

Grupo Aval Acciones y Valores S.A.  
Consolidated Statement of Financial Position  
At December 31, 2021 and 2020  
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2021	December 31, 2020
<b>Assets</b>			
<b>Cash and cash equivalents</b>	<b>6, 7</b>	<b>Ps. 36,642,829</b>	<b>Ps. 34,025,535</b>
<b>Trading assets</b>	<b>6, 8</b>	<b>10,986,770</b>	<b>11,038,856</b>
<b>Investment securities</b>	<b>6, 9</b>	<b>44,664,373</b>	<b>36,061,764</b>
<b>Hedging derivative assets</b>	<b>6, 10</b>	<b>44,248</b>	<b>156,220</b>
<b>Loans:</b>			
	<b>4.1, 6, 11</b>		
Commercial		125,246,237	115,680,616
Consumer		76,889,145	65,835,457
Mortgages		29,120,316	24,558,771
Microcredit		317,739	372,321
		<u>231,573,437</u>	<u>206,447,165</u>
Loss allowance	4.1.5	(11,275,612)	(10,905,171)
<b>Total loans, net</b>		<u>220,297,825</u>	<u>195,541,994</u>
<b>Other accounts receivable, net</b>	<b>6, 12</b>	<b>19,027,205</b>	<b>14,996,337</b>
<b>Non-current assets held for sale</b>	<b>13</b>	<b>208,426</b>	<b>240,412</b>
<b>Investments in associates and joint ventures</b>	<b>14</b>	<b>1,172,829</b>	<b>1,029,322</b>
<b>Tangible assets:</b>			
	<b>15</b>		
Property, plant and equipment for own-use and given in operating lease, net		6,192,236	6,007,202
Right-of-use assets		1,900,396	2,035,519
Investment properties		852,935	808,556
Biological assets		154,986	122,675
		<u>9,100,553</u>	<u>8,973,952</u>
<b>Intangibles</b>			
Concession arrangement rights	16	11,098,116	9,187,564
Goodwill	17	8,486,560	7,713,817
Other intangible assets	18	1,886,042	1,623,670
		<u>21,470,718</u>	<u>18,525,051</u>
<b>Income tax assets:</b>			
	<b>19</b>		
Current		842,408	936,186
Deferred		1,765,265	861,702
		<u>2,607,673</u>	<u>1,797,888</u>
<b>Other assets</b>		<b>680,476</b>	<b>508,539</b>
<b>Total assets</b>		<b>Ps. 366,903,925</b>	<b>Ps. 322,895,870</b>

The accompanying notes are an integral part of the Consolidated Financial Statements

**Luis Carlos Sarmiento Gutiérrez**  
President

**María Edith González Flórez**  
Accountant  
T.P. 13083-T

**Gloria Andrea Sánchez Sánchez**  
Auditor  
T.P. 146962-T  
Member of KPMG S.A.S.  
(See my report of March 4, 2022)

Grupo Aval Acciones y Valores S.A.  
Consolidated Statement of Financial Position  
At December 31, 2021 and 2020  
(Amounts expressed in millions of Colombian pesos)

	<u>Notes</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Trading liabilities</b>	<b>6, 8</b>	<b>Ps. 1,049,910</b>	<b>Ps. 1,452,574</b>
<b>Hedging derivative liabilities</b>	<b>10</b>	<b>55,813</b>	<b>56,627</b>
<b>Customer deposits:</b>	<b>20</b>		
Checking accounts		59,225,849	51,198,284
Savings accounts		89,097,128	76,551,465
Time deposits		85,530,244	83,559,188
Other		617,201	532,660
		<b>234,470,422</b>	<b>211,841,597</b>
<b>Financial obligations:</b>	<b>21</b>		
Interbank borrowings and overnight funds		10,672,415	7,179,644
Borrowings from banks and others		27,124,710	19,654,517
Bonds issued		32,257,932	27,760,797
Borrowings from development entities		3,227,269	4,029,808
		<b>73,282,326</b>	<b>58,624,766</b>
<b>Provisions:</b>	<b>23</b>		
Legal related		247,529	241,774
Non legal related		902,732	671,076
		<b>1,150,261</b>	<b>912,850</b>
<b>Income tax liabilities:</b>	<b>19</b>		
Current		382,348	406,207
Deferred		4,332,366	3,181,974
		<b>4,714,714</b>	<b>3,588,181</b>
<b>Employee benefits</b>	<b>22</b>	<b>1,163,076</b>	<b>1,201,855</b>
<b>Other liabilities</b>	<b>24</b>	<b>11,545,756</b>	<b>9,777,863</b>
<b>Total liabilities</b>		<b>327,432,278</b>	<b>287,456,313</b>
<b>Equity</b>			
<b>Owners of the parent:</b>	<b>25</b>		
Subscribed and paid-in capital		22,281	22,281
Additional paid-in capital		8,490,799	8,470,870
Retained earnings		13,383,391	11,302,134
Other comprehensive income		1,117,182	862,013
<b>Equity attributable to owners of the parent</b>		<b>23,013,653</b>	<b>20,657,298</b>
<b>Non-controlling interests</b>	<b>26</b>	<b>16,457,994</b>	<b>14,782,259</b>
<b>Total equity</b>		<b>39,471,647</b>	<b>35,439,557</b>
<b>Total liabilities and equity</b>		<b>Ps. 366,903,925</b>	<b>Ps. 322,895,870</b>

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Grupo Aval Acciones y Valores S.A.  
Consolidated Statement of Income  
For the years ended December 31, 2021 and 2020  
(Amounts expressed in millions of Colombian pesos)

	Notes	For the years ended	
		December 31, 2021	December 31, 2020
<b>Interest income calculated using the effective interest method</b>			
Loan portfolio	11	Ps. 18,115,730	Ps. 18,947,029
Investments in debt securities		1,531,788	1,275,761
<b>Total interest income</b>		<b>19,647,518</b>	<b>20,222,790</b>
<b>Interest expense</b>			
<b>Deposits</b>			
Checking accounts		(261,256)	(328,134)
Savings accounts		(1,066,825)	(1,467,635)
Time deposits		(3,068,742)	(3,663,358)
		<b>(4,396,823)</b>	<b>(5,459,127)</b>
<b>Financial obligations</b>			
Interbank borrowings and overnight funds		(185,779)	(283,966)
Borrowings from banks and others		(631,349)	(860,468)
Bonds issued		(1,614,678)	(1,531,565)
Borrowing from development entities		(90,028)	(127,138)
		<b>(2,521,834)</b>	<b>(2,803,137)</b>
<b>Net interest income</b>		<b>12,728,861</b>	<b>11,960,526</b>
<b>Impairment (losses) recoveries on financial assets</b>			
Loans and other accounts receivable		(4,500,096)	(6,267,224)
Other financial assets		(16,219)	(74,765)
Recovery of charged-off financial assets		481,226	328,096
<b>Net impairment loss on financial assets</b>		<b>(4,035,089)</b>	<b>(6,013,893)</b>
<b>Net interest income, after impairment losses</b>		<b>8,693,772</b>	<b>5,946,633</b>
Income from commissions and fees		6,453,202	5,835,899
Expenses from commissions and fees		(841,774)	(742,476)
<b>Net income from commissions and fees</b>	<b>28</b>	<b>5,611,428</b>	<b>5,093,423</b>
Income from sales of goods and services		10,450,914	9,144,789
Costs and expenses of sales goods and services		(7,351,979)	(6,321,488)
<b>Gross profit from sales of goods and services</b>	<b>28</b>	<b>3,098,935</b>	<b>2,823,301</b>
<b>Net trading income</b>	<b>29</b>	<b>948,716</b>	<b>1,295,424</b>
<b>Net income from other financial instruments mandatorily at fair value through profit or loss</b>	<b>16</b>	<b>270,095</b>	<b>252,355</b>
<b>Other income</b>	<b>30</b>	<b>1,294,047</b>	<b>1,716,899</b>
<b>Other expenses</b>	<b>30</b>	<b>(11,396,696)</b>	<b>(10,652,751)</b>
<b>Net income before tax expense</b>		<b>8,520,297</b>	<b>6,475,284</b>
Income tax expense	19	(2,851,795)	(1,843,668)
<b>Net income for the year</b>		<b>Ps. 5,668,502</b>	<b>Ps. 4,631,616</b>
<b>Net income for the year attributable to:</b>			
<b>Owners of the parent</b>	<b>25</b>	<b>3,297,736</b>	<b>2,349,521</b>
<b>Non-controlling interests</b>	<b>26</b>	<b>2,370,766</b>	<b>2,282,095</b>
		<b>Ps. 5,668,502</b>	<b>Ps. 4,631,616</b>
<b>Net income per share basic and diluted (in Colombian pesos, see note 25)</b>		<b>148.01</b>	<b>105.45</b>

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Auditor  
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Grupo Aval Acciones y Valores S.A.  
Consolidated Statement of Other Comprehensive Income  
For the years ended December 31, 2021 and 2020  
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2021	December 31, 2020
<b>Net income for the year</b>		Ps. <b>5,668,502</b>	Ps. <b>4,631,616</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss</b>			
Net gain (loss) on hedges of net investments in foreign operations:	10, 25.5		
Foreign currency translation differences from hedged foreign operations		2,565,637	883,022
Hedging derivative instrument		(403,983)	(1,034,816)
Hedging non-derivative instrument		(1,198,919)	(366,195)
Cash flow hedges	10, 25.5	7,980	832
Foreign currency translation differences from unhedged foreign operations	25.5	(180,798)	(548,706)
Unrealized gains (losses) on securities at FVOCI			
Debt financial instruments	9, 25.5	(1,346,315)	172,906
Investments in associates and joint ventures	14, 25.5	(846)	13,059
Income tax expense	19, 25.5	1,089,263	452,005
		<b>532,019</b>	<b>(427,893)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Transfer from owner-occupied property to investment property	25.5	4,718	9,014
Unrealized gains (losses) on equity securities at FVOCI	9.4, 25.5	(110,397)	193,880
Actuarial (losses) gains from defined benefit pension plans	22, 25.5	61,665	(9,488)
Income tax expense	19, 25.5	(35,246)	5,176
		<b>(79,260)</b>	<b>198,582</b>
<b>Total other comprehensive income</b>		Ps. <b>452,759</b>	Ps. <b>(229,311)</b>
<b>Total comprehensive income, net of taxes</b>		Ps. <b>6,121,261</b>	Ps. <b>4,402,305</b>
<b>Total comprehensive income for the year attributable to:</b>			
<b>Owners of the parent</b>		3,552,905	2,118,087
<b>Non-controlling interests</b>		2,568,356	2,284,218
		Ps. <b>6,121,261</b>	Ps. <b>4,402,305</b>

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Grupo Aval Acciones y Valores S.A.  
Consolidated Statement of Changes in Equity  
For the years ended December 31, 2021 and 2020  
(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>
	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.
<b>Balance at January 1, 2020</b>	<b>22,281</b>	<b>8,445,766</b>	<b>10,289,073</b>	<b>1,093,447</b>	<b>19,850,567</b>	<b>13,497,702</b>	<b>33,348,269</b>
Issuance of shares	—	—	—	—	—	21	21
Business combination <sup>(1)</sup>	—	—	—	—	—	465,902	465,902
Dividends declared <sup>(2)</sup>	—	—	(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
<b>Balance at December 31, 2020</b>	<b>22,281</b>	<b>8,470,870</b>	<b>11,302,134</b>	<b>862,013</b>	<b>20,657,298</b>	<b>14,782,259</b>	<b>35,439,557</b>
Issuance of shares	—	—	—	—	—	120	120
Dividends declared <sup>(2)</sup>	—	—	(1,203,175)	—	(1,203,175)	(870,500)	(2,073,675)
Equity transactions <sup>(3)</sup>	—	19,929	—	—	19,929	(19,929)	—
Preferred shares <sup>(3)</sup>	—	—	(14,302)	—	(14,302)	(310)	(14,612)
Effect of realization of equity instruments	—	—	6,738	—	6,738	3,567	10,305
Other comprehensive income	—	—	—	255,169	255,169	197,590	452,759
Withholding Tax over dividends <sup>(4)</sup>	—	—	(5,740)	—	(5,740)	(5,569)	(11,309)
Net income	—	—	3,297,736	—	3,297,736	2,370,766	5,668,502
<b>Balance at December 31, 2021</b>	<b>22,281</b>	<b>8,490,799</b>	<b>13,383,391</b>	<b>1,117,182</b>	<b>23,013,653</b>	<b>16,457,994</b>	<b>39,471,647</b>

<sup>(1)</sup> See note 35 “Business combination”.

<sup>(2)</sup> See note 25.2 Declared Dividends.

<sup>(3)</sup> See note 25.4. Equity transactions.

<sup>(4)</sup> See note 19.8 “Withholdings tax on dividends paid between entities”.

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Grupo Aval Acciones y Valores S.A.  
Consolidated Statement of Cash Flows  
For the years ended December 31, 2021 and 2020  
(Amounts expressed in millions of Colombian pesos)

	<u>Notes</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>Cash flows from operating activities:</b>			
Net income before tax expense		Ps. 8,520,297	Ps. 6,475,284
<b>Reconciliation of net income before taxes and net cash provided by operating activities:</b>			
Depreciation of tangible assets and right-of-use assets	15, 28, 30	886,949	921,705
Amortization of intangible assets		559,403	479,877
Impairment losses on loans and other accounts receivable	4.1.5, 28	4,551,160	6,313,302
Net interest income		(12,728,861)	(11,960,526)
Accrued dividends	30	(159,122)	(91,565)
Impairment of investments in associates and joint ventures	14	—	—
Net gains on sales of non-current assets held for sale	30	(33,046)	(108,623)
Gains on sale of property plant and equipment for own-use		(23,436)	(25,449)
Losses on sale of investment property		9,964	16,919
Gains on biological assets		(34,635)	(29,717)
Valuations and interest from concession agreements		(4,158,048)	(3,737,836)
Foreign exchange losses (gains)		(87,235)	(68,097)
Profit of equity accounted on investments in associates and joint ventures	14, 30	(300,217)	(220,162)
Net (Gains) or losses on fair value adjustments of:			
Derivative financial instruments	29	(798,187)	(669,306)
Non-current assets held for sale	13	3,874	1,347
Investment properties	15	(22,775)	46,924
Biological assets	15	(28,546)	(15,021)
<b>Changes in operating assets and liabilities:</b>			
Trading assets		696,846	(1,109,076)
Other accounts receivable		(621,178)	(95,679)
Derivative financial instruments		(754,407)	(163,588)
Other assets		(313,452)	(610,889)
Other liabilities and provisions		1,912,622	246,967
Employee benefits		(8,388)	(49,519)
Loans		(16,024,938)	(11,151,777)
Customer deposits		6,916,177	24,613,595
Interbank borrowings and overnight funds		3,218,258	(2,670,489)
Borrowings from development entities		(1,898)	(1,675)
Borrowings from banks and others		3,509,251	(3,830,694)
<b>Interest received</b>		<b>19,423,325</b>	<b>18,153,484</b>
<b>Interest paid</b>		<b>(7,091,527)</b>	<b>(8,699,311)</b>
<b>Interest paid on leases</b>		<b>(168,966)</b>	<b>(191,924)</b>
<b>Income tax paid</b>		<b>(1,746,019)</b>	<b>(1,747,763)</b>
<b>Net cash provided by operating activities</b>		<b>Ps. 5,103,245</b>	<b>Ps. 10,020,718</b>

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	<u>Notes</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>Cash flows from investing activities:</b>			
Acquisition property, plant and equipment for own use and operating lease	15	Ps. (664,506)	Ps. (638,263)
Acquisition of investment property	15	(876)	(1,659)
Additions of cost of biological assets	15	(27,213)	(21,285)
Additions of concession arrangement rights		(994,639)	(815,349)
Additions of others intangibles assets		(569,920)	(558,978)
Acquisition of investments at FVOCI		(41,292,437)	(34,282,037)
Proceeds from sales of investments at FVOCI		35,457,164	31,447,496
Proceeds from sales of own property and equipment		76,726	41,912
Proceeds from sales of investment properties		67,463	110,782
Proceeds from sales of biological assets		58,083	48,205
Proceeds from sales of non-current assets held for sale		76,846	267,303
Purchases of financial assets at amortized cost		(5,743,019)	(6,508,594)
Redemptions of financial assets at amortized cost		6,589,962	4,281,023
Dividends received from investments		368,964	389,649
Acquisition of investments in associates and joint ventures		(4,539)	(5,333)
Proceeds from sales of investments in associates and joint ventures		—	—
Capitalized leasing cost		—	(137)
Business combination, net of cash		—	(1,340,145)
<b>Net cash used in by investing activities</b>		<b>Ps. (6,601,941)</b>	<b>Ps. (7,585,410)</b>
<b>Cash flows from financing activities:</b>			
Dividends paid to shareholders	21.3	(1,230,841)	(1,330,241)
Dividends paid to non-controlling interest	21.3, 26	(913,356)	(946,034)
Issuance of debt securities	21.3	2,931,280	5,726,320
Payment of outstanding debt securities	21.3	(1,631,318)	(2,185,636)
Leases	21.3	(472,084)	(429,636)
Redemption of preferred shares	21.3	(29,751)	(379,320)
Issuance of common shares	21.3	120	—
Equity transaction	21.3, 25.4	—	(51,004)
<b>Net cash (used in) provided by financing activities</b>		<b>(1,345,950)</b>	<b>404,449</b>
<b>Effect of foreign currency changes on cash and cash equivalents</b>		<b>5,461,940</b>	<b>1,068,542</b>
<b>Increase in cash and cash equivalents</b>		<b>2,617,294</b>	<b>3,908,299</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>7</b>	<b>Ps. 34,025,535</b>	<b>Ps. 30,117,236</b>
<b>Cash and cash equivalents at end of year</b>	<b>7</b>	<b>Ps. 36,642,829</b>	<b>Ps. 34,025,535</b>

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