

Grupo Aval Acciones y Valores S.A. and Subsidiaries  
Consolidated Statement of Financial Position  
At December 31, 2019 and 2018  
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2019	December 31, 2018
<b>Assets</b>			
<b>Cash and cash equivalents</b>	<b>6, 7</b>	<b>Ps. 30,117,236</b>	<b>Ps. 28,401,283</b>
<b>Trading assets</b>	<b>6, 8</b>	<b>9,113,668</b>	<b>7,204,312</b>
<b>Investment securities</b>	<b>6, 9</b>	<b>26,000,311</b>	<b>23,030,159</b>
<b>Hedging derivative assets</b>	<b>6, 10</b>	<b>166,598</b>	<b>30,138</b>
<b>Loans:</b>	<b>4.1, 6, 11</b>		
Commercial		101,655,660	102,408,977
Consumer		59,840,451	55,455,064
Mortgages		20,221,683	18,592,103
Microcredit		410,320	425,697
		<b>182,128,114</b>	<b>176,881,841</b>
Loss allowance	4.1.5	(8,185,797)	(8,196,187)
<b>Total loans, net</b>		<b>173,942,317</b>	<b>168,685,654</b>
<b>Other accounts receivable, net</b>	<b>6, 12</b>	<b>11,702,301</b>	<b>9,300,643</b>
<b>Non-current assets held for sale</b>	<b>13</b>	<b>206,193</b>	<b>186,714</b>
<b>Investments in associates and joint ventures</b>	<b>14</b>	<b>987,962</b>	<b>982,743</b>
<b>Tangible assets:</b>	<b>15</b>		
Property, plant and equipment for own-use and given in operating lease, net		5,791,430	5,667,953
Right-of-use assets <sup>(1)</sup>		2,125,558	—
Investment properties		928,566	836,324
Biological assets		104,857	84,206
		<b>8,950,411</b>	<b>6,588,483</b>
<b>Intangibles</b>			
Concession arrangement rights	16	7,521,488	5,514,481
Goodwill	17	7,348,587	7,318,594
Other intangible assets	18	1,206,491	1,033,884
		<b>16,076,566</b>	<b>13,866,959</b>
<b>Income tax assets:</b>	<b>19</b>		
Current		895,208	593,837
Deferred		246,598	341,338
		<b>1,141,806</b>	<b>935,175</b>
<b>Other assets</b>		<b>427,220</b>	<b>462,890</b>
<b>Total assets</b>		<b>Ps. 278,832,589</b>	<b>Ps. 259,675,153</b>

(1) See note 2.(2.4 (A)) Changes in accounting policies.

The accompanying notes are an integral part of the consolidated financial statements

**Luis Carlos Sarmiento Gutiérrez**  
President  
Principal executive officer

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

**Diana Alexandra Rozo Muñoz**  
Auditor  
T.P. 120741-T  
Member of KPMG S.A.S.  
(See my report of March 4, 2020)

Grupo Aval Acciones y Valores S.A. and Subsidiaries  
Consolidated Statement of Financial Position  
At December 31, 2019 and 2018  
(Amounts expressed in millions of Colombian pesos)

Notes	December 31, 2019	December 31, 2018
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Trading liabilities</b>	<b>6, 8</b> Ps. <b>962,438</b>	<b>Ps. 811,305</b>
<b>Hedging derivative liabilities</b>	<b>10</b> <b>94,298</b>	<b>195,539</b>
<b>Customer deposits:</b>	<b>20</b>	
Checking accounts	42,449,702	39,702,878
Savings accounts	59,352,760	57,221,439
Time deposits	73,225,189	66,853,012
Other	463,770	582,122
	<b>175,491,421</b>	<b>164,359,451</b>
<b>Financial obligations:</b>	<b>21</b>	
Interbank borrowings and overnight funds	9,240,479	6,814,078
Borrowings from banks and others <sup>(1)</sup>	19,803,344	20,610,766
Bonds issued	21,918,268	20,140,350
Borrowings from development entities	3,882,485	3,646,796
	<b>54,844,576</b>	<b>51,211,990</b>
<b>Provisions:</b>	<b>23</b>	
Legal related	194,680	125,929
Other	673,962	569,359
	<b>868,642</b>	<b>695,288</b>
<b>Income tax liabilities:</b>	<b>19</b>	
Current	387,274	413,456
Deferred	2,871,309	2,160,942
	<b>3,258,583</b>	<b>2,574,398</b>
<b>Employee benefits</b>	<b>22</b> <b>1,234,980</b>	<b>1,264,881</b>
<b>Other liabilities</b>	<b>24</b> <b>8,729,382</b>	<b>9,007,953</b>
<b>Total liabilities</b>	<b>245,484,320</b>	<b>230,120,805</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	8,445,766	8,472,336
Retained earnings	10,289,073	8,598,319
Other comprehensive income	1,093,447	696,773
<b>Equity attributable to owners of the parent</b>	<b>19,850,567</b>	<b>17,789,709</b>
<b>Non-controlling interests</b>	<b>26</b> <b>13,497,702</b>	<b>11,764,639</b>
<b>Total equity</b>	<b>33,348,269</b>	<b>29,554,348</b>
<b>Total liabilities and equity</b>	<b>Ps. 278,832,589</b>	<b>Ps. 259,675,153</b>

(2) See note 2.(2.4 (A)) Changes in accounting policies.

The accompanying notes are an integral part of the consolidated financial statements

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Grupo Aval Acciones y Valores S.A. and Subsidiaries  
Consolidated Statement of Income  
For the years ended December 31, 2019 and 2018  
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2019	December 31, 2018
<b>Interest income calculated using the effective interest method</b>			
Loan portfolio	11 Ps.	18,491,167 Ps.	17,390,615
Investments in debt securities		1,061,568	966,021
<b>Total interest income</b>		<b>19,552,735</b>	<b>18,356,636</b>
<b>Interest expense</b>			
<b>Deposits</b>			
Checking accounts		(413,939)	(350,173)
Savings accounts		(1,503,277)	(1,497,038)
Time deposits		(3,595,611)	(3,296,508)
		<b>(5,512,827)</b>	<b>(5,143,719)</b>
<b>Financial obligations</b>			
Interbank borrowings and overnight funds		(380,858)	(266,064)
Borrowings from banks and others <sup>(1)</sup>		(1,014,304)	(769,184)
Bonds issued		(1,220,437)	(1,162,699)
Borrowing from development entities		(138,791)	(143,175)
		<b>(2,754,390)</b>	<b>(2,341,122)</b>
<b>Net interest income</b>		<b>11,285,518</b>	<b>10,871,795</b>
<b>Impairment (losses) recoveries on financial assets</b>			
Loans and other accounts receivable		(4,193,980)	(4,149,972)
Other financial assets		60,015	32,506
Recovery of charged-off financial assets		378,862	320,121
<b>Net impairment loss on financial assets</b>		<b>(3,755,103)</b>	<b>(3,797,345)</b>
<b>Net interest income, after impairment losses</b>		<b>7,530,415</b>	<b>7,074,450</b>
<b>Income from commissions and fees</b>			
Income from commissions and fees		6,083,343	5,453,382
Expenses from commissions and fees		(627,999)	(613,763)
<b>Net income from commissions and fees</b>	<b>28</b>	<b>5,455,344</b>	<b>4,839,619</b>
<b>Income from sales of goods and services</b>			
Income from sales of goods and services		9,156,588	8,126,014
Costs and expenses of sales goods and services		(6,781,777)	(5,482,102)
<b>Gross profit from sales of goods and services</b>	<b>28</b>	<b>2,374,811</b>	<b>2,643,912</b>
<b>Net trading income</b>	<b>29</b>	<b>761,911</b>	<b>582,709</b>
<b>Net income from other financial instruments mandatorily at fair value through profit or loss</b>	<b>16</b>	<b>217,616</b>	<b>205,803</b>
<b>Other income</b>	<b>30</b>	<b>1,282,963</b>	<b>1,358,681</b>
<b>Other expenses</b>	<b>30</b>	<b>(10,171,349)</b>	<b>(9,371,033)</b>
<b>Net income before tax expense</b>		<b>7,451,711</b>	<b>7,334,141</b>
Income tax expense	19	(2,086,257)	(2,149,590)
<b>Net income for the year</b>	<b>Ps.</b>	<b>5,365,454 Ps.</b>	<b>5,184,551</b>
<b>Net income for the year attributable to:</b>			
<b>Owners of the parent</b>	<b>25</b>	<b>3,034,409</b>	<b>2,912,694</b>
<b>Non-controlling interests</b>	<b>26</b>	<b>2,331,045</b>	<b>2,271,857</b>
	<b>Ps.</b>	<b>5,365,454 Ps.</b>	<b>5,184,551</b>
<b>Net income per share basic and diluted (in Colombian pesos, see note 25)</b>		<b>136.188</b>	<b>130.725</b>

(1) See note 2.(2.4 (A)) Changes in accounting policies.

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Grupo Aval Acciones y Valores S.A. and Subsidiaries  
Consolidated Statement of Other Comprehensive Income  
For the years ended December 31, 2019 and 2018  
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2019	December 31, 2018
		Ps.	Ps.
<b>Net income for the year</b>		<b>5,365,454</b>	<b>5,184,551</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss</b>			
<b>Net gain (loss) on hedges of net investments in foreign operations:</b>	<b>10, 25</b>		
Foreign currency translation differences from hedged foreign operations		95,329	1,124,732
Hedging derivative instrument		(50,318)	(547,310)
Hedging non-derivative instrument		(47,942)	(576,881)
<b>Cash flow hedges</b>	<b>10, 25</b>	<b>13,469</b>	<b>(19,789)</b>
<b>Foreign currency translation differences from unhedged foreign operations</b>		<b>128,135</b>	<b>(299,804)</b>
<b>Unrealized gains (losses) on securities at FVOCI (2017: available for sale securities)</b>			
Debt financial instruments	9, 25	426,300	(107,084)
Equity financial instruments	14, 25	(9,061)	22,400
<b>Investments in associates and joint ventures</b>	<b>19, 25</b>	<b>(40,038)</b>	<b>323,138</b>
<b>Income (expenses) tax</b>		<b>515,874</b>	<b>(80,598)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Effect of transfer investment properties for own use	25	5,288	—
Unrealized gains (losses) on equity securities at FVOCI	9.4, 25	237,781	(134,084)
Actuarial (losses) gains from defined benefit pension plans	22, 25	(61,222)	18,013
Income (expenses) tax	19, 25	4,009	(13,082)
		<b>185,856</b>	<b>(129,153)</b>
<b>Total other comprehensive income</b>		<b>Ps. 701,730</b>	<b>Ps. (209,751)</b>
<b>Total comprehensive income, net of taxes</b>		<b>Ps. 6,067,184</b>	<b>Ps. 4,974,800</b>
<b>Total comprehensive income for the year attributable to:</b>			
<b>Owners of the parent</b>		3,431,083	2,776,768
<b>Non-controlling interests</b>		2,636,101	2,198,032
		<b>Ps. 6,067,184</b>	<b>Ps. 4,974,800</b>

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Grupo Aval Acciones y Valores S.A. and Subsidiaries  
Consolidated Statement of Changes in Equity  
For the years ended December 31, 2019 and 2018  
(Amounts expressed in millions of Colombian pesos)

	Subscribed and paid-in capital	Additional paid – in capital	Appropriated retained earnings	Other comprehensive income (OCI)	Equity attributable to owners of the parent	Non- controlling interest (NCI)	Total Equity
<b>Balance at December 31, 2017</b>	Ps. 22,281	Ps. 8,412,685	Ps. 7,573,912	Ps. 223,543	Ps. 16,232,421	Ps. 9,745,829	Ps. 25,978,250
Change in accounting policies on January 1, 2018	—	(109,254)	(818,798)	609,156	(318,896)	(181,245)	(500,141)
<b>Balance at January 1, 2018</b>	Ps. 22,281	Ps. 8,303,431	Ps. 6,755,114	Ps. 832,699	Ps. 15,913,525	Ps. 9,564,584	Ps. 25,478,109
Issuance of shares	—	—	—	—	—	988,072	988,072
Dilution	—	181,579	—	—	181,579	(181,579)	—
Dividends declared	—	—	(1,069,489)	—	(1,069,489)	(749,987)	(1,819,476)
Acquisition of NCI without a change in control	—	(12,674)	—	—	(12,674)	(54,483)	(67,157)
Other comprehensive income	—	—	—	(135,926)	(135,926)	(73,825)	(209,751)
Net income	—	—	2,912,694	—	2,912,694	2,271,857	5,184,551
	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 on January 1, 2019 <sup>(1)</sup>	—	—	(5,101)	—	(5,101)	(21,881)	(26,982)
<b>Balance at January 1, 2019</b>	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)
Acquisition of NCI without a change in control <sup>(2)</sup>	—	(26,570)	—	—	(26,570)	(40,527)	(67,097)
Realized gain or loss on 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
<b>Balance at December 31, 2019</b>	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

<sup>(1)</sup> See note 2.5 “Changes in accounting policies”.

<sup>(2)</sup> See note 25.4.

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Grupo Aval Acciones y Valores S.A. and Subsidiaries  
Consolidated Statement of Cash Flows  
For the years ended December 31, 2019 and 2018  
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2019 (1)	December 31, 2018
<b>Cash flows from operating activities:</b>			
Net income before tax expense		Ps. 7,451,711	Ps. 7,334,141
<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	839,105	478,606
Amortization of intangible assets		459,576	478,568
Impairment losses on loans and other accounts receivable	4, 28	4,237,381	4,171,801
Net interest income		(11,285,518)	(10,871,795)
Accrued dividends	30	(84,686)	(71,487)
Impairment of investments in associates and joint ventures	14	225	111,783
Gains on sales of non-current assets held for sale	30	(18,989)	(14,862)
Gains on sale of property plant and equipment for own-use	15	(24,249)	(347,510)
Valuations and interest from concession agreements		(3,960,250)	(3,181,620)
Net (gains) losses on investment securities measured at FVOCI (2017: available for sale securities)		(52,908)	12,284
Writedown in concessions		5	1,136
Impairment loss on tangible assets		1,513	5,701
Foreign exchange losses (gains)		109,533	258,353
Share of undistributed profit of equity accounted investees, net of tax	14	(229,626)	(197,715)
Fair value adjustments of:			
Derivative financial instruments	29	(142,075)	(427,208)
Non-current assets held for sale	13	(2,296)	25,136
Investment property	15	(19,597)	(39,415)
Biological assets	15	(18,914)	(20,606)
<b>Changes in operating assets and liabilities:</b>			
Trading assets		(584,598)	709,398
Other accounts receivable		(374,435)	(630,394)
Derivative financial instruments		(154,614)	219,406
Other assets		(242,127)	13,710
Other liabilities and provisions		143,127	2,757,733
Employee benefits		(93,993)	42,617
Loans and receivables		(8,740,036)	(8,245,223)
Customer deposits		10,409,443	3,965,382
Interbank borrowings and overnight funds		2,358,074	1,712,600
Borrowings from development entities		9,115	(680)
Borrowings from banks and others		(3,197,960)	1,482,124
<b>Interest received</b>		<b>18,507,769</b>	<b>17,602,454</b>
<b>Interest paid</b>		<b>(7,860,077)</b>	<b>(7,135,811)</b>
<b>Interest paid on leases</b>		<b>(194,589)</b>	<b>—</b>
<b>Income tax paid</b>		<b>(1,610,046)</b>	<b>(1,467,045)</b>
<b>Wealth tax and equity tax payments</b>		<b>Ps. 5,634,994</b>	<b>Ps. 8,731,562</b>

(1) See note (2.4 (A)), Changes in accounting policies.

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For the years ended December 31, 2019 and 2018  
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	Notes	December 31, 2019 (1)	December 31, 2018
<b>Cash flows from investing activities:</b>			
Acquisition of property plant and equipment	15	Ps. (679,016)	Ps. (548,984)
Acquisition of investment property	15	(2,371)	(54,405)
Additions of biological assets	15	(20,559)	(20,900)
Additions of concession arrangement rights		(651,355)	(465,273)
Additions of other intangible assets		(377,471)	(389,151)
Acquisition of FVOCI (2017 – available-for sale-financial-assets)		(25,378,675)	(16,380,948)
Proceeds from sales of FVOCI (2017 – available-for sale-financial-assets)		23,439,811	14,435,809
Proceeds from sales of property and equipment		77,070	56,346
Proceeds from sales of investment properties		57,027	80,854
Proceeds from sales of biological assets		41,114	32,239
Proceeds from sales of non-current assets held for sale		154,569	66,657
Purchases of financial assets at amortized cost (2017 held-to-maturity)		(3,678,335)	(3,887,773)
Redemptions of financial assets at amortized cost (2017 held-to-maturity)		3,642,470	3,810,438
Dividends received from investments		307,566	206,549
Acquisition of investments in associates and joint ventures	14	(2,789)	—
Proceeds from sales of investments in associates and joint ventures		6,060	—
Capitalized leasing cost		1,357	—
Business combination, net of cash		—	11,238
Effect of loss of control of subsidiaries		<b>Ps. (3,063,527)</b>	<b>Ps. (3,047,304)</b>
<b>Net cash (used in) provided by investing activities</b>			
<b>Cash flows from financing activities:</b>			
Dividends paid to shareholders	21, 26	(804,302)	(745,932)
Dividends paid to non-controlling interest	21	3,148,887	1,095,892
Issuance of debt securities	21	(1,544,225)	(1,139,897)
Payment of outstanding debt securities	21	(362,334)	—
Leases	21	—	988,072
Issuance of common shares	21	(67,097)	(67,157)
Acquisition of NCI without a change in control		<b>(895,991)</b>	<b>(997,557)</b>
<b>Net cash used in financing activities</b>		<b>40,477</b>	<b>1,377,744</b>
<b>Effect of foreign currency changes on cash and cash equivalents</b>		<b>1,715,953</b>	<b>6,064,445</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>7</b>	<b>Ps. 28,401,283</b>	<b>Ps. 22,336,838</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>7</b>	<b>Ps. 30,117,236</b>	<b>Ps. 28,401,283</b>

(1) See note (2.4 (A)), Changes in accounting policies.  
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