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# 1Q20 Consolidated Earnings Results

IFRS



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

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

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

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

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

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

# Consolidated key results for the quarter

COP \$tn		1Q19	4Q19	1Q20	1Q20 vs 1Q19	1Q20 vs 4Q19
Balance Sheet	Gross Loans	\$ 168.4	\$ 179.4	\$ 200.7	19.1%	11.8%
	Deposits	\$ 163.3	\$ 175.5	\$ 203.2	24.5%	15.8%
	Deposits/Net Loans	0.99 x	1.01 x	1.04 x	0.05 x	0.03 x
Loan Quality	90 days PDLs / Total loans	3.1%	3.3%	3.1%	9 bps	(11) bps
	Allowance/90 days PDLs	1.59 x	1.40 x	1.41 x	-0.18 x	0.01 x
	Cost of risk	2.0%	2.1%	2.2%	12 bps	8 bps
Profitability	Net interest margin	5.7%	5.6%	4.8%	(93) bps	(85) bps
	Fee income Ratio	24.6%	27.3%	24.6%	(5) bps	(271) bps
	Efficiency Ratio	44.7%	52.1%	47.1%	232 bps	(501) bps
	Attributable net income	\$ 0.76	\$ 0.72	\$ 0.70	-8.2%	-2.1%
	ROAA	2.1%	1.9%	1.8%	(30) bps	(6) bps
	ROAE	17.4%	14.6%	14.2%	(313) bps	(36) bps

- 1Q 2020 was a quarter of contrasts marked by strong growth in January and February and by an abrupt deceleration during March due to the global pandemic and the oil war. As a result, GDP growth for the quarter was only 0.4% (seasonally adjusted) and devaluation rose to 23.7%, both concentrated in the last few weeks of March.
- Since March, Grupo Aval has deployed strategies to safeguard its employees' health and to alleviate debt payments mostly to clients who request it.
- During the quarter, in part driven by devaluation, Aval's Consolidated Assets grew by 24.1% vs 1Q 2019 and 14.9% vs 4Q 2019, Consolidated Gross Loans grew by 19.1% vs 1Q 2019 and 11.8% vs 4Q 2019 and Consolidated Deposits grew by 24.5% vs 1Q 2019 and 15.8% vs 4Q 2019.
- The quality of the loan portfolio showed a slight improvement aided by the Superintendence of Finance's new regulation mandating banks to classify refinanced loans (due to the pandemic) as current.
- Cost of Risk increased slightly vs 4Q 2019 (2.15% vs 2.07%) due in part to provisions for the banks' exposure to Avianca.
- Total NIM suffered a sharp decrease vs 4Q 2019, from 5.63% to 4.78%, driven mostly by a 364 bps drop in NIM on Investments.
- Corficolombiana's Non-Financial Sector Investments contributed strongly to the quarter's result especially from its toll road concessions and Promigas.
- Aval's consolidated Cost to Income efficiency ratio improved to 47.1% from 52.1% a quarter earlier and the Cost to Assets ratio improved to 3.4% from 4.1%.
- The quarter ended with strong funding and liquidity positions, as evidenced by the Deposits/Net Loans ratio of 1.04x up from 1.01x in 4Q 2019, and the Cash/Deposits ratio of 19.8% up from 17.2% in 4Q19.
- Net Income for the quarter was 700.2 billion pesos or 31.4 pesos per share, and our ROAE was 14.2%, slightly lower than 4Q 2019.

**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.

# Key results per region for the quarter



## Colombia

67.3% of Assets



## Central America<sup>(1)</sup>

32.7% of Assets

### Balance Sheet

	1Q19	4Q19	1Q20	1Q20 vs 1Q19	1Q20 vs 4Q19
Gross Loans	\$ 117.4	\$ 124.2	\$ 131.4	11.9%	5.8%
Deposits	\$ 113.7	\$ 119.2	\$ 131.8	16.0%	10.6%
Deposits/Net Loans	1.01 x	1.00 x	1.05 x	0.04 x	0.04 x

	1Q19	4Q19	1Q20	1Q20 vs 1Q19	1Q20 vs 4Q19
Gross Loans	\$ 51.0	\$ 55.2	\$ 69.3	35.7%	25.4%
Deposits	\$ 49.6	\$ 56.3	\$ 71.4	44.0%	26.9%
Deposits/Net Loans	0.96 x	1.02 x	1.04 x	0.08 x	0.01 x

### Loan Quality

90 days PDLs / Total loans	3.7%	4.0%	4.0%	27 bps	3 bps
Allowance/90 days PDLs	1.49 x	1.31 x	1.31 x	-0.19 x	-0.01 x
Cost of risk	1.9%	2.0%	2.4%	41 bps	38 bps

90 days PDLs / Total loans	1.5%	1.6%	1.5%	2 bps	(13) bps
Allowance/90 days PDLs	2.15 x	1.90 x	1.94 x	-0.20 x	0.05 x
Cost of risk	2.2%	2.3%	1.7%	(48) bps	(54) bps

### Profitability

Net interest margin	5.4%	5.0%	4.0%	(137) bps	(97) bps
Fee income Ratio	19.8%	22.6%	20.9%	108 bps	(171) bps
Efficiency Ratio	39.6%	49.5%	42.7%	305 bps	(686) bps
Attributable net income <sup>(2)</sup>	\$ 0.56	\$ 0.43	\$ 0.40	-29.3%	-8.9%
ROAA	2.3%	1.8%	1.8%	(59) bps	(6) bps
ROAE	25.6%	18.4%	18.9%	(673) bps	46 bps

Net interest margin	6.4%	7.1%	6.4%	(4) bps	(66) bps
Fee income Ratio	35.3%	35.7%	31.0%	(430) bps	(470) bps
Efficiency Ratio	56.0%	56.6%	54.7%	(136) bps	(192) bps
Attributable net income <sup>(2)</sup>	\$ 0.20	\$ 0.28	\$ 0.31	49.6%	8.4%
ROAA	1.5%	2.0%	1.9%	37 bps	(6) bps
ROAE	9.2%	11.1%	10.8%	157 bps	(27) bps

**(1)** Central America refers to Leasing Bogotá Panamá (LBP) operation expressed in Colombian Pesos, at the exchange rate of each period. **(2)** Attributable net income for Grupo Aval of Ps 700.2 bn for 1Q20 corresponds to the Ps 395.2 bn of our Colombian operation plus Ps 443.9 bn of our Central American operation multiplied by 68.7%, our stake in Banco de Bogotá. **Gross loans** excludes interbank and overnight funds. **PDLs 90+** defined as loans more than 90 days past due. **Net Interest Margin** includes net interest income plus net trading income from investment securities held for trading through profit or loss divided by total average interest-earning assets. **Fee income ratio** is calculated as net income from commissions and fees divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **Efficiency Ratio** is calculated as total other expenses divided by net interest income plus net income from commissions and fees, gross profit from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **ROAA** is calculated as annualized Net Income divided by average of total assets. **ROAE** is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity. **NS** refers to non-significant figures. Equity for Central America is calculated as LBP multiplied by our 68.7% stake in the company. Equity for Colombia is calculated as the difference between our consolidated attributable equity and the equity in Central America.



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Grupo Aval and its Subsidiaries have deployed actions that benefit more than **2.8MM** people and we are looking continuously into solutions to support our stakeholders.

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# >>>> Types of Relief offered to customers

## Customers

### Reliefs



**+Ps 32.5 trillion**  
**26% of the total gross portfolio<sup>(1)</sup>**



**+ USD 7.8 billion**  
**46% of total loan portfolio<sup>(1)</sup>**

## Wholesale banking

- We disbursed:



**Ps 2.5 trillion** in loans for payroll payments and working capital loans for SMEs and microenterprises guaranteed by the FNG<sup>(2)</sup>



**Ps 77 billion** in a special line for direct payroll payment loans



**Ps 133 billion** from the Bancoldex line to companies in the *Orange Economy*

## Retail banking



Fees waived on transfers to non-Aval banks originated in our digital channels and in our call centers



**94,788 retirees** have opened digital saving accounts



Strengthening our digital channels

- **24% monthly growth<sup>(3)</sup>** in transactions in our Mobile Banking apps
- **56% monthly growth<sup>(3)</sup>** in Aval Pay Center and in our retail transactional webpages

As of May 15, 2020

(1) Loan portfolio at March 31, 2020

(2) FNG: Fondo Nacional de Garantías

(3) Monetary transactions in Colombia. Growth calculated as April transactions vs. average transactions between December 2019 - March 2020

## Liquidity and market risk



Daily monitoring of our banks' liquidity positions and Value at Risk of our Investment Portfolios



Thus far no signs of significant deterioration in liquidity indicators or Value at Risk



- Full compliance with the Net Stable Funding Ratio
- Adequate coverage of Maximum Probable Withdrawal Ratio

## Credit Risk



Identification of the most affected sectors and special monitoring of loans to those sectors and in general of higher risk loans.

## Operational Risk and continuity of operations plans



Protocols to guarantee availability and security of information



Strengthening of cybersecurity controls and increased awareness campaigns



Compliance with Sanitation Measures

# Care of employees and support of suppliers

## Employees



Approximately **94%** of our administrative employees are working remotely



Frequent communication with our employees reinforcing preventive actions



Special sanitizing measures to protect employees working in offices and branches

## Suppliers



Aval Banks are paying its almost **+4,500 SMEs** and Microenterprise suppliers in **5 days or less**. This allows them to improve their cash flow and protect their businesses.

To support **+3,000 families** that depend on the *Orange Economy*, a digital content platform called “La Morada” was created under the #ExperienciasAval concept where people were able to access 300 hours of free entertainment.





# Contributions in Colombia and Central America

- **Mr. Luis Carlos Sarmiento Angulo**, controlling shareholder of Grupo Aval, donated **Ps 80 billion** destined to acquire:



**300,000** diagnostic tests



Ventilators and medical equipment



**400,000** food aid packages

- Donations to local Government:
  - Aval Banks made donations to Bogotá, Cali, El Salvador and Guatemala

- **Mr. Sarmiento Gutiérrez**, CEO of Grupo Aval, serves as a pilot and makes

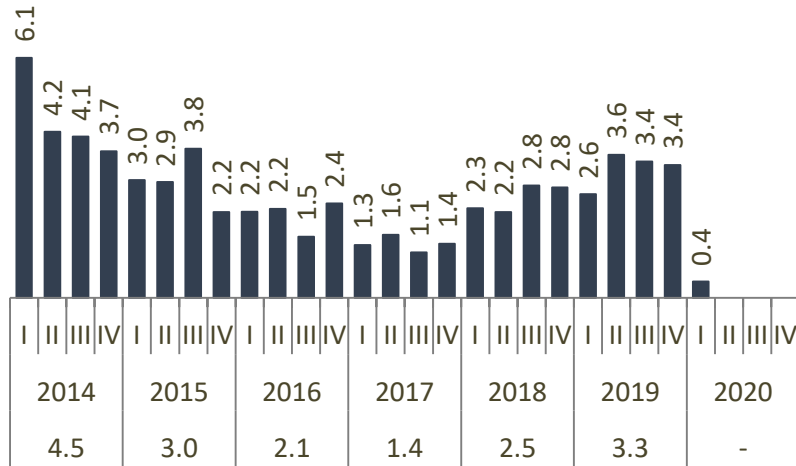


humanitarian flights to transport kits and diagnostic tests for Covid-19

- Promigas donated **Ps 22 billion** to strengthen the response capacity of the healthcare sector in the Caribbean region

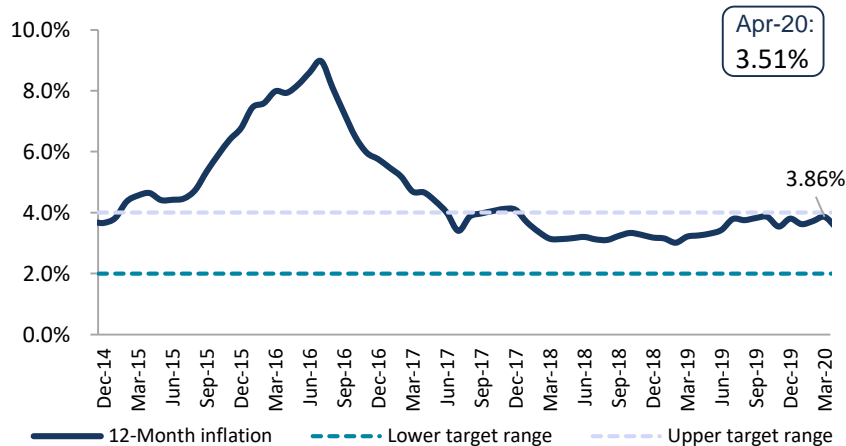


## GDP Growth (%)



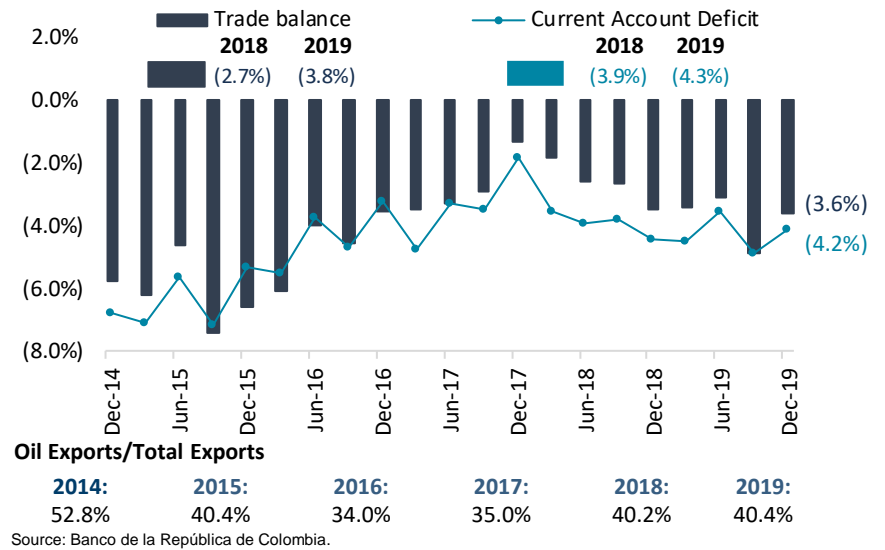
Source: DANE. Seasonally adjusted, constant prices of 2015 GDP

## Inflation (%)



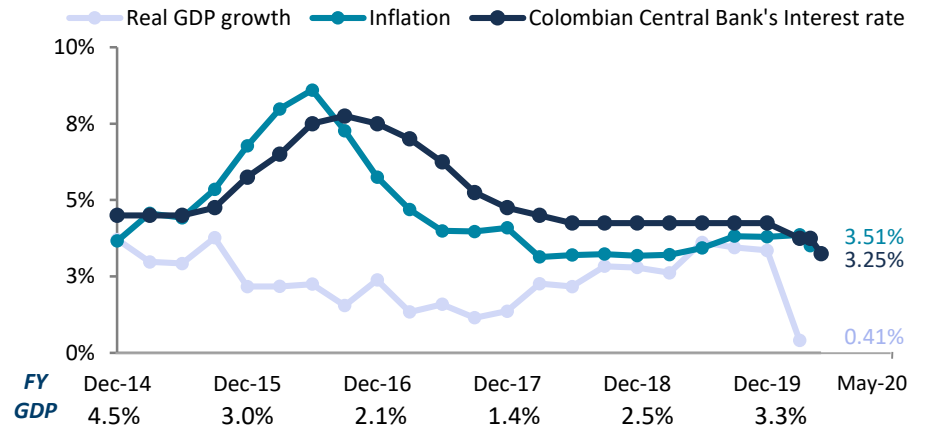
Source: Banco de la República de Colombia and DANE.

## Current Account (% GDP, quarterly)



Source: Banco de la República de Colombia.

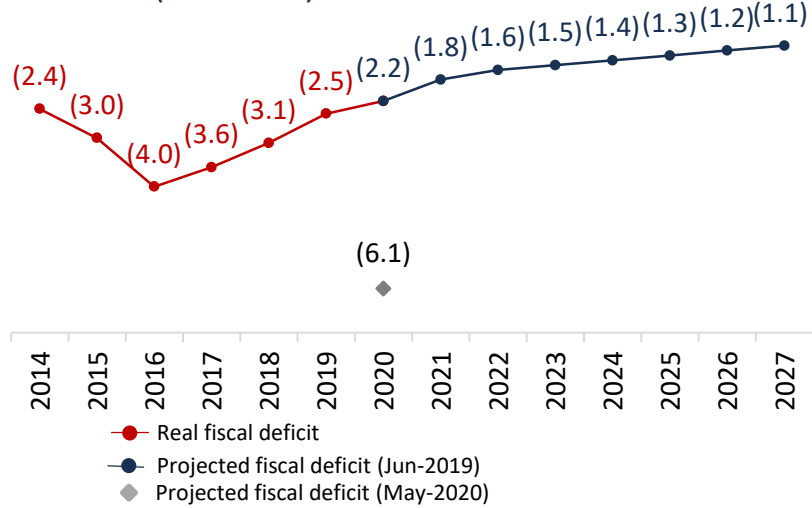
## Central Bank's Monetary Policy



Source: Banco de la República de Colombia and DANE. GDP as of December 2019. GDP Seasonally-adjusted, constant prices (2015 basis)

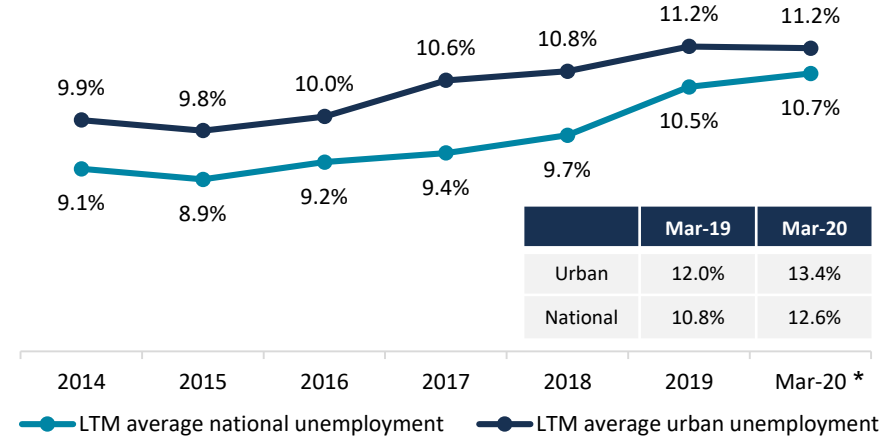
## Real and Projected Fiscal Deficit

Fiscal Rule (% of GDP)



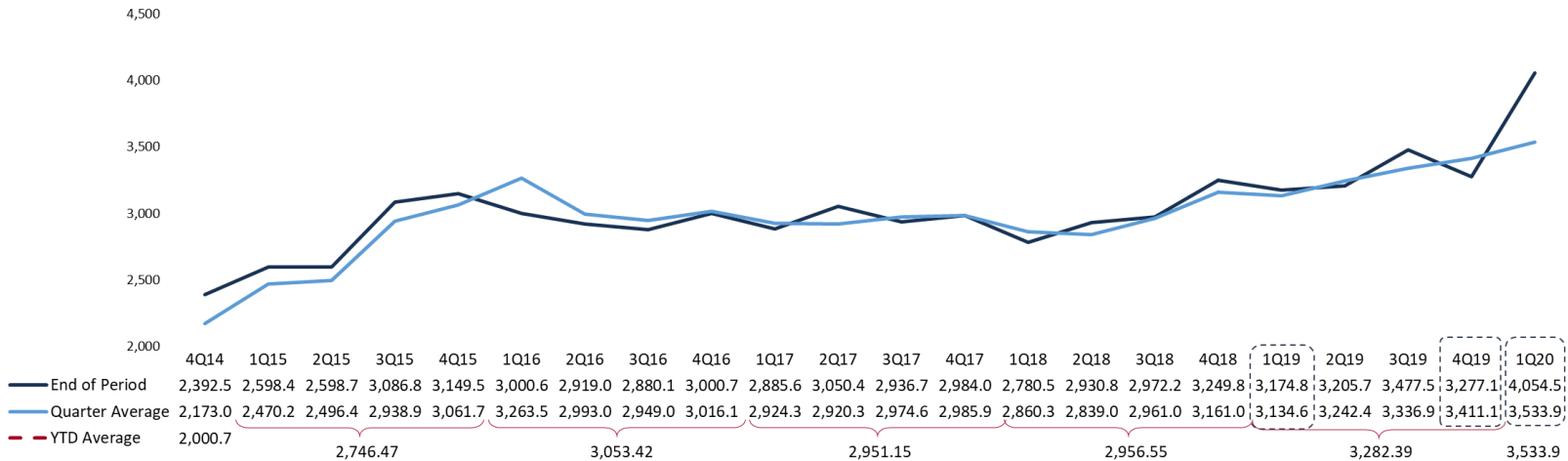
Source: Ministry of Finance. Projections start in 2020.

## Unemployment (%)



Source: Banco de la República de Colombia. Urban unemployment defined as unemployment of 13 cities and their metropolitan areas. \* Last twelve months average from April 2019 to March 2020.

## Colombian Peso Exchange Rate

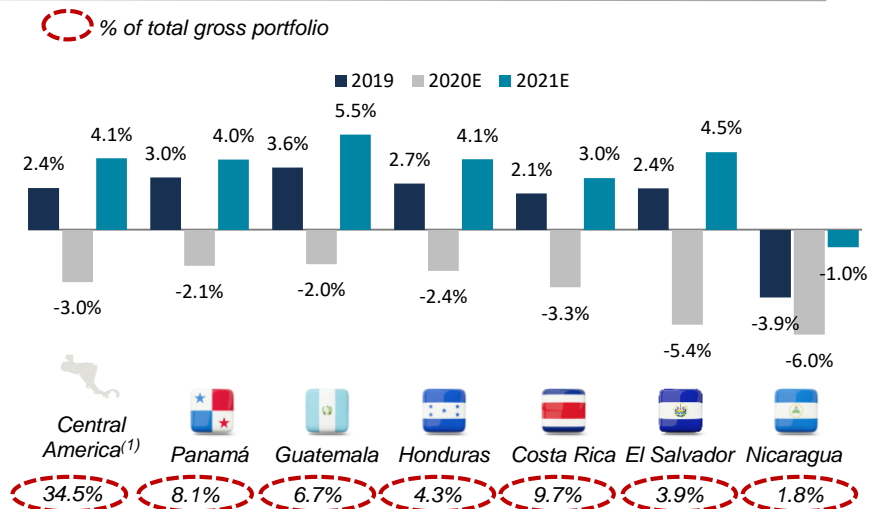


Source: Banco de la República de Colombia.

1Q20 vs. 1Q19	1Q20 vs. 4Q19
27.7%	23.7%
12.7%	3.6%

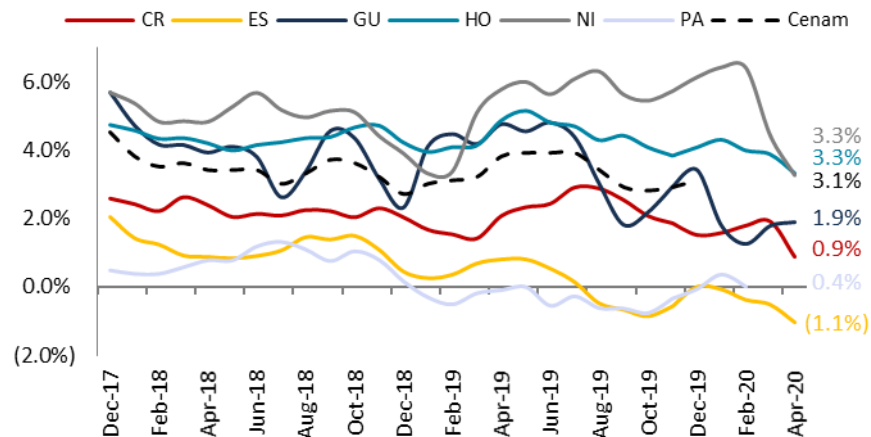
# Macroeconomic context – Central America

## Growth Outlook – Real GDP



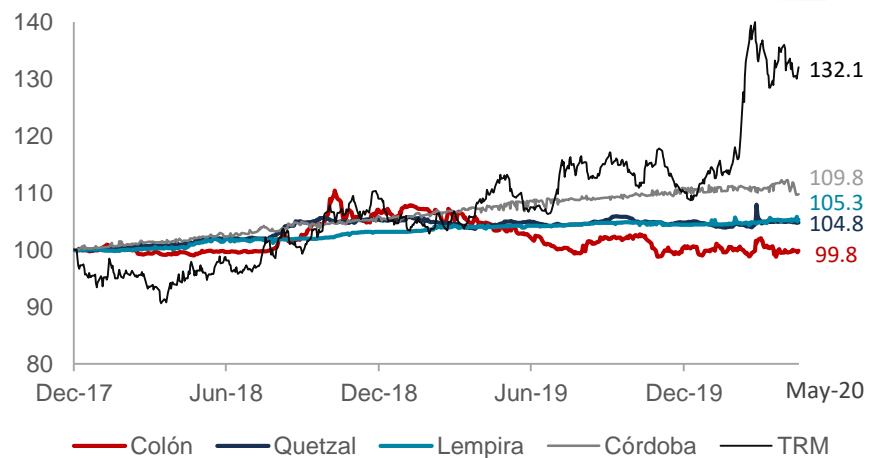
Source: IMF (WEO April 2020); (1) Aggregate growth of all the Central American countries.

## Inflation per Country



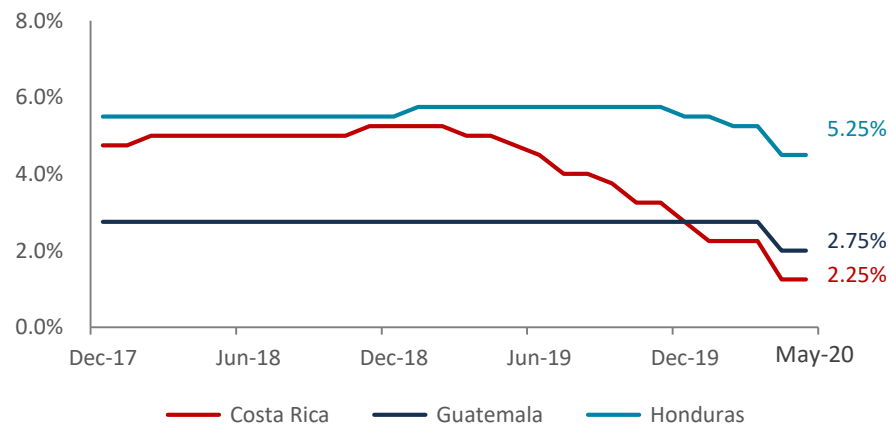
Source: SECMCA. CR: Costa Rica, ES: El Salvador, GU: Guatemala, HO: Honduras, NI: Nicaragua, PA: Panamá, Cenam: Central America. Cenam as of December 2019, Panamá as of February 2020.

## Regional Exchange Rates (100=12/31/2017)



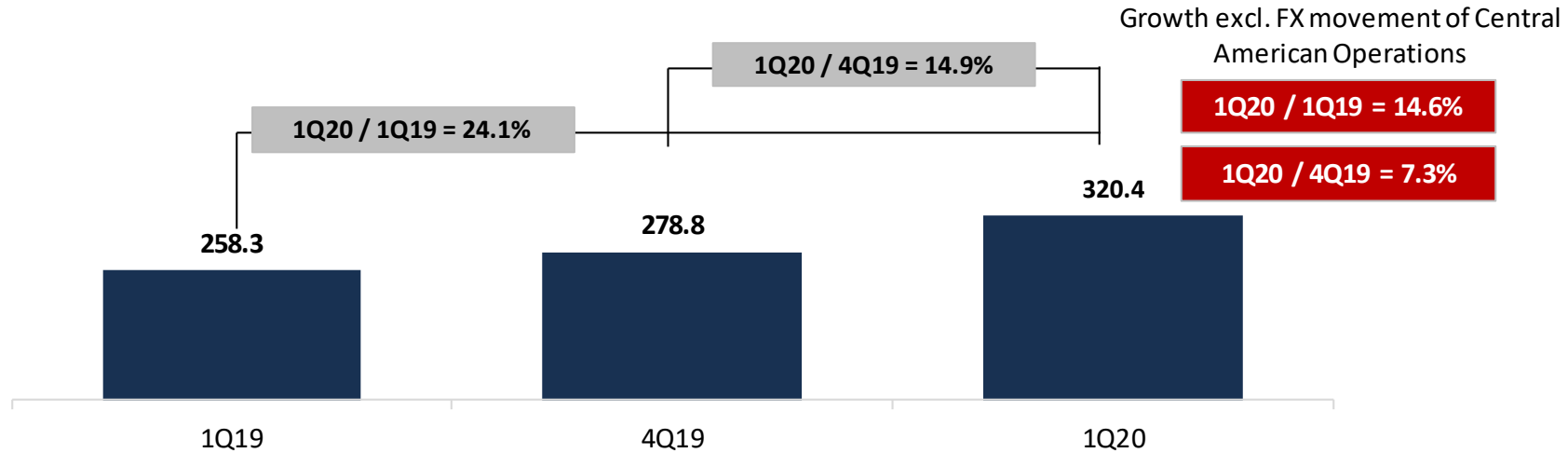
Source: Bloomberg

## Central Bank's Interest Rates

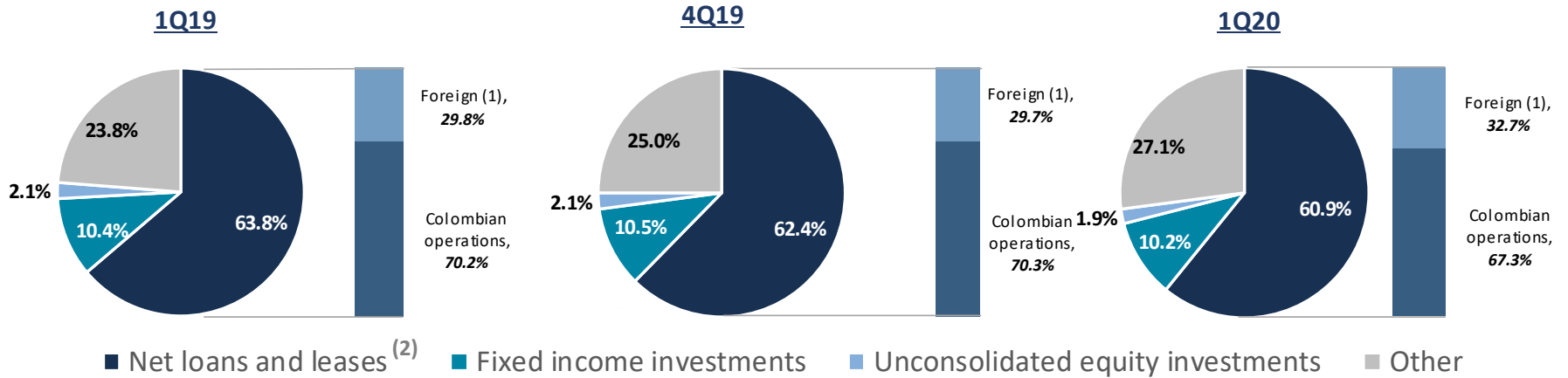


Source: SECMCA.

## Total Assets



## Assets Breakdown

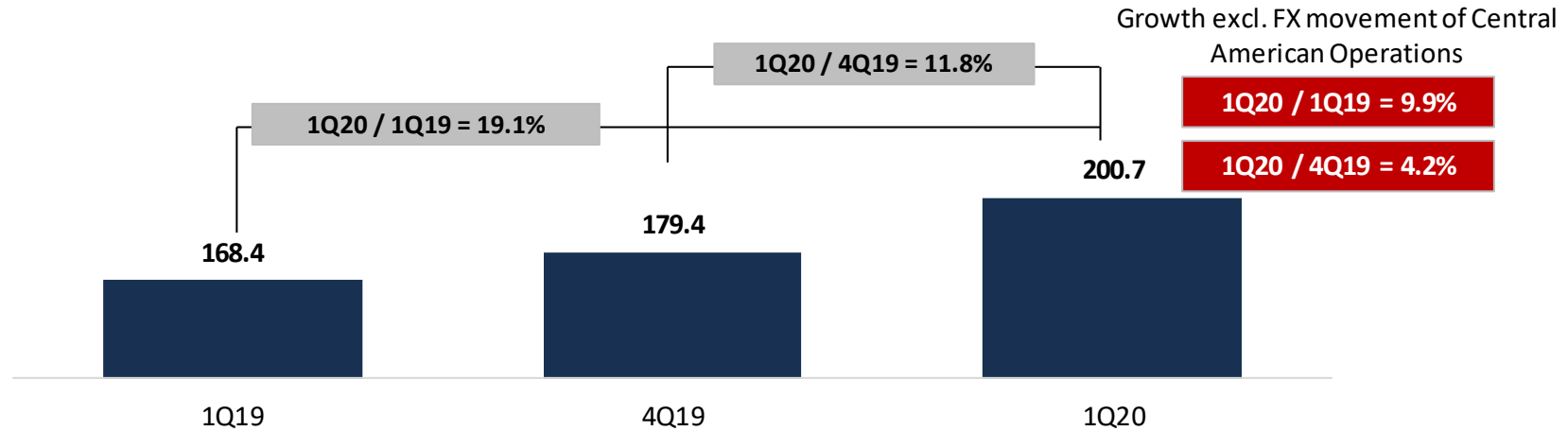


(1) Foreign operations reflect Central American operations. (2) Net loans and leases include interbank and overnight funds.

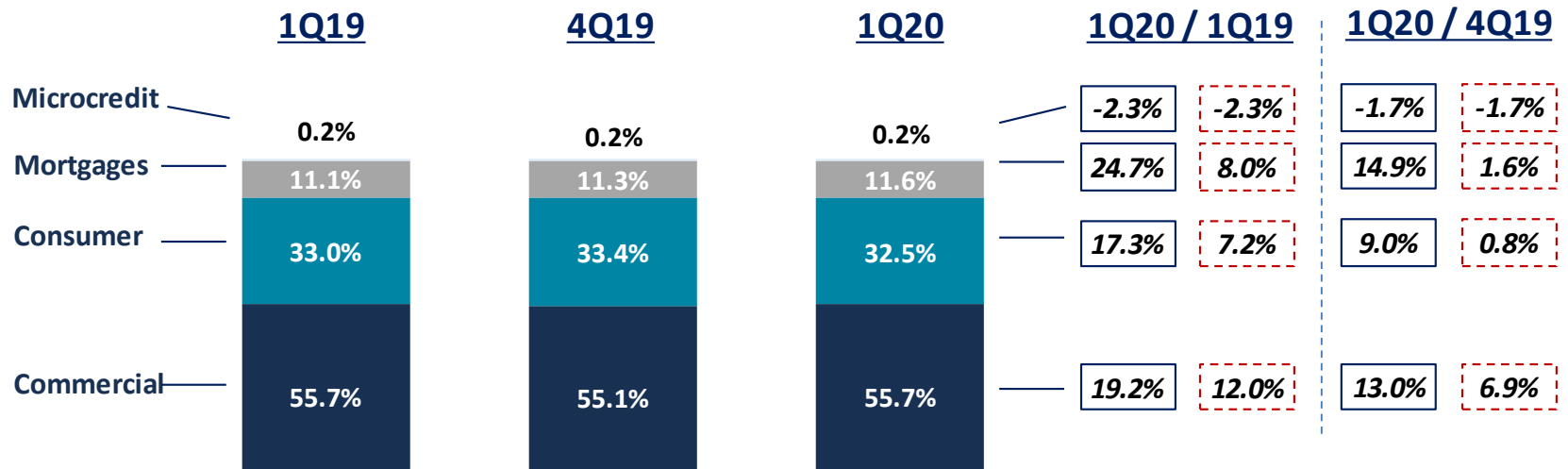
# Loans and receivables

Figures in Ps. Trillions – Excluding interbank and overnight funds

## Gross loans

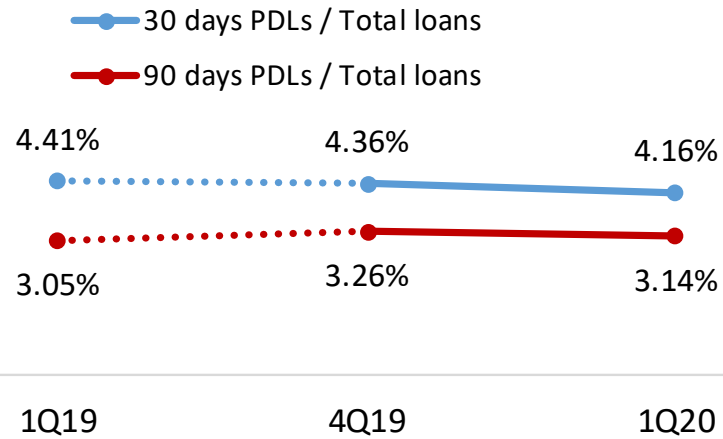


## Gross loans Breakdown

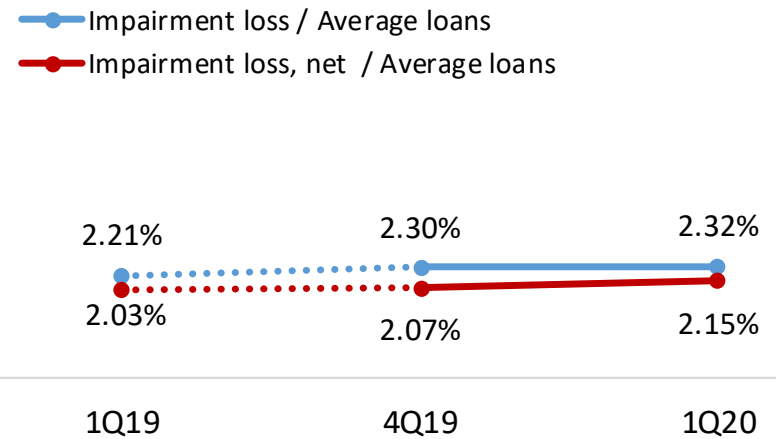


# Loan portfolio quality

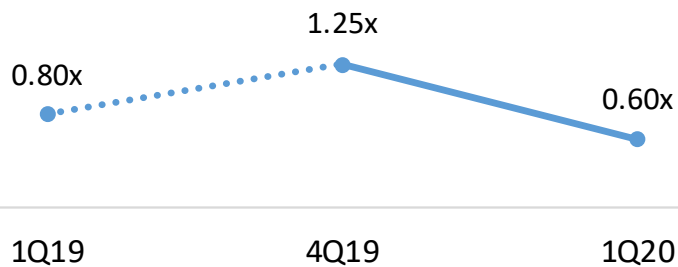
## Quality



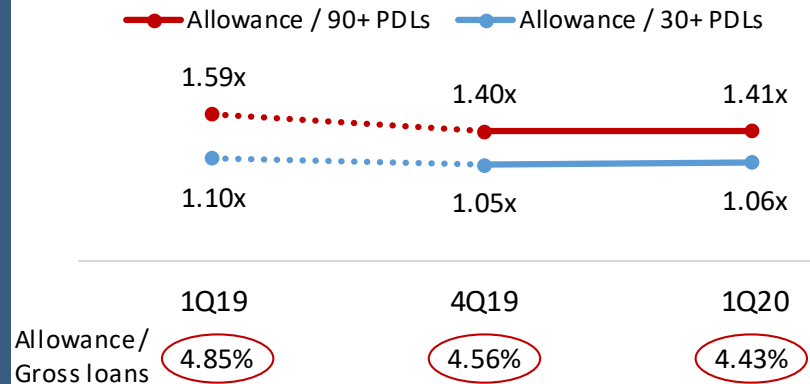
## Cost of Risk



## Charge offs / Average 90+ PDLs



## Coverage



Allowance/  
Gross loans

4.85%

4.56%

4.43%

# Loan portfolio quality

Figures in Ps. Billions

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

	1Q19	4Q19	1Q20
Commercial	4.04%	3.94%	4.11%
Consumer	4.89%	4.80%	4.11%
Mortgages	4.58%	4.84%	4.37%
Microcredit	16.16%	18.09%	15.15%
<b>Total loans</b>	<b>4.41%</b>	<b>4.36%</b>	<b>4.16%</b>

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

	1Q19	4Q19	1Q20
Commercial	3.41%	3.58%	3.45%
Consumer	2.60%	2.76%	2.60%
Mortgages	2.44%	2.97%	2.98%
Microcredit	11.89%	13.60%	14.37%
<b>Total loans</b>	<b>3.05%</b>	<b>3.26%</b>	<b>3.14%</b>

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

	1Q19	2Q19	3Q19	4Q19	1Q20
Initial PDLs	7,195	7,426	7,716	8,155	7,827
New PDLs	1,264	1,252	1,331	1,502	1,433
Charge-offs	(1,034)	(961)	(892)	(1,829)	(907)
<b>Final PDLs</b>	<b>7,426</b>	<b>7,716</b>	<b>8,155</b>	<b>7,827</b>	<b>8,353</b>

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

	1Q19	2Q19	3Q19	4Q19	1Q20
Initial PDLs	5,188	5,143	5,491	5,846	5,842
New PDLs	988	1,309	1,247	1,826	1,371
Charge-offs	(1,034)	(961)	(892)	(1,829)	(907)
<b>Final PDLs</b>	<b>5,143</b>	<b>5,491</b>	<b>5,846</b>	<b>5,842</b>	<b>6,305</b>

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

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

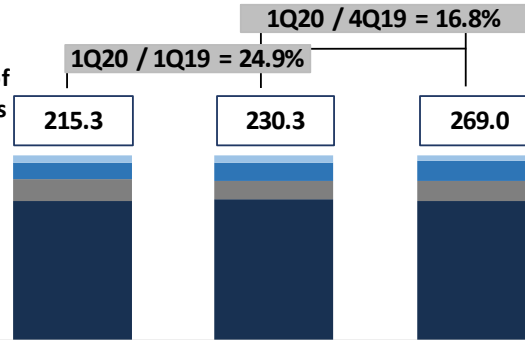


## Total funding

Growth excl. FX movement of Central American Operations

1Q20 / 1Q19 = 15.7%

1Q20 / 4Q19 = 9.3%



### Funding composition

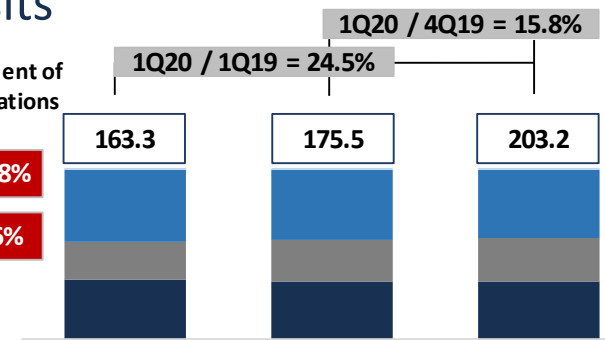
	1Q19	4Q19	1Q20
Interbank borrowings	3.4%	4.0%	2.9%
Bonds issued	9.3%	9.5%	10.7%
Banks and others	11.5%	10.3%	10.9%
Deposits	75.8%	76.2%	75.6%

## Total deposits

Growth excl. FX movement of Central American Operations

1Q20 / 1Q19 = 14.8%

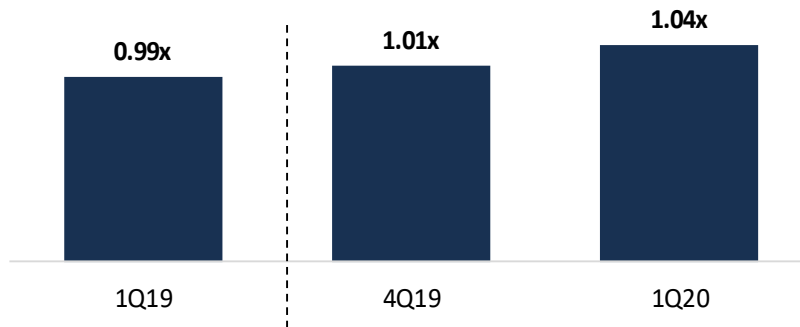
1Q20 / 4Q19 = 7.6%



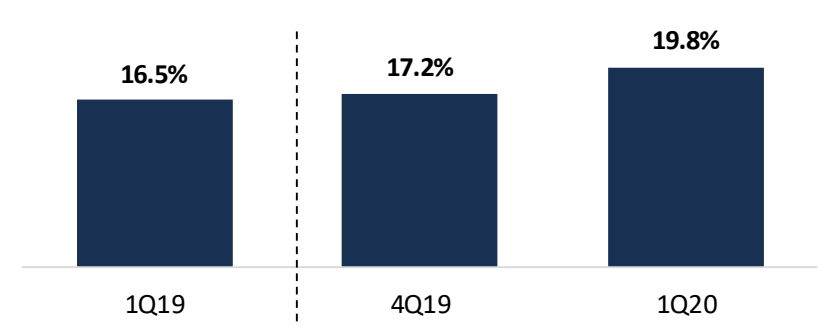
### Deposit composition

	1Q19	4Q19	1Q20
Others	0.3%	0.3%	0.2%
Time deposits	41.9%	41.7%	39.9%
Checking accounts	23.1%	24.2%	26.1%
Savings accounts	34.7%	33.8%	33.8%

## Deposits / Net loans\* (%)

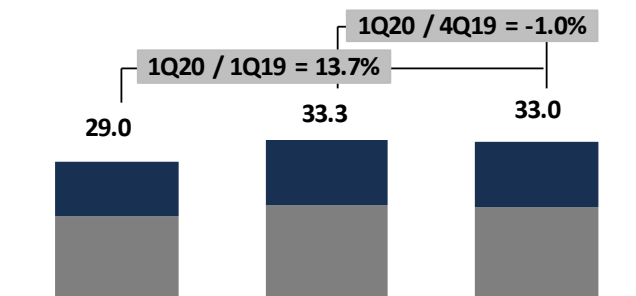


## Cash / Deposits (%)



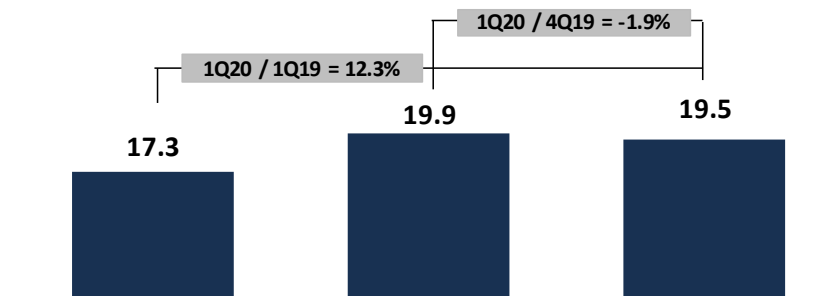
(\* ) Net Loans equals gross loans plus interbank and overnight funds net of allowance for impairment of loans and receivables

## Attributable Equity + Minority Interest



	1Q19	4Q19	1Q20
Minority interest	11.7	13.5	13.6
Attributable equity	17.3	19.9	19.5

## Attributable Shareholders Equity



	1Q19	4Q19	1Q20
Total equity / Assets	11.2%	12.0%	10.3%
Tangible equity ratio (1)	8.3%	9.2%	7.5%

## Consolidated Capital Adequacy of our Banks (%)



	1Q19	4Q19	1Q20	1Q19	4Q19	1Q20	1Q19	4Q19	1Q20	1Q19	4Q19	1Q20
Primary capital (Tier 1)	9.6	9.1	9.6	10.3	9.6	9.1	9.8	8.5	8.4	9.8	9.7	11.0
Solvency Ratio	13.0	12.8	12.3	12.5	11.8	10.4	11.2	10.6	9.6	10.0	10.7	11.1

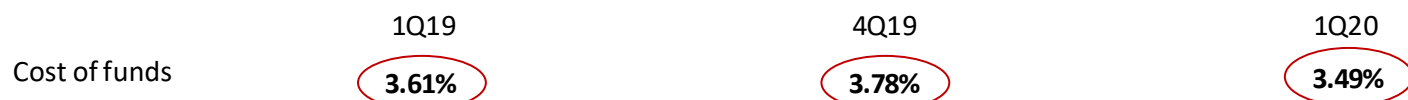
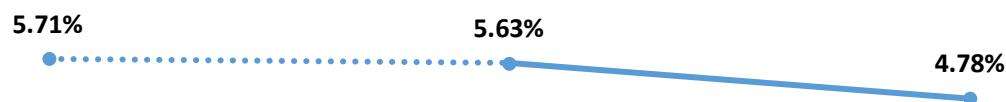
(1) Tangible Equity Ratio is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles.

# NIM – Net Interest Margin

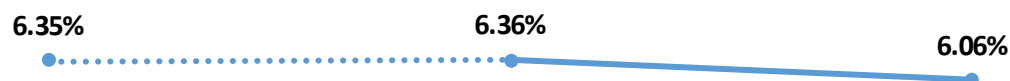
Net interest income<sup>(1)</sup> (trillions)

1Q19	4Q19	1Q20	1Q20 / 1Q19	1Q20 / 4Q19
2.9	3.0	2.7	-6.6%	-10.1%

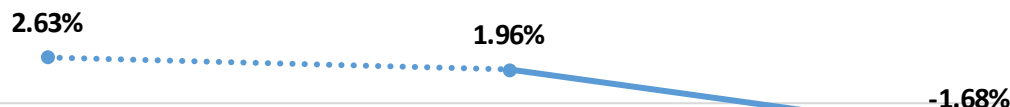
## Net Interest Margin<sup>(1)</sup>



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



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



(1) Net Interest Income and Net Interest Margin: Includes net interest income plus net trading income from investment securities held for trading through profit or loss divided by total average interest-earning assets. NIM without income from investment securities held for trading through profit or loss was 5.3% for 1Q20, 5.6% for 4Q19 and 5.5% for 1Q19.

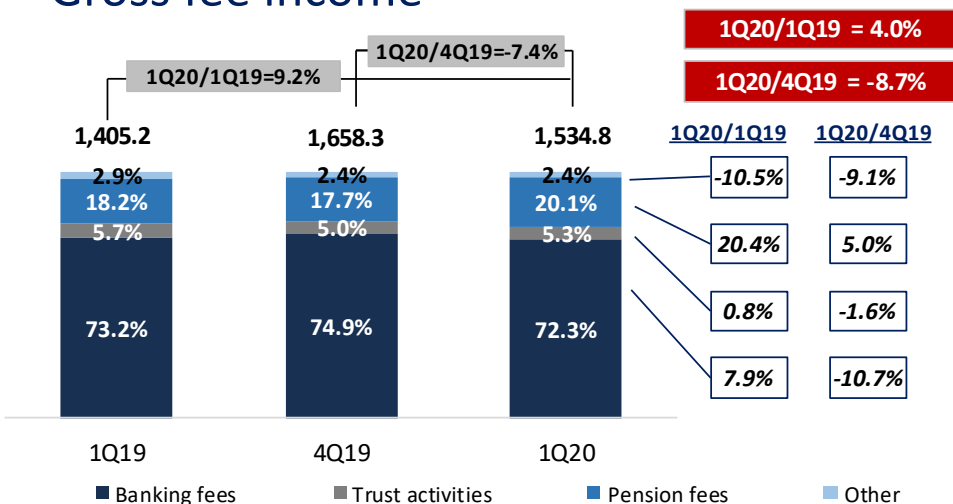
(2) Loans Interest Margin: Net Interest Income on Loans to Average loans and financial leases.

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

# Fees and other operating income

Figures in Ps. Billions

## Gross fee income



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

	1Q19	4Q19	1Q20
Energy & gas	140	143	206
Infrastructure	504	478	716
Hotels	9	9	2
Agribusiness	1	14	3
Other <sup>(2)</sup>	-79	-105	-93
<b>Total</b>	<b>575</b>	<b>539</b>	<b>834</b>

(1) Net income from sales of goods and services

(2) Reflects net NFS from Nexa BPO, Megaline and Aportes en Línea call-centers and other subsidiaries

■ Growth excluding FX movement of Central American Operations

## Other operating income

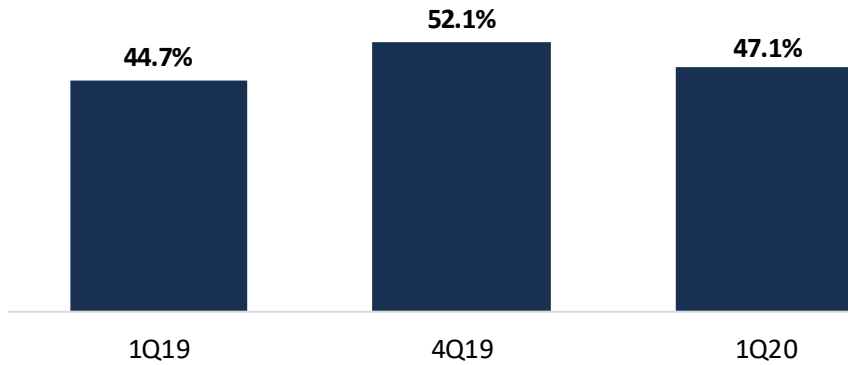
Foreign exchange gains (losses), net	
Net income (loss) on financial derivatives	
Other trading income on derivatives	
Derivatives and foreign exchange gains (losses), net (1)	
Gains on valuation of assets	
Net income from other financial instruments mandatory at FVTPL	
Net gain on sale of investments and OCI realization	
Gain on the sale of non-current assets held for sale	
Income from non-consolidated investments <sup>(2)</sup>	
Other income from operations	
<b>Total other income from operations</b>	

	1Q19	4Q19	1Q20
	166	337	-1,148
	-82	-179	1,161
	7	12	145
	91	170	158
	5	12	3
	54	55	73
	6	9	94
	6	5	29
	123	57	148
	80	106	69
	<b>365</b>	<b>414</b>	<b>574</b>

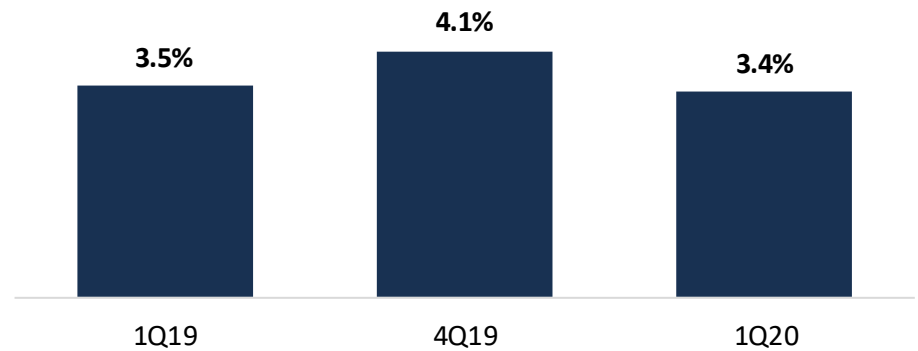
(1) Includes income from trading and hedging derivatives reflected as part of the net trading income on the Statement of Profit or Loss.

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

## Cost to income



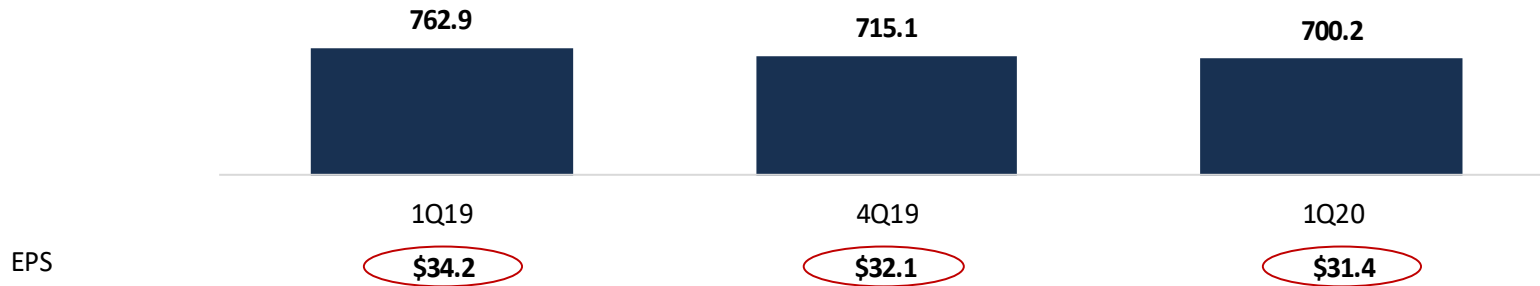
## Cost to assets



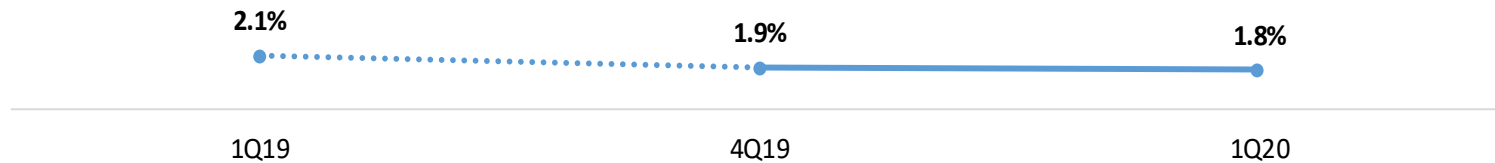
Cost to income efficiency ratio is calculated as total other expenses divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income.

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

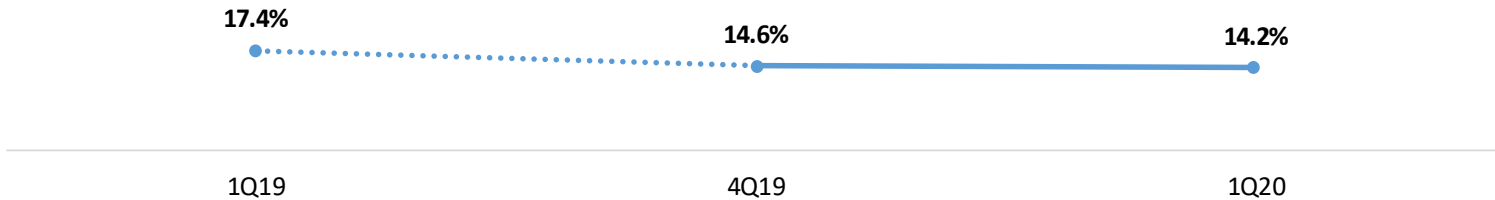
## Net income attributable to controlling interest



## ROAA (1)



## ROAE (2)



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

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

Grupo

