributed financial value	1,435	54.5%
Depreciation and amortization	2	0.1%
Reserves	1,196	45.4%
Retained financial value	1,198	45.5%

Note: Monetary values are presented in billions.
(*) Pending the Profit Distribution Project. Assume a dividend of \$4.5 per share per month.
(**) Employees: Includes direct employees. Suppliers: includes temporary and outsourcing.

6.6. A. MANAGEMENT OF ENTITIES

At Grupo Aval we invest in entities with outstanding financial and commercial performance and promote compliance with the highest industry standards, as well as proper implementation of new regulatory measures. We do this with a long-term sustainability approach that allows us to grow organically. We also evaluate potential growth opportunities through mergers, acquisitions, or sales of businesses that strengthen or materialize opportunities for the group. The above, with the aim of maximizing the value generated to our shareholders.

In addition, we seek to manage the entities in an articulated way, through communication spaces for the definition of joint initiatives that maximize the value generated to our shareholders and that contribute to the economic and sustainable development of the

country to promote the well-being of current and future generations.

Initiatives and achievements

Most of the actions aimed at managing our investment portfolio are planned and implemented from the Senior Financial Vice Presidency, through periodic control of financial and commercial performance against competition, and monitoring budget compliance of the Holding, Aval, BAG, MEG, Corficolombiana and Porvenir banks. The general actions that are carried out are:

- Periodically monitor financial and commercial performance against competition.
- Follow up budget compliance of Grupo Aval and the entities.
- Evaluate the impact and implementation plans of new regulatory measures, with the

support of the Corporate Risks and Legal Management Vice Presidency.

- Lead the processes and, where relevant, accompany the operations of entities in international capital markets.
- Support entities in their assessment of potential opportunities for merger, acquisition, business sales, and capital optimization.
- Prepare periodic reports (Quarterly Report to the SFC, Management Report and 20-F).
- Throughout 2020, commercial monitoring of banks was implemented making a monthly analysis of the performance of disbursements and payments, and the competitive dynamics of the different products and segments.
- During the year, monthly budget monitoring continued and, given the current situation, there was close accompaniment to banks, focused on

growth (commercial dynamics) and portfolio quality (including the evolution of reliefs and cost of risk).

2021 Commitments

- We will continue to follow up on the financial and commercial front and support entities in implementing new regulatory measures. The behavior of the portfolio that received relief will be monitored in conjunction with the entities.

Area in charge: Senior Financial Vice-Presidency.

Management of our entities in relation to the management of the entities

During 2020, our entities focused on comprehensively managing their respective subsidiaries through guidelines based on a unified and efficient strategy and with a greater impact on the country's economy.

Below are each of these achievements and initiatives, in addition to the commitments of our entities by 2021.

Management of subsidiaries in our entities



It applied its internal sustainability policies to the other companies that comprise the group, respecting the balance of the interests of the bank and each entity. In addition, the Bank's Sustainability Management maintained ongoing communication with the relevant areas in the subsidiaries, in order to provide the extensive experience already available to the bank, while better understanding the particularities presented in other countries and other businesses on this subject.

2021 Commitment:

Develop an important approach and accompaniment to the subsidiaries Porvenir and Fiduciaria Bogotá, who are in the processes of adherence to the Principles of Responsible Investment (PRI). Bac Credomatic has also generated spaces for the exchange of good practices related to these aspects.



It adjusted its governance model to strengthen support, value generation and synergies through an area-by-area matrix governance strategy, creating a single offshore subsidiary management and integration of subsidiaries as financial units of the bank. In addition, it accompanied the definition and implementation of commercial, operational and risk mitigation strategies of its 4 subsidiaries facing the COVID-19 situation, allowing better than expected financial results to be presented.

2021 Commitment:

Assess the adherence of its Fiduciaria de Occidente subsidiary to the Principles of Responsible Investment (PRI).

Management of subsidiaries in our entities



It updated its Governance Model to ensure the comprehensive management of subsidiaries including the presidents of subsidiaries on the bank's Executive Committee, appointing the bank's Financial Vice President as chairman of the branch boards, and comprising these boards with outside, independent members, partner representatives, and bank vice presidents. On the other hand, work was done on the integrated business model of the bank and its subsidiaries through initiatives that have the general objective of consolidating all possible synergies between the cross areas to the operation and that have managed to improve controls and fully manage risks by the administration.

2021 Commitment:

Continue to strengthen its governance model for the management of its subsidiaries.

- We presented the management carried out against COVID-19 for the benefit of its different stakeholders, both in results calls and in investor events such as:

*JP Morgan Southern Cone and Andean Opportunities Conference.

*Scotiabank Latam Financial Forum.

*Colombia Inside Out.

*Bank of America 2020 Emerging Markets Debt & Equity Conference.

- We will continue to make efforts to communicate sustainability progress to analysts and investors.
- We will continue to participate in conversations.
- We will continue to follow up on Deceval's management.
- We will maintain or improve BVC's- CESA Corporate Governance Best Practices Rating.
- We will present progress in sustainability in the last quarter's results call.



It presented a 94.9% share in Aportes en Línea S.A., a technical and administrative services company, which this year continued to expand its products to meet the needs of new market niches and thus have a comprehensive value offer. In addition, it assumed operating and service challenges that resulted in the liquidation and payment of more than 79 million workers through the platform, obtaining a market share of PILA (Comprehensive Contributions Liquidation Template for its Spanish acronym) of 44.3% (an increase of 91 bps compared to the previous year).

2021 Commitment:

By 2021, further practices focused on strengthening corporate governance will continue.

- We had calls and held meetings focused on the efforts of ASG of Grupo Aval with some analysts, such as Sura, Credicorp and Corredores Davivienda.

- We presented the Sustainability Report at the Grupo Aval Shareholders' Meeting.

- We continue to improve our BVC - CESA Corporate Governance Best Practices rating from an 83.7% rating in 2019 to 86.0% by 2020. This improvement was mainly leveraged in improving information disclosure in the 2019 Management and Sustainability Report.

Management of our entities in relation to investors

In 2020 our entities focused on disclosing more information related to their ASG strategies to investors and strengthening channels and frequency of communication.

Below are each of these achievements and initiatives, along with the commitments of our entities by 2021.



It stood out for the continuity of its business under the pandemic, allowing closing the year with results higher than the previous year, both at the separate and consolidated level. In addition, in August they became signatories to the Principles of Responsible Investment (PRI) and were part of the Dow Jones Sustainability Index - MILA, being a global benchmark for their sustainability practices.

2021 Commitment:

Define the diversity policy of the Board of Directors and have the evaluation of its performance.

- We served more than 13,600 investor applications through Deceval (our stock manager).

- We responded to more than 175 analyst requirements on issues related to financial performance of the regions where we operate, business performance, attention to COVID-19, and sustainability, among others.

- We attended 8 events organized by analysts who cover Grupo Aval, with the attendance of more than 150 investors (approximately 20 per event).

- We participated in 4 conversations, with more than 380 investors (approximately 95 per event).

2021 Commitments







6.6.B. RELATIONSHIP WITH INVESTORS

It is essential for us to manage, serve, and keep our investors informed (understood as shareholders, debt securities holders and analysts) since they are an essential part of the Holding's raison d'être. Providing adequate, effective, and timely services is one of our priorities, so we have different communication channels to respond to their needs.

Our goal is to interpret investors' expectations to take strategic business actions and keep them informed about the performance of their investments.

Initiatives and achievements

Relationship with investors in our entities

	<p>It addressed requests from foreign and local investors on their ASG strategies, both variable and fixed income, through coordination between Sustainability Management and the Investor Relations area. In 2020, the bank returned to the local capital market with its inaugural issuance of Green Bonds for \$300 billion pesos, an operation that was demanded more than 3 times and once again demonstrated the entity's commitment to its strategic Sustainability goals.</p>	<p>2021 Commitment:</p> <p>Expand knowledge on sustainability issues, taking into account the information commitments specifically acquired with the issuance of Green Bonds. With the bank's sustainability experts, investor information needs on this issue will be met and anticipated.</p>
	<p>In order to meet stakeholder expectations and best corporate governance practices, Banco Popular carried out the necessary efforts to generate a better experience of shareholders and investors on the bank's website. In particular, the bank facilitated the inquiry of information of interest in an accessible and up-to-date manner, in accordance with the guidelines set out in the relevant rules.</p>	<p>2021 Commitment:</p> <p>Continue to strengthen communication channels with shareholders and investors.</p>
	<p>It complied with all corporate and group guidelines about the information it must provide to its shareholders and investors in general. This is done through the Annual General Meeting of Shareholders and all the actions that this entails. In addition, the website presents up-to-date information of interest for the permanent consultation of investors.</p>	<p>2021 Commitment:</p> <p>Maintain a process of ongoing improvement of the information given to current and potential shareholders and investors and strengthen the channels of relationship.</p>
	<p>It doubled the number of participants in quarterly results calls in 2020, participated in 8 events during the year, organized the virtual event "Corficolombiana facing the Current Situation" in April and held more than 50 meetings and calls with analysts and investors. In addition, through the customer service channel, 267 requests by shareholders were resolved and more than 130 to shareholders, analysts and investors through the mailbox relationship. inversionistas@corficolombiana.com</p>	<p>2021 Commitment:</p> <p>Maintain a process of ongoing improvement of information delivered to current and potential investors, strengthen relationship channels, take steps to increase international exposure and maintain common stock classified as high stock market, as well as IR recognition.</p>

6.7. CORPORATE EFFICIENCIES

We seek to contribute to the profitability of the business under centralized coordination, which allows us to generate efficiency and greater value through the use of synergies, the capitalization of best practices, and economies of scale.

To consolidate ourselves as the largest financial group in the region, we need to incorporate a sustainability approach and build long-term relationships with the environment. Thus, corporate efficiency around some shared services is not only an approach that minimizes costs, but also an opportunity to consolidate a sustainable operation under the guidelines of quality and service.

In this sense, we define two approaches around corporate efficiencies: unify some operational services through ATH and continue with corporate marketing strategies sheltered under the Grupo Aval brand, which are aimed at loyalty and guaranteeing quality services to any of the customers of the entities.

6.7.A. CORPORATE MARKETING

In order to consolidate ourselves as the most important financial group at the regional level, we seek to support the strengthening and profitable growth of our entities (i) leading marketing and advertising for the development of campaigns and benefits that complement the commercial effort of the entities; (i) implementing projects and initiatives aimed at increasing the competitiveness of our entities in products, services, channels and segments, based on best practices and trends in the local and international market.

We also seek to identify synergies in the entities that help in growing of their businesses, through corporate strategies. We also promote social marketing initiatives to gain differentiation, relevance and strengthening of the reputational assets of Grupo Aval and the entities.

In addition, the Marketing Vice Presidency monthly leads, and in some cases participates in, five (5)

corporate committees where members of each entity attend to follow up, detect opportunities and propose improvement plans on specific topics such as: marketing, loyalty, channels, sustainability and reputation.

Initiatives and achievements

Stay at home

We implemented an educational campaign in digital media inviting people to stay at home and make use of the digital channels of the Aval Banks. Transactions on digital channels, including AvalPay Center, grew 41% over digital transactions in 2019. AvalPay Center had the highest growth (187%) compared to 2019.

In addition, Bancos Aval (Bogotá, Occidente, Popular and AV Villas) invited users to use the multiple digital channels enabled to inquire on balances, transfers, financial transactions such as: payment of loans, taxes, obligations, as well as the opening of digital products.

Resilient Forbes Companies

We recognized jointly with FORBES Magazine, the country's SMEs that have managed to succeed despite the adversity after three months of emergency by COVID-19 and have an inspiring success story. There were 165 nominee companies and 25 were recognized.

La Morada

Under our platform of #ExperienciasAval, we created "La Morada", a free digital entertainment space where all Colombians were able to enjoy more than 300 hours of content and 12 hours a day of programming. This initiative, in addition to providing digital content to Colombians, aimed to create a food bank to supply more than 2,500 families in the entertainment industry with essential products. The "chinomatics", as they are called in the sector, were greatly affected by the crisis of the pandemic, which caused the live shows could not be performed, but through La Morada and with the support of artists, musicians, actors more, this food bank was able to supply and support the industry.

In addition, we joined with Caracol Radio to perform a fully digital music event, supported by our #ExperienciasAval platform, where users were able to connect to enjoy national artists without leaving home. This initiative managed to maintain support for the entertainment industry in times of isolation due to the pandemic and managed to bring entertainment closer to the homes of Colombians.



Aval QR Payments



Grupo Aval together with its entities and supporting all the initiatives of less use of cash and additionally because of the situation of the pandemic which has health factors, launched QR Aval with a communication campaign that invited its users to make recurring payments from the mobile banks through the generation of QR codes without using cash or physical cards.

Tuplús- Unicef Bonds



Under the “Your Points are the starting point for a new Life” campaign, we implemented a social bond redemption option within the corporate loyalty (tuplús) program: UNICEF and Air Patrol.

Corporate Alliances

Discounts were granted to cardholders and employees thanks to corporate alliances of \$5,668 million.

Reputation



In the measurement of MERCO EMPRESAS 2020, Grupo Aval achieved rank 68 in the ranking of the 100 best reputable companies. Reputation perception improved by 8 of the 13 stakeholders evaluated:

- Directors: moved from rank 34 to rank 33.
- Financial information journalists: from rank 86 to 78.
- Government: moved from rank 98 to rank 83.
- Labor Unions: moved from rank 92 to rank 61.
- Social Media Managers: moved from rank 59 to rank 50.
- Merco Digital: moved from rank 55 to rank 28.
- Merco Talento: moved from rank 84 to rank 76.
- Merit assessment: moved from rank 53 to rank 42.

Of the 12 dimensions evaluated, there was an improvement in ranking in the following:

- Financial: moved from 18th to 10th place.
- Strategic: moved from 59th to 54th place.
- Direction and management: moved from 68th to 62nd place.

- Ethics: moved from 97th to 91 place.
- Social: moved from 89th to 86th place.
- International: moved from 31 to 23rd place.
- Communication: moved from 58th to 54th place.

Area in charge: Corporate Marketing Vice Presidency.

Management of our entities in relation to corporate marketing

In 2020 our entities carried out different corporate marketing initiatives focused on improving the perceptions of different stakeholders, both internal and external. These initiatives reached significant achievements in terms of brand recall.

Below are each of these achievements and numbers, along with the commitments of our entities for 2021.

Corporate marketing in our entities



In partnership with Unicef, the Unicef Debit Card was created. In each bank statement, cardholders contribute 1% of their purchases to UNICEF and Banco de Bogotá programs that add the same value. This year 97.7 thousand cards were placed, impacting more than 1,200 families with children. As part of launching this alliance, an auction was held for Colombian children that allowed a contribution of \$35 million in less than 24 hours. On the other hand, the awareness initiative Apartamentos el Río was carried out from Grupo Río Bogotá, an alliance between the Coca Cola Foundation, the SEMANA Foundation, Ptar Salitre and the bank, aimed to interactively show citizens how from their personal actions and at home, they can reduce pollution of the Bogota River. There were 40,000 visits to the landing, with a reach of 51.3 million impressions that generated a high positive feeling of almost 70% in public conversations.

2021 Commitment:

Communication and channels of relationship with stakeholders will focus on the 150+ Campaign, which will allow us to celebrate the 150th anniversary through communication platforms and commemorative events reinforcing the message of commitment to the country and our corporate strategy focused on digitization and innovation processes making our costumers lives easier. In addition, 400,000 Unicef Debit Cards are expected by the end of 2021 to benefit nearly 4,500 families with Colombian children.



It completed the Offshore and Trust Commercial Integration Project. Through this initiative it achieved the integration of commercial teams of BOP and OBB in bank and Trust for the sale of their products under model of representation: BdO for business customers and Trust for people’s customers. It achieved the integration of Human Talent and Administrative Resources by 100%, the integration of Claims and Requirements by 98% and the integration of Economic Research by 91%. Regarding Digital Marketing, campaigns were carried out to deepen customers through Occiauto and Any Purpose Investment in own channels and paid media such as Google and Facebook.

2021 Commitment:

Finish Integration with Operations and Technology.

Corporate marketing in our entities

	<p>In 2020, the management of sustainability of Banco Popular was focused on caring for the human team, suspending the collection of loans and credit card for 5 months, transport and food was paid to personnel who had to work in person during the quarantine period, a psychological care line to care for employees and their families and the biosecurity measures necessary for the well-being of people in offices were taken. On the other hand, the internal communications agency specialized and now operates with greater productivity. In addition, costs of the Creative Agency, banks and the Group were unified and optimized. As a result, there was a growth of the brand recall indicator by 10 points. Externally, more than 69,000 pensioners, one of the most vulnerable segments of the population, were banked. In addition, the Financial Education program continued, with the development of 22 workshops and webinars involving 4,610 people.</p>	<p>2021 Commitment:</p> <p>In 2020, we deployed the third phase of the pride campaign, with two strategic axes: the first, aimed at strengthening the sense of belonging, the valuation of the company as a generator of well-being, as well as strengthening the sense of unity and inclusion, under the concept “WE ARE ALL THE BANK”: the second, focused on raising awareness on the importance of preventing all risks that may affect the Bank’s sustainability in the future, under the concept “IF THE BANK DOES WELL, SO DO I”. In this campaign the protagonists were the employees, who contributed their image and testimonials for the different pieces of communication.</p>
	<p>A campaign cycle with digital marketing was implemented, allowing traceability of all stages of a product application process, optimizing standard investment, and reducing the cost of acquisition by customers.</p>	<p>2021 Commitment:</p> <p>Innovation in the value offer of the program, incorporating the concept of service ecosystems: self-management and tailor-made products.</p>
	<p>It contributed to the fulfillment of the savings goals of the members at all stages of their lives through the Digital Future Generation, an alliance with AndresSimon that brought more than 2 million young people in the digital ecosystem closer to financial education issues. Through this initiative it received 117 100% digital projects postulated by young people from different parts of Colombia to improve the mental and physical health of older adults, of which it executed 2 that managed to impact a population of 200 people. It also achieved more than 85,000 visits on the Generación Porvenir Blog, a website where young people enjoyed interactive and dynamic content related to their financial interests and needs.</p>	<p>2021 Commitment:</p> <p>Continue as an allied brand for young Colombians, through financial education tools and content so that they know The Power of Decisions and have a better future. For this reason, young people will be accompanied in the process of searching, preparing, and starting their employment. With interactive spaces so they learn everything about this new stage of life and can fulfill their work, professional and saving dreams.</p>
	<p>It carried out actions in internal and external communication and strategic marketing aimed at strengthening the relationship with all stakeholders, giving visibility to sustainable actions, and strengthening positioning and organizational climate. For this, it prepared the newsletter of interest “Así Vamos” created a new communication channel, in news format called “Nuestro Impacto”. It also organized 19 virtual talks for managers to publicize progress and projects to employees, involving 5,680 staff. It also organized three digital forums on employment, responsible investment, and economic prospects in 2021, which accounted for more than 16,000 people. As a result, it managed to increase its media presence by 10 points.</p>	<p>2021 Commitment:</p> <p>Strengthen the relationship with the media, generate closeness with clients and investors through a bi yearly newsletter and build knowledge on sustainable investment issues.</p>

6.7.B. CORPORATE PROCUREMENT

<p>To generate efficiency in the operation of our entities, we identify savings opportunities, both financial and environmental, in the acquisition of goods and services. This is done through corporate synergies in rendering shared services of our entities, which allows: the optimization of processes, scale economies, the generation of savings in operating costs, and good use of natural resources. This ensures that suppliers comply with good sustainability practices in accordance with our guidelines.</p> <p>It seeks to guide entities through corporate procurement policies, which are built through the identification and application of best practices in the procurement of corporate goods and services of entities and the market. This is to define and approve schemes that allow greater efficiencies in financial, operational, and environmental terms.</p>	<p>Achievements</p> <ul style="list-style-type: none">• In the second half of 2020, 100% of the four banks’ office network and Porvenir implemented a campaign for the implementation of good sustainable energy consumption practices. <p>2021 Commitments</p> <ul style="list-style-type: none">• Regarding the goal of reducing energy consumption by 3% (in kW), by 2021, a tool was implemented in the second half of 2020 to control and monitor this consumption.• The construction of the sustainable procurement policy will be carried out in several phases and its implementation will be extended until 2022.• In 2021, a campaign will be re-implemented in all entities to implement good practices of sustainable energy consumption. <p>Management of our entities in relation to corporate procurement</p> <p>Regarding corporate procurement, our entities focused on generating a procurement consolidation strategy to generate efficiencies in the process. In addition, they carried out different initiatives to train suppliers in sustainability and to have screening processes including social and environmental criteria.</p> <p>Below are each of these achievements and initiatives, in addition to the commitments of our entities for 2021.</p>
<p>Initiatives</p> <ul style="list-style-type: none">• Although an evaluation scheme was designed, considering social, environmental and governance criteria for supplier proposals, it was defined that the maturity status in sustainability of current suppliers of subsidiaries should be known prior to the inclusion of those criteria in the evaluation.• For the selection and purchase of office items such as air conditioners and LED luminaires, specifications related to the environmental impact of goods purchased during the second half of 2020 were evaluated.	
<p>Corporate purchases in our entities</p> 	<p>In order to be more efficient in procurement requirements, it executed a scheme based on specialized categories supported by a 100% digital tool that facilitates decision-making, implemented the “Directorio de Prospectos” that allows suppliers to offer their services and/or products freely, and developed the “Supplier Portal” that seeks to centralize, facilitate, and improve relations with strategic partners by favoring agility in processes. In addition, it initiated the Sustainable Procurement program, diagnosing 119 sustainability suppliers in order to understand their strengths and main aspects to work on.</p> <p>2021 Commitment:</p> <p>Digitize 100% of services, carry out trainings in sustainability to suppliers and continue to monitor their practices in this field.</p>

Corporate purchases in our entities

	It participated in the initiative with Grupo Aval of surveys to learn on the current state of the sustainability model of each of the Group's suppliers and is developing a module for sending and receiving responses. This project aims to get subsidiaries to accept suppliers who currently provide services covered by corporate commercial offerings.	2021 Commitment: The construction of the survey and the process for suppliers is under development, and this is expected to be completed by 2021.
	It participated in the initiative with Grupo Aval of surveys to learn on the current state of the sustainability model of each of the Group's suppliers and is developing a module for sending and receiving responses. This project aims to get subsidiaries to accept suppliers who currently provide services covered by corporate commercial offerings	2021 Commitment: The construction of the survey and the process for suppliers is under development, and this is expected to be completed by 2021.
	It has managed to capture savings from a unified sourcing policy that optimizes corporate negotiations by category and favors scale economy. In addition, it centralized purchases in the procurement area and created a single supplier registration portal and a bid request module.	2021 Commitment: The construction of the survey and the process for suppliers is under development, and this is expected to be completed by 2021.
	The assessment of third parties, including the environmental, social, and industrial security dimension, increased to 11 dimensions of risk. 83% have environmental protection actions and 87% have procedures, Codes of Ethics and/or policies that support promotion and respect for HH. RR. In addition, it launched the "E-Market Estelar", a virtual brochure to promote the commercialization of supplier products among Estelar's employees and customers. On the other hand, it undertook a pilot program between the Corficolombiana Foundation and the Surtigas Foundation to strengthen Corficolombiana's supplier network and its investments in which 34 supplier companies currently participate.	2021 Commitment: Consolidate supplier analysis, start a project to assess their sustainability and an academy for suppliers.
	This year it accompanied purchases of goods and services, especially those required for the protection of employees in order to facilitate remote work, allocating 98% of the budget for the acquisition to domestic purchases. In addition, it generated savings levers on the administrative and technology fronts, through corporate projects that represented efficiencies of 5.5% and savings of 8.3% on purchases managed during the year. In the same line, Porvenir carried out virtual trainings for small providers in financial, tax, and pension education, in order to share the knowledge of the employees and contribute to the development of strategic partners. In addition, it sought Christmas gifts with a social component, purchasing mouth covers made by mothers head of households and with the resources raised it endowed residential homes nationwide with technological devices.	2021 Commitment: Work together on the implementation of the Porvenir Sustainability Model with suppliers and contractors. Evaluate methodological changes adopted under the pandemic framework to define their continuity based on their contribution to operational efficiency. Identify training needs and definition of topics with the participation of suppliers to strengthen shared value generation spaces.

6.8.C. INNOVATION AND DIGITAL TRANSFORMATION

Understanding global and sectoral trends in technology, we leverage aval Digital Lab (ADL) and Aval Digital Solutions (dale!) to consolidate our strategy of innovation and digital transformation. On this front, our strategy is based on the development of creative solutions supported by technology, which solve the financial needs of our entities' customers. The strategies designed allow to generate greater value for the different stakeholders involved and to maintain ongoing improvement of services and products as the central axis within the framework of the sustainability challenges that arise.

We consolidated the provision of some corporate services through companies that provide innovative solutions using technology:

- A Toda Hora S.A (ATH) is a subordinate entity of Banco AV Villas that provides agile, novel, and secure solutions for banking transactions and is recognized for having the highest coverage nationally.
- Aval Digital Solutions is a Company Specialized in Deposits and Electronic Payments (SEDPE for its Spanish acronym) that, through its technological platform (dale!), allows banked and unbanked people and shops to open an electronic deposit, with which they can carry out financial transactions from a single 100% digital platform.

- ADL Digital Lab (ADL) is a partner company that combines innovation and design to achieve digital transformation and improve the user experience through solutions that leverage challenges and new market opportunities.

This is done through 5 main lines of work:

1. Digitization: end-to-end transformation of user experiences with an agile way of working that creates and evolves digital products.
2. Analytics: Development of a group data plat-

form that enables implementation of advanced analytics models, based on business problems that impact the customer lifecycle and entity management.

3. Channels: redesign and evolution of digital transactional channels that improve the user experience, facilitating access and execution of monetary and non-monetary transactions. In particular, this year the web and mobile banking portals of the Aval Banks were redesigned and launched.





4. Disruptive innovation: generation of new products and services in the market, executed through innovative processes. The dale! platform was designed, allowing to reduce the use of cash, boost access to the financial system of non-banked people and shops, and improve the experience of financial services.

5. Digital marketing: support to entities in building the skills and capabilities needed to execute digital marketing strategies focused on excellent performance.

All ADL projects have Key Objectives and Results (OKR) definition that frame the main experience and business goals of each project. These objectives are reviewed quarterly and primarily focus on measuring product placement, customer acquisition costs, and budget execution, among others.

Initiatives and achievements

Progress continued in the percentage of digitized products. Banks' digitization ratio grew by 31% from 40% to 53% between 2019 and 2020:

	 Banco de Bogotá	 Banco de Occidente	 banco popular	 Banco AV Villas
2019	50%	40%	30%	40%
2020	60%	50%	50%	50%

892,000 products were placed through digital channels, this effort implies growth of approximately 31.4% compared to 2019. Also, the growth of digital sales (self-managed and assisted) as a percentage of total sales of digitized and un digitized products grew by about 48%.

Grupo Aval banks migrated 90% of banking and mobilebanking transactions to new portals.

It was closed with 29 cases of advanced analytics and the capabilities of the 5 data platforms of the consolidated entities in AUGUSTA continued to evolve.



- It was released in March 2020. 29,930 customers have an electronic deposit on this platform and have made more than 42,000 successful transactions.
- The debit card was launched in October 2020. More than 5,800 customers with electronic deposit have applied for the card with which they have made more than 10,000 purchases in domestic establishments.

2021 Commitments

The digital transformation of Grupo Aval entities will continue to generate additional revenue and cost efficiencies. Efforts will be focused on three fronts:

- Digitize current products and processes.
- Develop new digital business models.
- Generate or participate in “digital ecosystems”.
- The estimate is to close the year with 600,000 clients who will come mainly given the dispersion of government and mayoralty subsidies and alliances with: Lifemiles, SABI and the Corporación Microcrédito Aval, among others.
- Through dale! the credits of the Corporación Microcrédito Aval will be disbursed.

Management of our entities regarding innovation and digital transformation

In 2020 our entities focused on increasing the supply of digital products and improving the customer experience to increase the number of users using digital channels. In addition, they used working methodologies such as Agile and Design Thinking to make internal processes more efficient, leveraging advanced analytics and automation to optimize card approval processes, opening savings accounts, among others.

Below are each of these achievements and initiatives, along with our entities’ commitments for 2021.

Innovation and digital transformation in our entities



It focused on improving the customer experience in a comprehensive manner by increasing the digital product portfolio getting that about 2 out of 3 savings accounts, 70% of any purpose loans and more than 80% of credit cards were requested through a 100% digital process. 194,000 payroll accounts were placed through the digital ecosystem. An accessible payroll advancement solution was created allowing 1.357% growth compared to 2019, allowing more clients to have this liquidity solution within reach. 15,360 insurances were placed through the different digital products. More than 2,000 clients invested in new digital CDT solutions and mutual investment funds. The housing link was launched, allowing customers to apply for their home loans, and receive approval in just 5 minutes, resulting in total growth in housing loans approvals of 616% compared to 2019. On the other hand, 15 core processes of the bank were redesigned to make them simpler and more agile for the customer and more efficient within the organization.

2021 Commitment:

Provide areas of the organization with the elements they require to enhance their business results, leveraged in information management.



It achieved 34% of digital sales on the total sale of consumer products and went from \$800 billion to \$1.4 trillion in disbursements. In addition, products for Natural Persons were digitized with a focus on sales assisted by commercial forces. Processes were carried out for Legal Person through the commercial force developing the concept of Digitally Empowered Executive. On the other hand, the Digital Investment Platform was launched to digitally join the Fiduciary and without physical documents through Occirenta, as well as the new transactional portal for Natural Persons. Using advanced analytics, models were developed that strengthen effective decision-making to leverage business outcomes. Through these initiatives the bank managed to move to 90% in agile maturity, improve cell remote work indicators: 102% quality and coverage, 90% compliance and team health 120%, and increase transactions on the transactional portal and mobile app by 66% and 68% respectively compared to 2019.

2021 Commitment:

• Continue to grow in digital transformation with the inclusion of 2 new digital products (Housing and Occicuenta).

• Make progress in digital self-management in Savings Account and Credit Card products.

• Increase the sales share of digital products from 34% to 40% over total products.

• Increase the digital adoption of our customers by 18.7%

• Implement new enablers: authentication and digital signature (companies), dematerialized promissory note.




It deepened Payroll Loans Digital products, Credit Card, Savings Account and analytics tools in Digital Marketing. It got the Credit Card approval process to take 10 minutes, the approval of payroll loans in 15 minutes and the opening of savings account in 6 minutes. Self-management was also implemented for savings accounts, payroll loans analytics boards- SavingsCredit Card (Power BI) and the new transactional portal was developed with a migration of 95% of the functionalities and an income of 100% of customers.

2021 Commitment:

Launch the innovation competition at National level.

Innovation and digital transformation in our entities




Banco AV Villas

It unified the different platforms used by costumer services representative to realize the origin of products and novelties, redesigning the experience, integrating customer logic, and digitizing the linking processes to lead the bank to a paperless assisted digital linkage. On the other hand, it adopted working methodologies such as Agile and Design Thinking. It also carried out digitization projects of digital account self-management processes and multipurpose digital loan and implemented PFM (Personal Financial Management) as a tool within digital channels. In 2020 it managed to place 9,003 credit cards for the digital process, representing 18% of the total cards placed, and migrating 95% of internet portal features to the new virtual banking, including new features such as QR payment, experience improvement that allowed to double the records to virtual banking that were on average 3,800 per month.

2021 Commitment:

- Massify the Projects of: Digital Account, CDT multipurpose loan and Mobile Banking throughout 2021.
- Two new projects will be launched during 2021:
- Project to digitize the process of selfmanagement of mortgage credit.
- Redesign of the web portal www.avvvillas.com.co




porvenir

It has been working on ongoing improvement of processes through the application of the Lean methodology since 2012. In recent years, it also initiated the adoption of Design Thinking methodologies and implementation of the Agile framework in the development of technological projects to automate processes that allow to improve service times and generate new digital services for its customers. In 2020 9 robots were implemented allowing to release 767 hours per month for the company and assign the employees tasks of greater benefit to our affiliates. On the other hand, actions are highlighted as a contingency sales model, including WhatsApp as a commercial tool, the definition of the operating model, to ensure the productivity of the different areas of the company through hybrid presence in the office, and the remote connection to employees who did not have a connection from home.

2021 Commitment:

In 2021, it is expected to develop 10 robots allowing release of around 1,000 hours/month, and, in the midterm, strengthen CoE of automation with the purpose of exploring how other technologies are articulated with RPA and perform proof of concept or artificial intelligence pilots to expand the knowledge of these technologies within IT.



Corficolombiana

It managed to strengthen the offer of structured fiduciary to the different customer segments. From the product area, the capacity of factoring and transactional fidu teams was strengthened, in order to continue positioning these products within the Integrated Business Model - MCI for its Spanish acronym- achieving greater consolidation of the strategy and 12% growth in revenue compared to the previous year. On the other hand, the segmentation of customers and the value offer, as well as the commercial strategy of periodic monitoring, was adjusted, given the timely adaptation in the midst of the pandemic and with the use of new tools, such as the new CRM through the Expert module.

2021 Commitment:

The goal for 2021 is to make progress in innovative solutions to serve its customers, generate greater access to information and self-management by customers and operational efficiencies.

6.8. HUMAN TALENT
102-8,102-41

At Grupo Aval we recognize the importance of our human talent to achieve the objectives proposed, so we seek to offer a working environment of trust, respect, learning, stability, and opportunities for all.

We strictly comply with all law requirements and with the highest standards, and in the face of the pandemic, we adapted all our operations to safeguard the health of our employees, enabling work at home for all employees and adopting biosecurity measures in offices.

The following is an overview of the employees of Grupo Aval and the entities:

Company	No. of direct employees	No. of temporary employees	Total direct and temporary employees	No. of apprentice employees
Grupo Aval	122	0	122	0
Banco de Bogotá	11,874	1,585	13,459	582
Corficolombiana	10,214	920	11,134	234
Porvenir	2,790	18	2,808	64
Banco de Occidente	16,114	0	16,114	448
Banco Popular	4,409	1,067	5,476	180
Banco Av. Villas	5,022	356	5,378	128
Total	50,545	3,946	54,491	1,636
BAC Credomatic	20,056	1,059	21,115	0
CONSOLIDATED TOTAL	70,601	5,005	75,606	1,636

Grupo Aval Acciones y Valores does not have employees linked to labor unions

6.8. A. WELL-BEING AND QUALITY OF WORKING LIFE

GRI 403-1, 403-3, 403-4, 403-6, 404-1

We annually execute and strengthen our programs of well-being and quality of life, through agreements, benefits and different activities for our employees and their families, which during 2020 were carried out in a virtual way, fostering integration, recreation, motivation, sense of belonging and recognition. To protect the health of our employees and their families during the pandemic, all Grupo Aval employees worked from home.

Initiatives and achievements

Occupational Safety and Health

In order to generate and maintain safe and healthy workplaces, Grupo Aval has defined and implemented the necessary actions and has an occupational safety and health policy that promotes participation and selfcare in all its employees, meeting the objectives and indicators set out in the annual work plan and as a result, we achieved a 100% rating by the ARL. Also, in order to meet all the measures decreed by the National and District Government, the biosecu-

rity protocols necessary for work from home and for the time of return to offices were created and implemented.

- We complied 100% with the standards required by the Ministry of Labor in terms of occupational safety and health.
- We built and implemented the biosecurity protocols needed to take care of the health of our employees and their families.
- We implemented work from home as a prevention measure against COVID-19.
- We implemented the Well-being program defined for 2020 100% achieving an average participation of 77%.

Work accidents 2020	Frequency: 0.2% work accidents / Severity index: 0%
Absenteeism 2020	0.6% of days worked
Medical leaves in 2020	1.22% of the number of days worked

2021 Commitments

- Communicate the volunteer programs that entities have so that Holding employees choose the ones they wish to participate in.

- Structure and implement a work-life balance program for Holding employees.
- The work from home scheme will be maintained for holding employees during the pandemic, in order to protect their lives and those of their families.

Management of our entities regarding the well-being and quality of working life of employees

The well-being and quality of working life of employees in all our entities was a priority in 2020, especially because of the context of health emergency, where their management focused on accompanying relatives in case of death with psychological, legal, and financial advice, among others. Biosecurity protocols were also developed and implemented, adjustments were made to the biological risk matrix by COVID-19, the necessary occupational safety and health standards were implemented, and work at home modality was implemented for most of the teams.

Below are each of these achievements and numbers, as well as the commitments of our entities for 2021.



Well-being and quality of working life of employees in our entities



They were winners of the 17th Prize for Child Nutrition – Business Category, which highlights companies that promote and protect breastfeeding in the workplace. In addition, an accompanying plan was implemented for employees in the event of their own death or that of a family member because of COVID-19. This accompaniment includes psychological assistance, financial advice, financial support while maintaining salary and benefits received by the employee for 6 months, as well as the possibility for the widow to be employed with the bank.

2021 Commitment:

Continue to significantly impact the career of the employees in the bank improving the experiences and interactions of the employees.



They earned outstanding valuation in the Labor Environment Index of the Great Place to Work GPTW 2020 Survey. Also, the “Very Satisfactory” stage in the New World Survey July 2020 and an overcompliance of 149% in the Employment Environment Index, going from 74.9 in 2019 to 94.1 in 2020, - reaching a “Very Outstanding” in the GPTW November 2020 survey.

2021 Commitment:

- Contribute to the sustainability of the business by continuing to comply with the biosecurity protocol and SG-SST programs, mitigating the risk of COVID-19 contagion.
- Continue as one of the best places to work in the country (Labor Environment Index Goal 2021).
- Define the Employer Brand strategy and the *employee journey Map*.

GPTW qualifies Banco de Occidente in third place to work in Colombia in the category of more than 1,500 employees, becoming the best Bank to work in the country.



Annex COVID-19 to the Local Emergency Plan, the development and implementation of biosecurity protocols and the adjustment of the IPER matrix of biological risk, specifically by the new Coronavirus, were developed. Decrease of 35% reported work accident rate.

2021 Commitment:

Develop an *assessment center* as a personnel assessment strategy based on situational evidence.






A new Vbot AVI Virtual Chat channel was opened to address health and benefit questions and inquiries. Working hours were modified with 4 schedule alternatives to reduce travel risks and lunch shifts were implemented. The modality of work at home of the administrative population and for pregnant women was adopted, together with a program of ergonomics for people who are working from home, psychological support and legal advice to employees and their families.

2021 Commitment:

Strengthen these measures to maintain health indexes achieved by 2020.

Well-being and quality of working life of employees in our entities

	<p>Certified by the ARL for the second year in a row with 100% compliance with occupational safety and health standards including the biosecurity protocol. Final result of 92/100 in the measurement of organizational health, highlighting the pride and sense of belonging of the employees when being part of this company</p>	<p>2021 Commitment:</p> <p>Continue working to position itself as one of the best companies to work in Colombia according to Great Place to Work.</p>
	<p>With a 97% share in Corficolombiana's employees and financial subsidiaries, they achieved the outstanding level in the workplace environment index and were awarded the Great Place to Work certification.</p>	<p>2021 Commitment:</p> <ul style="list-style-type: none">• Maintain an outstanding level, in the occupational climate index (IAL for its Spanish acronym).• Continue to strengthen the development of leadership capabilities and soft skills, as well as capacities for diagnosis and implementation of individual plans, ensuring a sustainable career growth path for employees.
	<p>It conducted a Comprehensive Welfare Program : financial and emotional health care for employees and family members.</p>	<p>2021 Commitment:</p> <p>Maintain comprehensive employee well-being programs.</p>

6.8.B. ATTRACTION, RETENTION AND PERFORMANCE OF HUMAN TALENT
GRI 404-1

We have a talent selection and promotion policy that describes the stages and mechanisms to attract new talent, value it and bring it into our team. Specifically, our policies and practices are geared towards making merit-based decisions, i.e., performance, career path, education, and skills. To do this, there are defined valuation processes and description of profiles.

In no way are decisions based on matters such as religion, political affiliation, gender, race, or other practice that represents any type of discrimination.

Initiatives and achievements
Development

- Annually, because of the performance assessment established as a Grupo Aval policy, some employees are promoted in recognition of the work carried out and as a talent retention strategy. On average, during the last 5 years 8.45% of the Holding's employees received this type of recognition.
- We structured a Balanced Score Card model and the Directors of the main entities of the Group are evaluated with this model in a homogeneous manner.
- We initiated the identification of potential employees with high potential within our entities.

- Our entities implemented in SAP the Succession and Development module
- We surveyed within our entities about the volunteer programs in order to next year sponsor the participation of Grupo Aval's employees so they can join whichever program they like.

Staff turnover

Grupo Aval's employees so they can join whichever program they like

Working environment

In 2020 the Holding entity remained within the top 100 companies of the Merco Talento ranking, climbing 8 positions.

Training

- 100% of all planned training in the Holding entity was accomplished, mainly oriented to the strengthening and development of soft skills.
- Regarding training, the Holding entity invested 2,903 training hours for its employees during 2020 through training processes aimed at empowering:

- 1.Regulatory issues.
 - 2.Soft skills
 - 3.Technical knowledge
- We keep providing education subsidies so that our employees persevere in their professional and personal development efforts through pre undergraduate and postgraduate studies.

Commitments for 2021

- The policy for the Holding's employee retention, succession and development areas will be defined.
- Within the entities, the homogenized model of evaluation for management executives will be maintained.
- Maintain the training program focused on pro-

Attraction, retention, and performance of human talent in our entities



They achieved the second promotion of registered employees who will complete the master's degree in data analytics tailored to the needs of the bank, in partnership with Universidad Central. Support for more than 1,000 employees in open courses (diplomas, certifications, congresses, forums), with a total of 19,000 hours of training in this category. In addition, they migrated 42 courses to the virtual training platform, providing greater mobility and access, reaching 11,294 employees at the national level.

2021 Commitment:

Continue training actions with a target of 13,865 trained employees.

viding education aid and strengthening of skills required for the job, soft skills and regulatory matters.

- Participate in the Merco Talento 2021 survey.

Management of our entities in relation to attraction, retention, and performance of human talent

With regard to attracting talent our entities have focused their efforts on incorporating recruitment and selection strategies through social networks and applications that allow browsing the selection data in real time. In training, the emphasis was on providing comprehensive training and training opportunities to employees, through partnerships and implementation of virtual learning platforms for greater access and coverage by all teams Some of the talent attraction and retention selection strategies implemented were a referral campaign, flexibility in kinship policies, career plan, among others.

Training and ongoing education focuses on competencies such as data analysis, innovation and agile development; also in distance leadership skills, distance communication skills, teamwork planning and organization, creativity in the face of challenges and monitoring and control strategies.

Regarding performance, we highlight the incorporation of 360 ° evaluations with vice presidents, the programs of evaluation and personal development of key competencies and the redefinition of a competencies model aligned with the organizational strategy to design career plans.

Below are each of these achievements and initiatives, along with our entities' commitments for 2021

Corporate purchases in our entities



3,264 employees were impacted with technical and behavioral training according to the need for their role. New Leaders' School Program groups were also opened, with the participation of 150 employees: 11 new Sena (National Learning Service Spanish acronym) groups were opened, with the participation of 269 apprentices. Performance valuation was made with a result of 100.1% in Organizational Performance. There was a redefinition of the Skills Model aligned with organizational strategy. And Screening strategies were developed for Attraction-Retention of Talent (referral campaign, flexibility in kinship policies, career plan, among others).

2021 Commitment:

Provide access to external platforms specialized in technical and behavioral training, expanding coverage and reaching audiences.

Participate in programs that promote innovation and collaborative work, through partnerships.

Design an Executive Leadership Program.



With the "Leader as a Teacher" initiative, 26 leaders from different Vice Presidencies were trained to be the ambassadors of each employee's process in their area, along with the Human Talent area. The 360-degree Performance Assessment process was also implemented in vice presidents.

2021 Commitment:

Effective compliance with the stages of the Performance Management cycle, through the SAP Objectives and Performance Module tool, for all the bank's leaders and professionals.



100% of leaders trained in remote leadership skills and VUCA environments, through 7 modules. 100% of business leaders were trained in Commercial Leadership and Telesales competitions. 100% of commercial managers' telesales skills were empowered.

8 virtual self-training days were carried out for all bank employees and an individual development plan with 49 employees.

2021 Commitment:

Strengthen these measures to maintain health indexes achieved by 2020.



They held the Porvenir Agile Week, developing 12 webinars on the culture of Agile development for employees, achieving more than 3000 connections across the country. Due to the health emergency, the school curriculum was changed to cope with the new challenges, migration to new channels and methodologies while providing an adequate experience and learning. To respond to these challenges, four actions were defined: optimize, reinvent, develop, and perform.

2021 Commitment:

- Define a plan that seeks to develop the capabilities required by the business and build high-performance teams through training and development of exceptional talent contributing to the sustainability of the business.
- Consolidate a new LEADERSHIP culture and advocate that the employees embrace the agile development culture.

Attraction, retention, and performance of human talent in our entities



205 trainings (8,711 hours of training) were implemented to strengthen the technical skills of all employees by ensuring at least one training action per person. The main training strategy from 2020 is (i) the opening of the virtual campus with normative training, key e-learning courses, which help to strengthen soft skills and leadership of employees. (II) Mentoring Program: Assessment of leadership competencies and coaching programs for the development of skills of 13 leaders of the Management Team, (iii) Valuation and development program for second and third contribution level leaders, ensuring the individual development of key competencies.

2021 Commitment:

Strengthen the development of leadership skills and soft skills, as well as capacities for the diagnosis and implementation of individual plans, assuring a sustainable professional growth path for employees.

6.8. C. PRIDE AND SENSE OF BELONGING

We are one of the largest financial conglomerates in the country and in the region, which poses several challenges to the integration and sense of belonging of the employees of the different entities, especially when entities are so different from each other, and in some cases located in different countries, such as BAG and MFG. For some time now we saw the importance of strengthening the strategies that would allow Grupo Aval to be consolidated as part of the same organization. This led to the creation of #YoSoyAval day, one of the most outstanding initiatives by employees in the process of validating the sustainability model.

Every year we seek that more employees from Grupo Aval and related entities attend the event, and that the pride and sense of belonging to Grupo Aval is thus strengthened.

In 2020 the #YoSoyAval became 100% virtual and it was attended by all the employees of Grupo Aval and 530 of our entities.

2021 Commitments

- It is expected to have a greater impact of the #YoSoyAval day with the presence of 5,000 employees of Grupo Aval and our entities.
- Share information with holding and related entity employees on the business strategies, alliances and products of the Banks that the Vice Presidency of Marketing refers to the holding Human Talent department.

Initiatives and achievements

#YoSoyAval Day

Since 2019, the #YoSoyAval day has been institutionalized, an event that takes place with all the entities of the group to share best sustainability practices, as well as experiences of commitment and leadership. This corporate event also recognizes the 50 most outstanding employees for their dedication, service attitude, loyalty, teamwork, and integrity. Thus, this day enables the instillment in the employees of pride and sense of belonging to Grupo Aval.

6.8.D. DIVERSITY AND INCLUSION
405-1, 405-3

It is essential for us to ensure the access, respect, and inclusion of all people to Grupo Aval and our entities, regardless of gender, ethnicity, origin, nationality, age, etc. In order to do this,

we know that it is necessary to create the processes and policies that allow equal treatment, throughout the value chain, to each person who is a member of Grupo Aval and its direct environment.

In a country like ours, with a high cultural, regional, and ethnic diversity, it is essential that we, as part of the private and financial sector, foster inclusion, especially of groups in a situation of vulnerability such as rural communities, people living in poverty, micro entrepreneurs, and single mothers, among others.

In addition to internal policies and processes, it is key to carry out awareness and training processes with employees to reinforce inclu-

sion as one of the characteristics of our organizational culture. These activities should be oriented around jurisprudence, concepts related to diversity, inclusion, gender-based violence and gender equality.

We as Grupo Aval seek to bring this culture of inclusion not only to our direct employees but also to each of our entities, so we have the challenge of consolidating an intersectional perspective allowing us to share good practices and general guidelines to the whole conglomerate.

Next we present the gender distribution of direct employees from Grupo Aval and related entities:

NUMBER OF EMPLOYEES WITH GENDER DIFFERENTIATION WITH CUT-OFF DECEMBER 30 th , 2020, DOES NOT INCLUDE OUTSOURCING STAFF					
Company	No. of direct employees		No. of temporary employees		Total direct and temporary employees
	Men	Women	Men	Women	
Grupo Aval	68	54	0	0	122
Banco de Bogotá	5,050	6,824	655	930	13,459
Corficolombiana	6,881	3,333	515	405	11,134
Porvenir	1,083	1,707	4	14	2,808
Banco de Occidente	6,092	10,022	0	0	16,114
Banco Popular	1,836	2,573	394	673	5,476
Banco Av. Villas	1,839	3,183	122	234	5,378
Total	22,849	27,696	1,690	2,256	54,491
BAC Credomatic	8,975	11,081	514	545	21,115
CONSOLIDATED TOTAL	31,824	38,777	2,204	2,801	75,606

Initiatives and achievements

Gender diversity by leadership positions

Our leadership positions are assumed by people who, with their experience, background and skills come to take on these challenges, leaving aside any discriminatory bias. Of the total managers, 22.2% are represented by women.

Gender pay gap

Salaries are determined by experience, level of education and skills required for each role, i.e. that regardless of the person chosen to occupy a position, the salary of the position is defined and the variations that may exist are based on the needs of the company reflected in the profiles of the position.

Diversity and Inclusion Committee

We as Grupo Aval seekThis committee is comprised of 32 leaders in the area of Sustainability and Human Talent of all the subsidiaries of Grupo Aval (Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, BAG Credomatic, Corficolombiana and Porvenir).

The Committee will last for six months, with meetings on a weekly basis, with the aim of establishing the corporate policy of inclusion and diversity. Subsequently, a smaller Committee will meet monthly to follow up on policy, ensure policy strengthening, measure results and identify opportunities for improvement.

Policy of Diversity and Inclusion

We are receiving a consultancy for the construction of the Corporate Policy of Inclusion and Diversity that has the following phases:

- Make a diagnosis identifying the barriers and opportunities in inclusion and diversity that aim at the sustainability strategy of Grupo Aval.
- Implement a strategy to raise awareness in policies, jurisprudence and concepts related to diversity, inclusion, gender-based violence and gender equality.
- Guide the fulfillment of the comprehensive policy of inclusion and diversity of Grupo Aval, coordinated with the sustainability strategy.
- Propose diversity and inclusion guidelines from an intersectional perspective so that Grupo Aval can share it with the rest of the entities in the group.

Diversity and inclusion training

- During 2020, Holding employees participated in diversity training.

Friendly BIZ Certification



In November 2020 the first LGBT+ diversity and inclusion fair was held in Latin America, where the Colombian LGBT Chamber of Commerce awarded us, as Grupo Aval, and our

entities, the Friendly BIZ Certification. We are the first financial conglomerate to receive this certificate, we are a committed and inclusive company with the LGBT+ community.

To achieve this important certification, work was done during five months in training, awareness raising and auditing with all teams of entities, in order to ensure an inclusive and diverse work environment, with discrimination-free spaces for all. The certification was received by:

- Grupo Aval
- Banco de Bogota
- Banco de Occidente
- Banco Popular
- Banco AV Villas
- Porvenir









































This is the first of many steps we hope to take, embedding inclusion in our corporate policies. For this reason, we committed to the consultancy services of ACIDI / VOCA to make an in-depth diagnosis and propose an inclusion and corporate diversity policy guaranteeing respect and equality of all the people who work in our group and entities.

Management of our entities in relation to diversity and inclusion

The entities of Grupo Aval have begun to build and consolidate inclusive culture organizations that respect and value the diversity of the communities where they operate, from a human rights approach. The above, through human rights management systems; training of employees, vice presidencies and steering committee; internal awareness campaigns; information on sexual diversity, LGBTI community; wage leveling policies; inclusive care guides; among others.

One of the most important milestones is the Friendly BIZ certification obtained by: Banco de Bogotá; Banco de Occidente; Banco Popular; AV Villas Bank and Porvenir.

Diversity and inclusion in our entities

	2021 Commitment:	
	They consolidated a Human Rights Management System, focused on protecting, respecting, and remedying, among other aspects, the care and respect for all people: ensuring inclusion, diversity and gender equality and promoting initiatives that generate social and economic impact on communities: protecting information privacy and finally promoting communication that promotes respect for human rights.	Continue the process of transformation of internal and external communication in order to incorporate the values of the seal of culture and its inclusive and diverse vision into messages, images, pieces and initiatives aimed at employees and external networks. Recognition and commemoration of international dates for diversity, inclusion and non-discrimination, the creation of the magazine to promote welfare activities to families of hetero and homo-parental employees, and the generation of inclusive programs with benefits for same-sex parents (First Steps Program), are highlighted within these initiatives.
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	2021 Commitment:	
	The bank devised a project for a diversity friendly company, with training to areas that have direct contact with internal and external clients, reaching 380 employees.	The bank will include a topic in its institutional induction to convey the fact that Banco de Occidente is a friendly and inclusive company.
	2021 Commitment:	
	The bank obtained the Friendly BIZ certification.	The bank will emit communications clarifying and reinforcing the concepts.
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	2021 Commitment:	
	The bank conducted a campaign to inform and raise awareness on sexual diversity, LGBTI community and attitudes, behaviors and guidelines that must be promoted to enrich internal culture. This was done through: pieces of mailing in the different newsletters, promoting these concepts in bank leaders, working sessions and awareness raising with the LGBTI Chamber of Commerce, promoting the inclusive Care Guide in teams in charge of service channels, validating their adherence from the assurance visits in the Client Experience Model.	Actively work on the construction and validation of Grupo Aval's Corporate Diversity and Inclusion Policy.
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	2021 Commitment:	
	In continuity with the consultancy with the LGBTI Chamber of Commerce, progress was made in the incognito client sessions, where adherence of the staff to the contents and service guidelines was evaluated, in addition to the validation achieved with the virtual course.	Actively work on the construction and validation of Grupo AVAL's Corporate Diversity and Inclusion Policy.
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	2021 Commitment:	
	A new chapter was added in the Inclusive Service Guide focused on guidelines for the service of people in the LGBTI community: and participated in the development, promotion, and implementation of the virtual course on sexual diversity Todos Podemos Más, initiative of the Banks of Grupo AVAL.	
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	2021 Commitment:	
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6.9. ENVIRONMENT

As one of the largest conglomerates in Colombia and the region, we recognize the impact we generate on society, the economy, and the environment. For this reason, we seek to contribute to the sustainable development of the communities and the environment where we operate, especially promoting financial inclusion and social investment.

Our focus is on micro-entrepreneurs, with an emphasis on single mothers, young people, and rural-minded entrepreneurs, as they are groups facing multiple barriers to access financial services. Thus, we facilitate the operation of the Corporación Microcrédito Aval, operated by our banks, and provide financial support to vulnerable populations.

In addition, we carry out philanthropic activities through donations to expert organizations and initiatives led by them, making a big impact on their target audience. The main project that Grupo Aval has been supporting since 2013 is the Cancer Treatment and Research Center (CTIC).

On the other hand, in 2020 under the pandemic, Grupo Aval committed itself to the populations most affected by allocating numerous resources to the main victims of the social, food and economic crisis, and to the health sector. For this, the employees participated in a major donation and the majority shareholder made a significant donation that allowed to mitigate and assist the Colombian crisis in the face of COVID-19

6.9.A. FINANCIAL INCLUSION

Through support for the Corporación Microcrédito Aval (CMA), which provides com-

prehensive financial services, we facilitated access to financial services to the most vulnerable population in the micro-enterprise sector, particularly single mothers, young microentrepreneurs and rural entrepreneurs in Colombia.

Thus, through the offering of microfinance products and services designed according to the needs of microentrepreneurs, the CMA focuses on improving the quality of life of micro-entrepreneurs and the well-being of their families.

Initiatives and achievements

Corporación Microcrédito Aval

In 2010 the organization started under the name Corporación Grameen Aval Colombia through a partnership with Grameen Bank, with the aim of promoting orderly and responsible financial inclusion. From 2013 it adopted its current name: Corporación Microcrédito Aval. As a non-profit organization it aims to provide development opportunities to the low-income population in Colombia.

The innovative and value proposal consists of a portfolio of products oriented to the needs of microentrepreneurs and their families. In this way they offer microcredits from 1 SMLV (Minimum Legal Valid Wage) to those with more barriers to access efficient and formal sources of financing, with low interest rates and flexible payment method.

This allows micro-entrepreneurs the opportunity to grow their business, diversify and/or improve their product offerings, increase their income level, and gain greater opportunities to positively impact the wellbeing of their families. In addition, the CMA accompanies its clients in the development of their micro-enterprises with Financial Education processes.

The specific objectives of the CMA are:

- Develop an effective and innovative model

of microfinance to contribute to poverty reduction in Colombia.

- Promote the savings and credit culture to contribute to fulfillment of clients’ life projects.
- Promote the development of the skills and abilities of micro-entrepreneurs through the offer of a comprehensive training portfolio.
- Develop new microfinance products that meet the diverse needs of micro-entrepreneurs.

To enhance and facilitate the management of the company, we manage contributions to:

Name	Entity	Charge	Role in the CMA Board of Directors
Luz Ángela Sarmiento Gutiérrez	Corporación Microcrédito Aval	Chairman of the Board of Directors	Chairman
Rafael Eduardo Neira Torres	Grupo Aval Acciones y Valores	Senior Corporate Controllershship	Principal Member
Diego Solano Saravia	Grupo Aval Acciones y Valores	Senior Financial VP	Principal Member
Rodolfo Vélez Borda	Grupo Aval Acciones y Valores	Senior Information Technology VP	Alternate Member
Ana Alejandra Jiménez	Banco de Bogotá	Sustainability Manager	Alternate Member
Diego Montoya Ossa	Banco de Bogotá	National Director of Network and Premium Banking	Alternate Member

The pandemic affected the Corporación Microcrédito Aval in 2020 to the extent that it was not possible to place new credits in more than three months. This led to a situation where only registered customers were serviced and in the next months work was done at half-speed due to the restrictions and general conditions in the country.

The opening of a new branch was also affected to the extent that the target market of the Corporación Microcrédito Aval, the micro-entrepreneurs, represents one of the groups most affected by the pandemic. Considering the above challenges, in 2020 the Corporación Microcrédito Aval presented the following achievements and progress with respect to the commitments made in 2019:

- Achieved loan portfolio growth of 6.7% (\$588 million)

- Accompaniment and support on topics of:
 - * Marketing
 - *Technology
 - *Financial planning
 - *Control and administrative management

• Participation in the CMA Board of Directors of some of our Executive Directors. This Board of Directors is comprised of the following persons:

- It had a 7.9% customer decline, from 4,815 customers to 4,434.

- It had a disbursement decline of 6.7%. In 2019, \$12,842 millions were disbursed and \$11.981 millions were disbursed in 2020.

- It retained the average amount of \$2,700,000.

- There were no branch openings, mainly due to the change in the economic outlook derived from the pandemic.

- With the growth of the first quarter of 2020, a \$400 million increase in the funding quota was achieved with the Fondeador, which went from \$900 million to \$1.3 billion.

- 58% of the loans granted went to women, who participated in the 60% of the total loan portfolio.

Commitments 2021

- Achieve customer growth of more than 30%.
- Achieve growth in disbursements of more than 80%.
- Manage and raise funds from Government and International Cooperation entities to diversify sources of resources. Additionally, strive to obtain a larger credit quota with the current funders, Emprender and Bancoldex.
- Promote the bankarization of female household heads.
- Promote credit collocation in the rural sec-

tor through the offices of Facatativá and Zipaquirá.

Management of our entities in relation to financial inclusion

Below are the achievements in value generation by our entities, which are aligned with the material affairs of Grupo Aval. With this, it is key to emphasize that each entity manages sustainability autonomously and independently, helping to increase positive impacts and reduce those negatives that the Group has prioritized.

Below are each of these achievements and initiatives, along with our entities’ commitments for 2021.

Financial inclusion in our entities



The bank built a digital tool for prospection and approval of transactions, that allows the opening of savings accounts in point. The bank had a presence in more than 760 municipalities providing bankarization to more than 16,000 Colombians. In addition, it improved the rate to fund higher education with Colfuturo, going from benefiting an average of 3 to 6 students per month. The contents and tools of the Financial Education Program were also strengthened. Through the alliance with the German Foundation, Revista Dinero and Foros Semana a program was held with virtual sessions that impacted more than 1.9 million Colombians. On the other hand, 390,000 coffee growers were bankarized., 75% of those added to the National Federation of Coffee Growers. During 2020, the “Coffee Channel” recorded more than 32,000 coffee purchases and nearly 4,000 cash dispensations. In addition, transactions increased by 18.6% compared to 2019, reaching a total of 1.48 million transactions.

2021 Commitment:

Continue to move forward supporting the reactivation of micro-entrepreneurs through the 100% digital microcredit line through which they will be able to access loans from \$800,000 to \$35 million, with flexible terms of up to 36 months and preferential rates. This product was designed within the framework of Banco de Bogotá’s partnership with USAID.



The bank carried out the initiatives mentioned before regarding diversity and inclusion and accessibility to vulnerable populations and obtained a favorable concept in the audit performed by Ingenio y Consultoría SAS, that evaluated the implementation progress of an inclusive LGBT+ culture. In addition, there was an increased usage of videocalls for the hearing impaired in all bank offices, with the support of the National Federation of Deafs in Colombia. On the other hand, in a joint effort with the “Colombia en Paz” Fund, a brochure was developed on Financial Services for vulnerable populations in PDET municipalities (PDET is the Spanish acronym for “Development Programs with Territorial Scope”)

Financial inclusion in our entities



Porvenir implemented the Savings Academy Program that promotes knowledge on savings, finance and key issues in pensions and severance payments. The bank developed “10 Keys to Planning Your Savings,” a youth savings and finance video clip with Karen Suarez as a personal finance influencer with over 985,000 views on YouTube. There were 8 conversations with podcast and pension savings experts with more than 2,700 views and 152,000 visits to the microsite that works as an information hub on finance, savings, and pensions.

2021 Commitment:

Accompany and work for quality financial education, accessible to all Colombians.

Encourage decision-making for a better future to pensioner members.

Reach all territories, focusing radio classes on rural areas, and motivating love for the countryside.



Together with the German foundation Sparkassenstiftung, it managed to train a group of 10 of the officers in 9 personal finance workshops “The 4 Golden Rules”. More than 130 officers participated in personal finance workshops.

2021 Commitment:

Design a financial inclusion program impacting the communities where it operates.



BAC Credomatic carried out initiatives related to financial inclusion in 2020 such as the Economic Reactivation Program for SMEs and training in financial issues for natural people. Through these actions, it managed to train 90,000 people and 22,000 financial education SMEs and managed to strengthen 1,700 women-led companies.

6.9.B. SOCIAL INVESTMENT

We seek to positively impact the communities where we operate. We achieve this through the management of partnerships with foundations, delivery of donations, support for social initiatives, campaigns, social investment projects, and strengthening of culture and sport sectors.

Thus, with the channeling of philanthropy resources we strengthen organizations focused on addressing social problems, allowing them to optimize their management and positive impact to the different groups at the base of the social pyramid under different conditions of vulnerability.

In the current crisis in the country and the world,

due to the pandemic, the need for all sectors to work collaboratively to address the great challenges that COVID-19 has posed to the economy, society, governance, and the environment became even more evident. Being aware of this need, we donate about 80 billion jointly with employees and majority shareholders to assist major victims and facilitate the adaptation of the health system to high levels of demand.

Initiatives and achievements

Luis Carlos Sarmiento Angulo Cancer Treatment Research Center - CTIC
Our commitment to society goes beyond innovative solutions for access to financial services. For this reason, in partnership with the entities, we have decided to support the foundation

CTIC – Luis Carlos Sarmiento Angulo Cancer Treatment Research Center.

CTIC is a comprehensive center for the prevention, treatment, and research of adult and pediatric cancer patients. It seeks to offer quality and technology standards comparable to those offered in the best institutions in the world, under sustainability conditions. This initiative is the first in the health sector declared by the National Government as a project of strategic national interest (PINES for its Spanish acronym), in accordance with CONPES 3762 and Decree 2445 / 2013

Its construction seeks to have:

- 128 hospital rooms.
- 30 intensive care beds.
- Bunkers for radiation therapy.
- Hematology and bone marrow transplant services.
- Nuclear Medicine.
- Diagnostic images.
- Surgery services.
- Clinical laboratory.
- Genetics and molecular biology services.
- Chemotherapy.
- Center for scientific research.

The entire CTIC project will be built in an intelligent building, designed to support the technologies required to establish itself as a digital hospital. This center will be authorized to provide specialized medical services throughout Colombia and Latin America.

2020 Progress

In 2020 progress was made on the work according to the schedule, so it is already in the phase of installations and finishes in most of the project. For its part, the process of acquiring equipment and consolidating national and international alliances for training of human talent began.

Commitment

In 2021 the work will be completed, and the process of installation of equipment and supply will be carried out. In parallel, the recruitment process will start to make way for the qualification that allows us to open the doors in 2022.

Christmas gifts from our employees for the victims

The employees of Grupo Aval and several of its subsidiaries and associates, including Banco de Bogotá, Banco AV Villas and ADL, decided to collect basic needs supplies to serve families affected by the winter season. 480 baskets of groceries were collected and delivered through the Colombian Red Cross.

Similarly, Grupo Aval, Corficolombiana, Fiduciaria Corficolombiana, Coviandina and Casa de Bolsa decided to join the initiative of the employees and allocated the defined budget for Christmas gifts that are given to their allies and strategic suppliers year after year, to give away 1,469 more baskets of groceries. Strategic suppliers and partners received a communication, telling them that this year they would not receive a Christmas gift and that, instead, groceries would be delivered to those affected by the winter wave on their behalf.

With this sum of efforts, 1,949 baskets of groceries were collected that were delivered on December 22 to the Colombian Red Cross,

for distribution in the cities that need it most. Among the aids collected, there was toilet paper, diapers, and non-perishable foods such as rice, beans, lentils, salt, coffee, chocolate, cornmeal, pasta, oil, and tuna.

Donation from our majority shareholder

Luis Carlos Sarmiento Angulo, the main shareholder of Grupo Aval, donated \$80 billion for the purchase of 400,000 baskets of groceries, 300,000 diagnostic tests and mechanical ventilators to address the COVID-19 health crisis.

Volunteering

Luis Carlos Sarmiento Gutiérrez, CEO of Grupo Aval, made hours of humanitarian flight as a pi-

lot, and at his cost, to bring kits and bring diagnostic tests of COVID19 to places such as Arauca, Puerto Carreño, Montería and Riohacha. He also made flight hours to transport basic needs to those affected by the winter wave experienced in country in November and December 2020.

Management of our entities regarding social investment

In social investment, our entities focused on management of Funds for Projects and Social Organizations, sports social responsibility, the promotion of corporate citizenship, to continue to be benefactors of the Fundacion Servicio Juridico Popular and to start making responsible investment with social impact.

Below are each of these achievements and initiatives, along with the commitments of our entities for 2021.

Financial inclusion in our entities



It participated in the construction of houses in alliance with the Catalina Muñoz Foundation and Techo for Colombia Foundation. More than 120 employees contributed to the delivery of baskets of groceries, through the Mano Amiga Company, to 310 families in status of vulnerability of Zipaquirá and Bello. Contributions of more than \$2.45 billion were made through Banco de Bogotá Company, of which \$1.2 billion went to the promotion of microcredit, and other amounts to causes of education, health, nutrition, and social inclusion. On the other hand, the Strengthening Fund Management for Projects and Social Organizations program accompanied and provided tools to strengthen the fundraising and self-sustainability strategies of 40 social organizations. The Young Talent Program, in partnership with SENA, carried out 16 new promotions nationwide, giving 401 participants the opportunity to study a technical career in the banking sector.

2021 Commitment:
By 2021, focus social investment initiatives on strengthening the component of education, increasing by 10% the value contributed to initiatives focused mainly on scholarships for young university students.



It participated in a campaign of school supplies organized by CAFABA, for the children's community of Barrancabermeja, delivered snacks, baskets of groceries, school kits and teaching materials and peasant kits in different municipalities of the country. It also provided accommodation to participants in the Vive Popayán event in Bogota. Employees donated more than \$71 million to the Colombian Food Bank Association. Donations of \$200 million, of which \$100 million went to markets for the Valle Governorate and \$100 million in conjunction with Banco de Bogotá and Grupo Aval.

Corporate purchases in our entities



Main benefactor of Servicio Juridico Popular Foundation, responsible for educating Colombians about their rights and obligations, promoting equality in the face of justice for people in vulnerable conditions and promoting conciliation as an alternative method of conflict resolution. It is also the main donor of the Culture Promotion Fund currently managing the Archaeological Museums: MUSA in Bogota and La Merced in Cali, where the country's most representative pre-Columbian ceramics collection is exhibited and kept. On the other hand, it is a contributor to the Corporacion Microcredito Aval and CTIC.

2021 Commitment:

Continue to contribute to the development of causes aimed at benefiting the community or some of its specific sectors, in order to promote causes of access to justice, cultural activities and facilitate social development, among others.



Through the Porvenir Sports Social Responsibility Program, 2 athletes from the Porvenir team qualified for the Tokyo Olympics, and the 7K Porvenir Virtual Race was held in which 10,000 runners contributed to plant more than 3,000 trees in the Páramo de Sumapaz. Through the Senior Program, more than 250 million were invested in initiatives such as 5 connectivity kits for geriatric households in Bogota, Medellin, Cali, Barranquilla, and Bucaramanga: delivery of televisions, computers, telephones, wireless modems, and prepaid internet vouchers that benefited more than 650 senior citizens in the country.

2021 Commitment:

Continue to support track as an important sport, promoting health and well-being of Colombians, through the strengthening of the virtual community "La Nación del Atletismo", continued support to the Porvenir Athletes Team and carrying out virtual or hybrid races, depending on local and international guidelines.

Continue to promote corporate citizenship initiatives bring employees closer to the mission goal of contributing to the well-being of the most vulnerable populations.



Corficolombiana reformulated the Foundation's strategy to become a vehicle to achieve the goals of the Responsible Investment, Entrepreneurship Culture, Suppliers, Sustainability, Social Work and Environmental Actions programs of Corficolombiana's Sustainable strategy. On the other hand, it designed and implemented projects for supplier strengthening, carbon footprint measurement and knowledge generation in responsible investments. In the face of the pandemic, resources for social projects increased by more than 93%, reaching nearly \$30 billion invested in programs that contribute to the development of communities that have benefited more than 800,000 people.

2021 Commitment:

Define social programs in key sectors such as agribusiness, tourism and entrepreneurship promoting the generation of opportunities and progress of the country, as well as growth and positioning of the Foundation in the regions where Corficolombiana operates.



In 2020 BAC Credomatic carried out the Strengthening Program for NGGs: Yo me uno, to which 228 NGS were affiliated and with which \$1,120,000 could be raised through the yomeuno.com website.

6.9.C. ENVIRONMENTAL MANAGEMENT

Environmental management and development pose multiple challenges for all sectors and society. It is an emerging issue for us, where we seek to guide towards eco-efficiency in the use of resources, both in Grupo Aval and in entities, and to the awareness of employees, customers, and other stakeholders.

We are aware of the opportunities we have in all our areas, processes, and infrastructure, to promote, encourage and incorporate sustainable environmental development into our day-to-day performance. We aspire to become a conglomerate where positive environmental management is part of the organizational culture and daily life of our actions.

Actions and initiatives

Ecobot

Ecobot is an initiative that aims to promote more responsible and sustainable consumption, specifically by encouraging people to be accountable for the waste they generate. To facilitate handling of waste, place machines in spaces with high flow of people, where anyone can deposit plastic bottles, empty or full, of packaging of other products. In return, for depositing this waste, people receive discount coupons at restaurants, stores, apps, and associated brands. Thus promoting a cultural change around recycling.

In 2020, 24 Ecobots were available in major cities, recycling 220,000 plastic bottles. 40% of the containers that were collected were bottles filled with packaging.

Commitments for 2021

Continue the partnership to further foster citizens' culture of recycling.

Management of our entities regarding environmental management

Our entities carried out different initiatives to contribute to the environment. They focused on generating eco-efficiencies within the company's processes, reducing the use of resources such as paper, water, and energy, and disposing waste properly. In addition, some entities carried out initiatives such as tree planting or support for sustainable mobility to reduce their carbon footprint.

Below are each of these achievements and initiatives, along with our entities' commitments for 2021.

Environmental management in our entities



It disbursed more than \$8.7 billion pesos through the Sustainable Development Line, offering attractive financing conditions for environmental impact mitigation or reduction projects. It also made the first issuance of Green Bonds amounting to \$300 billion to finance 100% environmental projects, achieving an over demand of \$1 trillion. On the other hand, it carried out a Comprehensive Plan of Sustainable Mobility where it managed to build 150 bike parking spaces in Bogotá, Medellín and Cali that benefited 4,000 bike users and caused a reduction of 7 ton of co2. Banco de Bogotá also made up the carbon footprint by planting more than 45 thousand trees that capture 13% of the total footprint (6792 ton of co2), reduced energy consumption (12%) water (14%) through initiatives and awareness campaigns to employees and installed more than 300 solar panels in the Directorate General located in Bogotá, to avoid the emission of carbon dioxide of 50 tons of Co2 per year. It was awarded in 3 categories of the Latin American Green Awards that showcase the best socio-environmental projects in the region.

2021 Commitment:

- Deepen the development of sustainable products that allow financing for customers.
- Install devices in other locations and offices to strengthen energy supply through clean energy source, to reduce 10% of the bank's consumption.
- The goal of planting and reforestation is 12,500 trees in protected reserves in our country.
- Continue the sustainable mobility program, extending coverage to other cities.



It raised awareness of the importance of the Blue Planet program in social media and mass media. It also contributed to energy efficiency in offices by implementing state-of-the-art energy saving technologies. Through these initiatives, it achieved an average saving of 30% of energy consumption in the implemented offices. Currently two solar-powered offices are in operation, generating savings between 60% - 80% of energy consumption. On the other hand, 24,000 units of the book Colombia Territorio de Diversidad were printed highlighting the importance of Ecosystems. In 2020 it achieved recognitions such as the LEED Sustainable Construction Certification at the CC El Eden office in Bogotá and the Environmental Commitment Award - ANIF 2020.

2021 Commitment:

- Continue implementing energy efficiency and solar power generation initiatives in 15 offices nationwide.
- Certify the bank's second office in Cartagena with LEED.



It implemented the Eco-Efficiency Program establishing a policy to address the implementation of rational practices for the use and disposal of materials, and associated initiatives. 6,919 kg of usable material was recycled and 7% saved in energy consumption. On the other hand, the demand for printing and copying was optimized with a 69.3% reduction in paper consumption and savings of close to \$700 million pesos through the "zero paper" initiative, including the migration from physical to digital document environment representing significant savings in unused sheets, envelopes, labels and guides, in addition to significantly contributing to operational efficiency.

2021 Commitment:

- Promote proper separation at the source at the installed ecological points.
- Promote digitalization and dematerialization initiatives, allowing reduction of income of paper.
- Apply the 3 Rs principle: "Reduce, Recycle and Reuse" in material management with the purpose of improving their use and correct disposal.

Environmental management in our entities



It managed to reduce paper consumption by 6,084 reams of paper consumed compared to 2019 through the Somos Digitales initiative. It also made rational use of electric power through luminaire and equipment with more efficient technologies and developed a digital tool to have control of real energy consumption. Regarding waste management, through the Hammer initiative, 8,358 disused items were delivered for auction generating an income of 156 million pesos. It supported non-profit organizations that, through the recycling and sale of paper and solid waste, generate income for their support, and help minimize timber. In 2020 they delivered approximately 428 kilos of shredding paper to the Puerta de Oro Foundation.

2021 Commitment:

- Continue to support non-profit partnerships for mutual benefit between the parties by collecting, shredding paper, moving, sorting solid elements and final disposal of waste and generating the respective environmental certifications.
- Strengthening the use of the digital tool for consumption control, maintaining rational use of energy and reducing its consumption with efficient equipment and luminaires, it plans to install photovoltaic panels in 14 offices that meet the technical requirements of the installation.



It became a signatory to the PRI. In addition, it consolidated the responsible investment strategy by publishing the Investment Policy. As a result, they designed a tool that includes general ASG indicators and criteria, which must be reported across all investments in order to quantify and qualify, as far as possible, the opportunities and risks of investments in ASG issues. In fixed income investments, issuers who are incorporating ASG principles into their policies and strategies began to be privileged. On the other hand, they organized the Forum "Responsible Investment, Challenges and Progress in Colombia and the World" where the CEO of the PRI, Fiona Reynolds and representatives of Blackrock and Ashmore participated, sharing best practices, standards and important challenges. More than 5,300 people attended.



It recertified 30 ISO 14001 buildings in Costa Rica and Panama in the Neutral Carbon Category with plus mention. Also ISO 50001 Energy Systems certification, 2 buildings in Costa Rica.

7



GRI CONTENT INDEX

This is the second year that Grupo Aval reports under GRI standards. GRI standards are a widely recognized international reporting framework for financial, social, and environmental performance. This report has been prepared in accordance with the Essential option of the GRI Standards. Referred page numbers indicate the sections of this report including the standards.

Indicator	Content	Comments, description or reasons for omission	Page number
GRI 102: General Content 2016			
Company profile			
102-1	Name of organization	Grupo Aval Acciones y Valores S.A.	Page 20
102-2	Activities, brands, products, and services		Page 20
102-3	Location of the headquarters	Carrera 13 N°26A - 47, Bogotá D.C., Colombia	-
102-4	Location of operations		Page 32
102-5	Ownership and legal form		Page 20
102-6	Markets served		Page 32
102-7	Organization size	Because Grupo Aval is a financial holding company, net profits are presented instead of presenting net sales.	Pages 32, 39
102-8	Information about employees and other workers	<p>As of December 31, 2020, Grupo Aval generated approximately 104,862 jobs, with 70,601 (73.6%) direct employees, 29,000 (27.6%) persons linked by Temporary Services Companies (does not include SENA apprentices).</p> <p>At the Holding level, a total of 122 jobs were generated, with 122 (100%) direct jobs, 0 (0%) outsourcing and 0 temporary. In addition, of the Holding's 122 direct employees, 56% were men and 44% were women.</p>	Pages 39, 158
102-9	Supply chain	The main activities, brands, and services of both holding are detailed on the pages indicated. The labor of the supply chain of Grupo Aval Acciones y Valores is not intensive due to its nature as a financial conglomerate.	Pages 39, 131

Indicator	Content	Comments, description or reasons for omission	Page number
GRI 102: General Content 2016			
102-10	Significant changes in the organization and its supply chain	Significant changes in size, structure, and capital are detailed on the reported pages. There were no significant supplier changes	Pages 34-40
102-11	Precautionary principle or approach or risk management	The organization does not apply the precautionary principle or approach.	-
102-12	External initiatives	The statutes and principles of financial, environmental, and social nature to which Grupo Aval Acciones y Valores S.A. is subscribed or supports are: Global Reporting Initiative (GRI) Green Protocol of Asobancaria	-
102-13	Membership in associations	The affiliations or associations where Grupo Aval Acciones y Valores S.A. is subscribed or endorsed are: Bloomberg Finance LP Colombia S.A. Stock Exchange Bogota Chamber of Commerce NYSE Market Inc SET ICAP EX S.A ACRIP Human Management Association	Page 132
Strategy			
102-14	Statement by senior decision-makers		Page 10
Ethics and integrity			
102-16	Values, principles, standards, and standards of conduct		Page 109
102-17	Advisory mechanisms and ethical concerns		Page 138

Indicator	Content	Comments, description or reasons for omission	Page number
GRI 102: General Content 2016			
Governance			
102-18	Governance structure	In Grupo Aval the committees responsible for making financial decisions are the risks committee and the corporate affairs committee. In 2019 there was no committee responsible for making social or environmental decisions, however, by 2020 which committee should assume this responsibility will be discussed.	Pages 95, 103
Participation of stakeholders			
102-40	List of stakeholders	<ul style="list-style-type: none">• Entities• Employees• Investors• Suppliers• Media• External analysts• Professional associations• Society	Page 125
102-41	Negotiating collective agreements	Grupo Aval Acciones y Valores does not have employees linked to labor unions. 51.24% (5,095) of Banco de Bogotá’s direct employees (9,944) (separate) are represented by labor union unions and 56,16% (5,585) of them are covered by the collective convention that expires in August 2021. (2) 45.91% (3,222) of Banco de Occidente direct (7,018) employees (separate) are represented by labor unions and are covered by the collective convention that expires in December 2021. (3) 61,96% (2,269) of Banco Popular’s direct employees (3,662) are represented by labor unions and 94,78% (3,471) of them are covered by the collective convention that expires in December 2023. (4) 14.04% (609) of the direct employees (4,339) of Banco AV Villas (separately) are represented by labor unions and 85.69% (3,718) of them are covered by the collective convention that expires in December 2023.	Pages 39, 158

Indicator	Content	Comments, description or reasons for omission	Page number
GRI 102: General Content 2016			
102-41	Collective bargaining agreements	(5) 0.08% (2) of Porvenir's direct employees (2,531) (separate) are represented by labor unions. (6) Total jobs generated include 27,275 in non-financial subsidiaries and 1,115 in financial institutions.	Pages 39, 158
102-42	Identification and selection of stakeholders	In 2019 we understood the strategic needs of the business, as well as the expectations of our subordinate entities and major stakeholders. Material topics were defined from sources such as sustainability standards and principles: strategic information and interviews with directors. With these issues, a materiality matrix was made to prioritize those issues with the greatest impact, depending on the importance for the strategy of the business, our entities, and other stakeholders. The groups involved in the process of building the materiality and validation of the Sustainability Model for this report were: Employees from different areas and organizational levels of the Holding. Employees from different areas and organizational levels of subsidiaries (Banco AV Villas, Banco de Bogotá, Banco de Occidente, Banco Popular, Banco de Occidente, BAO Credomatic, Porvenir and Corficolombiana. Other stakeholders (External Analysts, Investors, Media, Professional Associations, Suppliers).	Pages 39, 158
102-43	Approach to stakeholder participation	For the validation of the Sustainability Model built in 2019, interviews were conducted with the stakeholders mentioned in THE GRI 102-40 content. To develop this report, both employees of the Holding areas and employees of the subsidiaries participated in the processes of construction, drafting and revision of the document.	Page 125
102-44	Key issues and concerns mentioned	1. Governance structure 2. Risk management and internal control 3. Ethics 4. Subsidiary management 5. Investor relations 6. Innovation and digital transformation 7. Corporate procurement 8. Marketing 9. Health and well-being of employees	Page 127

Indicator	Content	Comments, description or reasons for omission	Page number
GRI 102: General Content 2016			
102-44	Key issues and concerns mentioned	10. Attracting, retaining, and developing talent 11. Pride and sense of belonging of employees 12. Financial inclusion 13. Social investment 14. Environmental management	Page 127
Reporting practices			
102-45	Entities included in the consolidated financial statements	The following are the entities belonging to the consolidated of Grupo Aval as of December 2020:	-
102-46	Definition of the contents of the reports and the coverages of the topic	Sustainability model 1. Corporate governance and risk 2. Financial performance 3. Corporate efficiencies 4. Human talent 5. Environment (society and environment)	Page 127
102-47	List of material topics	1. Governance structure 2. Risk management and internal control 3. Ethics 4. Subsidiary management 5. Investor relations 6. Innovation and digital transformation 7. Corporate procurement 8. Marketing 9. Health and well-being of employees 10. Attracting, retaining, and developing talent 11. Pride and sense of belonging of employees 12. Financial inclusion 13. Social investment 14. Environmental management	Page 127
102-48	Re-expression of information	Sustainability Model information was adjusted according to the findings of validation interviews with different stakeholders.	Page 131
102-49	Changes in reporting	The material topics and coverage of the topics were adjusted according to the findings of the Sustainability Model validation interviews to different stakeholders.	Page 131
102-50	Period subject to the report	This report covers the period from January to December 2020.	Page 17

Indicator	Content	Comments, description or reasons for omission	Page number
GRI 102: General Content 2016			
102-51	Date of last report	The previous report was published in March 2020 and covered the period from January to December 2019.	-
102-52	Reporting cycle	The reporting cycle is annual.	Page 17
102-53	Contact person for questions about the report	ktabares@grupoaval.com	-
102-54	Statement of preparation of the report in accordance with GRI standards	The content of this report was developed within the framework of principles corresponding to the GRI standards on materiality (essential option), context of sustainability, completeness, and involvement with stakeholders.	Page 17
102-55	GRI content index		Page 182
102-56	External verification	Non-financial information presented in this report and corresponding to the GRI Standards has not been verified externally.	-
GRI 103 Management Approach 2016			
103-1	Explanation of the material topic and its coverage	Governance structure Risk management and internal control	-
103-2	The management approach and its components	Ethics Subsidiary management Investor relations	
103-3	Evaluation of the management approach	Marketing Corporate shopping Innovation and digital transformation Well-being and quality of working life Attracting, retaining, and developing talent Pride and sense of belonging of employees Diversity and inclusion Financial inclusion Social investment Environmental management	
GRI 103 Management Approach 2016			
201-1	Direct financial value generated and distributed		Page 142

Indicator	Content	Comments, description or reasons for omission	Page number
GRI 401 Employment			
401-1	New employee hiring and staff turnover		-
GRI 403: Occupational Health and Safety 2018			
403-1	Management System occupational health and safety		Page 159
403-3	Health Services at work		Page 159
403-4	Participation of employees, Consultations, and communication on occupational health and safety		Page 159
403-6	Promoting Health of workers		Page 159
GRI 404: Training and teaching 2016			
404-1	Average hours of training a year per employee		Pages 159, 162
404-3	Percentage of employees receiving regular performance and professional development assessments		-
GRI 405: Diversity and Equal Opportunities			
405-1	Diversity in organs of government and employees		Pages 166
405-3	Base salary ratio and women's compensation against men		Pages 166

8

CORPORATE
GOVERNANCE
REPORT

In 2020, as part of our ongoing process of improving the adoption of high standards of corporate governance, we conducted a review of the adoption status of the recommendations presented by the Code of Best Corporate Practices, also known as the “Country Code”. As a result, we increased our favorable responses by achieving 82% compliance with total responses.

As part of the above, we carried out a relevant documentation process for the purpose of preparing this report, under the guidelines provided for in Country Code measure No. 33.

In accordance with the above, in this Corporate Governance Report, we will disclose topics such as: (i) relevant facts, (i) conglomerate ownership structure, (i) conglomerate management structure, (iv) related party operations, (v) risk management systems and (vi) General Shareholders’ Assembly.



8.1. PERTINENT FACTS

During the year 2020 we carried out the following activities, considered relevant for the purposes of this report.

8.1.A. AVAL FINANCIAL CONGLOMERATE

The Financial Conglomerates Act and its regulatory decrees introduced significant changes in the structure of Colombia’s financial system and in particular on companies acting as financial holdings of their conglomerates.

In the case of Grupo Aval and its subordinate financial institutions, Resolution No. 0155 of 6 February 2019, of the Financial Superintendency of Colombia (SFC) identified Grupo Aval as the financial holding company of CF Aval. In addition, the SFC identified in that Resolution the entities that are part of that conglomerate.

As part of duties and responsibilities during 2020, the following include:

- Establish the Aval Financial Conglomerate Risk Management Framework and an Information Governance Model to facilitate the aggregation of Financial Conglomerate data.
- The “Policy for the Exposure and Concentration of Risks” between entities that make up the Aval Financial Conglomerate and between them and their related was approved by the Board of Directors on February 5th, 2020, as amended.
- Determine general guidelines for the proper identification, disclosure, administration, and control of conflicts of interest arising out of or which may arise in operations between conglomerate entities, between them and their related entities and those performed by Conglomerate entities with their administrators.
- In August 2020, our Board of Directors approved the formation of the “Corporate Governance Committee” which, within its objectives, is to be the body responsible for being aware, at

first instance of operations that may present conflicts of interest, and

- In the area of related parties, we maintain a joint work with our entities to aim for a correct understanding of the related parties criteria and from it, we generate a list of links that is regularly updated according to a procedure provided for this purpose and to keep information about its related parties available to the SFC.

8.1.B. SUSTAINABILITY REPORT

During 2020, we maintained the initiative to implement sustainability best practices and carried out an accompanying process with external advisors aimed at continuing the implementation of our Sustainability Report, which was incorporated into this Management report. This document was developed from GRI standards, where the objective sought is to maintain the communication of the main activities, initiatives, challenges, and achievements in social, environmental, and economic matters for the best interest of shareholders, investors and other stakeholders.

62,000 shareholders as a result of five primary share issuances in 1999, 2007, 2011, 2013 and 2014. As of December 31, 2020, we had a total of 22,281,017,159 outstanding shares of which 15,131,197,752 were common shares and 7,149,819,407 shares with preferential dividend and no voting rights.



8.2.B. IDENTITY OF SHAREHOLDERS WITH SIGNIFICANT, DIRECT, AND INDIRECT SHAREHOLDING

Dr. Luis Carlos Sarmiento Angulo exercises a position of control over Grupo Aval. Dr. Sarmiento’s direct and indirect shareholding in our share capital accounts for more than 50% of it. This control situation has been registered with the Bogota Chamber of Commerce since February 11, 2003, under number 00865815.

Below is a list of the largest shareholders of Grupo Aval whose shareholding is calculated on the total capital subscribed and paid. The total balance of each shareholder corresponds to the sum of its position in common and preferential shares of the company at cut-off of December 31, 2020.

Grupo Aval Main Shareholders					
	Shareholder	Common Shares	Preferential Shares	Total Shares	% of Shareholding
1	Adminnegocios S.A.S.	6,094,903,964	29,645,670	6,124,549,634	27.50%
2	Actiunidos S.A.	3,028,922,128	687,451,726	3,716,373,854	16.70%
3	El Zuque S.A.	561,052,547	958,153,905	1,519,206,452	6.80%
4	Inversiones Escorial S.A.	1,270,118,990	-	1,270,118,990	5.70%
5	Socineg S.A.	532,546,743	683,851,342	1,216,398,085	5.50%
6	Aminversiones S.A.	631,496,256	497,711,356	1,129,207,612	5.10%
7	Intrassets Trading S.A.	986,514,816	-	986,514,816	4.40%
8	JP Morgan Chase Bank NA FBO Holders of DR (Aval ADR)	-	1,295,205,900	1,295,205,900	5.80%
9	Rendifin S.A.	636,198,157	164,660,421	800,858,578	3.60%
10	Inversegovia S.A.	403,605,252	-	403,605,252	1.81%

8.2.C. INFORMATION OF SHARES WHICH ARE DIRECTLY (IN PERSONAL OWNERSHIP) OR INDIRECTLY (THROUGH COMPANIES OR OTHER VEHICLES) OWNED BY THE MEMBERS OF THE BOARD AND OF THE VOTING RIGHTS THEY REPRESENT

The following are the shares directly owned by the members of the Board of Directors:

Board Members	December 2020 close			% Right to Vote over common shares
	Common	Preferential	Total Shares	
Luis Carlos Sarmiento Angulo	14,761,004,300	3,054,790,570	17,815,794,870	97.553%
Alejandro Figueroa Jaramillo	-	-	-	0.000%
María Lorena Gutiérrez Botero	-	-	-	0.000%
Álvaro Velásquez Cock	8,264	11,538	19,802	0.0001%
Fabio Castellanos Ordóñez	-	-	-	0.0000%
Miguel Largacha Martínez	-	-	-	0.0000%
Esther América Paz Montoya	251,718	423,076	674,794	0.0017%
Mauricio Cárdenas Müller	40,616	76,923	117,539	0.0003%
Juan María Robledo Uribe (R.I.P)	-	-	-	0.0000%
Juan Camilo Ángel Mejía	7,319	22,666	29,985	0.0000%
Ana María Cuéllar de Jaramillo	-	50,846	50,846	0.0000%
Luis Fernando López Roca	-	-	-	0.0000%
César Prado Villegas	-	-	-	0.0000%
Germán Villamil Pardo	33,058	-	33,058	0.0002%

8.2.D. FAMILY, COMMERCIAL, CONTRACTUAL OR CORPORATE RELATIONSHIPS THAT EXIST BETWEEN THE HOLDERS OF SIGNIFICANT SHAREHOLDING AND THE COMPANY, OR BETWEEN THE HOLDERS OF SIGNIFICANT SHAREHOLDING WITH EACH OTHER

Adminegocios S.A.S., Actiunidos S.A., El Zuque S.A., Inversiones Escorial SA, Socineg SA, Aminversiones S.A., Rendifin S.A. and Inversegovia S.A. respond to the guidelines given by Dr. Luis Carlos Sarmiento Angulo and to that extent, they are part of the Grupo Empresarial Sarmiento Angulo, to which Grupo Aval also belongs.

8.2.E. SYNTHESIS OF KNOWN SHAREHOLDER AGREEMENTS

No shareholder agreements have been deposited with the Company

8.2.F. OWN SHARES IN THE POSSESSION OF THE COMPANY

There are no own shares in the Company's possession.

8.3. CONGLOMERATE MANAGEMENT STRUCTURE

8.3.A. COMPOSITION OF THE BOARD OF DIRECTORS AND IDENTIFICATION OF THE ORIGIN OF EACH MEMBER

Grupo Aval Board of Directors		
Principal	Alternate	Date of Appointment
Luis Carlos Sarmiento Angulo	Mauricio Cárdenas Müller	Minutes 81 of March 29, 2019
Alejandro Figueroa Jaramillo	Juan María Robledo Uribe (R.I.P)	Minutes 81 of March 29, 2019
María Lorena Gutiérrez Botero	Juan Camilo Ángel Mejía	Minutes 81 of March 29, 2019
Álvaro Velásquez Cock	Ana María Cuéllar de Jaramillo	Minutes 81 of March 29, 2019
Fabio Castellanos Ordóñez (*)	Luis Fernando López Roca (*)	Minutes 81 of March 29, 2019
Miguel Largacha Martínez	Cesar Prado Villegas	Minutes 81 of March 29, 2019
Esther América Paz Montoya(*)	Germán Villamil Pardo (*)	Minutes 81 of March 29, 2019

(*) Independent members.

The Holding Board of Directors is comprised of seven principal members with their corresponding personal alternates, elected by the General Shareholders' Meeting, for the period of one year, and may be reelected indefinitely or removed from office at any time.

• Executive Members: are the legal representatives or senior management who participate in the day-to-day management of the Company.

• Independent Members: those who, at a minimum, comply with the independence requirements set out in Law 964 / 2005 or the rules amending or replacing it, and other internal

regulations issued by the Company to consider them as such, regardless of the shareholder or group of shareholders who nominated and/or voted on them.

• Equity Members: those who are not independent and are shareholders whether legal or natural persons, or persons expressly nominated by a legal or natural shareholder or group of shareholders, to join the Board of Directors.

Board members not identified herein as Independent Members shall be understood as Equity Members.

8.3.B. RESUMENS OF BOARD MEMBERS

Resumes of the members of our Board of Directors can be consulted on the website www.grupoaval.com in the Inversionistas/Gobierno Corporativo section.

<https://www.grupoaval.com/wps/portal/grupoaval/aval/inversionistas/gobierno-corporativo>

8.3.C. CHANGES TO THE BOARD OF DIRECTORS DURING THE YEAR

Following the General Shareholders Meeting of Grupo Aval which took place on March

30th, 2020, where members of the Board of Directors of the Company were elected, for the period from April 1, 2020 to March 31, 2021, no change was made to the composition of the Board of Directors.

8.3.D. MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY WHO ARE ON THE BOARDS OF DIRECTORS OF SUBORDINATE COMPANIES OR WHO HOLD EXECUTIVE POSITIONS IN THEM

None of the members of our Board of Directors are linked to Grupo Aval as employees. The following are the members of the Company's Board of Directors who have some kind of relationship with CF Aval companies:

Name	Principal / Alternate	Details
Luis Carlos Sarmiento Angulo	Principal	Member of the Boards of Directors of: Luis Organization Carlos Sarmiento Angulo Ltda.; Casa Editorial El Tiempo; Fundacion Grupo Aval
Alejandro Figueroa Jaramillo	Principal	President of Banco de Bogotá S.A. and member of the Boards of Directors of: Porvenir; Corficolombiana; Fundacion Grupo Aval, Banco de Bogota (Panama); BAC Credomatic.
María Lorena Gutiérrez Botero	Principal	President of Corficolombiana S.A. and member of the Boards of Directors of: Promigas, Grupo de Energía de Bogota, Gases del Caribe and Fiduciaria Corficolombiana.
Álvaro Velásquez Cock	Principal	Member of the Boards of: Banco de Bogota; Banco de Bogota (Panama); Corficolombiana; Entities of the BAC Credomatic Group; Unipalma.
Miguel Largacha Martínez	Principal	President of Porvenir S.A. and member of the Board of Directors of Fundación Grupo Aval.

Name	Principal / Alternate	Details
Mauricio Cárdenas Müller	Alternate	Adviser to the Presidency of Adminegocios S.A.S and member of the board of Directors of Seguros Alfa and Vida Alfa; Porvenir; Casa Editorial El Tiempo.
Juan María Robledo Uribe (R.I.P)	Alternate	Executive Vice President of Banco de Bogotá S.A. and member Boards of Directives of: Corficolombiana; Fiduciaria Bogota; Porvenir; Credomatic International Company; Fundacion Grupo Aval
Juan Camilo Ángel Mejía	Alternate	President of Banco AV Villas S.A. and member of the Boards of Fundacion Grupo Aval.
Ana María Cuéllar de Jaramillo	Alternate	Member of the Boards of Banco de Bogotá S.A.; Megaline; Entities of the BAC Credomatic Group.
Cesar Prado Villegas	Alternate	President of Banco de Occidente S.A. and member of the Board of Directors of Corficolombiana S.A. and Fiduciaria de Occidente S.A.

8.3.E. POLICIES APPROVED BY THE BOARD OF DIRECTORS DURING THE REPORTING PERIOD

On February 5, 2020, our Board of Directors, in the framework of adopting the duties provided for by the Law of Financial Conglomerates and Decree 1486 / 2018, approved the “Exposure and Risk Concentration Policy”, which had an update that was approved by the Board of Directors on June 17, 2020.

Similarly, on October 14, 2020, the Board of Directors approved the update of the Holding's CARO Handbook.

8.3.F. PROCESS OF APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS

Pursuant to Article 21 of the Bylaws, the Board of Directors shall consist of seven (7) principal members, who shall have seven (7) personal alternates, having to be independent at least twenty-five percent (25%) of the Board of Directors. Directors will be elected by the Share-

holders' Meeting through the electoral quota system.

In addition, the General Shareholders' Meeting of the Company in session No. 72 of December 21, 2015, approved the “Policy of Appointment and Compensation of the Board of Directors”, which contains, among other aspects, the criteria applicable to the composition of our Board of Directors, as well as the “Procedure for the Presentation and Evaluation of Proposals and Candidates”.

8.3.G. BOARD COMPENSATION POLICY

The General Meeting of Shareholders of the Holding in session No. 72 of December 21, 2015, approved the “Policy of Appointment and Compensation of the Board of Directors”, which contains, among other aspects, the compensation criteria of our Board of Directors. For the period between April 1, 2020 and March 31, 2021, an amount of fees was approved for each Director of COP \$2,600,000 per session.

8.3.H. COMPENSATION OF THE BOARD OF DIRECTORS AND MEMBERS FROM SENIOR MANAGEMENT

In 2020 we paid fees paid to the Board of Directors and its support committees, the total sum of COP \$820,200,000. Also, during 2020 we paid a total sum of COP \$15,399,158,149 for compensation to Senior Management.

8.3.I. QUORUM OF THE BOARD OF DIRECTORS

By 2020, 100% of the convened Board of Directors and Support Committees sessions had the necessary quorum to deliberate and decide.

8.3.J. ATTENDANCE DATA FOR MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

By 2020, the average attendance of Board members was 91%, the attendance of members of the Audit Committee was 100% and the attendance of members of the Corporate Affairs Committee was 100%.

8.3.K. CHAIRMAN OF THE BOARD OF DIRECTORS (KEY FUNCTIONS AND TOPICS)

The functions of the Chairman of our Board of Directors are set out in Article 22 of the Bylaws and article 6 of the Board of Directors Regulations approved by that body in session No. 240 of November 2015, which can be consulted on the website of the company www.grupoaval.com

8.3.L. SECRETARY OF THE BOARD OF DIRECTORS (KEY FUNCTIONS AND TOPICS)

The functions of the Secretary of our Board of Directors are set out in Article 22 of the Bylaws article 7 of the Board of Directors Regulations approved by that body in session No. 240 of November 2015, which can be consulted on the website of the company www.grupoaval.com

8.3.M. FUNCTIONS OF THE SECRETARY OF THE BOARD OF DIRECTORS (KEY FUNCTIONS AND TOPICS)

The functions of the Secretary of our Board of Directors are set out in Article 22 of the Bylaws and article 7 of the Board of Directors Regulations approved by that body in session No. 240 of November 2015, which can be consulted on the website of the Company www.grupoaval.com

8.3.N. RELATIONSHIPS OF THE BOARD OF DIRECTORS WITH THE STATUTORY AUDITOR, FINANCIAL ANALYSTS, INVESTMENT BANKS AND RATING AGENCIES THROUGHOUT THE YEAR

In 2020, our Board of Directors' interaction with its Statutory Auditor was mainly carried out through the sessions of the Company's Audit Committee. Our Board of Directors had no direct interactions with financial analysts, investment banks, or rating agencies.

8.3.O. EXTERNAL ADVICE RECEIVED BY THE BOARD OF DIRECTORS

In 2020, our Board of Directors did not engage external advice within the framework of its functions.

8.3.P. MANAGEMENT OF BOARD INFORMATION

In accordance with Article 4 of the Rules of Procedure of the Board of Directors, as part of the duties of Members of the Board, it includes acting diligently and carefully, and ensuring the confidentiality and proper handling of the information they are aware of in the exercise of their duties. The members of the Board of Directors must report any circumstances from which a conflict of interest situation may arise and, where appropriate, provide the Company's designated instance with all relevant information so that the Company can decide on the authorization for the activity that generates the potential conflict.

Also, to the extent that it has been supplied in advance, the Secretary should forward the material associated with the respective meeting to the members of the Board of Directors.

8.3.Q. ACTIVITIES OF THE BOARD COMMITTEES

In 2020, the Audit Committee held a total of 17 sessions, mainly discussing aspects related to

the internal audit work plan, risks and health emergency mitigation plan decreed by the National Government, the control environment, and the preparation of our financial statements. For its part, the Corporate Governance Committee held a total of 3 sessions in 2020, where aspects related to the control work carried out by our Corporate Controllershship on subordinate entities and control of the Health Emergency were discussed.

8.3.R. INFORMATION ON THE COMPLETION OF THE EVALUATION PROCESSES OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT, AS WELL AS A SYNTHESIS OF THE RESULTS

The Board of Directors approved in its rules of procedure an evaluation mechanism, in order to measure the effectiveness of the work as the management body of the Company. In this regard, each of the Members of the Board received a format to assess the objective aspects of the development of the activities of the Board of Directors to complete.

Likewise, this format includes a space for suggestions for ongoing improvement of meetings.

8.4. OPERATIONS WITH LINKED PARTIES



8.4.A. POWERS OF THE BOARD OF DIRECTORS ON SUCH OPERATIONS AND SITUATIONS OF CONFLICT OF INTEREST

As noted above, on conflicts of interest, on August 26th, 2020 our Board of Directors approved the establishment of the Corporate Governance Committee. Said Committee incorporates within its objectives to be the body in charge on first instance of becoming aware and assessing characteristics of operations that may present conflicts of interest or possible conflicts of interest between Grupo Aval and the entities that make up Aval Financial Conglomerate, those Linked to the Financial Conglomerate Aval and the administrators and persons with decision-making capacity of the entities of Aval Financial Conglomerate Aval , in accordance with the Policy for the Identification, Communication, Administration and Control of Conflicts of Interest of Aval Financial Conglomerate.

8.4.B. DETAIL OF THE TRANSACTIONS WITH MOST RELEVANT RELATED PARTIES TO THE COMPANY’S OPINION. INCLUDING OPERATIONS BETWEEN CONGLOMERATE COMPANIES

Grupo Aval submits to its Shareholders’ Meeting the special report of The Business Group provided for in article 29 of Law 222 / 1995, containing the following aspects: (i) the most important transactions concluded during the respective financial year, directly or indirectly, between the controller or its subsidiaries or subsidiaries with the respective controlled company, (i) the most important transactions concluded during the respective financial year, between the controlled company and other entities, by influence or in the interests of the controlling company, as well as the most important transactions concluded during the respective financial year, between the controlling company and other entities, in the interests of the controlled company and (II) the most important decisions that the

controlled company has made or ceased to make by influence or in the interests of the controlling company , as well as decisions of greater importance that the controlling society has made or ceased to make in the interests of the controlled company.

8.4.C. CONFLICTS OF INTEREST PRESENTED AND ACTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors must keep a record of the operations that were approved and, in compliance with the duty of disclosure enshrined in Article 2.39.3.1.4 of Decree 2555 / 2010, report on them in the end-of-year accountability report submitted to the General Shareholders’ Assembly. During 2020 the Board of Directors was not aware of conflict-of-interest situations.

8.4.D. MECHANISMS TO RESOLVE CONFLICTS OF INTEREST BETWEEN COMPANIES OF THE SAME CONGLOMERATE AND ITS IMPLEMENTATION DURING THE FINANCIAL YEAR

The mechanism provided for in the “Policy for



Identification, Communication, Administration and Control of Conflicts of Interest of Aval Financial Conglomerate “ is based on a correct identification of current or potential situations of conflicts of interest for communication to the relevant governing bodies.

Governing bodies competent to hear these situations shall be considered: (i) the Conflict of Interest Committees, or any other committee that fulfils such a function, (i) the Boards of Directors and (iii) the Shareholders’ Meetings. Each of these instances, depending on the situation and its materiality, makes the corresponding decisions in accordance with the Conflicts of Interest Policy (approval, denial, or amendment of the terms of the operation or escalation to another instance).

Also, conflict resolution mechanisms include the participation of the three lines of defense in control to verify the correct implementation of the Policy.

8.5. CORPORATE RISK MANAGEMENT SYSTEMS

Through our risk management system with consolidated scope, we seek to contribute the co-operation and control architecture of our subordinate entities, while generating value for the organization, maximizing the execution of strategies, and optimizing operations. The scope in risk management seeks to generate a consistent view of our consolidated situation, for proper management and control, in order to achieve risk assumption within acceptable levels, optimizing the equation between profitability and risk, and meeting the expectations of investors, clients, and other stakeholders.

Detailed information on The Company’s Risk Management can be found in Chapter 6, numeral 6.5.B on page 141 and in footnote 4 of the audited consolidated financial statements.

8.6. GENERAL SHAREHOLDERS ASSEMBLY

8.6.A. DIFFERENCES IN FUNCTIONING OF THE ASSEMBLY BETWEEN THE MINIMUM REGIME OF THE CURRENT REGULATIONS AND THOSE DEFINED BY THE BYLAWS AND REGULATIONS OF THE COMPANY ASSEMBLY

We have provided in the Rules of Procedure of the Shareholders’ Assembly the right of shareholders to include issues in addition to those already established in the call, as well as the grounds for dismissing information requested by shareholders, as the case may be.

Similarly, the Code of Good Governance provides that shareholders representing at least fifteen per cent (15%) of the company’s outstanding shares, as well as investors in debt securities who own at least twenty-five percent (25%) of the total securities issued by the Company, they may, at their cost and under their responsibility, commission specialized audits when they have reasonable doubts about the quality, reliability and legality of the financial statements disclosed by the company to the authorities and the general public, the internal control of the company or the control exercised by the Tax Reviewer.

Finally, we have implemented from our website www.grupoaval.com means of publication easily accessible to shareholders, in order to share the proposals of the administration that will be discussed in the General Meeting of Shareholders.

8.6.B. MEASURES TAKEN DURING THE PERIOD TO ENCOURAGE THE PARTICIPATION OF SHAREHOLDERS

During 2020 we carried out an exercise in implementing sustainability best practices, in particular by incorporating ASG standards developing a process of measuring and rating our sustainability initiatives and that of our subsidiaries, which yielded results in progress and implementation of the objectives throughout the year.

Also, as part of our best practices with our stakeholders, we disclose quarterly results reports to our shareholders and investors in general. We also make quarterly presentations (results calls) where we inform the market of the behavior of our businesses and communicate to the market the relevant information in a timely manner and in accordance with the Law.

For our General Shareholders' Meeting, a virtual transmission was guaranteed for our investors, with sufficient information in our call and we publish a procedure for the correct access and validation of our shareholders on our website.

8.6.C. INFORMATION TO SHAREHOLDERS AND COMMUNICATION WITH THEM

We have a Strategic Planning and Investor Relations Management dedicated to providing information and responding to requests

from shareholders, investors, and stakeholders. Those interested in requesting information may do so by telephone contact at the phone number 7433222 extension 23350 in Bogota or by mail to the following address: investorrelations@grupoaval.com or at the main office of Grupo Aval, located in Carrera 13 x 26A47 Piso 23, Bogotá, Colombia.

8.6.D. NUMBER OF REQUESTS AND MATERIALS ON WHICH SHAREHOLDERS HAVE REQUIRED INFORMATION

In 2020 we received 13,667 requests from shareholders of which 74.7% were processed by telephone, 22.5% per counter, 2% by email and 0.8% by personal attention. The most recurring topics were requesting certificates (30%), updating data and general data (23%) information on balance of shares and dividends (18%), buy/sell and balances (12%), special operations (7%), and others (10%).

8.6.E. DATA ON ATTENDANCE AT THE GENERAL SHAREHOLDERS MEETING

At the meeting of March 30th, 2020, 13,738,902,353 shares of the Company's 15,135,161,111 common shares were represented, which, at that date, was the total number of voting shares of the Company. Thus, the percentage of shares represented was 90.77%

8.6.F. DETAILS OF THE MAIN AGREEMENTS MADE

The main agreements reached at the assembly meeting on March 30th , 2020 related to the adoption of the management report, our separate and consolidated financial statements, the approval of profit distribution project and the election of the Company's Board of Directors and Statutory Auditor, as well as the setting of its fees.





ANNEX 1

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99000_CON. R99000 - GRUPO AVAL ACCIONES Y VALORES S.A.	IND					
R99000_CON. R99052 - GRUPO AVAL LIMITED	IND					
R99000_CON.F11899 - ATH NEGOCIO CONJUNTO	IND					
F00101_CON.F00101 - BANCO DE BOGOTÁ	INDI	ND				
F00101_CON.F00522 - FIDUCIARIA BOGOTÁ S.A. - FIDUBOGOTÁ	INDI	ND				
F00101_CON.F12802 - AVAL SOLUCIONES DIGITALES S.A	INDI	ND				
F99002_CON. F99002 - LEASING BOGOTÁ PANAMÁ S.A.	INDI	ND				
F99200_CON. F99200 - Multi Financial Group Inc.	INDI	ND				
F99200_CON. R99240 - Instituto de Microfinanzas, S.A.	INDI	ND				
F99201_CON.F99201 - Multibank Inc.	INDI	ND				
F99201_CON.F99203 - Multi Securities Inc.	INDI	ND				
F99201_CON.F99204 - Multi Trust, Inc.	INDI	ND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F99201_CON.F99205 - Multibank Cayman Inc.	INDI	ND				
F99201_CON.R99242 - Orbis Real Estate, Inc.	INDI	ND				
F99208_CON. F99208 - Multibank Seguros, S.A.	INDI	ND				
F99209_CON. F99209 - MB Créditos, S.A.	INDI	ND				
F99209_CON.F99210 - MB Leasing S.A.	INDI	ND				
R99243_CON. R99243 - Promotora Prosperidad, S.A.	INDI	ND				
R99260_CON. R99260 - Multi Investments, S.A.	INDI	ND				
R99260_CON. R99262 - Multi Real Estate, S.A.	INDI	ND				
F99100_CON.F99100 - BAC Credomatic Inc.	INDI	ND				
F99101_CON.F99101 - BAC International Corporation	INDI	ND				
F99104_CON.F99104 - BAC International Bank, Incorporated	INDI	ND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F99104_CON.F99105 - BAC International Bank (Grand Cayman)	INDI	ND				
F99104_CON. F99106 - BAC Valores (Panamá), Inc.	INDI	ND				
F99104_CON. F99107 - Premier Assets Management Incorporated	INDI	ND				
F99104_CON.F99108 - BAC Bahamas Bank, Limited	INDI	ND				
F99104_CON.R99236 - Red Land Bridge	INDI	ND				
F99104_CON.R99203 - BAC Latam SSC S.A.	INDI	ND				
R99204_CON. R99204 - Coinca Corporation (Holding)	INDI	ND				
R99204_CON. R99205 - Comunicaciones inalámbricas de Centroamérica S.A (Panamá)	INDI	ND				
R99204_CON. R99206 - Comunicaciones inalámbricas de Centroamérica S.A de C.V. (El Salvador)	INDI	ND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99204_CON. R99208 - COSIC Comercialización de Sistemas Inalámbricos de Comunicación, S. A.	INDI	ND				
R99204_CON. R99209 - Comunicaciones inalámbricas de Centroamérica S.A (Nicaragua)	INDI	ND				
R99204_CON.R99210 - Comunicaciones inalámbricas de Centroamérica S.A (Honduras)	INDI	ND				
R99204_CON.R99212 - COSIC, S.A.	INDI	ND				
F99104_CON.F99111 - CISA International S.A.	INDI	ND				
F99104_CON. F99116 - Vales Intercontinentales S.A.	INDI	ND				
F99104_CON.R99214 - Agencia de Viajes Intertur S.A.	INDI	ND				
F99114_CON.F99114 - Corporación de Inversiones Credomatic S.A.	INDI	ND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F99119_CON.F99119 - Corporación Tenedora BAC Credomatic, S.A.	INDI	ND				
F99119_CON.F99120 - BAC San José Puesto de Bolsa S.A. Costa Rica	INDI	ND				
F99119_CON.F99121 - BAC San Jose Leasing S.A. Costa Rica	INDI	ND				
F99119_CON.F99122 - BAC San José Soc. de Fondos de Inversión S.A. Costa Rica	INDI	ND				
F99119_CON.F99123 - Banco BAC San José, S.A. Costa Rica	INDI	ND				
F99119_CON. F99124 - BAC San José Pensiones Op Planes de Pensiones Complem. S.A. Costa Rica	INDI	ND				
F99119_CON.R99215 - Medios de Pago S.A.	INDI	ND				
F99119_CON.F99155 - BAC Credomatic Corredora de Seguros S.A.	INDI	ND				
F99119_CON. R99239 - Inmobiliaria Credomatic S.A.	INDI	ND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F99119_CON.F99156 - Credomatic de Costa Rica S.A.	INDI	ND				
F99104_CON.F99126 - Credomatic del Istmo S.A.	INDI	ND				
F99104_CON.R99217 - VENTAS INTERNACIONALES S.A. DE C.V.	INDI	ND				
F99127_CON.F99127 - Credomatic de Honduras S.A.	INDI	ND				
F99127_CON.F99128 - Admin de Fondos de Pensiones y Cesantías, BAC Pensiones Honduras, S.A.	INDI	ND				
F99129_CON.F99129 - Banco de América Central Honduras S.A.	INDI	ND				
F99130_CON.F99130 - Corporación Latinoamericana de Finanzas S.A.	INDI	ND				
F99130_CON.F99131 - BAC Bank Incorporated Guatemala	INDI	ND				
F99132_CON.F99132 - Credomatic Latinoamericana S.A.	INDI	ND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F99132_CON.R99225 - NEGOCIOS Y TRANSACCIONES INSTITUCIONALES S.A.	INDI	ND				
F99130_CON.F99136 - CREDOMATIC DE GUATEMALA S.A.	INDI	ND				
F99137_CON.F99137 - Informaciones S.A.	INDI	ND				
F99137_CON.F99138 - BAC Valores de Guatemala S.A.	INDI	ND				
F99139_CON.F99139 - Banco de América Central S.A. (Guatemala)	INDI	ND				
F99139_CON.F99140 - Financiera de Capitales, S.A.	INDI	ND				
F99104_CON.R99230 - CREDIT SYSTEMS, INCORPORATED NICARAGUA	INDI	ND				
F99142_CON.F99142 - Corporación Tenedora BAC COM Nicaragua	INDI	ND				
F99142_CON.F99143 - BAC Valores Nicaragua, Puesto de Bolsa, S.A.	INDI	ND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F99144_CON. F99144 - Crédito S.A. (Nicaragua)	IND	IND				
F99145_CON. F99145 - Banco de América Central S.A. (Nicaragua)	IND	IND				
F99145_CON. F99146 - Almacenes Generales de Depósitos BAC S.A.	IND	IND				
F99148_CON. F99148 - Inversiones Financieras Banco de América Central S.A.	IND	IND				
F99148_CON.F99150 - Credomatic de El Salvador S.A. de C.V.	IND	IND				
F99148_CON. F99151 - Banco de América Central S.A. (Salvador)	IND	IND				
F99153_CON.F99153 - Credomatic de Centroamérica S.A.	IND	IND				
F99153_CON.R99232 - CREDOMATIC DE CENTROAMÉRICA S.A., BRANCH	IND	IND				
R99233_CON. R99233 - SISTEMAS INTERNACIONALES S.A. DE C.V.	IND	IND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99233_CON. R99234 - VIAJES CREDOMATIC EL SALVADOR, S.A. DE C.V.	IND	IND				
R99233_CON.R99235 - CREDOMATIC REPRESENTACIONES TURÍSTICAS S.A. DE C.V.	IND	IND				
F99104_CON.F99154 - Credomatic of Florida, Incorporated	IND	IND				
F00101_CON.F99003 - BOGOTÁ FINANCE CORPORATION	IND	IND				
F00101_CON.R99004 - MEGALINEA S.A.	IND	IND				
F00101_CON.F99006 - CORPORACIÓN FINANCIERA CENTROAMERICANA S.A. - FICENTRO	IND	IND				
F02014_CON. F02014 - BANCO DE BOGOTÁ S.A. - PANAMÁ	IND	IND				
F02014_CON. F99007 - BANCO DE BOGOTÁ NASSAU LIMITED	IND	IND				
F00605_CON. F00605 - ALMACENES GENERALES DE DEPÓSITO ALMAVIVA S.A.	IND	IND				

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F00605_CON. R99008 - ALMAVIVA GLOBAL CARGO S.A.	INDI	ND				
F00605_CON. R99041 - ALMAVIVA ZONA FRANCA S.A.S.	INDI	ND				
F02303_CON. F02303 - SOCIEDAD ADMINISTRADORA DE FONDOS DE PENSIONES Y CESANTÍAS PORVENIR S.A.	INDI	ND				
F02303_CON.R99010 - APORTES EN LÍNEA S.A.	INDI	ND				
F00123_CON. F00123 - BANCO DE OCCIDENTE	IND		IND			
F00123_CON.F00521 - FIDUCIARIA DE OCCIDENTE S.A.	IND		IND			
F00123_CON. F11104 - BANCO DE OCCIDENTE - PANAMÁ S.A.	IND		IND			
F00123_CON.F20133 - OCCIDENTAL BANK BARBADOS	IND		IND			
F00123_CON. R99037 - VENTAS Y SERVICIOS S.A.	IND		IND			
F00102_CON.F00102 - BANCO POPULAR S.A.	IND		I	ND		

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F00102_CON. F00518 - FIDUCIARIA POPULAR S.A.	IND		I	ND		
F00102_CON. F00606 - ALPOPULAR S.A.	IND		I	ND		
F00149_CON. F00149 - BANCO COMERCIAL AV VILLAS S.A.	IND				IND	
F00149_CON.F11804 - A TODA HORA S.A. ATH	IND				IND	
F00211_CON.F00211 - CORPORACIÓN FINANCIERA COLOMBIANA S.A. - CORFICOL	IND				I	ND
F00211_CON.F00520 - FIDUCIARIA CORFICOLOMBIANA S.A.	IND				I	ND
F00211_CON. F00459 - LEASING CORFICOLOMBIANA S.A. - COMPAÑÍA DE FINANCIAMIENTO	IND				I	ND
F00211_CON.F08503 - CASA DE BOLSA S.A SOCIEDAD COMISIONISTA DE BOLSA	IND				I	ND
F00211_CON.R99013 - INDUSTRIAS LEHNER S.A.S	IND				I	ND

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F00211_CON.R99014 - TEJIDOS SINTÉTICOS DE COLOMBIA S.A. - TESICOL	IND				I	ND
F00211_CON.R99015 - PROMOTORA Y COMERCIALIZADORA TURÍSTICA SANTAMAR S.A	IND				I	ND
F00211_CON.R99016 - COLOMBIANA DE LICITACIONES Y CONCESIONES S.A.S	IND				I	ND
F00211_CON.R99017 - PLANTACIONES UNIPALMA DE LOS LLANOS S.A.	IND				I	ND
F00211_CON.R99053 - PROYECTOS DE INGENIERÍA Y DESARROLLO S.A.S - PROINDESA S.A.S	IND				I	ND
F00211_CON.R99054 - CFC GAS HOLDING SAS	IND				I	ND
F00211_CON.R99091 - CFC PRIVATE EQUITY HOLDINGS S.A.S	IND				I	ND
F00211_CON.R99083 - CONCESIONARIA VIAL DEL ORIENTE S.A.S - COVORIENTE S.A.S	IND				I	ND

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
F00211_CON.R99101 - CONCESIONARIA VIAL DEL PACÍFICO S.A.S	IND				I	ND
F00211_CON.R99102 - CONCESIONARIA NUEVA VÍA AL MAR S.A.S	IND				I	ND
F00211_CON.R99105 - COMPAÑÍA EN INFRAESTRUCTURA Y DESARROLLO S.A.S. - COVINDESA	IND				I	ND
F00211_CON.R99106 - GESTORA EN INFRAESTRUCTURA Y DESARROLLO S.A.S.	IND				I	ND
R99011_CON.R99011 - VALORA S.A.S	IND				I	ND
R99011_CON.R99044 - AGRO SANTA HELENA S.A.S.	IND				I	ND
R99011_CON.R99047 - PLANTACIONES SANTA RITA S.A.S.	IND				I	ND
R99011_CON.R99048 - HEVEA DE LOS LLANOS S.A.S.	IND				I	ND
R99011_CON.R99049 - TSR20 INVERSIONES S.A.S.	IND				I	ND
R99011_CON.R99050 - HEVEA INVERSIONES S.A.S.	IND				I	ND

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99011_CON.R99051 - AGRO CASUNA S.A.S.	IND				I	ND
R99018_CON. R99018 - ESTUDIOS Y PROYECTOS DEL SOL S.A.S.	IND				I	ND
R99018_CON. R99019 - CONSTRUCTORA DE INFRAESTRUCTURA VIAL S.A.S - CONINVIAL	IND				I	ND
R99018_CON.R99042 - CONCESIONARIA PANAMERICANA S.A.S	IND				I	ND
R99018_CON.R99082 - CONCESIONARIA VIAL ANDINA S.A.S - COVIANDINA	IND				I	ND
R99020_CON. R99020 - PROYECTOS DE INFRAESTRUCTURA S.A. - PISA	IND				I	ND
R99020_CON. R99022 - CONCESIONES CCFC S.A.S	IND				I	ND
R99023_CON. R99023 - ORGANIZACIÓN PAJONALES S.A.S	IND				I	ND

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99023_CON. R99025 - MAVALLE S.A.S	IND				I	ND
R99026_CON. R99026 - ESTUDIOS PROYECTOS E INVERSIONES DE LOS ANDES S.A.S	IND				I	ND
R99026_CON. R99027 - CONCESIONARIA VIAL DE LOS ANDES S.A.S - COVIANDES S.A.S	IND				I	ND
R99026_CON. R99098 - PROYECTOS DE INVERSIÓN VIAL DEL ORIENTE S.A.S	IND				I	ND
R99026_CON.R99104 - PROYECTOS DE INVERSIÓN VIAL ANDINO S.A.S	IND				I	ND
R99028_CON. R99028 - HOTELES ESTELAR S.A.	IND				I	ND
R99028_CON. R99030 - ESENCIAL HOTELES S.A.S	IND				I	ND
R99028_CON. R99031 - COMPAÑÍA HOTELERA DE CARTAGENA DE INDIAS S.A.	IND				I	ND

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99028_CON. R99045 - HOTELES ESTELAR DEL PERÚ SAC	IND				I	ND
R99028_CON. R99060 - HOTELES ESTELAR PANAMÁ S.A.	IND				I	ND
FO0211_CON.R99094 - CFC ENERGY HOLDING S.A.S	IND				I	ND
R99095_CON. R99095 - PROYECTOS Y DESARROLLOS VIALES DEL PACÍFICO S.A.S	IND				I	ND
R99095_CON. R99096 - PROYECTOS DE INVERSIÓN VIAL DEL PACÍFICO S.A.S	IND				I	ND
R99097_CON. R99097 - PROYECTOS Y DESARROLLOS VIALES DEL ORIENTE S.A.S	IND				I	ND
R99099_CON. R99099 - PROYECTOS Y DESARROLLOS VIALES DEL MAR S.A.S	IND				I	ND

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99099_CON. R99100 - PROYECTOS DE INVERSIÓN VIAL DEL MAR S.A.S	IND				I	ND
R99103_CON.R99103 - PROYECTOS y DESARROLLOS VIALES ANDINOS S.A.S	IND				I	ND
R99103_CON. R99110 - PEAJES ELECTRÓNICOS S.A.S	IND				I	ND
R99061_CON.R99061 - PROMIGAS S.A. E.S.P.	IND				I	ND
R99061_CON. R99062 - TRANSPORTADORA DE METANO S.A. E.S.P.	IND				I	ND
R99061_CON.R99063 - PROMIORIENTE S.A. E.S.P.	IND				I	ND
R99061_CON.R99064 - TRANSOCCIDENTE S.A. E.S.P.	IND				I	ND
R99061_CON.R99065 - SURTIDORA DE GAS DEL CARIBE S.A. E.S.P.	IND				I	ND
R99061_CON.R99066 - GASES DEL PACÍFICO S.A.C.	IND				I	ND

Entities	Grupo Aval	Banco de Bogotá	Banco de Occidente	Banco Popular	Banco AV Villas	Corficolombiana
Total consolidated entities	1648	65		32		65
R99061_CON. R99067 - SOCIEDAD PORTUARIA EL CAYAO S.A. E.S.P.	IND				I	ND
R99061_CON.R99088 - GASES DEL NORTE DEL PERÚ S.A.C.	IND				I	ND
R99061_CON.R99089 - ENLACE SERVICIOS COMPARTIDOS S.A.S.	IND				I	ND
R99061_CON. R99090 - PROMIGAS PERÚ S.A.	IND				I	ND
R99068_CON. R99068 - GASES DE OCCIDENTE S.A. E.S.P.	IND				I	ND
R99068_CON. R99069 - COMPAÑÍA ENERGÉTICA DE OCCIDENTE S.A.S E.S.P	IND				I	ND
R99068_CON. R99070 - ORION CONTACT CENTER S.A.S.	IND				I	ND
R99071_CON.R99071 - PROMISOL S.A.S.	IND				I	ND
R99071_CON.R99074 - ZONAGEN S.A.S	IND				I	ND
R99071_CON.R99086 - PROMISOL MÉXICO S.A.	IND				I	ND



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