

**AVAL**  
**LISTED**  
**NYSE**



# Report of 2Q2020 consolidated results

Information reported in Ps billions<sup>(1)</sup> and under IFRS

(1) We refer to billions as thousands of millions.



Grupo Aval Acciones y Valores S.A. (“Grupo Aval”) is an issuer of securities in Colombia and in the United States.. As such, it is subject to compliance with securities regulation in Colombia and applicable U.S. securities regulation. Grupo Aval is also subject to the inspection and supervision of the Superintendency of Finance as holding company of the Aval financial conglomerate.

The consolidated financial information included in this document is presented in accordance with IFRS as currently issued by the IASB. Details of the calculations of non-GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue,” or the negative of these and other comparable words. Actual results and events may differ materially from those anticipated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risk described from time to time in our filings with the Registro Nacional de Valores y Emisores and the SEC.

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

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

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



# Report of 2Q2020 consolidated results

Information reported in Ps billions and under IFRS, except per share information

Bogotá, August 27<sup>th</sup>, 2020. Grupo Aval S.A. (NYSE:AVAL) reported a consolidated attributable net income for 2Q2020 of Ps 323.4 billion or \$14.5 pesos per share. ROAE was 6.6% and ROAA was 0.8% for the quarter.

## Key results of the quarter:

- Grupo Aval closed on the Multi Financial Group (MFG) acquisition in Panama during the month of May.
- The acquisition represented a one-time increase in consolidated total assets of approximately Ps 18.6 trillion (USD 5.0 billion) and in consolidated total liabilities of approximately Ps 16.7 trillion (USD 4.4 billion).
- Including the acquisition of MFG, Aval's consolidated assets grew by 25.8% in the last twelve months to Ps 333 trillion.
- Consolidated gross loans grew in the last twelve months to Ps 209 trillion, or 22.6%, including the MFG acquisition.
- Consolidated deposits grew in the last twelve months to Ps 212 trillion, or 27.8%, including the MFG acquisition.
- Cost of risk during the semester increased significantly to 2.7%, when compared to 2.1% during the first semester of 2019 and 2.3% during the second semester of last year. 40 to 50% of loan provisions booked during this quarter were Covid-related.
- Total NIM during the semester was 5.1%, a decrease of almost 70 bps versus total NIM during the first half of 2019, and of 60 bps versus total NIM recorded during the second half of last year. However, total NIM during the second quarter of 2020 improved by 50bps versus total NIM during the first quarter, driven by a 456 bps increase in NIM on Investments.
- Although gross fee income during the first semester was in line with gross fee income during the first semester of last year, a sharp decrease (-19%) was recorded in fee income from banking activities versus the previous quarter, mostly related to the region's quarantine that resulted in a material decrease in credit card usage.
- Income from non-financial sector operations contracted by 8.6% versus the first half of 2019 and by 10.6% versus the second semester of 2019, mainly driven by a contraction in revenues from infrastructure investments, which decreased by 8.9% and 11.7% versus the first and second semesters of 2019. This decrease was driven by the lockdown in Colombia that halted construction in our 4G concessions; however, the Government has already lifted most restrictions and construction has restarted.
- We continue to observe strong funding and liquidity positions, as evidenced by the Deposits/Net Loans ratio of 1.04x and the Cash/Deposits ratio of 18.9%.
- As a result, ROAA and ROAE for the semester were 1.3% and 10.4% respectively.



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COP \$tn		2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Balance Sheet	Gross Loans	\$ 170.7	\$ 200.7	\$ 209.3	22.6%	4.3%
	Deposits	\$ 166.0	\$ 203.2	\$ 212.2	27.8%	4.4%
	Deposits/Net Loans	1.00 x	1.04 x	1.04 x	0.05 x	0.00 x
Loan Quality	90 days PDLs / Total loans	3.2%	3.1%	3.0%	(22) bps	(15) bps
	Allowance/90 days PDLs	1.53 x	1.41 x	1.53 x	0.00 x	0.12 x
	Cost of risk	2.2%	2.2%	3.1%	87 bps	94 bps
Profitability	Net interest margin	5.9%	4.8%	5.3%	(56) bps	50 bps
	Fee income Ratio	25.4%	24.6%	21.4%	(396) bps	(315) bps
	Efficiency Ratio	45.4%	47.1%	51.3%	593 bps	428 bps
	Attributable net income	\$ 0.81	\$ 0.70	\$ 0.32	-60.2%	-53.8%
	ROAA	2.1%	1.8%	0.8%	(136) bps	(101) bps
	ROAE	18.3%	14.2%	6.6%	(1,169) bps	(768) bps

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



# Report of 2Q2020 consolidated results

Information reported in Ps billions and under IFRS

## Grupo Aval Acciones y Valores S.A.

### Consolidated Financial Statements Under IFRS

Information in Ps. Billions

Consolidated Statement of Financial Position	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Cash and cash equivalents	29,824.7	40,136.8	40,109.2	-0.1%	34.5%
Trading assets	7,702.0	11,478.9	11,204.1	-2.4%	45.5%
Investment securities	24,316.2	28,999.9	33,302.6	14.8%	37.0%
Hedging derivatives assets	44.4	206.0	129.0	-37.4%	190.8%
Total loans, net	166,401.3	195,066.3	203,303.0	4.2%	22.2%
Tangible assets	8,863.4	9,295.5	9,437.8	1.5%	6.5%
Goodwill	7,249.3	8,571.5	8,236.5	-3.9%	13.6%
Concession arrangement rights	6,429.4	8,068.4	8,154.6	1.1%	26.8%
Other assets	13,845.4	18,604.4	19,086.7	2.6%	37.9%
<b>Total assets</b>	<b>264,676.1</b>	<b>320,427.8</b>	<b>332,963.5</b>	<b>3.9%</b>	<b>25.8%</b>
Trading liabilities	568.3	3,016.1	1,196.5	-60.3%	110.6%
Hedging derivatives liabilities	76.7	770.9	310.6	-59.7%	N.A.
Customer deposits	166,000.8	203,221.5	212,216.0	4.4%	27.8%
Interbank borrowings and overnight funds	10,416.7	7,768.2	11,004.5	41.7%	5.6%
Borrowings from banks and others	20,278.7	25,511.2	26,570.5	4.2%	31.0%
Bonds issued	20,105.5	28,684.4	28,829.1	0.5%	43.4%
Borrowings from development entities	3,290.4	3,799.6	4,103.0	8.0%	24.7%
Other liabilities	13,336.0	14,625.6	14,572.4	-0.4%	9.3%
<b>Total liabilities</b>	<b>234,073.0</b>	<b>287,397.4</b>	<b>298,802.7</b>	<b>4.0%</b>	<b>27.7%</b>
<b>Equity attributable to owners of the parent</b>	<b>18,310.6</b>	<b>19,472.2</b>	<b>19,939.8</b>	<b>2.4%</b>	<b>8.9%</b>
<b>Non-controlling interest</b>	<b>12,292.5</b>	<b>13,558.1</b>	<b>14,221.0</b>	<b>4.9%</b>	<b>15.7%</b>
<b>Total equity</b>	<b>30,603.1</b>	<b>33,030.3</b>	<b>34,160.8</b>	<b>3.4%</b>	<b>11.6%</b>
<b>Total liabilities and equity</b>	<b>264,676.1</b>	<b>320,427.8</b>	<b>332,963.5</b>	<b>3.9%</b>	<b>25.8%</b>
Consolidated Statement of Income					
	2Q19	1Q20	2Q20	Δ	
Interest income	4,885.8	5,097.5	5,199.9	2.0%	6.4%
Interest expense	2,054.4	2,172.0	2,246.4	3.4%	9.3%
<b>Net interest income</b>	<b>2,831.3</b>	<b>2,925.5</b>	<b>2,953.6</b>	<b>1.0%</b>	<b>4.3%</b>
Loans and other accounts receivable	1,040.9	1,101.4	1,642.1	49.1%	57.7%
Other financial assets	(33.2)	14.8	43.6	194.1%	N.A.
Recovery of charged-off financial assets	(96.6)	(79.7)	(56.0)	-29.7%	-42.0%
<b>Net impairment loss on financial assets</b>	<b>911.1</b>	<b>1,036.5</b>	<b>1,629.6</b>	<b>57.2%</b>	<b>78.9%</b>
<b>Net interest income, after impairment losses</b>	<b>1,920.2</b>	<b>1,889.0</b>	<b>1,323.9</b>	<b>-29.9%</b>	<b>-31.1%</b>
Net income from commissions and fees	1,347.2	1,345.8	1,094.5	-18.7%	-18.8%
Gross profit from sales of goods and services	599.7	833.7	239.4	-71.3%	-60.1%
Net trading income	208.6	1,101.2	(93.6)	-108.5%	-144.9%
Net income from other financial instruments mandatory at FVTPL	53.4	73.3	59.7	-18.5%	11.7%
Total other income	266.1	(804.3)	853.2	N.A.	N.A.
Total other expenses	2,409.2	2,576.4	2,621.6	1.8%	8.8%
<b>Net income before income tax expense</b>	<b>1,986.1</b>	<b>1,862.3</b>	<b>855.6</b>	<b>-54.1%</b>	<b>-56.9%</b>
<b>Income tax expense</b>	<b>586.4</b>	<b>516.4</b>	<b>214.6</b>	<b>-58.4%</b>	<b>-63.4%</b>
<b>Net income for the period</b>	<b>1,399.7</b>	<b>1,345.8</b>	<b>641.0</b>	<b>-52.4%</b>	<b>-54.2%</b>
Non-controlling interest	586.5	645.6	317.6	-50.8%	-45.8%
<b>Net income attributable to owners of the parent</b>	<b>813.2</b>	<b>700.2</b>	<b>323.4</b>	<b>-53.8%</b>	<b>-60.2%</b>
Key ratios					
	2Q19	1Q20	2Q20	YTD 2019	YTD 2020
Net Interest Margin(1)	5.7%	5.3%	5.0%	5.6%	5.2%
Net Interest Margin (including net trading income)(1)	5.9%	4.8%	5.3%	5.8%	5.1%
Efficiency ratio(2)	45.4%	47.1%	51.3%	45.1%	49.1%
ROAA(3)	2.1%	1.8%	0.8%	2.1%	1.3%
ROAE(4)	18.3%	14.2%	6.6%	17.7%	10.4%
90 days PDL / Gross loans (5)	3.2%	3.1%	3.0%	3.2%	3.0%
Provision expense / Average gross loans (6)	2.2%	2.2%	3.1%	2.1%	2.7%
Allowance / 90 days PDL (5)	1.53	1.41	1.53	1.53	1.53
Allowance / Gross loans	4.9%	4.4%	4.6%	4.9%	4.6%
Charge-offs / Average gross loans (6)	2.3%	1.9%	1.8%	2.4%	1.9%
Total loans, net / Total assets	62.9%	60.9%	61.1%	62.9%	61.1%
Deposits / Total loans, net	99.8%	104.2%	104.4%	99.8%	104.4%
Equity / Assets	11.6%	10.3%	10.3%	11.6%	10.3%
Tangible equity ratio (7)	8.7%	7.5%	7.6%	8.7%	7.6%
Shares outstanding (EoP)	22,281,017,159	22,281,017,159	22,281,017,159	22,281,017,159	22,281,017,159
Shares outstanding (Average)	22,281,017,159	22,281,017,159	22,281,017,159	22,281,017,159	22,281,017,159
Common share price (EoP)	1,295.0	1,100.0	935.0	1,295.0	935.0
Preferred share price (EoP)	1,285.0	897.0	830.0	1,285.0	830.0
BV/ EoP shares in Ps.	821.8	873.9	894.9	821.8	894.9
EPS	36.5	31.4	14.5	70.7	45.9
P/E (8)	8.8	7.1	14.3	9.1	9.0
P/BV (8)	1.6	1.0	0.9	1.6	0.9

(1) NIM is calculated as Net Interest Income divided by the average of Interest Earning Assets; (2) Efficiency Ratio is calculated as total other expenses divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income; (3) ROAA is calculated as Income before Minority Interest divided by the average of total assets for each quarter; (4) ROAE is calculated as Net Income attributable to Grupo Aval's shareholders divided by the average of shareholders' attributable equity for each quarter; (5) PDLs 90+ defined as loans more than 90 days past due include interest accounts receivables. Gross loans excluding interbank and overnight funds; (6) Refers to average gross loans for the period; (7) Tangible Equity Ratio is calculated as Total Equity minus Intangibles (excluding those related to concessions) divided by Total Assets minus Intangibles (excluding those related to concessions); (8) Based on Preferred share prices.

## Statement of Financial Position Analysis

### 1. Assets

Total assets as of June 30<sup>th</sup>, 2020 totaled Ps 332,963.5 billion showing an increase of 25.8% versus June 30<sup>th</sup>, 2019 and of 3.9% versus March 31<sup>st</sup>, 2020. Growth in assets was mainly driven by (i) an 22.2% year over year growth in loans, net to Ps 203,303.0 billion, (ii) a 34.5% year over year growth in cash and cash equivalents to Ps 40,109.2 billion and (iii) a 36.9% yearly growth for investment securities to Ps 33,302.6 billion. When excluding FX movement in our Central American operation (“excluding FX”), asset growth would have been 19.7% versus June 30<sup>th</sup>, 2019 and 6.5% versus March 31<sup>st</sup>, 2020; for total loans and receivables, net growth would have been 16.0% versus June 30<sup>th</sup>, 2019 and 7.0% versus March 31<sup>st</sup>, 2020; for cash and cash equivalents 26.3% and 3.0%; and for investment securities growth would have been 30.7% versus June 30<sup>th</sup>, 2019 and 17.5% versus March 31<sup>th</sup>, 2020.

Multi Financial Group contributed with Ps. 18.6 trillion in assets (USD 5.0 billion).

#### 1.1 Loan portfolio

Gross loans (excluding interbank and overnight funds) increased by 22.6% between June 30<sup>th</sup>, 2019 and June 30<sup>th</sup>, 2020 to Ps 209,292.9 billion (16.6% excluding FX) mainly driven by (i) a 25.6% increase in Commercial loans to Ps 118,617.5 billion (20.8% excluding FX), (ii) a 14.8% increase in Consumer loans to Ps 65,122.3 billion (8.5% excluding FX), and (iii) a 32.0% increase Mortgages loans to Ps 25,168.6 billion (20.6% excluding FX).

Multi Financial Group contributed with Ps. 12.7 trillion in gross loans (USD 3.4 billion). Ps. 7.1 trillion in commercial loans (USD 1.9 billion), Ps. 3.0 trillion in consumer loans (USD 0.8 billion) and Ps. 2.6 trillion in mortgages loans (USD 0.7 billion).

Interbank & overnight funds decreased by 13.1% to Ps 3,585.4 billion (-18.5% excluding FX) during the last twelve months.

Loss allowance was Ps 9,575.2 billion as of June 30<sup>th</sup>, 2020 taking net loans to Ps 203,303.0 billion.

Total loans, net	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
<b>Gross loans</b>					
Commercial loans	94,475.8	111,830.7	118,617.5	6.1%	25.6%
Consumer loans	56,705.3	65,205.6	65,122.3	-0.1%	14.8%
Mortgages loans	19,060.8	23,228.4	25,168.6	8.4%	32.0%
Microcredit loans	411.3	403.4	384.4	-4.7%	-6.5%
<b>Gross loans</b>	<b>170,653.2</b>	<b>200,668.0</b>	<b>209,292.9</b>	<b>4.3%</b>	<b>22.6%</b>
Interbank & overnight funds	4,123.6	3,282.2	3,585.4	9.2%	-13.1%
<b>Total gross loans</b>	<b>174,776.8</b>	<b>203,950.2</b>	<b>212,878.3</b>	<b>4.4%</b>	<b>21.8%</b>
<b>Loss allowance</b>	<b>(8,375.5)</b>	<b>(8,883.9)</b>	<b>(9,575.2)</b>	<b>7.8%</b>	<b>14.3%</b>
Allowance for impairment of commercial loans	(4,476.8)	(4,601.8)	(5,212.3)	13.3%	16.4%
Allowance for impairment of consumer loans	(3,488.9)	(3,783.5)	(3,843.9)	1.6%	10.2%
Allowance for impairment of mortgages	(323.6)	(406.5)	(429.6)	5.7%	32.8%
Allowance for impairment of microcredit loans	(86.2)	(92.1)	(89.5)	-2.8%	3.8%
<b>Total loans, net</b>	<b>166,401.3</b>	<b>195,066.3</b>	<b>203,303.0</b>	<b>4.2%</b>	<b>22.2%</b>

The following table shows the gross loan composition per product of each of our loan categories.

Gross loans	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
General purpose	65,885.1	77,982.4	81,815.3	4.9%	24.2%
Working capital	14,801.8	18,611.7	21,197.9	13.9%	43.2%
Financial leases	9,958.0	10,838.2	10,747.4	-0.8%	7.9%
Funded by development banks	3,067.7	3,497.7	3,950.9	13.0%	28.8%
Overdrafts	456.4	544.3	635.5	16.7%	39.2%
Credit cards	306.7	356.3	270.5	-24.1%	-11.8%
<b>Commercial loans</b>	<b>94,475.8</b>	<b>111,830.6</b>	<b>118,617.5</b>	<b>6.1%</b>	<b>25.6%</b>
Payroll loans	24,656.5	28,098.7	28,630.9	1.9%	16.1%
Personal loans	10,418.2	11,409.6	11,451.6	0.4%	9.9%
Credit cards	15,395.8	18,770.1	17,095.3	-8.9%	11.0%
Automobile and vehicle	5,746.2	6,399.2	7,447.8	16.4%	29.6%
Financial leases	257.7	302.3	287.3	-5.0%	11.5%
Overdrafts	93.3	89.7	80.6	-10.2%	-13.6%
Other	137.6	136.0	128.8	-5.3%	-6.4%
<b>Consumer loans</b>	<b>56,705.2</b>	<b>65,205.6</b>	<b>65,122.3</b>	<b>-0.1%</b>	<b>14.8%</b>
Mortgages	17,643.1	21,602.7	23,510.1	8.8%	33.3%
Housing leases	1,417.7	1,625.6	1,658.5	2.0%	17.0%
<b>Mortgages loans</b>	<b>19,060.8</b>	<b>23,228.4</b>	<b>25,168.6</b>	<b>8.4%</b>	<b>32.0%</b>
<b>Microcredit loans</b>	<b>411.3</b>	<b>403.4</b>	<b>384.4</b>	<b>-4.7%</b>	<b>-6.5%</b>
<b>Gross loans</b>	<b>170,653.1</b>	<b>200,668.0</b>	<b>209,292.9</b>	<b>4.3%</b>	<b>22.6%</b>
Interbank & overnight funds	4,123.6	3,282.2	3,585.4	9.2%	-13.1%
<b>Total gross loans</b>	<b>174,776.8</b>	<b>203,950.2</b>	<b>212,878.3</b>	<b>4.4%</b>	<b>21.8%</b>

Over the last twelve months, commercial general purpose loans and payroll loans have driven our loan portfolio growth in accordance with our banks' strategies.

In Colombia, gross loans increased by 11.5% during the last twelve months and 1.0% during the quarter. As for Central America, loans and receivables grew by 48.4% between June 30<sup>th</sup>, 2019 and June 30<sup>th</sup>, 2020 and 10.5% in the last quarter; when excluding FX, growth would have been 26.6% and 19.3%, respectively.

Commercial loans grew by 25.6% over the year and 6.1% in the last quarter. In Colombia, commercial loans increased by 13.9% annually and 2.1% over the quarter. As for Central America, commercial loans grew by 64.6% over the year and 16.6% in the last quarter; when excluding FX, growth in Central America would have been 40.5% and 25.9%, respectively.

Consumer loans growth over the last year and quarter was mainly driven by payrolls loans. In Colombia, Consumer loans grew by 6.7% during the last twelve months and decreased 1.3% between March 31<sup>st</sup>, 2020 and June 30<sup>th</sup>, 2020 mainly in credit cards. Growth of our Central American operations was 30.6% over the year and 1.7% in the last quarter, excluding FX, growth would have been 11.5% during the last twelve months and 9.8% in the quarter.

The following table shows the loans and receivables composition per entity. During the last twelve months, Banco de Occidente showed the highest growth rate within our banking operation in Colombia, driven by a strong performance in all loan categories (commercial loans grew 18.2%, consumer loans grew 6.8% and mortgages grew 18.2%).

Gross loans / Bank (\$)	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Banco de Bogotá	109,904.9	134,807.7	141,757.5	5.2%	29.0%
<i>Domestic</i>	58,329.6	65,554.2	65,237.0	-0.5%	11.8%
<i>Central America</i>	51,575.3	69,253.5	76,520.5	10.5%	48.4%
Banco de Occidente	29,400.7	32,260.5	33,942.2	5.2%	15.4%
Banco Popular	19,280.8	20,767.5	21,469.1	3.4%	11.3%
Banco AV Villas	11,883.4	12,435.3	12,051.4	-3.1%	1.4%
Corficolombiana	1,761.3	2,000.4	1,821.3	-8.9%	3.4%
Eliminations	(1,578.0)	(1,603.5)	(1,748.7)	9.1%	10.8%
<b>Gross loans</b>	<b>170,653.2</b>	<b>200,668.0</b>	<b>209,292.9</b>	<b>4.3%</b>	<b>22.6%</b>
Interbank & overnight funds	4,123.6	3,282.2	3,585.4	9.2%	-13.1%
<b>Total gross loans</b>	<b>174,776.8</b>	<b>203,950.2</b>	<b>212,878.3</b>	<b>4.4%</b>	<b>21.8%</b>

Gross loans / Bank (%)	2Q19	1Q20	2Q20
Banco de Bogotá	64.4%	67.2%	67.7%
<i>Domestic</i>	34.2%	32.7%	31.2%
<i>Central America</i>	30.2%	34.5%	36.6%
Banco de Occidente	17.2%	16.1%	16.2%
Banco Popular	11.3%	10.3%	10.3%
Banco AV Villas	7.0%	6.2%	5.8%
Corficolombiana	1.0%	1.0%	0.9%
Eliminations	-0.9%	-0.8%	-0.8%
<b>Gross loans</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Of the total loans and receivables, 63.1% are domestic and 36.9% are foreign. In terms of gross loans (excluding interbank and overnight funds), 63.4% are domestic and 36.6% are foreign (reflecting the Central American operations).

Gross loans	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
<b>Domestic</b>					
Commercial loans	72,716.9	81,115.8	82,806.2	2.1%	13.9%
Consumer loans	37,464.6	40,497.7	39,985.9	-1.3%	6.7%
Mortgages loans	8,485.0	9,397.6	9,595.8	2.1%	13.1%
Microcredit loans	411.3	403.4	384.4	-4.7%	-6.5%
Interbank & overnight funds	2,509.3	1,611.9	1,471.4	-8.7%	-41.4%
<b>Total domestic loans</b>	<b>121,587.2</b>	<b>133,026.3</b>	<b>134,243.7</b>	<b>0.9%</b>	<b>10.4%</b>
<b>Foreign</b>					
Commercial loans	21,758.9	30,714.9	35,811.2	16.6%	64.6%
Consumer loans	19,240.6	24,707.9	25,136.4	1.7%	30.6%
Mortgages loans	10,575.8	13,830.7	15,572.8	12.6%	47.2%
Microcredit loans	-	-	-	-	-
Interbank & overnight funds	1,614.3	1,670.3	2,114.0	26.6%	31.0%
<b>Total foreign loans</b>	<b>53,189.6</b>	<b>70,923.9</b>	<b>78,634.5</b>	<b>10.9%</b>	<b>47.8%</b>
<b>Total gross loans</b>	<b>174,776.8</b>	<b>203,950.2</b>	<b>212,878.3</b>	<b>4.4%</b>	<b>21.8%</b>



The quality of our loan portfolio improved during the quarter.

Our 30 days PDL to total loans closed 2Q20 in 4.1%, compared to 4.2% in 1Q20 and 4.5% in 2Q19. The ratio of 90 days PDL to total loans was 3.0% for 2Q20, compared to 3.1% for 1Q20 and 3.2% in 2Q19. Finally, the ratio of CDE Loans to total loans was 6.8% in 2Q20, 6.9% in 1Q20, and 7.1% in 2Q19.

Commercial loans 30 days PDL ratio was 4.1% for 2Q20 and 1Q20, and 4.2% for 2Q19; 90 days PDL ratio was 3.6%, 3.5% and 3.6%, respectively. Consumer loans 30 days PDL ratio was 3.8% for 2Q20, 4.1% for 1Q20 and 4.9% for 2Q19; 90 days PDL ratio was 2.0%, 2.6% and 2.7%, respectively. Mortgages' 30 days PDL ratio was 4.4% for 2Q20 and 1Q20, and 4.6% for 2Q19; 90 days PDL ratio was 2.7%, 3.0% and 2.6%, respectively.

Total gross loans	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
"A" normal risk	153,775.8	181,576.2	188,606.9	3.9%	22.7%
"B" acceptable risk	4,749.9	5,305.3	6,491.7	22.4%	36.7%
"C" appreciable risk	5,394.5	6,253.8	6,562.8	4.9%	21.7%
"D" significant risk	3,762.6	3,886.3	3,875.4	-0.3%	3.0%
"E" unrecoverable	2,970.4	3,646.3	3,756.1	3.0%	26.5%
<b>Gross loans</b>	<b>170,653.2</b>	<b>200,668.0</b>	<b>209,292.9</b>	<b>4.3%</b>	<b>22.6%</b>
Interbank and overnight funds	4,123.6	3,282.2	3,585.4	9.2%	-13.1%
<b>Total gross loans</b>	<b>174,776.8</b>	<b>203,950.2</b>	<b>212,878.3</b>	<b>4.4%</b>	<b>21.8%</b>

CDE loans / Total loans (*)	7.1%	6.9%	6.8%
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Past due loans	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Performing	90,507.7	107,237.1	113,778.3	6.1%	25.7%
Between 31 and 90 days past due	552.6	734.4	574.4	-21.8%	3.9%
+90 days past due	3,415.4	3,859.2	4,264.8	10.5%	24.9%
<b>Commercial loans</b>	<b>94,475.8</b>	<b>111,830.7</b>	<b>118,617.5</b>	<b>6.1%</b>	<b>25.6%</b>
Performing	53,904.5	62,523.2	62,647.4	0.2%	16.2%
Between 31 and 90 days past due	1,273.7	987.1	1,198.3	21.4%	-5.9%
+90 days past due	1,527.1	1,695.3	1,276.6	-24.7%	-16.4%
<b>Consumer loans</b>	<b>56,705.3</b>	<b>65,205.6</b>	<b>65,122.3</b>	<b>-0.1%</b>	<b>14.8%</b>
Performing	18,183.2	22,212.5	24,050.9	8.3%	32.3%
Between 31 and 90 days past due	380.5	323.3	435.0	34.6%	14.3%
+90 days past due	497.1	692.6	682.8	-1.4%	37.4%
<b>Mortgages loans</b>	<b>19,060.8</b>	<b>23,228.4</b>	<b>25,168.6</b>	<b>8.4%</b>	<b>32.0%</b>
Performing	341.7	342.3	333.2	-2.7%	-2.5%
Between 31 and 90 days past due	18.6	3.1	4.6	46.7%	-75.2%
+90 days past due	51.1	58.0	46.7	-19.5%	-8.6%
<b>Microcredit loans</b>	<b>411.3</b>	<b>403.4</b>	<b>384.4</b>	<b>-4.7%</b>	<b>-6.5%</b>
<b>Gross loans</b>	<b>170,653.2</b>	<b>200,668.0</b>	<b>209,292.9</b>	<b>4.3%</b>	<b>22.6%</b>
<b>Interbank &amp; overnight funds</b>	<b>4,123.6</b>	<b>3,282.2</b>	<b>3,585.4</b>	<b>9.2%</b>	<b>-13.1%</b>
<b>Total gross loans</b>	<b>174,776.8</b>	<b>203,950.2</b>	<b>212,878.3</b>	<b>4.4%</b>	<b>21.8%</b>

30 Days PDL / Total loans (*)	4.5%	4.2%	4.1%
90 Days PDL / Total loans (*)	3.2%	3.1%	3.0%

(\*) Total loans excluding interbank and overnight funds. 30 days past due and 90 days past due are calculated on a capital plus interest accounts receivable basis.

Grupo Aval's coverage over its 90 days PDL was 1.5x for 2Q20, 1.4x for 1Q20 and 1.5x for 2Q19. Allowance to CDE Loans was 0.7x for 2Q20, 0.6x for 1Q20 and 0.7x for 2Q19, and allowance to 30 days PDL was 1.1x for 2Q20, 1Q20 and 2Q19. Impairment loss, net of recoveries of charged off assets to average total loans was 3.1% in 2Q20, and 2.2% in 1Q20 and 2Q19. Charge-offs to average total loans was 1.8% in 2Q20, 1.9% in 1Q20, and 2.3% in 2Q19.

Total gross loans	2Q19	1Q20	2Q20
Allowance for impairment / CDE loans	0.7	0.6	0.7
Allowance for impairment / 30 Days PDL	1.1	1.1	1.1
Allowance for impairment / 90 Days PDL	1.5	1.4	1.5
Allowance for impairment / Total loans (*)	4.9%	4.4%	4.6%
Impairment loss / CDE loans	0.3	0.3	0.5
Impairment loss / 30 Days PDL	0.5	0.5	0.8
Impairment loss / 90 Days PDL	0.8	0.7	1.0
Impairment loss / Average total loans (*)	2.5%	2.3%	3.2%
Impairment loss, net of recoveries of charged-off assets / Average total loans (*)	2.2%	2.2%	3.1%
Charge-offs / Average total loans (*)	2.3%	1.9%	1.8%

(\*) Total loans excluding interbank and overnight funds. 30 days past due and 90 days past due are calculated on a capital plus interest accounts receivable basis.

## 1.2 Investment securities and trading assets

Total investment securities and trading assets increased 39.0% to Ps 44,506.7 billion between June 30<sup>th</sup>, 2019 and June 30<sup>th</sup>, 2020 and 10.0% versus March 31<sup>st</sup>, 2020. Ps 37,518.5 billion of our total portfolio is invested in debt securities, which increased by 38.7% between June 30<sup>th</sup>, 2019 and June 30<sup>th</sup>, 2020 and by 15.3% since March 31<sup>st</sup>, 2020. Ps 5,619.6 billion of our total investment securities is invested in equity securities, which increased by 26.8% between June 30<sup>th</sup>, 2019 and June 30<sup>th</sup>, 2020 and by 11.5% versus March 31<sup>st</sup>, 2020.

Multi Financial Group contributed with Ps. 4.2 trillion of investment and trading assets (USD 1.1 billion).

Investment and trading assets	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Debt securities	4,011.4	4,883.0	5,600.7	14.7%	39.6%
Equity securities	3,157.1	3,708.1	4,234.8	14.2%	34.1%
Derivative assets	533.5	2,887.8	1,368.5	-52.6%	156.5%
<b>Trading assets</b>	<b>7,702.0</b>	<b>11,478.9</b>	<b>11,204.1</b>	<b>-2.4%</b>	<b>45.5%</b>
<b>Investments in debt securities at FVTPL (non compliant with SPPI test)</b>	<b>25.1</b>	<b>9.3</b>	<b>8.8</b>	<b>-4.8%</b>	<b>-64.8%</b>
Debt securities at FVOCI	20,030.6	24,426.3	27,001.1	10.5%	34.8%
Equity securities at FVOCI	1,276.0	1,330.7	1,384.8	4.1%	8.5%
<b>Investments in securities at FVOCI</b>	<b>21,306.6</b>	<b>25,757.0</b>	<b>28,386.0</b>	<b>10.2%</b>	<b>33.2%</b>
<b>Investments in debt securities at AC</b>	<b>2,984.5</b>	<b>3,233.7</b>	<b>4,907.8</b>	<b>51.8%</b>	<b>64.4%</b>
<b>Investment and trading assets</b>	<b>32,018.2</b>	<b>40,478.8</b>	<b>44,506.7</b>	<b>10.0%</b>	<b>39.0%</b>

The average yield on our debt and equity investment securities (trading assets, investments in debt securities at FVTPL, investments in securities at FVOCI and investments in debt securities at AC) was 6.6% for 2Q20, 1.4% for 1Q20 and 5.7% in 2Q19.

### 1.3 Cash and Cash Equivalents

As of June 30<sup>th</sup>, 2020 cash and cash equivalents had a balance of Ps 40,109.2 billion showing an increase of 34.5% versus June 30<sup>th</sup>, 2019 and decreasing 0.1% versus March 31<sup>st</sup>, 2020 (26.3% and 3.0% excluding FX).

The ratio of cash and cash equivalents to customer deposits was 18.9% at June 30<sup>th</sup>, 2020, 19.8% at March 31<sup>st</sup>, 2020, and 18.0% at June 30<sup>th</sup>, 2019.

### 1.4 Goodwill and Other Intangibles

Goodwill and other intangibles as of June 30<sup>th</sup>, 2020 reached Ps 17,856.9 billion, increasing by 21.1% versus June 30<sup>th</sup>, 2019 and decreasing 0.3% versus March 31<sup>st</sup>, 2020.

Goodwill as of June 30<sup>th</sup>, 2020 was Ps 8,236.5 billion, increasing by 13.6% versus June 30<sup>th</sup>, 2019 and decreasing 3.9% versus March 31<sup>st</sup>, 2020, explained by fluctuations in the exchange rate.

Other intangibles, which include “concession arrangement rights” and other intangibles, mainly reflect the value of road concessions recorded for the most part at Corficolombiana. Other intangibles as of June 30<sup>th</sup>, 2020 reached Ps 9,620.4 billion and grew by 28.3% versus June 30<sup>th</sup>, 2019 and 3.0% versus March 31<sup>st</sup>, 2020.

## 2. Liabilities

As of June 30<sup>th</sup>, 2020 funding represented 94.6% of total liabilities and other liabilities represented 5.4%.

### 2.1 Funding

Total Funding (Total financial liabilities at amortized cost) which includes (i) Customer deposits, (ii) Interbank borrowings and overnight funds, (iii) Borrowings from banks and others, (iv) Bonds issued, and (v) Borrowing from development entities had a balance of Ps 282,723.1 billion as of June 30<sup>th</sup>, 2020 showing an increase of 28.5% versus June 30<sup>th</sup>, 2019 and of 5.1% versus March 31<sup>st</sup>, 2020 (22.5% and 7.6% increase excluding FX). Total customer deposits represented 75.1% of total funding as of the end of 2Q20, 75.6% for 1Q20 and 75.4% for 2Q19.

Multi Financial Group contributed with Ps. 16.3 trillion in total funding (USD 4.3 billion).

Average cost of funds was 3.3% for 2Q20, 3.5% for 1Q20 and 3.8% for 2Q19.

## 2.1.1 Customer deposits

Customer deposits	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Checking accounts	14,811.2	18,843.7	25,290.1	34.2%	70.7%
Other deposits	526.6	388.6	499.8	28.6%	-5.1%
<b>Non-interest bearing</b>	<b>15,337.8</b>	<b>19,232.3</b>	<b>25,789.9</b>	<b>34.1%</b>	<b>68.1%</b>
Checking accounts	23,479.6	34,215.8	26,486.3	-22.6%	12.8%
Time deposits	71,687.7	81,071.4	86,638.2	6.9%	20.9%
Savings deposits	55,495.7	68,701.9	73,301.6	6.7%	32.1%
<b>Interest bearing</b>	<b>150,663.0</b>	<b>183,989.2</b>	<b>186,426.2</b>	<b>1.3%</b>	<b>23.7%</b>
<b>Customer deposits</b>	<b>166,000.8</b>	<b>203,221.5</b>	<b>212,216.0</b>	<b>4.4%</b>	<b>27.8%</b>

Of our total customer deposits as of June 30<sup>th</sup>, 2020 checking accounts represented 24.4%, time deposits 40.8%, savings accounts 34.5%, and other deposits 0.2%.

Multi Financial Group contributed with Ps. 11.0 trillion in deposits (USD 2.9 billion).

The following table shows the customer deposits composition by bank. During the last twelve months, Banco de Bogotá showed the highest growth rate in customer deposits within our banking operation in Colombia.

Deposits / Bank (\$)	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Banco de Bogotá	107,408.4	143,581.6	148,550.2	3.5%	38.3%
<i>Domestic</i>	56,458.0	72,181.8	67,964.0	-5.8%	20.4%
<i>Central America</i>	50,950.4	71,399.8	80,586.2	12.9%	58.2%
Banco de Occidente	26,706.2	31,476.6	30,764.9	-2.3%	15.2%
Banco Popular	19,096.1	18,516.9	21,579.6	16.5%	13.0%
Banco AV Villas	11,307.6	12,694.2	12,821.0	1.0%	13.4%
Corficolombiana	4,006.2	4,671.5	4,765.1	2.0%	18.9%
Eliminations	(2,523.5)	(7,719.5)	(6,264.7)	-18.8%	148.2%
<b>Total Grupo Aval</b>	<b>166,000.8</b>	<b>203,221.5</b>	<b>212,216.0</b>	<b>4.4%</b>	<b>27.8%</b>

Deposits / Bank (%)	2Q19	1Q20	2Q20
Banco de Bogotá	64.7%	70.7%	70.0%
<i>Domestic</i>	34.0%	35.5%	32.0%
<i>Central America</i>	30.7%	35.1%	38.0%
Banco de Occidente	16.1%	15.5%	14.5%
Banco Popular	11.5%	9.1%	10.2%
Banco AV Villas	6.8%	6.2%	6.0%
Corficolombiana	2.4%	2.3%	2.2%
Eliminations	-1.5%	-3.8%	-3.0%
<b>Total Grupo Aval</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## 2.1.2 Borrowings from Banks and Other (includes borrowings from development entities)

As of June 30<sup>th</sup>, 2020 borrowings from banks and other totaled Ps 30,673.5 billion, showing an increase of 30.1% versus June 30<sup>th</sup>, 2019 and of 4.6% versus March 31<sup>st</sup>, 2020. Excluding FX, borrowings from banks and other increased 21.8% versus June 30<sup>th</sup>, 2019 and 7.7% versus March 31<sup>st</sup>, 2020.

## 2.1.3 Bonds issued

Total bonds issued as of June 30<sup>th</sup>, 2020 totaled Ps 28,829.1 billion increased 43.4% versus June 30<sup>th</sup>, 2019 and 0.5% versus March 31<sup>st</sup>, 2020. Excluding FX, bonds increased 42.1% versus June 30<sup>th</sup>, 2019 and 0.8% versus March 31<sup>st</sup>, 2020.

## 3. Non-controlling Interest

Non-controlling Interest in Grupo Aval reflects: (i) the minority stakes that third party shareholders hold in each of its direct consolidated subsidiaries (Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas and Corficolombiana), and (ii) the minority stakes that third party shareholders hold in the consolidated subsidiaries at the bank level (mainly Porvenir). As of June 30<sup>th</sup>, 2020 non-controlling interest was Ps 14,221.0 billion which increased by 15.7% versus June 30<sup>th</sup>, 2019 and 4.9% versus March 31<sup>st</sup>, 2020. Total non-controlling interest represents 41.6% of total equity as of 2Q20, compared to 41.0% in 1Q20 and 40.2% in 2Q19. Total non-controlling interest derives from the sum of the combined minority interests of our banks and of Grupo Aval, applying eliminations associated with the consolidation process of Grupo Aval.

Percentage consolidated by Aval	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Banco de Bogotá	68.7%	68.7%	68.7%	-	-
Banco de Occidente	72.3%	72.3%	72.3%	-	-
Banco Popular	93.7%	93.7%	93.7%	-	-
Banco AV Villas	79.9%	79.9%	79.9%	-	-
BAC Credomatic <sup>(1)</sup>	68.7%	68.7%	68.7%	-	-
Porvenir <sup>(2)</sup>	75.7%	75.7%	75.7%	-	0
Corficolombiana	38.2%	38.6%	38.6%	-	40

(1) BAC Credomatic is fully owned by Banco de Bogotá; (2) Grupo Aval indirectly owns a 100% of Porvenir as follows: 20.0% in Grupo Aval, 46.9% in Banco de Bogotá and 33.1% in Banco de Occidente. Porvenir's results consolidate into Banco de Bogotá.

## 4. Attributable Shareholders' Equity

Attributable shareholders' equity as of June 30<sup>th</sup>, 2020 was Ps 19,939.8 billion, showing an increase of 8.9% versus June 30<sup>th</sup>, 2019 and a increase of 2.4% versus March 31<sup>st</sup>, 2020.

## Income Statement Analysis

Our net income attributable to the owners of the parent company for 2Q20 of Ps 323.4 billion showed a 60.2% decrease versus 2Q19 and a 53.8% decrease versus 1Q20.

Consolidated Statement of Income	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Interest income	4,885.8	5,097.5	5,199.9	2.0%	6.4%
Interest expense	2,054.4	2,172.0	2,246.4	3.4%	9.3%
<b>Net interest income</b>	<b>2,831.3</b>	<b>2,925.5</b>	<b>2,953.6</b>	<b>1.0%</b>	<b>4.3%</b>
Loans and other accounts receivable	1,040.9	1,101.4	1,642.1	49.1%	57.7%
Other financial assets	(33.2)	14.8	43.6	194.1%	N.A.
Recovery of charged-off financial assets	(96.6)	(79.7)	(56.0)	-29.7%	-42.0%
<b>Net impairment loss on financial assets</b>	<b>911.1</b>	<b>1,036.5</b>	<b>1,629.6</b>	<b>57.2%</b>	<b>78.9%</b>
Net income from commissions and fees	1,347.2	1,345.8	1,094.5	-18.7%	-18.8%
Gross profit from sales of goods and services	599.7	833.7	239.4	-71.3%	-60.1%
Net trading income	208.6	1,101.2	(93.6)	-108.5%	-144.9%
Net income from other financial instruments mandatory at FVTPL	53.4	73.3	59.7	-18.5%	11.7%
Total other income	266.1	(804.3)	853.2	N.A.	N.A.
Total other expenses	2,409.2	2,576.4	2,621.6	1.8%	8.8%
<b>Net income before income tax expense</b>	<b>1,986.1</b>	<b>1,862.3</b>	<b>855.6</b>	<b>-54.1%</b>	<b>-56.9%</b>
<b>Income tax expense</b>	<b>586.4</b>	<b>516.4</b>	<b>214.6</b>	<b>-58.4%</b>	<b>-63.4%</b>
<b>Net income for the period</b>	<b>1,399.7</b>	<b>1,345.8</b>	<b>641.0</b>	<b>-52.4%</b>	<b>-54.2%</b>
Non-controlling interest	586.5	645.6	317.6	-50.8%	-45.8%
<b>Net income attributable to owners of the parent</b>	<b>813.2</b>	<b>700.2</b>	<b>323.4</b>	<b>-53.8%</b>	<b>-60.2%</b>

### 1. Net Interest Income

Net interest income	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
<b>Interest income</b>					
Commercial	1,842.9	1,889.1	1,963.6	3.9%	6.5%
Interbank and overnight funds	108.5	81.9	43.7	-46.6%	-59.7%
Consumer	2,224.8	2,322.9	2,374.0	2.2%	6.7%
Mortgages and housing leases	403.9	455.2	466.1	2.4%	15.4%
Microcredit	25.5	25.7	22.5	-12.5%	-11.6%
<b>Loan portfolio</b>	<b>4,605.7</b>	<b>4,774.8</b>	<b>4,870.0</b>	<b>2.0%</b>	<b>5.7%</b>
Interests on investments in debt securities	280.0	322.6	330.0	2.3%	17.8%
<b>Total interest income</b>	<b>4,885.8</b>	<b>5,097.5</b>	<b>5,199.9</b>	<b>2.0%</b>	<b>6.4%</b>
<b>Interest expense</b>					
Checking accounts	103.6	93.7	81.7	-12.8%	-21.2%
Time deposits	888.5	948.4	968.9	2.2%	9.0%
Savings deposits	374.2	427.1	422.4	-1.1%	12.9%
<b>Total interest expenses on deposits</b>	<b>1,366.4</b>	<b>1,469.2</b>	<b>1,473.0</b>	<b>0.3%</b>	<b>7.8%</b>
Interbank borrowings and overnight funds	84.3	84.5	97.7	15.7%	16.0%
Borrowings from banks and others	277.3	220.4	242.3	9.9%	-12.7%
Bonds issued	294.4	359.4	397.8	10.7%	35.1%
Borrowings from development entities	32.0	38.5	35.7	-7.3%	11.5%
<b>Total interest expenses on financial obligations</b>	<b>688.0</b>	<b>702.7</b>	<b>773.4</b>	<b>10.1%</b>	<b>12.4%</b>
<b>Total interest expense</b>	<b>2,054.4</b>	<b>2,172.0</b>	<b>2,246.4</b>	<b>3.4%</b>	<b>9.3%</b>
<b>Net interest income</b>	<b>2,831.3</b>	<b>2,925.5</b>	<b>2,953.6</b>	<b>1.0%</b>	<b>4.3%</b>

Our net interest income increased by 4.3% to Ps 2,953.6 billion for 2Q20 versus 2Q19 and increased 1.0% versus 1Q20. The increase versus 2Q19 was derived from a 6.4% increase in total interest income that was partially offset by a 9.3% increase in total interest expense.

**Our Net Interest Margin<sup>(1)</sup> was 5.3% for 2Q20, 4.8% in 1Q20 and 5.9% in 2Q19. Net Interest Margin on Loans was 5.8% for 2Q20, 6.1% in 1Q20 and 6.6% in 2Q19. On the other hand, our Net Investments Margin was 2.9% in 2Q20 versus -1.7% in 1Q20 and 2.3% in 2Q19.**

In our Colombian operations, our Net Interest Margin was 4.9% for 2Q20, 4.0% for 1Q20, and 5.4% for 2Q19. Net Interest Margin on Loans was 5.3% for 2Q20, 5.6% in 1Q20 and 6.2% in 2Q19. On the other hand, our Net Investments Margin was 3.4% in 2Q20 versus -3.3% in 1Q20 and 2.0% in 2Q19.

In our Central American operations, our Net Interest Margin was 6.0% for 2Q20, 6.4% in 1Q20 and 6.9% in 2Q19. Net Interest Margin on Loans was 6.8% for 2Q20, 7.0% in 1Q20 and 7.5% in 2Q19. On the other hand, our Net Investments Margin was 1.5% for 2Q20, 2.7% in 1Q20 versus 3.0% in 2Q19.

## 2. Impairment loss on financial assets, net

Our impairment loss on financial assets, net increased by 78.9% to Ps 1,629.6 billion for 2Q20 versus 2Q19 and 57.2% versus 1Q20.

Net impairment loss on financial assets	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Loans and other accounts receivable	1,040.9	1,101.4	1,642.1	49.1%	57.7%
Other financial assets	(33.2)	14.8	43.6	194.1%	N.A
Recovery of charged-off financial assets	(96.6)	(79.7)	(56.0)	-29.7%	-42.0%
<b>Net impairment loss on financial assets</b>	<b>911.1</b>	<b>1,036.5</b>	<b>1,629.6</b>	<b>57.2%</b>	<b>78.9%</b>

Our annualized gross cost of risk was 3.2% for 2Q20, 2.3% for 1Q20 and 2.5% for 2Q19. Net of recoveries of charged-off assets our ratio was 3.1% for 2Q20, 2.2% for 1Q20 and 2.2% for 2Q19.

(1) Grupo Aval's NIM without income from trading securities and investment in debt securities designated at fair value through profit and loss (non compliant with SPPI test) was 5.0% for 2Q20, 5.3% for 1Q20 and 5.7% for 2Q19.

## 3. Non-interest income

Total non-interest income	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
<b>Income from commissions and fees</b>					
Banking fees <sup>(1)</sup>	1,075.1	1,109.0	893.5	-19.4%	-16.9%
Trust activities	84.4	81.4	78.9	-3.0%	-6.5%
Pension and severance fund management	301.0	307.7	260.9	-15.2%	-13.3%
Bonded warehouse services	40.1	36.7	35.0	-4.8%	-12.8%
<b>Total income from commissions and fees</b>	<b>1,500.6</b>	<b>1,534.8</b>	<b>1,268.3</b>	<b>-17.4%</b>	<b>-15.5%</b>
Expenses from commissions and fees	153.4	189.0	173.7	-8.1%	13.3%
<b>Net income from commissions and fees</b>	<b>1,347.2</b>	<b>1,345.8</b>	<b>1,094.5</b>	<b>-18.7%</b>	<b>-18.8%</b>
Income from sales of goods and services	2,077.9	2,463.6	1,528.3	-38.0%	-26.4%
Costs and expenses from sales of goods and services	1,478.1	1,629.9	1,288.9	-20.9%	-12.8%
<b>Gross profit from sales of goods and services</b>	<b>599.7</b>	<b>833.7</b>	<b>239.378</b>	<b>-71.3%</b>	<b>-60.1%</b>
<b>Net trading income</b>	<b>208.6</b>	<b>1,101.2</b>	<b>(93.6)</b>	<b>-108.5%</b>	<b>-144.9%</b>
<b>Net income from other financial instruments mandatory at FVTPL</b>	<b>53.4</b>	<b>73.3</b>	<b>59.7</b>	<b>-18.5%</b>	<b>11.7%</b>
<b>Other income</b>					
Foreign exchange gains (losses), net	16.6	(1,147.8)	557.7	-148.6%	N.A.
Net gain on sale of investments and OCI realization	65.1	94.3	106.2	12.7%	63.1%
Gain on the sale of non-current assets held for sale	6.6	28.6	6.6	-76.9%	0.5%
Income from non-consolidated investments <sup>(2)</sup>	65.9	148.2	43.4	-70.7%	-34.2%
Net gains on asset valuations	(7.3)	3.3	(1.8)	-154.8%	-75.0%
Other income from operations	119.2	69.1	141.1	104.1%	18.4%
<b>Total other income</b>	<b>266.1</b>	<b>(804.3)</b>	<b>853.2</b>	<b>N.A</b>	<b>N.A.</b>
<b>Total non-interest income</b>	<b>2,475.0</b>	<b>2,549.6</b>	<b>2,153.3</b>	<b>-15.5%</b>	<b>-13.0%</b>

<sup>(1)</sup>Includes commissions on banking services, office network services, credit and debit card fees, fees on drafts, checks and checkbooks and other fees

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

### 3.1 Net income from commissions and fees

Net income from commissions and fees decreased by 18.8% to Ps 1,094.5 billion for 2Q20 versus 2Q19 and 18.7% in the quarter. Income from commissions and fees decreased by 15.5% to Ps 1,268.3 billion in 2Q20 versus 2Q19 and 17.4% in the quarter. Excluding FX, net income from commissions decreased 24.6% and 21.8%, respectively. In Colombia, net income from commissions and fees decreased by 20.8% over the last year and 17.8% over the quarter. In Central America, net income from commissions and fees decreased by 16.1% over the last year and 19.7% over the quarter; excluding FX, net income decreased by 29.1% over the last year and 26.5% during the quarter.

### 3.2 Gross profit from sales of goods and services

Gross profit from sales of goods and services (non-financial sector) decreased by 60.4% to Ps 239.4 billion for 2Q20 versus 2Q19 and 71.3% during the quarter. The decrease versus 1Q20 and 2Q19 is mainly explained by the lower income from investments in toll road concessions and in Promigas.



### 3.3 Net trading income

Net trading income	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Trading investment income	152.3	(204.2)	316.8	N.A	108.0%
Net income (loss) on financial derivatives	31.4	1,160.5	(364.0)	-131.4%	N.A
Other trading income on derivatives	24.9	144.8	(46.4)	-132.0%	N.A
<b>Net trading income</b>	<b>208.6</b>	<b>1,101.2</b>	<b>(93.6)</b>	<b>-108.5%</b>	<b>-144.9%</b>

Net trading income for Grupo Aval should be analyzed in conjunction with the foreign exchange gains (losses).

### 3.4 Other income

Total other income for 2Q20 totaled Ps 853.2 billion mainly driven by gains from foreign exchange.

### 4. Other expenses

Total other expenses for 2Q20 totaled Ps 2,621.6 billion increasing by 8.8% versus 2Q19 and 1.8% versus 1Q20 (1.4% and -1.9% excluding FX). Our efficiency ratio measured as total other expenses to total income was 51.3% in 2Q20, 47.1% in 1Q20 and 45.4% in 2Q19. The ratio of annualized total other expenses as a percentage of average total assets was 3.2% in 2Q20, 3.4% in 1Q20 and 3.7% in 2Q19.

In Colombia, our efficiency ratio measured as total other expenses to total income, was 47.4% in 2Q20, 42.7% in 1Q20 and 40.3% in 2Q19. The ratio of annualized total other expenses as a percentage of average total assets was 2.8% in 2Q20, 2.9% in 1Q20 and 3.2% in 2Q19.

In Central America, our efficiency ratio measured as total other expenses to total income, was 57.8% in 2Q20, 54.7% in 1Q20 and 56.5% in 2Q19. The ratio of annualized total other expenses as a percentage of average total assets was 4.0% in 2Q20, 4.7% in 1Q20 and 4.9% in 2Q19.

### 5. Non-controlling Interest

Non-controlling interest in Grupo Aval reflects: (i) the minority stakes that third party shareholders hold in each of its direct consolidated subsidiaries (Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas and Corficolombiana), and (ii) the minority stakes that third party shareholders hold in the consolidated subsidiaries at the bank level (mainly Porvenir). For 2Q20, non-controlling interest in the income statement was Ps 317.6 billion, showing an 45.8% decrease versus 2Q19 and 50.8% versus 1Q20. The ratio of non-controlling interest to income before non-controlling interest was 49.6% in 2Q20, 48.0% in 1Q20 and 41.9% in 2Q19.



## Information related to Grupo Aval's consolidated financial statements by geography

### Grupo Aval Acciones y Valores S.A. - Colombian Operation

#### Financial Statements Under Full IFRS

Information in Ps. Billions

	2Q19	1Q20	2Q20	Δ 2Q20 vs. 2Q20 vs. 1Q20 2Q19	
Gross loans and receivables	119,077.9	131,414.5	132,772.4	1.0%	11.5%
<b>Total assets</b>	<b>186,697.0</b>	<b>215,714.4</b>	<b>213,888.5</b>	<b>-0.8%</b>	<b>14.6%</b>
Customer deposits	115,050.4	131,821.7	131,629.9	-0.1%	14.4%
<b>Total liabilities</b>	<b>169,577.4</b>	<b>200,921.0</b>	<b>197,380.3</b>	<b>-1.8%</b>	<b>16.4%</b>
<b>Net income for the period</b>	<b>1,090.7</b>	<b>901.9</b>	<b>401.7</b>	<b>-55.5%</b>	<b>-63.2%</b>
<b>Net income attributable to owners of the parent</b>	<b>600.8</b>	<b>395.2</b>	<b>158.9</b>	<b>-59.8%</b>	<b>-73.6%</b>
		<b>YTD 2019</b>	<b>YTD 2020</b>	Δ 2020 vs. 2019	
<b>Net income for the period</b>		<b>2,150.6</b>	<b>1,303.6</b>	<b>-39.4%</b>	
<b>A Net income attributable to owners of the parent</b>		<b>1,159.7</b>	<b>554.0</b>	<b>-52.2%</b>	

### Leasing Bogotá Panamá S.A.(1)

#### Financial Statements Under IFRS

Information in Ps. Billions

	2Q19	1Q20	2Q20	Δ 2Q20 vs. 2Q20 vs. 1Q20 2Q19	
Gross loans and receivables	51,575.3	69,253.5	76,520.5	10.5%	48.4%
<b>Total assets</b>	<b>77,979.1</b>	<b>104,713.3</b>	<b>119,075.0</b>	<b>13.7%</b>	<b>52.7%</b>
Customer deposits	50,950.4	71,399.8	80,586.2	12.9%	58.2%
<b>Total liabilities</b>	<b>64,495.7</b>	<b>86,476.4</b>	<b>101,422.4</b>	<b>17.3%</b>	<b>57.3%</b>
<b>Net income for the period</b>	<b>309.0</b>	<b>443.9</b>	<b>239.3</b>	<b>-46.1%</b>	<b>-22.5%</b>
<b>Net income attributable to owners of the parent</b>	<b>212.4</b>	<b>305.1</b>	<b>164.5</b>	<b>-46.1%</b>	<b>-22.6%</b>
		<b>YTD 2019</b>	<b>YTD 2020</b>	Δ 2020 vs. 2019	
<b>Net income for the period</b>		<b>605.7</b>	<b>683.2</b>	<b>12.8%</b>	
<b>B Net income attributable to owners of the parent</b>		<b>416.3</b>	<b>469.5</b>	<b>12.8%</b>	
<b>A+B Net income attributable to owners of the parent</b>		<b>1,576.1</b>	<b>1,023.6</b>	<b>-35.1%</b>	

(1) Leasing Bogotá Panamá is the holding company that consolidates our Central American operations.

## Information related to Grupo Aval Acciones y Valores S.A. (Holding Company) and Grupo Aval Limited

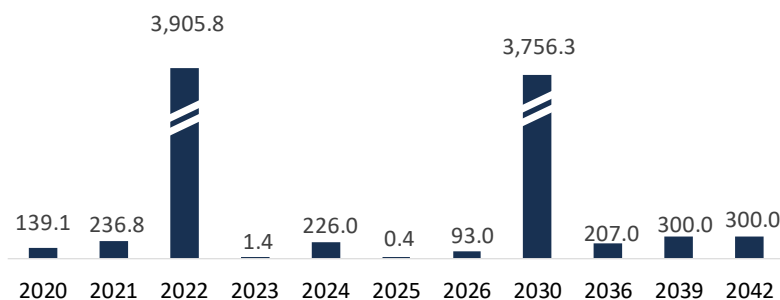
The holding company recorded a total gross indebtedness of Ps 1,661.4 billion (Ps 529.9 billion of bank debt and Ps 1,131.4 billion of bonds denominated in Colombian pesos) as of June 30<sup>th</sup> 2020. It also guarantees irrevocably and unconditionally Grupo Aval Limited's (144A / Reg S) 2022 (USD 1.0 billion) bonds and Grupo Aval Limited's (144A / Reg S) 2030 (USD 1.0 billion) bonds under its respective indentures. As of June 30<sup>th</sup>, 2020 the total amount outstanding (including interests payable) of such bonds was USD 2.0 billion, or Ps 7,590.7 billion when translated into pesos.

The debt at Grupo Aval Limited is serviced with interest income on loans to subsidiaries and cash & cash equivalents. Grupo Aval Limited has not required, to this date, cash from Grupo Aval Acciones y Valores S.A. to fulfill its obligations. The main sources of cash to pay the debt and debt service at Grupo Aval Acciones y Valores S.A. have been the dividend income from its subsidiaries and the returns on its cash & cash equivalents.

When combined, Grupo Aval Acciones y Valores S.A. and Grupo Aval Ltd. had Ps 3,994.9 billion of total liquid assets, a total gross indebtedness of Ps 9,252.1 billion and a net indebtedness (including callable senior loans to subsidiaries) of Ps 5,257.2 billion as of June 30<sup>th</sup>, 2020. In addition to liquid assets, Grupo Aval Ltd. has Ps 1,165.3 billion in other loans to subsidiaries and investments in AT1 instruments of Ps 1,953.3 billion.

Total liquid assets as of June 30, 2020	
Cash and cash equivalents	2,980.1
Fixed income investments	304.8
Callable Senior loans to subsidiaries	709.9
<b>Total liquid assets</b>	<b>3,994.9</b>

### Maturity schedule of our combined gross debt (Ps Billions)



As of June 30<sup>th</sup>, 2020 our combined double leverage (calculated as investments in subsidiaries at book value, subordinated loans to subsidiaries and goodwill as a percentage of shareholders' equity) was 1.20x. Finally, we present an evolution of our key ratios on a combined basis:

Debt service coverage and leverage ratios	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
Double leverage (1)	1.14x	1.15x	1.20x	0.05	0.06
Net debt / Core earnings (2)(3)	2.7x	3.2x	3.3x	0.1	0.6
Net debt / Cash dividends (2)(3)	3.0x	3.7x	4.3x	0.6	1.3
Core Earnings / Interest Expense (2)	5.5x	4.0x	3.9x	-0.2	-1.6

(1) Double leverage is calculated as investments in subsidiaries at book value (excluding revaluations), subordinated loans to subsidiaries and goodwill as a percentage of shareholders' equity; (2) Core earnings are defined as annualized recurring cash flow from dividends, investments and net operating income; (3) Net debt is calculated as total gross debt minus cash and cash equivalents and fixed income investments



## ABOUT GRUPO AVAL

Grupo Aval is Colombia's largest banking group, and through our BAC Credomatic and Multi Financial Group operations it is also the largest and the most profitable banking group in Central America. Grupo Aval currently operates through four commercial banks in Colombia (Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas). It manages pension and severance funds through the largest pension and severance fund manager in Colombia (Porvenir) and owns the largest merchant bank in Colombia (Corficolombiana), each of which Aval controls and consolidates into its results.

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# Report of 2Q2020 consolidated results

Information reported in Ps billions and under IFRS

## Grupo Aval Acciones y Valores S.A.

### Consolidated Financial Statements Under IFRS

#### Financial Statements Under IFRS

Information in Ps. Billions

Consolidated Statement of Financial Position	2Q19	1Q20	2Q20	Δ	
				2Q20 vs. 1Q20	2Q20 vs. 2Q19
<b>Cash and cash equivalents</b>	<b>29,824.7</b>	<b>40,136.8</b>	<b>40,109.2</b>	<b>-0.1%</b>	<b>34.5%</b>
<b>Investment and trading assets</b>					
Debt securities	4,011.4	4,883.0	5,600.7	14.7%	39.6%
Equity securities	3,157.1	3,708.1	4,234.8	14.2%	34.1%
Derivative assets	533.5	2,887.8	1,368.5	-52.6%	156.5%
<b>Trading assets</b>	<b>7,702.0</b>	<b>11,478.9</b>	<b>11,204.1</b>	<b>-2.4%</b>	<b>45.5%</b>
Investments in debt securities at FVTPL (non compliant with SPPI test)	25.1	9.3	8.8	-4.8%	-64.8%
Investments in securities at FVOCI	21,306.6	25,757.0	28,386.0	10.2%	33.2%
Investments in debt securities at AC	2,984.5	3,233.7	4,907.8	51.8%	64.4%
<b>Investment securities</b>	<b>24,316.2</b>	<b>28,999.9</b>	<b>33,302.6</b>	<b>14.8%</b>	<b>37.0%</b>
<b>Hedging derivatives assets</b>	<b>44.4</b>	<b>206.0</b>	<b>129.0</b>	<b>-37.4%</b>	<b>190.8%</b>
<b>Gross loans</b>					
Commercial loans	98,599.4	115,112.9	122,202.9	6.2%	23.9%
Commercial loans	94,475.8	111,830.7	118,617.5	6.1%	25.6%
Interbank & overnight funds	4,123.6	3,282.2	3,585.4	9.2%	-13.1%
Consumer loans	56,705.3	65,205.6	65,122.3	-0.1%	14.8%
Mortgages loans	19,060.8	23,228.4	25,168.6	8.4%	32.0%
Microcredit loans	411.3	403.4	384.4	-4.7%	-6.5%
<b>Total gross loans</b>	<b>174,776.8</b>	<b>203,950.2</b>	<b>212,878.3</b>	<b>4.4%</b>	<b>21.8%</b>
Loss allowance	(8,375.5)	(8,883.9)	(9,575.2)	7.8%	14.3%
<b>Total loans, net</b>	<b>166,401.3</b>	<b>195,066.3</b>	<b>203,303.0</b>	<b>4.2%</b>	<b>22.2%</b>
<b>Other accounts receivable, net</b>	<b>10,343.5</b>	<b>13,340.9</b>	<b>13,548.9</b>	<b>1.6%</b>	<b>31.0%</b>
<b>Non-current assets held for sale</b>	<b>104.9</b>	<b>284.1</b>	<b>441.1</b>	<b>55.3%</b>	<b>N.A.</b>
<b>Investments in associates and joint ventures</b>	<b>937.3</b>	<b>996.5</b>	<b>999.5</b>	<b>0.3%</b>	<b>6.6%</b>
Own-use property, plant and equipment for own-use and given in operating lease, net	5,711.0	5,886.3	6,070.0	3.1%	6.3%
Right-of-use assets	2,132.1	2,379.8	2,328.0	-2.2%	9.2%
Investment properties	924.6	921.0	927.8	0.7%	0.3%
Biological assets	95.7	108.4	112.0	3.3%	17.0%
<b>Tangible assets</b>	<b>8,863.4</b>	<b>9,295.5</b>	<b>9,437.8</b>	<b>1.5%</b>	<b>6.5%</b>
Goodwill	7,249.3	8,571.5	8,236.5	-3.9%	13.6%
Concession arrangement rights	6,429.4	8,068.4	8,154.6	1.1%	26.8%
Other intangible assets	1,066.6	1,274.1	1,465.8	15.0%	37.4%
<b>Intangible assets</b>	<b>14,745.4</b>	<b>17,914.0</b>	<b>17,856.9</b>	<b>-0.3%</b>	<b>21.1%</b>
Current	797.0	923.9	1,142.2	23.6%	43.3%
Deferred	235.8	1,286.1	949.8	-26.1%	N.A.
<b>Income tax assets</b>	<b>1,032.7</b>	<b>2,210.1</b>	<b>2,092.0</b>	<b>-5.3%</b>	<b>102.6%</b>
<b>Other assets</b>	<b>360.2</b>	<b>498.7</b>	<b>539.5</b>	<b>8.2%</b>	<b>49.8%</b>
<b>Total assets</b>	<b>264,676.1</b>	<b>320,427.8</b>	<b>332,963.5</b>	<b>3.9%</b>	<b>25.8%</b>
<b>Trading liabilities</b>	<b>568.3</b>	<b>3,016.1</b>	<b>1,196.5</b>	<b>-60.3%</b>	<b>110.6%</b>
<b>Hedging derivatives liabilities</b>	<b>76.7</b>	<b>770.9</b>	<b>310.6</b>	<b>-59.7%</b>	<b>N.A.</b>
<b>Customer deposits</b>	<b>166,000.8</b>	<b>203,221.5</b>	<b>212,216.0</b>	<b>4.4%</b>	<b>27.8%</b>
Checking accounts	38,290.8	53,059.5	51,776.4	-2.4%	35.2%
Time deposits	71,687.7	81,071.4	86,638.2	6.9%	20.9%
Savings deposits	55,495.7	68,701.9	73,301.6	6.7%	32.1%
Other deposits	526.6	388.6	499.8	28.6%	-5.1%
<b>Financial obligations</b>	<b>54,091.2</b>	<b>65,763.4</b>	<b>70,507.1</b>	<b>7.2%</b>	<b>30.3%</b>
Interbank borrowings and overnight funds	10,416.7	7,768.2	11,004.5	41.7%	5.6%
Borrowings from banks and others	20,278.7	25,511.2	26,570.5	4.2%	31.0%
Bonds issued	20,105.5	28,684.4	28,829.1	0.5%	43.4%
Borrowings from development entities	3,290.4	3,799.6	4,103.0	8.0%	24.7%
<b>Total financial liabilities at amortized cost</b>	<b>220,092.1</b>	<b>268,984.9</b>	<b>282,723.1</b>	<b>5.1%</b>	<b>28.5%</b>
Legal related	112.8	196.6	180.4	-8.3%	60.0%
Other provisions	607.5	700.4	729.4	4.1%	20.1%
<b>Provisions</b>	<b>720.3</b>	<b>897.1</b>	<b>909.8</b>	<b>1.4%</b>	<b>26.3%</b>
Current	314.8	466.5	267.3	-42.7%	-15.1%
Deferred	2,608.6	2,645.2	2,788.6	5.4%	6.9%
<b>Income tax liabilities</b>	<b>2,923.3</b>	<b>3,111.7</b>	<b>3,055.9</b>	<b>-1.8%</b>	<b>4.5%</b>
<b>Employee benefits</b>	<b>1,151.4</b>	<b>1,295.7</b>	<b>1,250.1</b>	<b>-3.5%</b>	<b>8.6%</b>
<b>Other liabilities</b>	<b>8,541.0</b>	<b>9,321.2</b>	<b>9,356.6</b>	<b>0.4%</b>	<b>9.5%</b>
<b>Total liabilities</b>	<b>234,073.0</b>	<b>287,397.4</b>	<b>298,802.7</b>	<b>4.0%</b>	<b>27.7%</b>
<b>Equity attributable to owners of the parent</b>	<b>18,310.6</b>	<b>19,472.2</b>	<b>19,939.8</b>	<b>2.4%</b>	<b>8.9%</b>
<b>Non-controlling interest</b>	<b>12,292.5</b>	<b>13,558.1</b>	<b>14,221.0</b>	<b>4.9%</b>	<b>15.7%</b>
<b>Total equity</b>	<b>30,603.1</b>	<b>33,030.3</b>	<b>34,160.8</b>	<b>3.4%</b>	<b>11.6%</b>
<b>Total liabilities and equity</b>	<b>264,676.1</b>	<b>320,427.8</b>	<b>332,963.5</b>	<b>3.9%</b>	<b>25.8%</b>



# Report of 2Q2020 consolidated results

Information reported in Ps billions and under IFRS

## Grupo Aval Acciones y Valores S.A.

### Consolidated Financial Statements Under Full IFRS

#### Financial Statements Under IFRS

Information in Ps. Billions

Consolidated Statement of income	YTD 2019	YTD 2020	Δ 2020 vs. 2019	2Q19	1Q20	2Q20	Δ 2Q20 vs. 1Q20	Δ 2Q20 vs. 2Q19
<b>Interest income</b>								
Loan portfolio	9,004.6	9,644.8	7.1%	4,605.7	4,774.8	4,870.0	2.0%	5.7%
Interests on investments in debt securities	550.3	652.6	18.6%	280.0	322.6	330.0	2.3%	17.8%
<b>Total interest income</b>	<b>9,555.0</b>	<b>10,297.4</b>	<b>7.8%</b>	<b>4,885.8</b>	<b>5,097.5</b>	<b>5,199.9</b>	<b>2.0%</b>	<b>6.4%</b>
<b>Interest expense</b>								
Checking accounts	206.9	175.4	-15.2%	103.6	93.7	81.7	-12.8%	-21.2%
Time deposits	1,727.4	1,917.3	11.0%	888.5	948.4	968.9	2.2%	9.0%
Savings deposits	736.7	849.5	15.3%	374.2	427.1	422.4	-1.1%	12.9%
<b>Total interest expenses on deposits</b>	<b>2,671.1</b>	<b>2,942.2</b>	<b>10.1%</b>	<b>1,366.4</b>	<b>1,469.2</b>	<b>1,473.0</b>	<b>0.3%</b>	<b>7.8%</b>
Interbank borrowings and overnight funds	161.9	182.2	12.5%	84.3	84.5	97.7	15.7%	16.0%
Borrowings from banks and others	511.9	462.6	-9.6%	277.3	220.4	242.3	9.9%	-12.7%
Bonds issued	581.9	757.1	30.1%	294.4	359.4	397.8	10.7%	35.1%
Borrowings from development entities	67.4	74.2	10.1%	32.0	38.5	35.7	-7.3%	11.5%
<b>Total interest expenses on financial obligations</b>	<b>1,323.1</b>	<b>1,476.2</b>	<b>11.6%</b>	<b>688.0</b>	<b>702.7</b>	<b>773.4</b>	<b>10.1%</b>	<b>12.4%</b>
<b>Total interest expense</b>	<b>3,994.1</b>	<b>4,418.3</b>	<b>10.6%</b>	<b>2,054.4</b>	<b>2,172.0</b>	<b>2,246.4</b>	<b>3.4%</b>	<b>9.3%</b>
<b>Net interest income</b>	<b>5,560.8</b>	<b>5,879.1</b>	<b>5.7%</b>	<b>2,831.3</b>	<b>2,925.5</b>	<b>2,953.6</b>	<b>1.0%</b>	<b>4.3%</b>
<b>Impairment losses (recoveries) on financial assets</b>								
Loans and other accounts receivable	1,974.1	2,743.4	39.0%	1,040.9	1,101.4	1,642.1	49.1%	57.7%
Other financial assets	(56.1)	58.4	N.A.	(33.2)	14.8	43.6	194.1%	N.A.
Recovery of charged-off financial assets	(173.8)	(135.7)	-21.9%	(96.6)	(79.7)	(56.0)	-29.7%	-42.0%
<b>Net impairment loss on financial assets</b>	<b>1,744.3</b>	<b>2,666.1</b>	<b>52.9%</b>	<b>911.1</b>	<b>1,036.5</b>	<b>1,629.6</b>	<b>57.2%</b>	<b>78.9%</b>
<b>Net interest income, after impairment losses</b>	<b>3,816.6</b>	<b>3,212.9</b>	<b>-15.8%</b>	<b>1,920.2</b>	<b>1,889.0</b>	<b>1,323.9</b>	<b>-29.9%</b>	<b>-31.1%</b>
<b>Income from commissions and fees</b>								
Banking fees <sup>(1)</sup>	2,103.1	2,002.5	-4.8%	1,075.1	1,109.0	893.5	-19.4%	-16.9%
Trust activities	165.1	160.3	-2.9%	84.4	81.4	78.9	-3.0%	-6.5%
Pension and severance fund management	556.6	568.6	2.2%	301.0	307.7	260.9	-15.2%	-13.3%
Bonded warehouse services	81.1	71.7	-11.6%	40.1	36.7	35.0	-4.8%	-12.8%
<b>Total income from commissions and fees</b>	<b>2,905.8</b>	<b>2,803.1</b>	<b>-3.5%</b>	<b>1,500.6</b>	<b>1,534.8</b>	<b>1,268.3</b>	<b>-17.4%</b>	<b>-15.5%</b>
Expenses from commissions and fees	299.6	362.7	21.1%	153.4	189.0	173.7	-8.1%	13.3%
<b>Net income from commissions and fees</b>	<b>2,606.2</b>	<b>2,440.3</b>	<b>-6.4%</b>	<b>1,347.2</b>	<b>1,345.8</b>	<b>1,094.5</b>	<b>-18.7%</b>	<b>-18.8%</b>
Income from sales of goods and services	4,001.4	3,991.9	-0.2%	2,077.9	2,463.6	1,528.3	-38.0%	-26.4%
Costs and expenses from sales of goods and services	2,827.1	2,918.8	3.2%	1,478.1	1,629.9	1,288.9	-20.9%	-12.8%
<b>Gross profit from sales of goods and services</b>	<b>1,174.3</b>	<b>1,073.1</b>	<b>-8.6%</b>	<b>599.7</b>	<b>833.7</b>	<b>239.4</b>	<b>-71.3%</b>	<b>-60.1%</b>
<b>Net trading income</b>	<b>316.7</b>	<b>1,007.6</b>	<b>N.A.</b>	<b>208.6</b>	<b>1,101.2</b>	<b>(93.6)</b>	<b>-108.5%</b>	<b>-144.9%</b>
<b>Net income from other financial instruments mandatory at FVTPL</b>	<b>107.1</b>	<b>133.0</b>	<b>24.1%</b>	<b>53.4</b>	<b>73.3</b>	<b>59.7</b>	<b>-18.5%</b>	<b>11.7%</b>
<b>Other income</b>								
Foreign exchange gains (losses), net	182.7	(590.1)	N.A.	16.6	(1,147.8)	557.7	-148.6%	N.A.
Net gain on sale of investments and OCI realization	71.1	200.5	182.1%	65.1	94.3	106.2	12.7%	63.1%
Gain on the sale of non-current assets held for sale	12.6	35.2	179.9%	6.6	28.6	6.6	-76.9%	0.5%
Income from non-consolidated investments <sup>(2)</sup>	189.1	191.5	1.3%	65.9	148.2	43.4	-70.7%	-34.2%
Net gains on asset valuations	(2.8)	1.5	-154.5%	(7.3)	3.3	(1.8)	-154.8%	-75.0%
Other income from operations	199.3	210.3	5.5%	119.2	69.1	141.1	104.1%	18.4%
<b>Total other income</b>	<b>652.0</b>	<b>48.9</b>	<b>-92.5%</b>	<b>266.1</b>	<b>(804.3)</b>	<b>853.2</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Other expenses</b>								
Loss on the sale of non-current assets held for sale	2.3	2.3	0.6%	0.7	1.8	0.4	-76.2%	-37.4%
Personnel expenses	1,962.3	2,175.5	10.9%	997.1	1,087.0	1,088.5	0.1%	9.2%
General and administrative expenses	2,235.8	2,394.3	7.1%	1,149.3	1,221.6	1,172.6	-4.0%	2.0%
Depreciation and amortization	439.8	484.5	10.1%	231.9	235.2	249.3	6.0%	7.5%
Impairment loss on other assets	19.2	4.1	-78.5%	15.4	3.7	0.4	-89.4%	-97.4%
Other operating expenses	36.3	137.3	N.A.	14.8	27.0	110.3	N.A.	N.A.
<b>Total other expenses</b>	<b>4,695.6</b>	<b>5,197.9</b>	<b>10.7%</b>	<b>2,409.2</b>	<b>2,576.4</b>	<b>2,621.6</b>	<b>1.8%</b>	<b>8.8%</b>
<b>Net income before income tax expense</b>	<b>3,977.3</b>	<b>2,717.9</b>	<b>-31.7%</b>	<b>1,986.1</b>	<b>1,862.3</b>	<b>855.6</b>	<b>-54.1%</b>	<b>-56.9%</b>
Income tax expense	1,221.0	731.0	-40.1%	586.4	516.4	214.6	-58.4%	-63.4%
<b>Net income for the period</b>	<b>2,756.3</b>	<b>1,986.8</b>	<b>-27.9%</b>	<b>1,399.7</b>	<b>1,345.8</b>	<b>641.0</b>	<b>-52.4%</b>	<b>-54.2%</b>
<b>Net income for the period attributable to:</b>								
<b>Non-controlling interest</b>	<b>1,180.3</b>	<b>963.2</b>	<b>-18.4%</b>	<b>586.5</b>	<b>645.6</b>	<b>317.6</b>	<b>-50.8%</b>	<b>-45.8%</b>
<b>Net income attributable to owners of the parent</b>	<b>1,576.1</b>	<b>1,023.6</b>	<b>-35.1%</b>	<b>813.2</b>	<b>700.2</b>	<b>323.4</b>	<b>-53.8%</b>	<b>-60.2%</b>

<sup>(1)</sup>Includes commissions on banking services, office network services, credit and debit card fees, fees on drafts, checks and checkbooks and other fees

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