

(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT

To the Shareholders
Grupo Aval Acciones y Valores S.A.:

Opinion

I have audited the consolidated financial statements of Grupo Aval Acciones y Valores S.A. and Subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2020 and the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended, and their respective notes, that include the summary of significant accounting policies and other explanatory notes.

In my opinion, the above mentioned consolidated financial statements, attached to this report, present fairly, in all material aspects, the consolidated financial position of the Group at December 31, 2020, the consolidated results of its operations, and its consolidated cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, applied on a consistent basis with the previous year.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) accepted in Colombia. My responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), included in the Information Assurance Standards accepted in Colombia together with the ethical requirements established in Colombia that are relevant to my audit of the consolidated financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code mentioned.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were most significant in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Assessment of the Loan Portfolio Impairment under IFRS 9 (see notes 4.1.5 and 11 to the

consolidated financial statements)	
The key audit matter	How our audit approached this matter
<p>As indicated in Notes 4.1.5 and 11 to the consolidated financial statements, the provision for loan portfolio impairment of the Group ascends to \$10.905.171 million at December 31, 2020.</p> <p>The Group measures the impairment of its loan portfolio by an amount equal to the Expected Credit Losses (ECL) by the life of each credit, except those credits which have not experienced a significant increase in credit risk since its initial recognition, for which the Group calculates an ECL of twelve months. The provision for loan credit impairment reflects a probability-weighted outcome which considers multiple economic scenarios based on the forecasts of the future economic conditions which include impacts from the COVID-19 pandemic and is determined according to the Group's assessment of the Probability of Default (PD), the Loss Given Default (LGD), and the Exposure at Default (EAD) associated to each loan. Grupo Aval, in conformity with the requirements of IFRS 9 and following market practices, uses models that incorporate data and assumptions that require significant judgment to estimate the loss for the portfolio impairment.</p> <p>I identified the assessment of the loan credit impairment as a key audit matter, because there is a high degree of inherent estimate in the determination of the expected loss for the portfolio impairment, as a result of the judgment required for the prospective assumptions and the models involved.</p> <p>The assessment of the loan portfolio impairment required significant attention from</p>	<p>My audit procedures to assess the loan portfolio impairment included, among others, the following:</p> <ul style="list-style-type: none"> • Assessment of the design and effectiveness of certain internal controls over the process established by the Group to calculate the loan portfolio impairment, including, among others, controls over: (i) the models and assumptions used, (ii) the economic provision, (iii) the integrity and accuracy of the data, and (iv) Grupo Aval's monitoring over the provision, in general for impairment losses, including application of the judgment employed. • Involvement of credit risk professionals with specific abilities, knowledge, and experience in the industry that assisted me in: (i) the assessment of the key models and supplied used to determine the parameters of the Probability of Default (PD), the Loss Given Default (LGD), and the Exposure at Default (EAD); (ii) the assessment of the macroeconomic projections and of the probability weighting for the scenarios, (iii) the assessment of the qualitative adjustments applied to the models, (iv) recalculation for a sample of individually significant credits, of the impairment, and of the analysis of the value of the guarantees; and (v) verification for a sample of individually significant credits, of the credit risk rating assigned by Grupo Aval.

<p>the auditor, the involvement of a judgment, and the participation of credit risk professional, as well as knowledge and experience in the industry.</p>	
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Assessment of the income recognized for concession contracts in the construction phase and of the fair value of the financial assets related to said concession contracts (see notes 2.20, 5, and 16 to the consolidated financial statements)	
The key audit matter	How our audit approached this matter
<p>As indicated in Notes 2.20, 5, and 16 to the consolidated financial statements, the Group is a party in concession contracts signed with the government for the construction and subsequent maintenance of infrastructure, for a certain period of time. In return, the Group is entitled to receive direct payments from the government and/or fees collected from the final users of the infrastructure.</p> <p>During the construction phase, the Group recognizes income and a financial asset for the payments which are unconditionally guaranteed by the government and/or an intangible asset for the payments that are linked to the use of the infrastructure.</p> <p>The performance obligations related to the construction services are satisfied in time and the amount of income recognized depends on the termination stage of the construction services and the fair value of the asset recognized. Grupo Aval has assigned some of the financial assets related to concession contracts to be measured at fair value with changes in profit or loss after the initial recognition. At December 31, 2020, the Group has financial assets originating from concession contracts for \$2.958.385 million, which are</p>	<p>My audit procedures to assess the recognition of income for concession contracts in the construction phase and of the fair value of the related financial assets included, among others:</p> <ul style="list-style-type: none"> - Assessment of the design and effectiveness of certain internal controls established by the Group to determine the fair value of the financial assets that originate from the concession contracts and to establish the income to be recognized of the contracts in the construction phase. These controls included those related to: (i) the review of the supplies and assumptions used; (ii) the review of the estimate of the termination costs; and (iii) the review and approval of the fair value of the assets and the amount of the income which must be recognized. - Involvement of valuation professionals with specific abilities and knowledge of the industry who assisted me in: (i) the assessment of whether the model developed internally are consistent with the valuation practices generally used for that purpose and IFRS; (ii) comparison of the WACC with a range determined using

Assessment of the income recognized for concession contracts in the construction phase and of the fair value of the financial assets related to said concession contracts (see notes 2.20, 5, and 16 to the consolidated financial statements)	
The key audit matter	How our audit approached this matter
<p>measured at fair value and classified at level 3 of the hierarchy of fair value and intangible assets derived from concession contracts in the construction phase for \$5.355.987 million.</p> <p>I identified the assessment of income recognized from the concession contracts in the construction phase and the fair value of the related financial assets as a key audit matter, because it involves a significant audit effort and judgment, including the participation of valuation professionals with specific abilities and knowledge of the industry.</p> <p>For contracts in the construction phase, the auditor's judgment was required to assess the estimated costs until the termination of the construction contracts in the construction phase and to assess the models developed by Grupo Aval to estimate the fair value of the financial assets and intangibles, as well as the significant non-observable supplies and assumptions for these models.</p> <p>For financial assets related to concession contracts subsequently measured at fair value with changes in profit or loss, the auditor's judgment was required to assess the models developed by Grupo Aval to estimate their fair value, as well as the important non-observable data and estimates of these models. The important non-observable supplies and assumptions of the models include the weighted average cost of capital (WACC), the future inflation rates, and the projected income for the use of the infrastructure.</p>	<p>macroeconomic assumptions verified by the market; (iii) assessment of the future inflation rates comparing them with the market data available; (iv) assessment of the estimated costs until their finalization; (v) assessment of the income projected by the use of the infrastructure, comparing them with internal and external data, when available; and (vi) assessment of the precision of the forecasts made on inflation and the construction costs, through the comparison of a sample of values estimated previously with the real values obtained.</p>

Other matters

The consolidated financial statements at and for the year ended December 31, 2019 are presented exclusively for comparison purposes, were audited by me, and in my report dated March 4, 2020 I expressed an unqualified opinion thereon.

Responsibilities of Management and those in charge with the Group's governance for the consolidated financial statements

Management is responsible for the fair preparation and presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining the internal control that management considers necessary for the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern and for using the going concern accounting basis unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Statutory Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements, considered as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the users' economic decisions made on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of the internal control relevant for the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern hypothesis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosure in the consolidated financial statements or, if such disclosure is inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate to those charged with the Group's governance, among other matters, the planned scope and timing for the audit, as well as significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a confirmation that I have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on my independence, and, when applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my statutory auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Diana Alexandra Rozo Muñoz
Statutory Auditor of Grupo Aval Acciones y Valores S.A.:
Registration 120741 – T
Member of KPMG S.A.S.

March 2, 2021