

Grupo Aval Acciones y Valores S.A.
Consolidated Statement of Financial Position
(Amounts expressed in millions of Colombian pesos)

	December 31, 2020	December 31, 2019
Assets		
Cash and cash equivalents	Ps. 34,025,535	Ps. 30,117,236
Trading assets	11,038,856	9,113,668
Investment securities	36,061,764	26,000,311
Hedging derivative assets	156,220	166,598
Loans:		
Commercial	115,680,616	101,655,660
Consumer	65,835,457	59,840,451
Mortgages	24,558,771	20,221,683
Microcredit	372,321	410,320
	<u>206,447,165</u>	<u>182,128,114</u>
Loss allowance	(10,905,171)	(8,185,797)
Total loans, net	<u>195,541,994</u>	<u>173,942,317</u>
Other accounts receivable, net	14,996,337	11,702,301
Non-current assets held for sale	240,412	206,193
Investments in associates and joint ventures	1,029,322	987,962
Tangible assets:		
Property, plant and equipment for own-use and given in operating lease, net	6,007,202	5,791,430
Right-of-use assets	2,035,519	2,125,558
Investment properties	808,556	928,566
Biological assets	122,675	104,857
	<u>8,973,952</u>	<u>8,950,411</u>
Intangibles		
Concession arrangement rights	9,187,564	7,521,488
Goodwill	7,713,817	7,348,587
Other intangible assets	1,623,670	1,206,491
	<u>18,525,051</u>	<u>16,076,566</u>
Income tax assets:		
Current	936,186	895,208
Deferred	861,702	246,598
	<u>1,797,888</u>	<u>1,141,806</u>
Other assets	508,539	427,220
Total assets	Ps. <u>322,895,870</u>	Ps. <u>278,832,589</u>

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	December 31, 2020	December 31, 2019
Liabilities and equity		
Liabilities		
Trading liabilities	Ps. 1,452,574	Ps. 962,438
Hedging derivative liabilities	56,627	94,298
Customer deposits:		
Checking accounts	51,198,284	42,449,702
Savings accounts	76,551,465	59,352,760
Time deposits	83,559,188	73,225,189
Other	532,660	463,770
	<u>211,841,597</u>	<u>175,491,421</u>
Financial obligations:		
Interbank borrowings and overnight funds	7,179,644	9,240,479
Borrowings from banks and others	19,654,517	19,803,344
Bonds issued	27,760,797	21,918,268
Borrowings from development entities	4,029,808	3,882,485
	<u>58,624,766</u>	<u>54,844,576</u>
Provisions:		
Legal related	241,774	194,680
Other	671,076	673,962
	<u>912,850</u>	<u>868,642</u>
Income tax liabilities:		
Current	406,207	387,274
Deferred	3,181,974	2,871,309
	<u>3,588,181</u>	<u>3,258,583</u>
Employee benefits	<u>1,201,855</u>	<u>1,234,980</u>
Other liabilities	<u>9,777,863</u>	<u>8,729,382</u>
Total liabilities	<u>287,456,313</u>	<u>245,484,320</u>
Equity		
Owners of the parent:		
Subscribed and paid-in capital	22,281	22,281
Additional paid-in capital	8,470,870	8,445,766
Retained earnings	11,302,134	10,289,073
Other comprehensive income	862,013	1,093,447
Equity attributable to owners of the parent	<u>20,657,298</u>	<u>19,850,567</u>
Non-controlling interests	<u>14,782,259</u>	<u>13,497,702</u>
Total equity	<u>35,439,557</u>	<u>33,348,269</u>
Total liabilities and equity	Ps. <u>322,895,870</u>	Ps. <u>278,832,589</u>

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Grupo Aval Acciones y Valores S.A.
Consolidated Statement of Income
For the years ended December 31, 2020 and 2019
(Amounts expressed in millions of Colombian pesos)

	For the years ended	
	December 31, 2020	December 31, 2019
Interest income calculated using the effective interest method		
Loan portfolio	Ps. 18,947,029	Ps. 18,491,167
Investments in debt securities	1,275,761	1,061,568
Total interest income	20,222,790	19,552,735
Interest expense		
Deposits		
Checking accounts	(328,134)	(413,939)
Savings accounts	(1,467,635)	(1,503,277)
Time deposits	(3,663,358)	(3,595,611)
	(5,459,127)	(5,512,827)
Financial obligations		
Interbank borrowings and overnight funds	(283,966)	(380,858)
Borrowings from banks and others	(860,468)	(1,014,304)
Bonds issued	(1,531,565)	(1,220,437)
Borrowing from development entities	(127,138)	(138,791)
	(2,803,137)	(2,754,390)
Net interest income	11,960,526	11,285,518
Impairment (losses) recoveries on financial assets		
Loans and other accounts receivable	(6,267,224)	(4,193,980)
Other financial assets	(74,765)	60,015
Recovery of charged-off financial assets	328,096	378,862
Net impairment loss on financial assets	(6,013,893)	(3,755,103)
Net interest income, after loss allowance	5,946,633	7,530,415
Income from commissions and fees	5,835,899	6,083,343
Expenses from commissions and fees	(742,476)	(627,999)
Net income from commissions and fees	5,093,423	5,455,344
Income from sales of goods and services	9,144,789	9,156,588
Costs and expenses of sales goods and services	(6,321,488)	(6,781,777)
Gross profit from sales of goods and services	2,823,301	2,374,811
Net trading income	1,295,424	761,911
Net income from other financial instruments mandatorily at fair value through profit or loss	252,355	217,616
Other income	1,716,899	1,282,963
Other expenses	(10,652,751)	(10,171,349)
Net income before tax expense	6,475,284	7,451,711
Income tax expense	(1,843,668)	(2,086,257)
Net income for the year	Ps. 4,631,616	Ps. 5,365,454
Net income for the year attributable to:		
Owners of the parent	2,349,521	3,034,409
Non-controlling interests	2,282,095	2,331,045
	Ps. 4,631,616	Ps. 5,365,454
Net income per share basic and diluted (in Colombian pesos)	105.45	136.19

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Grupo Aval Acciones y Valores S.A.
Consolidated Statement of Other Comprehensive Income
For the years ended December 31, 2020 and 2019
(Amounts expressed in millions of Colombian pesos)

	December 31, 2020	December 31, 2019
Net income for the year	Ps. 4,631,616	Ps. 5,365,454
Other comprehensive income		
Items that will be reclassified to profit or loss		
Net gain (loss) on hedges of net investments in foreign operations:		
Foreign currency translation differences from hedged foreign operations	883,022	95,329
Hedging derivative instrument	(1,034,816)	(50,318)
Hedging non-derivative instrument	(366,195)	(47,942)
Cash flow hedges	832	13,469
Foreign currency translation differences from unhedged foreign operations	(548,706)	128,135
Unrealized gains (losses) on securities at FVOCI		
Debt financial instruments	172,906	426,300
Investments in associates and joint ventures	13,059	(9,061)
Income (expenses) tax	452,005	(40,038)
	(427,893)	515,874
Items that will not be reclassified to profit or loss		
Effect of transfer investment properties for own use	9,014	5,288
Unrealized gains (losses) on equity securities at FVOCI	193,880	237,781
Actuarial (losses) gains from defined benefit pension plans	(9,488)	(61,222)
Income (expenses) tax	5,176	4,009
	198,582	185,856
Total other comprehensive income	Ps. (229,311)	Ps. 701,730
Total comprehensive income, net of taxes	Ps. 4,402,305	Ps. 6,067,184
Total comprehensive income for the year attributable to:		
Owners of the parent	2,118,087	3,431,083
Non-controlling interests	2,284,218	2,636,101
	Ps. 4,402,305	Ps. 6,067,184

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Grupo Aval Acciones y Valores S.A.
Consolidated Statement of Changes in Equity
For the years ended December 31, 2020 and 2019
(Amounts expressed in millions of Colombian pesos)

	<u>Subscribed and paid-in capital</u>	<u>Additional paid – in capital</u>	<u>Appropriated retained earnings</u>	<u>Other comprehensive income (OCI)</u>	<u>Equity attributable to owners of the parent</u>	<u>Non- controlling interest (NCI)</u>	<u>Total equity</u>
Balance at December 31, 2018	Ps. 22,281	Ps. 8,472,336	Ps. 8,598,319	Ps. 696,773	Ps. 17,789,709	Ps. 11,764,639	Ps. 29,554,348
Change in accounting policies	—	—	(5,101)	—	(5,101)	(21,881)	(26,982)
Balance at January 1, 2019	Ps. 22,281	Ps. 8,472,336	Ps. 8,593,218	Ps. 696,773	Ps. 17,784,608	Ps. 11,742,758	Ps. 29,527,366
Dividends declared	—	—	(1,336,861)	—	(1,336,861)	(830,160)	(2,167,021)
Equity transactions	—	(26,570)	—	—	(26,570)	(40,527)	(67,097)
Effect of realization of equity instruments	—	—	12,651	—	12,651	11,222	23,873
Withholding Tax over dividends	—	—	(14,344)	—	(14,344)	(21,692)	(36,036)
Other comprehensive income	—	—	—	396,674	396,674	305,056	701,730
Net income	—	—	3,034,409	—	3,034,409	2,331,045	5,365,454
Balance at December 31, 2019	Ps. 22,281	Ps. 8,445,766	Ps. 10,289,073	Ps. 1,093,447	Ps. 19,850,567	Ps. 13,497,702	Ps. 33,348,269
Issuance of shares	—	—	—	—	—	21	21
Business combination	—	—	—	—	—	465,902	465,902
Dividends declared	—	—	(1,336,861)	—	(1,336,861)	(963,721)	(2,300,582)
Equity transactions	—	25,104	—	—	25,104	(126,503)	(101,399)
Preferred shares	—	—	(8,628)	—	(8,628)	(383,244)	(391,872)
Effect of realization of equity instruments	—	—	14,728	—	14,728	22,516	37,244
Other comprehensive income	—	—	—	(231,434)	(231,434)	2,123	(229,311)
Withholding Tax over dividends	—	—	(5,699)	—	(5,699)	(14,632)	(20,331)
Net income	—	—	2,349,521	—	2,349,521	2,282,095	4,631,616
Balance at December 31, 2020	Ps. 22,281	Ps. 8,470,870	Ps. 11,302,134	Ps. 862,013	Ps. 20,657,298	Ps. 14,782,259	Ps. 35,439,557

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Grupo Aval Acciones y Valores S.A.
Consolidated Statement of Cash Flows
For the years ended December 31, 2020 and 2019
(Amounts expressed in millions of Colombian pesos)

	December 31, 2020	December 31, 2019
Cash flows from operating activities:		
Net income before tax expense	Ps. 6,475,284	Ps. 7,451,711
Reconciliation of net income before taxes and net cash provided by operating activities:		
Depreciation of tangible assets and right-of-use assets	921,705	839,105
Amortization of intangible assets	479,877	459,576
Impairment losses on loans and other accounts receivable	6,313,302	4,237,381
Net interest income	(11,960,526)	(11,285,518)
Accrued dividends	(91,565)	(84,686)
Impairment of investments in associates and joint ventures	—	225
Gains on sales of non-current assets held for sale	(108,623)	(18,989)
Gains on sale of property plant and equipment for own-use	(25,449)	(24,249)
Valuations and interest from concession agreements	(3,737,836)	(3,960,250)
Net (gains) losses on investment securities measured at FVOCI	(2,784)	(52,908)
Writedown in concessions	—	5
Impairment loss on tangible assets	136	1,513
Foreign exchange losses (gains)	(68,097)	109,533
Profit of equity accounted on investments in associates and joint ventures	(220,162)	(229,626)
Net (Gains) or losses on fair value adjustments of:		
Derivative financial instruments	(669,306)	(142,075)
Non-current assets held for sale	1,347	(2,296)
Investment properties	46,924	(19,597)
Biological assets	(15,021)	(18,914)
Changes in operating assets and liabilities:		
Trading assets	(1,109,076)	(584,598)
Other accounts receivable	(95,679)	(374,435)
Derivative financial instruments	(163,588)	(154,614)
Other assets	(621,039)	(242,127)
Other liabilities and provisions	246,967	143,127
Employee benefits	(49,519)	(93,993)
Loans	(11,151,777)	(8,740,036)
Customer deposits	24,613,595	10,409,443
Interbank borrowings and overnight funds	(2,670,489)	2,358,074
Borrowings from development entities	(1,675)	9,115
Borrowings from banks and others	(3,830,694)	(3,197,960)
Interest received	18,153,484	18,507,769
Interest paid	(8,699,311)	(7,860,077)
Interest paid on leases	(191,924)	(194,589)
Income tax paid	(1,747,763)	(1,610,046)
Net cash provided by operating activities	Ps. 10,020,718	Ps. 5,634,994

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	December 31, 2020	December 31, 2019
Cash flows from investing activities:		
Acquisition property, plant and equipment for own use and operating lease	Ps. (638,263)	Ps. (679,016)
Acquisition of investment properties	(1,659)	(2,371)
Additions of cost of biological assets	(21,285)	(20,559)
Additions of concession arrangement rights	(815,349)	(651,355)
Additions of others intagibles assets	(558,978)	(377,471)
Acquisition of FVOCI	(34,282,037)	(25,378,675)
Proceeds from sales of FVOCI	31,447,496	23,439,811
Proceeds from sales of own property and equipment	41,912	77,070
Proceeds from sales of investment properties	110,782	57,027
Proceeds from sales of biological assets	48,205	41,114
Proceeds from sales of non-current assets held for sale	267,303	154,569
Purchases of financial assets at amortized cost	(6,508,594)	(3,678,335)
Redemptions of financial assets at amortized cost	4,281,023	3,642,470
Dividends received from investments	389,649	307,566
Acquisition of investments in associates and joint ventures	(5,333)	(2,789)
Proceeds from sales of investments in associates and joint ventures	—	6,060
Capitalized leasing cost	(137)	1,357
Business combination, net of cash	(1,340,145)	—
Net cash (used in) provided by investing activities	Ps. (7,585,410)	Ps. (3,063,527)
Cash flows from financing activities:		
Dividends paid to shareholders	(1,330,241)	(1,266,920)
Dividends paid to non-controlling interest	(946,034)	(804,302)
Issuance of debt securities	5,726,320	3,148,887
Payment of outstanding debt securities	(2,185,636)	(1,544,225)
Leases	(429,636)	(362,334)
Redemption of preferred shares	(379,320)	—
Equity transaction	(51,004)	(67,097)
Net cash used in financing activities	404,449	(895,991)
Effect of foreign currency changes on cash and cash equivalents	1,068,542	40,477
Increase (decrease) in cash and cash equivalents	3,908,299	1,715,953
Cash and cash equivalents at beginning of year	Ps. 30,117,236	Ps. 28,401,283
Cash and cash equivalents at end of year	Ps. 34,025,535	Ps. 30,117,236

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