



KPMG S.A.S.
Calle 90 No. 19c - 74
Bogotá D.C. - Colombia

Phone +57 (601) 618 8000
+57 (601) 618 8100

www.kpmg.com/co

(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT ON THE REVIEW OF THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Dear Shareholders
Grupo Aval Acciones y Valores S.A.:

Introduction

I have reviewed the attached condensed consolidated interim financial information, as of March 31, 2024, of Grupo Aval Acciones y Valores S.A. and subsidiaries (the Group), which includes:

- the condensed consolidated statement of financial position as of March 31, 2024;
- the condensed consolidated statement of income for the three-month period ended on March 31, 2024.
- the condensed consolidated statement of other comprehensive income for the three-month period ended on March 31, 2024;
- the condensed consolidated statement of changes in equity for the three-month period ended on March 31, 2024;
- the condensed consolidated statement of cash flows for the three-month period ended on March 31, 2024; and
- the notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 (IAS 34) – Intermediate Financial Information contained in the Accounting and Financial Reporting Standards accepted in Colombia. My responsibility is to express a conclusion on this condensed consolidated financial information based on my review.

Scope of the review

I have carried out my review in accordance with the International Standard for Review Engagements 2410 “Review of Interim Financial Information carried out by the Independent Auditor of the Entity”, included in the Information Assurance Standards accepted in Colombia. A review of condensed consolidated interim financial information consists of making inquiries, primarily with those responsible for financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is substantially smaller than that of



an audit carried out in accordance with International Auditing Standards accepted in Colombia and, consequently, it does not allow me to obtain assurance that I have known all the significant matters that could have been identified in an audit. Therefore, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that would cause me to assume that the attached condensed interim consolidated financial information of the Group as of March 31, 2024, has not been prepared, in all material respects, in accordance with the International Accounting Standard 34 (IAS 34) – Intermediate Financial Information contained in the Accounting and Financial Reporting Standards accepted in Colombia.

(Original signed in Spanish)
Diana Alexandra Rozo Muñoz
Statutory Auditor of Grupo Aval Acciones y Valores S.A.
Registration 120741-T
Member of KPMG S.A.S.

May 14, 2024

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

	<u>Notes</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Assets			
Cash and cash equivalents	4 (a) Ps.	18,568,325 Ps.	18,597,861
Trading assets	4 (a)	15,384,458	15,451,121
Investment securities	4 (a)	36,560,046	34,425,693
Hedging derivative assets	4 (a)	58,930	48,662
Loans, net	4 (a)	178,470,956	176,168,055
Other accounts receivable, net	4 (g)	26,442,421	25,617,225
Non-current assets held for sale		103,100	101,184
Investments in associates and joint ventures	6	1,123,911	1,290,683
Tangible assets	7	7,094,403	6,995,890
Concessions contracts	8	13,568,427	13,557,267
Goodwill	9	2,202,959	2,202,222
Other Intangibles		2,450,926	2,382,427
Income tax assets		4,397,442	3,877,749
Other assets		465,691	465,557
Total assets	Ps.	306,891,995 Ps.	301,181,596
Liabilities and equity			
Liabilities			
Trading liabilities	4 (a) Ps.	1,193,147 Ps.	2,154,361
Hedging derivative liabilities	4 (a)	159,989	217,566
Customer deposits	4 (a)	189,212,188	181,987,396
Financial obligations	4 (a)	66,085,660	65,541,339
Provisions	11	1,045,032	1,083,283
Income tax liabilities		5,954,272	5,814,987
Employee benefits	12	926,833	907,808
Other liabilities	13	11,238,837	11,954,440
Total liabilities	Ps.	275,815,958 Ps.	269,661,180
Equity			
Owners of the parent:			
Subscribed and paid-in capital	Ps.	23,744 Ps.	23,744
Additional paid-in capital		9,562,530	9,571,374
Retained earnings		7,278,734	7,731,773
Other comprehensive income		(412,842)	(544,219)
Equity attributable to owners of the parent		16,452,166	16,782,672
Non-controlling interest		14,623,871	14,737,744
Total equity		31,076,037	31,520,416
Total liabilities and equity	Ps.	306,891,995 Ps.	301,181,596

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

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Condensed Consolidated Statement of Income
(Amounts expressed in millions of Colombian pesos)

	Notes	For the three-months periods ended March 31,	
		2024	2023
Interest income	4 (i) Ps.	7,236,192	Ps. 7,008,324
Interest expense	4 (j)	(5,555,836)	(5,459,500)
Net interest income		1,680,356	1,548,824
Net impairment loss on financial assets		(1,360,060)	(786,489)
Net interest income, after impairment losses		320,296	762,335
Income from commissions and fees		1,126,857	1,084,530
Expenses from commissions and fees		(234,578)	(242,227)
Net income from commissions and fees	16	892,279	842,303
Income from sales of goods and services		2,592,487	2,927,482
Costs and expenses of sales goods and services		(1,769,076)	(1,763,843)
Net income from sales of goods and services	16	823,411	1,163,639
Net trading income	17	243,631	(81,280)
Net income from other financial instruments mandatorily at fair value through profit or loss		104,484	93,949
Other income	18	409,427	875,870
Other expenses	18	(2,094,627)	(2,077,011)
Net income before tax expense		698,901	1,579,805
Income tax expense	10	(225,659)	(532,551)
Net income from continuing operations	Ps.	473,242	Ps. 1,047,254
Net income attributable to owners of the parent		113,743	425,090
Net income attributable to non-controlling interests		359,499	622,164
Net Income	Ps.	473,242	Ps. 1,047,254
Net income per share basic and diluted (in Colombian pesos)	14 Ps.	4.79	Ps. 17.90

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

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Condensed Consolidated Statement of Other Comprehensive Income
(Amounts expressed in millions of Colombian pesos)

	Notes	For the three-months ended March 31,	
		2024	2023
Net income		Ps. 473,242	Ps. 1,047,254
Other comprehensive income			
Items that will be reclassified to profit or loss			
Net hedges of investments in foreing operations			
Foreign currency translation differences from hedged item foreign operations	5	18,643	(123,149)
Hedging non-derivative instrument	5	(14,301)	120,238
Cash flow hedges	5	4,613	(3,114)
Foreign currency translation differences from unhedged item foreign operations		774	(65,076)
Equity-accounted investees - share of OCI	6	3,665	594
Unrealized gains on securities at FVOCI		31,350	735,161
Income tax		(11,554)	(244,939)
Total, items that may be reclassified to profit or loss		Ps. 33,190	Ps. 419,715
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI - net change in fair value		252,163	(53,709)
Actuarial loss from defined benefit pension plans		(791)	(1)
Income tax		4,911	(22)
Total, items that will not be reclassified to profit or loss		Ps. 256,283	Ps. (53,732)
Total other comprehensive income, net of taxes		289,473	365,983
Total comprehensive income		Ps. 762,715	Ps. 1,413,237
Total comprehensive income for the periods attributable to:			
Owners of the parent		245,120	723,808
Non-controlling interest		517,595	689,429
		Ps. 762,715	Ps. 1,413,237

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

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Condensed Consolidated Statement of Changes in Equity for the three-month periods ended March 31, 2024 and 2023
(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
Balance at December 31, 2022	Ps. <u>23,744</u>	Ps. <u>9,571,374</u>	Ps. <u>8,018,417</u>	Ps. <u>(1,146,565)</u>	Ps. <u>16,466,970</u>	Ps. <u>14,354,689</u>	Ps. <u>30,821,659</u>
Dividends declared in cash	—	—	(1,025,718)	—	(1,025,718)	(1,014,794)	(2,040,512)
Other comprehensive income	—	—	—	298,718	298,718	67,265	365,983
Withholding Tax over dividends	—	—	10,640	—	10,640	22,025	32,665
Net income	—	—	425,090	—	425,090	622,164	1,047,254
Balance at March 31, 2023	Ps. <u>23,744</u>	Ps. <u>9,571,374</u>	Ps. <u>7,428,429</u>	Ps. <u>(847,847)</u>	Ps. <u>16,175,700</u>	Ps. <u>14,051,349</u>	Ps. <u>30,227,049</u>
	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
Balance at December 31, 2023	Ps. <u>23,744</u>	Ps. <u>9,571,374</u>	Ps. <u>7,731,773</u>	Ps. <u>(544,219)</u>	Ps. <u>16,782,672</u>	Ps. <u>14,737,744</u>	Ps. <u>31,520,416</u>
Dividends declared in cash ⁽¹⁾	—	—	(569,843)	—	(569,843)	(623,370)	(1,193,213)
Equity transactions ⁽¹⁾	—	(8,844)	—	—	(8,844)	(12,979)	(21,823)
Other comprehensive income	—	—	—	131,377	131,377	158,096	289,473
Effect of realization OCI to retained	—	—	692	—	692	323	1,015
Withholding Tax over dividends	—	—	2,369	—	2,369	4,558	6,927
Net income	—	—	113,743	—	113,743	359,499	473,242
Balance at March 31, 2024	Ps. <u>23,744</u>	Ps. <u>9,562,530</u>	Ps. <u>7,278,734</u>	Ps. <u>(412,842)</u>	Ps. <u>16,452,166</u>	Ps. <u>14,623,871</u>	Ps. <u>31,076,037</u>

(1) See note 14

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

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Condensed Consolidated Statement of Cash Flows for the three-month periods ended March 31, 2024 and 2023
(Amounts expressed in millions of Colombian pesos)

	Notes	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Cash flows from operating activities:			
Net income before income tax		Ps. 698,901	Ps. 1,579,805
Reconciliation of net income before taxes and net cash provided by (used in) operating activities:			
Depreciation and amortization	16-18	302,117	279,584
Impairment losses of loans and receivables, net	4-16	1,507,496	935,469
Valuations and interest from concession agreements		(817,689)	(1,260,858)
Net interest income		(1,680,356)	(1,548,824)
Gain on the sale of non-current assets held for sale		(3,454)	(865)
Gain on sales of tangible assets		(22,379)	(5,025)
Foreign exchange, net	18	(31,873)	(488,545)
Share of profit of equity accounted investees, net of tax	6-18	(91,142)	(94,738)
Accrued dividends	18	(134,360)	(119,767)
Valuation of derivatives	17	57,810	672,258
Non-current assets held for sale		943	(142)
Valuation investment property	4 (a)	(8,091)	(47)
Valuation biological assets	4 (a)	(1,675)	(3,156)
Changes in operating assets and liabilities			
Derivatives		(241,862)	(804,470)
Trading assets		(768,379)	(1,883,400)
Accounts receivable		237,646	(219,249)
Other assets		(51,028)	(25,610)
Other liabilities and provisions		(1,534,557)	(654,362)
Employee benefit		19,018	(2,237)
Loans		(3,277,307)	(1,598,740)
Customer deposits		7,040,940	5,553,614
Interbank borrowings and overnight funds		2,132,264	(270,635)
Borrowings from development entities		(1,701)	83,547
Borrowings from banks		(1,235,144)	(216,821)
Interest received		6,694,944	6,139,939
Interest paid		(5,390,251)	(4,755,112)
Lease interest		(65,601)	(45,541)
Income tax payments		(558,196)	(523,796)
Net cash provided by operating activities		Ps. 2,777,034	Ps. 722,276
Cash flows from investing activities:			
Purchases of financial assets at amortized cost		Ps. (1,154,456)	Ps. (967,134)
Redemptions of financial assets at amortized cost		1,176,444	1,058,158
Purchases of investments at FVOCI		(7,650,060)	(5,144,385)
Proceeds from sale of investment at FVOCI		6,084,426	7,578,151
Acquisition of associates investment and joint ventures	6	(210)	—
Purchases tangible assets		(146,745)	(89,791)
Proceeds from sales of property, plant and equipment		48,190	45,349
Proceeds from sales of non-current assets held for sale		15,100	5,194
Capitalization and payments in concession contracts		(47,720)	130,757
Additions of other intangible assets		(137,544)	(115,887)
Dividends received		42,508	111,611
Net cash (used) provided in by investing activities		Ps. (1,770,067)	Ps. 2,612,023
Cash flows from financing activities:			
Dividends paid to owners of the parent		Ps. (255,091)	Ps. (1,475)
Dividends paid to non-controlling interest		(162,217)	(67,965)
Issuance of debt securities		75,866	2,571,859
Payment of outstanding debt securities		(735,061)	(3,057,617)
Leases		(95,338)	(100,444)
Net cash used by financing activities		Ps. (1,171,841)	Ps. (655,642)
Effect of foreign currency changes on cash and equivalents		135,338	(383,667)
(Decrease) increase in cash and cash equivalents		(29,536)	2,294,990
Cash and cash equivalents at beginning of period	4 (a)	Ps. 18,597,861	Ps. 17,032,857
Cash and cash equivalents at end of period	4 (a)	Ps. 18,568,325	Ps. 19,327,847

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

NOTE 1 – REPORTING ENTITY

Grupo Aval Acciones y Valores S.A. (hereinafter the “The Group” or “Grupo Aval”) was established under Colombian law in January 7, 1994, with its main offices and business address registered in Bogotá, D.C., Colombia. The corporate purpose of Grupo Aval is the purchase and sale of securities issued by financial and commercial entities. Grupo Aval is the majority shareholder of Banco de Bogotá S.A., Banco de Occidente S.A., Banco Popular S.A. and Banco Comercial AV Villas S.A., entities whose main purpose is to perform all transactions, operations and services inherent to the banking business, pursuant to applicable laws and regulations. Furthermore, through its direct and indirect investments in Corporación Financiera Colombiana S.A. (“Corficolombiana”) and in Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. (“Porvenir”), Grupo Aval engages in investment banking activities, invests in the non-financial sector, and manages pensions and severance funds in Colombia.

NOTE 2 – BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated condensed interim financial information has been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting, contained in the Accounting and Financial Information Standards accepted in Colombia (NCIF) established in Law 1314 of 2009, regulated by the single regulatory decree 2420 of 2015 and the other amending decrees issued by the National Government.

These interim financial statements do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group’s last annual consolidated financial statements as of and for the year ended December 31, 2023. All information is presented in millions of pesos and has been rounded to the nearest unit, except in cases here otherwise indicated. In accordance with IAS 34 Interim Financial Reporting, the accounting policies used for interim periods are the same as those applied in the preparation of the annual financial statements.

Grupo Aval does not present seasonal or cyclical effects on its disclosed revenue, however selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group’s financial position and performance since the last annual financial statements.

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation were the same as those described in the last annual financial statements ended on December 31, 2023.

NOTE 4 – FINANCIAL INSTRUMENTS - FAIR VALUE AND MANAGEMENT RISK

a) Carrying value and fair value

i) Classification of financial assets and liabilities

The following table provides a reconciliation between the items in the Consolidated Statement of Financial Position after impairment and the categories of financial instruments as of March 31, 2024 and December 31, 2023.

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts expressed in millions of Colombian pesos)

March 31, 2024

Financial assets	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Cash		Ps. —	Ps. —	Ps. 4,080,249	Ps. 4,080,249
Deposits in the Colombian central bank		—	—	5,720,992	5,720,992
Demand deposits in banks and other financial entities		—	—	4,975,898	4,975,898
Clearing houses		—	—	271	271
Liquidity management		—	—	2,487,179	2,487,179
Cash held for specific purposes		—	—	1,303,736	1,303,736
Cash and cash equivalents		Ps. —	Ps. —	Ps. 18,568,325	Ps. 18,568,325
Trading assets					
Trading investment					
Securities issued or secured by Colombian Government		Ps. 6,526,621	Ps. —	Ps. —	Ps. 6,526,621
Securities issued or secured by other entities of the Colombian Government		223,433	—	—	223,433
Securities issued or secured by foreign Government		68,269	—	—	68,269
Securities issued or secured by other financial entities		917,361	—	—	917,361
Securities issued or secured by entities of the Non-financial sector		7,505	—	—	7,505
Other		26,912	—	—	26,912
Total trading investment		Ps. 7,770,101	Ps. —	Ps. —	Ps. 7,770,101
Investments in equity securities					
Trading equity securities		Ps. 6,378,309	Ps. —	Ps. —	Ps. 6,378,309
Held for trading Derivatives					
Currency Forward		Ps. 967,028	Ps. —	Ps. —	Ps. 967,028
Bond Forward		17,160	—	—	17,160
Interest Rate Swap		219,381	—	—	219,381
Currency Swap		8,550	—	—	8,550
Currency Options		23,929	—	—	23,929
Interest rate futures		—	—	—	—
Total held for trading derivatives		Ps. 1,236,048	Ps. —	Ps. —	Ps. 1,236,048
Total trading assets		Ps. 15,384,458	Ps. —	Ps. —	Ps. 15,384,458
Investments					
Investments in debt securities at fair value through profit or loss					
Other		Ps. 1,899	Ps. —	Ps. —	Ps. 1,899
Investments at fair value through OCI					
Securities issued or secured by Colombian Government		Ps. —	Ps. 17,945,070	Ps. —	Ps. 17,945,070
Securities issued or secured by other entities of the Colombian Government		—	881,833	—	881,833
Securities issued or secured by foreign Government		—	2,811,250	—	2,811,250
Securities issued or secured by central banks		—	155,109	—	155,109
Securities issued or secured by other financial entities		—	2,268,107	—	2,268,107
Securities issued or secured by entities of the non-financial sector		—	220,620	—	220,620
Other		—	696,574	—	696,574

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts expressed in millions of Colombian pesos)

Financial assets	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Total investments at fair value through OCI		Ps. —	Ps. 24,978,563	Ps. —	Ps. 24,978,563
Investments in equity securities					
Investments in equity through OCI		Ps. —	Ps. 1,370,601	Ps. —	Ps. 1,370,601
Financial assets at amortized cost, net					
Securities issued or secured by Colombian Government		Ps. —	Ps. —	Ps. 2,635,794	Ps. 2,635,794
Securities issued or secured by other entities of the Colombian Government		—	—	5,265,259	5,265,259
Securities issued or secured by Foreign Government		—	—	26,345	26,345
Securities issued or secured by other financial entities		—	—	2,083,957	2,083,957
Securities issued or secured by entities of the non-financial sector		—	—	133,878	133,878
Other		—	—	63,750	63,750
Investments in debt securities, net		Ps. —	Ps. —	Ps. 10,208,983	Ps. 10,208,983
Total investments		Ps. 1,899	Ps. 26,349,164	Ps. 10,208,983	Ps. 36,560,046
Hedging Derivatives					
Currency Forward		Ps. 2,783	Ps. —	Ps. —	Ps. 2,783
Interest Rate Swap		56,147	—	—	56,147
Total hedging derivatives		Ps. 58,930	Ps. —	Ps. —	Ps. 58,930
Loans					
Interbank and overnight funds		Ps. —	Ps. —	Ps. 379,093	Ps. 379,093
Commercial		—	—	104,025,794	104,025,794
Consumer		—	—	55,402,651	55,402,651
Mortgage		—	—	18,438,216	18,438,216
Microcredit		—	—	225,202	225,202
Total loan portfolio, net	d)	Ps. —	Ps. —	Ps. 178,470,956	Ps. 178,470,956
Other account receivables					
Financial assets in concession contracts		Ps. 3,935,400	Ps. —	Ps. —	Ps. 3,935,400
Other accounts receivables at amortized cost, net		—	—	22,507,021	22,507,021
Total other account receivables, net	g)	Ps. 3,935,400	Ps. —	Ps. 22,507,021	Ps. 26,442,421
Total financial assets, net		Ps. 19,380,687	Ps. 26,349,164	Ps. 229,755,285	Ps. 275,485,136

LIABILITIES	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Trading Derivatives					
Currency forward		Ps. 872,526	Ps. —	Ps. —	Ps. 872,526
Bond forward		5,737	—	—	5,737
Interest rate futures		4,195	—	—	4,195
Interest rate swap		243,904	—	—	243,904
Currency swap		38,530	—	—	38,530
Currency options		28,255	—	—	28,255
Total trading derivatives		Ps. 1,193,147	Ps. —	Ps. —	Ps. 1,193,147
Hedging derivatives					

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts expressed in millions of Colombian pesos)

LIABILITIES	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Currency forward		Ps. 144,050	Ps. —	Ps. —	Ps. 144,050
Interest rate swap		15,939	—	—	15,939
Total hedging derivatives		Ps. 159,989	Ps. —	Ps. —	Ps. 159,989
Financial liabilities at amortized cost (see literal j for details)	j)				
Checking accounts		Ps. —	Ps. —	Ps. 22,465,409	Ps. 22,465,409
Time deposits		—	—	91,149,890	91,149,890
Savings accounts		—	—	75,230,815	75,230,815
Others deposits		—	—	366,074	366,074
Customer deposits		Ps. —	Ps. —	Ps. 189,212,188	Ps. 189,212,188
Interbank borrowings and overnight funds		Ps. —	Ps. —	Ps. 17,222,042	Ps. 17,222,042
Leases contracts		—	—	2,851,745	2,851,745
Borrowings from banks and similar		—	—	18,318,461	18,318,461
Bonds issued (see literal e for details)	h)	—	—	22,829,106	22,829,106
Borrowings from development entities		—	—	4,864,306	4,864,306
Financial obligations		Ps. —	Ps. —	Ps. 66,085,660	Ps. 66,085,660
Total financial liabilities at amortized cost		Ps. 1,353,136	Ps. —	Ps. 255,297,848	Ps. 256,650,984

December 31, 2023

Financial assets	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Cash and cash equivalents					
Cash		Ps. —	Ps. —	Ps. 3,809,112	Ps. 3,809,112
Deposits in the Colombian central bank		—	—	6,795,015	6,795,015
Demand deposits in banks and other financial entities		—	—	5,150,050	5,150,050
Clearing houses		—	—	488	488
Liquidity management		—	—	1,622,587	1,622,587
Cash held for specific purposes		—	—	1,220,609	1,220,609
Total cash and cash equivalents		Ps. —	Ps. —	Ps. 18,597,861	Ps. 18,597,861
Trading assets					
Trading investment					
Securities issued or secured by Colombian Government		Ps. 5,794,832	Ps. —	Ps. —	Ps. 5,794,832
Securities issued or secured by other entities of the Colombian Government		155,737	—	—	155,737
Securities issued or secured by foreign Governments		32,079	—	—	32,079
Securities issued or secured by other financial entities		1,084,461	—	—	1,084,461
Securities issued or secured by entities of the non—financial sector		6,406	—	—	6,406
Other		39,865	—	—	39,865
Total trading investment		Ps. 7,113,380	Ps. —	Ps. —	Ps. 7,113,380

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Financial assets	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Investments in equity securities					
Trading equity securities		Ps. 6,260,174	Ps. —	Ps. —	Ps. 6,260,174
Held for trading derivatives					
Currency forward		1,666,852	—	—	Ps. 1,666,852
Bond forward		19,258	—	—	19,258
Interest rate swap		308,368	—	—	308,368
Currency swap		20,195	—	—	20,195
Currency options		62,894	—	—	62,894
Total held for trading derivatives		Ps. 2,077,567	Ps. —	Ps. —	Ps. 2,077,567
Total trading assets		Ps. 15,451,121	Ps. —	Ps. —	Ps. 15,451,121
Investments					
Investments in debt securities at fair value through profit or loss					
Other		Ps. 1,889	Ps. —	Ps. —	Ps. 1,889
Investments at fair value through OCI					
Securities issued or secured by Colombian Government		Ps. —	Ps. 16,790,793	Ps. —	Ps. 16,790,793
Securities issued or secured by other Colombian Government entities		—	863,788	—	863,788
Securities issued or secured by foreign Governments		—	2,507,038	—	2,507,038
Securities issued or secured by central banks		—	145,489	—	145,489
Securities issued or secured by other financial entities		—	2,142,647	—	2,142,647
Securities issued or secured by non-financial sector entities		—	214,571	—	214,571
Others		—	662,450	—	662,450
Total investments at fair value through OCI		Ps. —	Ps. 23,326,776	Ps. —	Ps. 23,326,776
Investments in equity securities					
Investments in equity through OCI		Ps. —	Ps. 1,117,349	Ps. —	Ps. 1,117,349
Financial assets at amortized cost, net					
Securities issued or secured by Colombian Government		Ps. —	Ps. —	Ps. 2,567,033	Ps. 2,567,033
Securities issued or secured by other Colombian Government entities		—	—	5,110,704	5,110,704
Securities issued or secured by foreign Governments		—	—	26,515	26,515
Securities issued or secured by other financial entities		—	—	2,073,033	2,073,033
Securities issued or secured by non-financial sector entities		—	—	138,724	138,724
Others		—	—	63,670	63,670
Investments in debt securities, net		Ps. —	Ps. —	Ps. 9,979,679	Ps. 9,979,679
		Ps. 1,889	Ps. 24,444,125	Ps. 9,979,679	Ps. 34,425,693
Hedging derivatives					
Currency forward		Ps. 687	Ps. —	Ps. —	Ps. 687
Interest rate swap		47,975	—	—	47,975
Total hedging derivatives		Ps. 48,662	Ps. —	Ps. —	Ps. 48,662
Interbank and overnight funds					
Commercial		Ps. —	Ps. —	Ps. 392,585	Ps. 392,585
Consumer		—	—	101,753,217	101,753,217
Mortgage		—	—	55,692,165	55,692,165
		—	—	18,106,219	18,106,219

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Financial assets	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Microcredit		—	—	223,869	223,869
Loan portfolio, net	d)	Ps. —	Ps. —	Ps. 176,168,055	Ps. 176,168,055
Other account receivables					
Financial assets in concession contracts		Ps. 3,830,916	Ps. —	Ps. —	Ps. 3,830,916
Other accounts receivables at amortized cost, net		—	—	21,786,309	21,786,309
Total other account receivables, net		Ps. 3,830,916	Ps. —	Ps. 21,786,309	Ps. 25,617,225
Total financial assets, net		Ps. 19,332,588	Ps. 24,444,125	Ps. 226,531,904	Ps. 270,308,617
Financial liabilities	Detail	Mandatorily at FVTPL	Fair value at OCI	Amortized Cost	Total net carrying amount
Trading derivatives					
Currency forward		Ps. 1,546,577	Ps. —	Ps. —	Ps. 1,546,577
Bond forward		129,345	—	—	129,345
Interest rate futures		3,752	—	—	3,752
Interest rate swap		329,754	—	—	329,754
Currency swap		60,846	—	—	60,846
Currency options		84,087	—	—	84,087
Total trading derivatives		Ps. 2,154,361	Ps. —	Ps. —	Ps. 2,154,361
Hedging derivatives					
Currency forward		Ps. 204,202	Ps. —	Ps. —	Ps. 204,202
Interest rate swap		13,364	—	—	13,364
Total hedging derivatives		Ps. 217,566	Ps. —	Ps. —	Ps. 217,566
Financial liabilities at amortized cost					
Checking accounts		Ps. —	Ps. —	Ps. 23,809,859	Ps. 23,809,859
Time deposits		—	—	86,597,460	86,597,460
Savings accounts		—	—	71,149,883	71,149,883
Others deposits		—	—	430,194	430,194
Customer deposits		Ps. —	Ps. —	Ps. 181,987,396	Ps. 181,987,396
Interbank borrowings and overnight funds		Ps. —	Ps. —	Ps. 15,081,920	Ps. 15,081,920
Leases contracts		—	—	2,791,748	2,791,748
Borrowings from banks and similar		—	—	19,426,712	19,426,712
Bonds issued	h)	—	—	23,427,826	23,427,826
Borrowings from development entities		—	—	4,813,133	4,813,133
Financial obligations		Ps. —	Ps. —	Ps. 65,541,339	Ps. 65,541,339
Total financial liabilities		Ps. 2,371,927	Ps. —	Ps. 247,528,735	Ps. 249,900,662

Fair value on recurring basis

ii) Measurement of fair values

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and the valuation techniques used may not fully reflect all the factors relevant to the positions of Grupo Aval. Therefore, the appraisals are adjusted, if necessary, to allow for additional factors, including country risk, liquidity risks and counterparty risks.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for assets or liabilities identical to those which the entity can access as of the date of measurement.
- Level 2 inputs are inputs different than quoted prices included in Level 1 that are observable for the asset or liability, whether directly or indirectly in non-active markets.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which fair value measurement is classified in whole is determined based on the input of the lowest level that is most significant for measuring its total fair value. For such purpose, the relevance of an input is assessed in connection with to measurement of the total fair value. Financial instruments that are listed in markets that are not deemed active, but which are valued based in accordance with quoted market prices, quotes from price vendors or alternative price sources supported by observable inputs, are classified in Level 2.

If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, this measurement is classified as Level 3. The assessment of the importance of a particular input to the measurement of fair value in whole requires judgment, considering specific factors of the asset or liability.

Determining what is deemed as 'observable' requires a significant judgment by Grupo Aval. Grupo Aval considers as observable data the market data, which is already available, distributed or updated by the price suppliers, and it is reliable and verifiable, with no property rights, and provided by independent sources which are actively involved in the reference market.

The following table presents an analysis, within the hierarchy of fair value, of Grupo Aval's assets and liabilities (by class), measured at fair value on a recurring basis.

March 31, 2024

	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ASSETS				
Investments in debt securities				
Trading investment				
Securities issued or secured by Colombian Government	Ps. 6,412,548	Ps. 114,073	Ps. —	Ps. 6,526,621
Securities issued or secured by other entities of the Colombian Government	—	223,433	—	223,433
Securities issued or secured by foreign Government	38,739	29,530	—	68,269
Securities issued or secured by other financial entities	—	917,361	—	917,361
Securities issued or secured by entities of the Non-financial sector	—	7,505	—	7,505
Other	—	26,912	—	26,912
Total trading investment	Ps. 6,451,287	Ps. 1,318,814	Ps. —	Ps. 7,770,101
Investments in debt securities at fair value through profit or loss				
Other	—	—	1,899	1,899
Total investments in debt securities at fair value through profit or loss	Ps. 6,451,287	Ps. 1,318,814	Ps. 1,899	Ps. 7,772,000
Investments at fair value through OCI				

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	Fair Value			
	Level 1	Level 2	Level 3	Total
Securities issued or secured by Colombian Government	12,264,029	5,681,041	—	17,945,070
Securities issued or secured by other entities of the Colombian Government	546,953	334,880	—	881,833
Securities issued or secured by foreign Government	1,057,560	1,753,690	—	2,811,250
Securities issued or secured by central banks	—	155,109	—	155,109
Securities issued or secured by other financial entities	—	2,268,107	—	2,268,107
Securities issued or secured by entities of the non-financial sector	—	220,620	—	220,620
Other	1,454	695,120	—	696,574
Total investments at fair value through OCI	Ps. 13,869,996	Ps. 11,108,567	Ps. —	Ps. 24,978,563
Total investments in debt securities	Ps. 20,321,283	Ps. 12,427,381	Ps. 1,899	Ps. 32,750,563
Investments in equity securities				
Trading equity securities	Ps. 7,641	Ps. 3,666,619	Ps. 2,704,049	Ps. 6,378,309
Investments in equity through OCI	1,241,779	441	128,381	1,370,601
Total investments in equity securities	Ps. 1,249,420	Ps. 3,667,060	Ps. 2,832,430	Ps. 7,748,910
Held for trading Derivatives				
Currency Forward	Ps. —	Ps. 967,028	Ps. —	Ps. 967,028
Bond Forward	—	17,160	—	17,160
Interest Rate Swap	86	219,295	—	219,381
Currency Swap	—	8,550	—	8,550
Currency Options	—	23,929	—	23,929
Total held for trading derivatives	Ps. 86	Ps. 1,235,962	Ps. —	Ps. 1,236,048
Hedging Derivatives				
Currency Forward	Ps. —	Ps. 2,783	Ps. —	Ps. 2,783
Interest Rate Swap	—	56,147	—	56,147
Total hedging derivatives	Ps. —	Ps. 58,930	Ps. —	Ps. 58,930
Other account receivables				
Financial assets in concession contracts	—	—	3,935,400	3,935,400
Total other account receivables designated at fair value	Ps. —	Ps. —	Ps. 3,935,400	Ps. 3,935,400
Non- financial assets				
Biological assets	Ps. —	Ps. —	Ps. 230,300	Ps. 230,300
Investment properties	—	—	908,197	908,197
Total non- financial assets	Ps. —	Ps. —	Ps. 1,138,497	Ps. 1,138,497
Total assets at fair value on recurring basis	Ps. 21,570,789	Ps. 17,389,333	Ps. 7,908,226	Ps. 46,868,348
LIABILITIES				
Trading Derivatives				
Currency forward	Ps. —	Ps. 872,526	Ps. —	Ps. 872,526
Bond forward	—	5,737	—	5,737
Interest rate futures	4,195	—	—	4,195
Interest rate swap	291	243,613	—	243,904
Currency swap	—	38,530	—	38,530
Currency options	—	28,255	—	28,255
Total trading derivatives	Ps. 4,486	Ps. 1,188,661	Ps. —	Ps. 1,193,147
Hedging derivatives				
Currency forward	Ps. —	Ps. 144,050	Ps. —	Ps. 144,050
Interest rate swap	—	15,939	—	15,939
Total hedging derivatives	Ps. —	Ps. 159,989	Ps. —	Ps. 159,989
Total liabilities at fair value on recurring basis	Ps. 4,486	Ps. 1,348,650	Ps. —	Ps. 1,353,136

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	Fair Value			
	Level 1	Level 2	Level 3	Total
ASSETS				
Trading investment				
Securities issued or secured by Colombian Government	Ps. 5,692,937	Ps. 101,895	Ps. —	Ps. 5,794,832
Securities issued or secured by other entities of the Colombian Government	—	155,737	—	155,737
Securities issued or secured by foreign Governments	382	31,697	—	32,079
Securities issued or secured by other financial entities	—	1,084,461	—	1,084,461
Securities issued or secured by entities of the non—financial sector	—	6,406	—	6,406
Other	—	39,865	—	39,865
Total trading investment	Ps. 5,693,319	Ps. 1,420,061	Ps. —	Ps. 7,113,380
Investments in debt securities at fair value through profit or loss				
Other	—	—	1,889	1,889
Total investments in debt securities at fair value through profit or loss	Ps. 5,693,319	Ps. 1,420,061	Ps. 1,889	Ps. 7,115,269
Investments at fair value through OCI				
Securities issued or secured by Colombian Government	14,223,066	2,567,727	—	16,790,793
Securities issued or secured by other Colombian Government entities	538,200	325,588	—	863,788
Securities issued or secured by foreign Governments	1,141,875	1,365,163	—	2,507,038
Securities issued or secured by central banks	—	145,489	—	145,489
Securities issued or secured by other financial entities	—	2,142,647	—	2,142,647
Securities issued or secured by non-financial sector entities	—	214,571	—	214,571
Others	1,457	660,993	—	662,450
Total investments at fair value through OCI	Ps. 15,904,598	Ps. 7,422,178	Ps. —	Ps. 23,326,776
Total investments in debt securities	Ps. 21,597,917	Ps. 8,842,239	Ps. 1,889	Ps. 30,442,045
Investments in equity securities				
Trading equity securities	Ps. 8,949	Ps. 3,605,832	Ps. 2,645,393	Ps. 6,260,174
Investments in equity through OCI	992,136	380	124,833	1,117,349
Total investments in equity securities	Ps. 1,001,085	Ps. 3,606,212	Ps. 2,770,226	Ps. 7,377,523
Held for trading derivatives				
Currency forward	Ps. —	Ps. 1,666,852	Ps. —	Ps. 1,666,852
Bond forward	—	19,258	—	19,258
Interest rate swap	212	308,156	—	308,368
Currency swap	—	20,195	—	20,195
Currency options	—	62,894	—	62,894
Total held for trading derivatives	Ps. 212	Ps. 2,077,355	Ps. —	Ps. 2,077,567
Hedging derivatives				
Currency forward	—	687	—	687
Interest rate swap	—	47,975	—	47,975
Total hedging derivatives	Ps. —	Ps. 48,662	Ps. —	Ps. 48,662
Other account receivables				
Financial assets in concession contracts	—	—	3,830,916	3,830,916
Total other account receivables designated at fair value	Ps. —	Ps. —	Ps. 3,830,916	Ps. 3,830,916
Non- financial assets				
Biological assets	—	—	230,672	230,672
Investment properties	—	—	906,469	906,469
Total non- financial assets	Ps. —	Ps. —	Ps. 1,137,141	Ps. 1,137,141
Total assets at fair value on recurring basis	Ps. 22,599,214	Ps. 14,574,468	Ps. 7,740,172	Ps. 44,913,854

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	Fair Value			
	Level 1	Level 2	Level 3	Total
LIABILITIES				
Trading derivatives				
Currency forward	Ps. —	Ps. 1,546,577	Ps. —	Ps. 1,546,577
Bond forward	—	129,345	—	129,345
Interest rate futures	3,752	—	—	3,752
Interest rate swap	396	329,358	—	329,754
Currency swap	—	60,846	—	60,846
Currency options	—	84,087	—	84,087
Total trading derivatives	Ps. 4,148	Ps. 2,150,213	Ps. —	Ps. 2,154,361
Hedging derivatives				
Currency forward	—	204,202	—	204,202
Interest rate swap	—	13,364	—	13,364
Total hedging derivatives	—	217,566	—	217,566
Total liabilities at fair value on recurring basis	Ps. 4,148	Ps. 2,367,779	Ps. —	Ps. 2,371,927

iii) Reconciliation level 3 of the fair value hierarchy

The reconciliation of the balances at the beginning of the period to the closing balances with the fair value measurements classified at Level 3 is shown in the following table.

	Financial assets in debt securities	Equity instruments	Financial assets in concession arrangements	Biological assets	Investment properties
December 31, 2023	Ps. 1,889	Ps. 2,770,226	Ps. 3,830,916	Ps. 230,672	Ps. 906,469
Valuation adjustment with an effect on income	10	58,656	104,484	1,675	8,091
Valuation adjustments with an effect on OCI	—	1,811	—	—	—
Additions	— ⁽¹⁾	1,737	—	4,680	11,300
Sales / redemptions	—	—	—	(6,727)	(21,314)
Entities deconsolidation	—	—	—	—	3,342
	—	—	—	—	309
March 31, 2024	Ps. 1,899	Ps. 2,832,430	Ps. 3,935,400	Ps. 230,300	Ps. 908,197

⁽¹⁾ The increase in equity instruments corresponds mainly to the income of the Autonomous Investment Equity, in which the Promigas subsidiaries participate.

iv) Transfer of levels of the fair value hierarchy

There were no transfers of fair values between levels other than included on the table below as of March 31, 2024.

March 31, 2024

	Investments in debt securities at FVTPL Transfers between:		Investments in debt securities at FVOCI Transfers between:	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Assets				
Investments in debt securities at fair value				
Securities issued or secured by Colombian Government	Ps. 1,607	—	Ps. 2,425,171	—
	Ps. 1,607	—	Ps. 2,425,171	—

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These transfers between level 1 and level 2 correspond mainly to changes in the liquidity of the securities in the market as they approach their maturity.

As of December 31, 2023, there were no transfers between hierarchy levels.

v) Fair values of financial assets and liabilities recorded at amortized cost determined solely for disclosure purposes.

The following table presents the summary of Grupo Aval's financial assets and liabilities as of March 31, 2024, and December 31, 2023, not measured at fair value on recurring bases, compared to their fair value for which it is practicable to calculate the value reasonable.

March 31, 2024

	<u>Net carrying Value</u>	<u>Fair Value</u>
Financial assets at amortized cost, net		
Cash and cash equivalents	Ps. 18,568,325	Ps. 18,568,325
Investments in debt securities, net		
Securities issued or secured by Colombian Government	2,635,794	2,640,710
Securities issued or secured by other entities of the Colombian Government	5,265,259	5,280,905
Securities issued or secured by Foreign Government	26,345	26,345
Securities issued or secured by other financial entities	2,083,957	2,077,208
Securities issued or secured by entities of the non-financial sector	133,878	128,218
Other	63,750	59,687
Total investments in debt securities, net	Ps. 10,208,983	Ps. 10,213,073
Loan portfolio, net	Ps. 178,470,956	Ps. 187,186,872
Other accounts receivables, net	Ps. 22,507,021	Ps. 22,469,519
Total financial assets at amortized cost, net	Ps. 229,755,285	Ps. 238,437,789
Financial liabilities at amortized cost		
Customer deposits		
Checking accounts	Ps. 22,465,409	Ps. 22,465,409
Time deposits	91,149,890	94,718,644
Savings accounts	75,230,815	75,230,815
Others deposits	366,074	366,074
Total customer deposits	Ps. 189,212,188	Ps. 192,780,942
Financial obligations		
Interbank borrowings and overnight funds	17,222,042	17,217,295
Leases contracts	2,851,745	2,769,634
Borrowings from banks and similar	18,318,461	18,189,678
Bonds issued (see literal e for details)	22,829,106	21,517,907
Borrowings from development entities	4,864,306	4,865,675
Total financial obligations	Ps. 66,085,660	Ps. 64,560,189
Total financial liabilities at amortized cost	Ps. 255,297,848	Ps. 257,341,131

December 31, 2023

	<u>Net carrying Value</u>	<u>Fair Value</u>
Financial assets at amortized cost, net		
Cash and cash equivalents	Ps. 18,597,861	Ps. 18,597,861
Securities issued or secured by Colombian Government	Ps. 2,567,033	Ps. 2,573,519
Securities issued or secured by other Colombian Government entities	5,110,704	5,121,629
Securities issued or secured by foreign Governments	26,515	26,515
Securities issued or secured by other financial entities	2,073,033	2,066,328
Securities issued or secured by non-financial sector entities	138,724	132,697
Others	63,670	60,495
Investments in debt securities, net	Ps. 9,979,679	Ps. 9,981,183
Loan portfolio, net (see literal f for details)	Ps. 176,168,055	Ps. 190,375,349

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	Net carrying Value	Fair Value
Other accounts receivables, net	Ps. 21,786,309	Ps. 21,800,457
Total financial assets at amortized cost, net	Ps. 226,531,904	Ps. 240,754,850
Financial liabilities at amortized cost		
Customer deposits		
Checking accounts	Ps. 23,809,859	Ps. 23,809,860
Time deposits	86,597,460	88,146,476
Savings accounts	71,149,883	71,184,178
Others deposits	430,194	430,194
Total customer deposits	Ps. 181,987,396	Ps. 183,570,708
Financial obligations		
Interbank borrowings and overnight funds	15,081,920	15,080,464
Leases contracts	2,791,748	2,778,281
Borrowings from banks and similar	19,426,712	19,342,969
Bonds issued (see literal e for details)	23,427,826	22,191,248
Borrowings from development entities	4,813,133	4,815,796
Total financial obligations	Ps. 65,541,339	Ps. 64,208,758
Total financial liabilities at amortized cost	Ps. 247,528,735	Ps. 247,779,466

b) Fair Value determination

The following table provides information about valuation techniques and significant inputs when measuring at fair value on recurring basis assets and liabilities, with fair value hierarchy level 2 and level 3, there were no changes compared to the previous year:

ASSETS AND LIABILITIES	Valuation technique Level 2	Significant inputs
Investments in debt securities at fair value		
<u>In Colombian Pesos</u>		
Securities issued or secured by the Colombian Government	Income approach	Theoretical price / estimated price ⁽¹⁾
Securities issued or secured by other financial entities		
Securities issued or secured by non-financial sector entities	Market approach	Average price / market price ⁽²⁾
Others		
Securities issued or secured by other Colombian Government entities	Income approach	Theoretical price / estimated price ⁽¹⁾ Yield and margin
	Market approach	Average price / market price ⁽²⁾
<u>In Foreign Currency</u>		
Securities issued or secured by the Colombian Government	Income approach	Theoretical price / estimated price ⁽¹⁾
	Market approach	Average price / market price ⁽²⁾
Securities issued or secured by foreign Governments	Income approach	Discounted cash flows using yields from similar securities outstanding
	Market approach	Bloomberg Generic Market price ⁽²⁾
Securities issued or secured by central banks	Market approach	Bloomberg Generic
Securities issued or secured by other financial entities	Income approach	Theoretical price / estimated price ⁽¹⁾
Others		Discounted cash flows using yields from similar securities

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ASSETS AND LIABILITIES	Valuation technique Level 2	Significant inputs
	Market approach	outstanding Bloomberg Generic Market price ⁽²⁾
Securities issued or secured by non-financial sector entities	Income approach	Theoretical price / estimated price ⁽¹⁾ Discounted cash flows using yields from similar securities outstanding
	Market approach	Market price ⁽²⁾
Equity securities		
Corporate stock	Market approach	Estimated prices ⁽¹⁾
Investment funds ⁽³⁾	Market approach	Market value of underlying assets, less management and administrative fees
Trading derivatives		
Foreign currency forward	Income approach	Discounted cash flow FWD points, discount rates of different currencies and Spot exchange rates Cash exchange rate and interest rate US\$ and CRC
	Market approach	TRM, curves and market price ⁽²⁾
Debt securities forward	Income approach	Discounted cash flow
Interest rate swap	Income approach	Discounted cash flow
Cross currency swap	Market approach	IBR and fixed rate
Currency options	Income approach	Discounted cash flow Black&Sholes&Merton model
	Market approach	TRM, delta rates interest
Hedging derivatives		
Currency forward	Income approach	Discounted cash flow
	Market approach	TRM, curves
Interest rate swap	Income approach	Discounted cash flow
	Market approach	Curves

(1) Estimated Price: A valuation model based on information obtained from a price vendor when it is not able to supply quoted prices (unadjusted) for each security. This model is the basis for the construction of the valuation margin of the securities that is represented on the assigned curve or reference rate. This margin remains constant on the assigned curve or reference rate when calculating the theoretical valuation price.

(2) Quoted market prices (is obtained from price vendors).

(3) Price calculated based on unit value (calculated by fund manager). The subsidiary Porvenir S.A. according to Colombian rules is required to invest to 1% of its total assets under management from severance and mandatory pension funds.

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The following table provides information about valuation techniques and significant unobservable inputs when measuring Level 3 assets and liabilities at recurring fair value.

ASSETS	Valuation technique Level 3	Significant inputs
Investments in debt securities at fair value		
<u>In Colombian Pesos</u>		
Others	Income approach	Yield and margin
<u>In Foreign Currency</u>		
Securities issued or secured by other financial entities	Income approach	Discounted cash flows using yields from similar securities outstanding. Internal rate os return
Equity securities		
Investments in equity securities	Discounted cash flow	- Growth in values after 5 years - Income - Discount interest rates - Gradient
	Comparable Multiples	- Multiple of EBITDA
		The detail of valuation process for investments in equity securities ORI are outlined in (1.1)
Investments in equity instruments through profit or loss - Nexus	Market Comparison	Market Comparison
	Initial capitalization ratio Market Income Cash Flow Discount Rate	Initial capitalization ratio Market Income Cash Flow Discount Rate
		The detail of valuation process investments in equity securities through profit or loss are outlined in (1.2)
Other financial assets		
Assets under concession contracts	Discounted cash flow	- Free-cash flow from concession contracts - Concession contract's maturity period - Perpetuity value of the year "n" free-cash flow - Present value of the discounted residual value at Weighted Average Cost of Capital ("WACC"). - Financial income: annual adjustment of the value of the financial asset
		The detail of valuation process for financial assets in concession arrangements are outlined in (2)
Non-financial assets		
Biological assets	Discounted cash flow	The processes used to collect data and determine the fair value of biological assets are described in annual report
Investment properties	Discounted cash flow	The processes used to collect data and determine the fair value of investment properties are described in annual report

(1.1) Valuation of equity instruments Level 3

The investments with fair value hierarchy level 3 have significant unobservable inputs. Level 3 instruments include equity instruments, which are not quoted on any stock exchange. Like observable prices are not available for these securities, Grupo Aval has used valuation techniques as discounted cash flows to obtain fair value. The table below shows sensitivity analysis of valuation as of December 31, 2023.

The following table includes a sensitivity analysis of the main equity instruments, as of March 31, 2024, and December 31, 2023, for a value of Ps. 81,925 classified to VRORI level 3.

Methods and Variables	Variation	Favorable impact	Unfavorable impact
Comparable multiples / Recent transaction price			
EBITDA Number of times	+/-1 x	Ps. 557	Ps. (556)
Adjusted discounted cash flow			
Growth in residual values after 5 years	+/-1%	281	(240)
Income	+/-1%	1,035	(1,046)
Discount interest rates	+/- 50 pb	1,066	(988)
Gradient	+/- 30 pb	257	(263)
		Ps. 3,196	Ps. (3,093)

(1.2) Valuation of equity instruments through profit or loss

The fair value of real state capital funds' investments classified in level 3 have significant unobservable inputs. These Level 3 instruments include primarily investments in equity instruments, which are not publicly traded. In other cases, such as the Nexus Real Estate Capital Funds, the investments are valued using their unit value (Commercial appraisal). Given that observable prices are not available for these investments, Grupo Aval uses valuation techniques to obtain the fair value.

The following table includes a sensitivity analysis of the main variable income securities that amount to Ps. 2,622,952 as of March 31, 2024 and Ps. 2,567,099 as of December 31, 2023.

Includes investments in the Nexus Real Estate Capital Funds as of December 31, 2023, classified at FVTPL level 3:

	Scenario 1	Scenario 2
Sensitivity impacts	Ps. 38,209	Ps. (75,156)
	Ps. 38,209	Ps. (75,156)
	Scenario 1	Scenario 2
Changes in parameters		
Market value (square meter)	+10%	-10%
Market income	+10%	-10%
Initial capitalization rate	+50 bp	-50 bp
Cash flow discount rate	+50 bp	-50 bp

(2) Valuation of financial assets under concession arrangement rights

The following table includes a sensitivity analysis of the assumptions used by Promigas and its subsidiaries in the calculation of fair value of unconditional transfer rights of gas pipelines to Government entities at the expiration date of the contracts. The value of the financial asset on March 31, 2024, is Ps. 3,935,400 and Ps. 3,830,916 as of December 31, 2023, sensitivity analysis shows an increase or decrease.

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Variable	March 31, 2024	
	+100 pbs	-100 pbs
WACC	Ps. (927,375)	Ps. 1,416,415
Perpetuity growth rate	888,065	(617,439)

Variable	December 31, 2023	
	+100 pbs	-100 pbs
WACC	Ps. (864,845)	Ps. 1,316,441
Perpetuity growth rate	785,847	(552,066)

c) Items Measurements at Fair Value on a Non-Recurring Basis

The following is the detail as of March 31, 2024 and December 31, 2023 of the assets that were valued at fair value as a result of the evaluation for impairment in the application of standards corresponding to each account but that do not require being measured at fair value recurrently:

	Level 1	Level 2	Level 3	Total
March 31, 2024				
Impaired collateralized loans	Ps. —	Ps. —	Ps. 1,544,702	Ps. 1,544,702
Non- current assets held for sale	—	—	103,100	103,100
	Ps. —	Ps. —	Ps. 1,647,802	Ps. 1,647,802

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Impaired collateralized loans	Ps. —	Ps. —	Ps. 1,494,862	Ps. 1,494,862
Non- current assets held for sale	—	—	101,184	101,184
	Ps. —	Ps. —	Ps. 1,596,046	Ps. 1,596,046

d) Credit risk concentration

Loan portfolio and impairment losses

The following is the balance of financial assets by loan portfolio and their provision for impairment as of March 31, 2024, and December 31, 2023:

Portfolio segment	March 31, 2024			December 31, 2023		
	Gross balance	Allowance for impairment	Net balance of credit portfolio	Gross balance	Allowance for impairment	Net balance of credit portfolio
Commercial	Ps. 109,461,433	Ps. 5,435,639	Ps. 104,025,794	Ps. 107,047,817	Ps. 5,294,600	Ps. 101,753,217
Consumer	60,049,702	4,647,051	55,402,651	59,999,611	4,307,446	55,692,165
Mortgage	18,852,956	414,740	18,438,216	18,486,206	379,987	18,106,219
Microcredit	284,851	59,649	225,202	277,529	53,660	223,869
Interbank and overnight funds	379,170	77	379,093	392,607	22	392,585
Total	Ps. 189,028,112	Ps. 10,557,156	Ps. 178,470,956	Ps. 186,203,770	Ps. 10,035,715	Ps. 176,168,055

There was no loan portfolio provided as collateral in resource auction operations with Banco República as of March 31, 2024.

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Impairment losses per portfolio as March 31, 2024, and 2023:

	For the three-month periods ended March 31			
	2024		2023	
Commercial	Ps.	214,366	Ps.	(87,905)
Consumer		1,227,254		977,751
Mortgage		45,317		28,814
Microcredit		9,093		5,232
Interbank and overnight funds		55		(937)
Loss allowance loan portfolio	Ps.	1,496,085	Ps.	922,955
Other receivables		11,411		12,514
Total loss allowance loan portfolio and other receivables	Ps.	1,507,496	Ps.	935,469

Loan portfolio – Concentration by economic sector

Below is the gross balance of the loan portfolio distribution of Grupo Aval by economic activity as of March 31, 2024, and December 31, 2023:

Sector	March 31, 2024		December 31, 2023	
	Ps.	%	Ps.	%
Consumer services	85,520,976	45.2	84,358,141	45.3
Commercial services	41,323,795	21.9	40,341,863	21.7
Construction	14,420,243	7.6	14,733,390	7.9
Food, beverage and tobacco	7,573,633	4.0	7,191,477	3.9
Transportation and communications	6,250,091	3.3	6,283,172	3.4
Chemical production	5,490,308	2.9	5,414,605	2.9
Other industrial and manufacturing products	6,438,712	3.4	6,410,022	3.9
Public services	7,368,436	3.9	7,172,123	3.4
Agricultural	4,400,378	2.3	4,192,847	2.3
Government	5,390,388	2.9	5,367,471	2.9
Mining products and oil	1,674,339	0.9	1,500,686	0.8
Trade and tourism	1,685,528	0.9	1,622,212	0.8
Other	1,491,285	0.8	1,615,761	0.8
Total of each economic sector	Ps.	189,028,112	Ps.	186,203,770

Loan portfolio by level of probability of default (PD)

As of March 31, 2024, and December 31, 2023, the following is a summary of the portfolio credit by risk level:

PD Range	March 31, 2024			
	Total Exposure			
	Stage 1	Stage 2	Stage 3	Total
0%- 7.5%	Ps. 156,760,731	Ps. 2,393,153	Ps. 184,897	Ps. 159,338,781
7.5% - 15%	8,132,904	1,350,459	603	9,483,966
15% - 22.5%	529,141	462,414	94	991,649
22.5% - 30%	246,069	656,722	57	902,848
30% - 45%	175,821	1,978,172	199	2,154,192
45% - 60%	69,580	847,167	423	917,170
60% - 90%	1,253	2,130,845	4,701	2,136,799
> 90%	1,431	23,490	13,077,786	13,102,707
TOTAL	Ps. 165,916,930	Ps. 9,842,422	Ps. 13,268,760	Ps. 189,028,112

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December 31, 2023							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	155,352,194	Ps.	2,123,462	Ps.	1,662	Ps. 157,477,318
7.5% - 15%		8,001,193		1,491,965		18	9,493,176
15% - 22.5%		635,366		454,652		13	1,090,031
22.5% - 30%		372,476		657,258		17	1,029,751
30% - 45%		122,410		2,115,980		48	2,238,438
45% - 60%		10,436		594,121		382	604,939
60% - 90%		30,479		1,640,781		3,085	1,674,345
> 90%		7		35,828		12,559,937	12,595,772
TOTAL	Ps.	164,524,561	Ps.	9,114,047	Ps.	12,565,162	Ps. 186,203,770

The following tables show the balance of the loan portfolio by class as of March 31, 2024, and December 31, 2023.

Commercial portfolio

March 31, 2024							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	91,571,638	Ps.	782,153	Ps.	184,473	Ps. 92,538,264
7.5% - 15%		4,817,010		558,120		571	5,375,701
15% - 22.5%		109,633		135,762		—	245,395
22.5% - 30%		42,122		288,148		—	330,270
30% - 45%		37,619		1,404,000		—	1,441,619
45% - 60%		39,064		25,542		157	64,763
60% - 90%		9		87,423		978	88,410
> 90%		60		3,013		9,373,938	9,377,011
TOTAL	Ps.	96,617,155	Ps.	3,284,161	Ps.	9,560,117	Ps. 109,461,433

December 31, 2023							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	89,446,752	Ps.	922,338	Ps.	30	Ps. 90,369,120
7.5% - 15%		4,619,984		672,515		14	5,292,513
15% - 22.5%		149,734		141,027		—	290,761
22.5% - 30%		75,014		296,926		—	371,940
30% - 45%		35,159		1,384,320		—	1,419,479
45% - 60%		—		29,600		44	29,644
60% - 90%		1,652		79,911		249	81,812
> 90%		5		3,897		9,188,646	9,192,548
TOTAL	Ps.	94,328,300	Ps.	3,530,534	Ps.	9,188,983	Ps. 107,047,817

Consumer portfolio

March 31, 2024							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	48,013,614	Ps.	1,367,631	Ps.	422	Ps. 49,381,667
7.5% - 15%		3,101,922		566,672		26	3,668,620
15% - 22.5%		350,513		211,587		94	562,194
22.5% - 30%		186,614		297,348		57	484,019
30% - 45%		134,782		306,686		194	441,662
45% - 60%		24,617		636,187		266	661,070
60% - 90%		190		1,815,414		3,716	1,819,320
> 90%		1,040		19,595		3,010,515	3,031,150
TOTAL	Ps.	51,813,292	Ps.	5,221,120	Ps.	3,015,290	Ps. 60,049,702

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December 31, 2023								
Total Exposure								
PD Range	Stage 1		Stage 2		Stage 3		Total	
0%- 7.5%	Ps.	48,882,951	Ps.	959,967	Ps.	1,624	Ps.	49,844,542
7.5% - 15%		3,162,195		630,148		3		3,792,346
15% - 22.5%		407,118		221,512		13		628,643
22.5% - 30%		287,632		303,389		17		591,038
30% - 45%		83,212		511,700		46		594,958
45% - 60%		5,394		403,500		335		409,229
60% - 90%		27,605		1,347,432		2,836		1,377,873
> 90%		2		31,127		2,729,853		2,760,982
TOTAL	Ps.	52,856,109	Ps.	4,408,775	Ps.	2,734,727	Ps.	59,999,611

Mortgage portfolio

March 31, 2024								
Total Exposure								
PD Range	Stage 1		Stage 2		Stage 3		Total	
0%- 7.5%	Ps.	16,628,807	Ps.	243,347	Ps.	2	Ps.	16,872,156
7.5% - 15%		185,968		225,667		6		411,641
15% - 22.5%		61,945		115,062		—		177,007
22.5% - 30%		1,598		71,071		—		72,669
30% - 45%		574		267,245		5		267,824
45% - 60%		—		185,076		—		185,076
60% - 90%		—		214,455		7		214,462
> 90%		238		880		651,003		652,121
TOTAL	Ps.	16,879,130	Ps.	1,322,803	Ps.	651,023	Ps.	18,852,956

December 31, 2023								
Total Exposure								
PD Range	Stage 1		Stage 2		Stage 3		Total	
0%- 7.5%	Ps.	16,462,013	Ps.	241,157	Ps.	8	Ps.	16,703,178
7.5% - 15%		192,612		189,280		1		381,893
15% - 22.5%		64,124		92,026		—		156,150
22.5% - 30%		1,654		56,932		—		58,586
30% - 45%		594		219,707		2		220,303
45% - 60%		—		160,222		3		160,225
60% - 90%		—		200,657		—		200,657
> 90%		—		804		604,410		605,214
TOTAL	Ps.	16,720,997	Ps.	1,160,785	Ps.	604,424	Ps.	18,486,206

Microcredit portfolio

March 31, 2024								
Total Exposure								
PD Range	Stage 1		Stage 2		Stage 3		Total	
0%- 7.5%	Ps.	167,502	Ps.	22	Ps.	—	Ps.	167,524
7.5% - 15%		28,004		—		—		28,004
15% - 22.5%		7,050		3		—		7,053
22.5% - 30%		15,735		155		—		15,890
30% - 45%		2,846		241		—		3,087
45% - 60%		5,899		362		—		6,261
60% - 90%		1,054		13,553		—		14,607
> 90%		93		2		42,330		42,425
TOTAL	Ps.	228,183	Ps.	14,338	Ps.	42,330	Ps.	284,851

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December 31, 2023							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	167,871	Ps.	—	Ps.	—	Ps. 167,871
7.5% - 15%		26,402		22		—	26,424
15% - 22.5%		14,390		87		—	14,477
22.5% - 30%		8,176		11		—	8,187
30% - 45%		3,445		253		—	3,698
45% - 60%		5,042		799		—	5,841
60% - 90%		1,222		12,781		—	14,003
> 90%		—		—		37,028	37,028
TOTAL	Ps.	226,548	Ps.	13,953	Ps.	37,028	Ps. 277,529

Repos, interbank loans portfolio

March 31, 2024							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	379,170	Ps.	—	Ps.	—	Ps. 379,170
7.5% - 15%		—		—		—	—
15% - 22.5%		—		—		—	—
22.5% - 30%		—		—		—	—
30% - 45%		—		—		—	—
45% - 60%		—		—		—	—
60% - 90%		—		—		—	—
> 90%		—		—		—	—
TOTAL	Ps.	379,170	Ps.	—	Ps.	—	Ps. 379,170

December 31, 2023							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	392,607	Ps.	—	Ps.	—	Ps. 392,607
7.5% - 15%		—		—		—	—
15% - 22.5%		—		—		—	—
22.5% - 30%		—		—		—	—
30% - 45%		—		—		—	—
45% - 60%		—		—		—	—
60% - 90%		—		—		—	—
> 90%		—		—		—	—
TOTAL	Ps.	392,607	Ps.	—	Ps.	—	Ps. 392,607

Credit Commitments

March 31, 2024							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	27,027,153	Ps.	60,482	Ps.	254	Ps. 27,087,889
7.5% - 15%		330,694		766,137		123	1,096,954
15% - 22.5%		40,056		1,622,983		169	1,663,208
22.5% - 30%		6,149		25,452		142	31,743
30% - 45%		16,239		111,100		154	127,493
45% - 60%		51		66,993		147	67,191
60% - 90%		10		1,439		169	1,618
> 90%		—		207		158,482	158,689
TOTAL	Ps.	27,420,352	Ps.	2,654,793	Ps.	159,640	Ps. 30,234,785

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December 31, 2023							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0%- 7.5%	Ps.	26,560,070	Ps.	74,846	Ps.	205	Ps. 26,635,121
7.5% - 15%		217,078		901,543		14	1,118,635
15% - 22.5%		30,108		1,684,982		17	1,715,107
22.5% - 30%		8,822		4,715		74	13,611
30% - 45%		1,059		145,865		138	147,062
45% - 60%		2		2,821		252	3,075
60% - 90%		9		1,050		426	1,485
> 90%		1		301		164,146	164,448
TOTAL	Ps.	26,817,149	Ps.	2,816,123	Ps.	165,272	Ps. 29,798,544

e) Loss allowance for loans, financial assets, and others receivable

The table below shows the loss allowance balances as of March 31, 2024, and December 31, 2023.

							March 31, 2024					
							Stage 1	Stage 2	Stage 3			Total
							12-month	Lifetime	Lifetime			
							ECL	ECL not	ECL	Simplified		
								credit-	credit-	approach		
								impaired	impaired			
Loan portfolio												
Commercial loan portfolio	Ps.	651,431	Ps.	202,371	Ps.	4,581,837	Ps.	—	Ps.	—	Ps.	5,435,639
Consumer loan portfolio		1,052,552		1,173,376		2,421,123		—		—		4,647,051
Mortgage loan portfolio		52,344		73,514		288,882		—		—		414,740
Microcredit loan portfolio		12,458		6,622		40,569		—		—		59,649
Interbank and overnight funds		77		—		—		—		—		77
Total loan portfolio	Ps.	1,768,862	Ps.	1,455,883	Ps.	7,332,411	Ps.	—	Ps.	—	Ps.	10,557,156
Investments in debt securities at amortized cost		12,749		4,296		—		—		—		17,045
Other accounts receivable		29,517		21,228		148,168		167,751		—		366,664
Total loss allowance financial assets at amortized cost	Ps.	1,811,128	Ps.	1,481,407	Ps.	7,480,579	Ps.	167,751	Ps.	—	Ps.	10,940,865
Investments in debt securities at FVOCI		16,188		—		—		—		—		16,188
Loan commitments and financial guarantee contracts		71,862		8,060		2,599		—		—		82,521
Total loss allowance	Ps.	1,899,178	Ps.	1,489,467	Ps.	7,483,178	Ps.	167,751	Ps.	—	Ps.	11,039,574

							December 31, 2023					
							Stage 1	Stage 2	Stage 3			Total
							12-month	Lifetime	Lifetime			
							ECL	ECL not	ECL	Simplified		
								credit-	credit-	approach		
								impaired	impaired			
Loan portfolio												
Commercial loan portfolio	Ps.	612,441	Ps.	218,824	Ps.	4,463,335	Ps.	—	Ps.	—	Ps.	5,294,600
Consumer loan portfolio		1,141,997		993,268		2,172,181		—		—		4,307,446
Mortgage loan portfolio		45,080		66,333		268,574		—		—		379,987
Microcredit loan portfolio		12,068		6,366		35,226		—		—		53,660
Interbank and overnight funds		22		—		—		—		—		22
Total loan portfolio	Ps.	1,811,608	Ps.	1,284,791	Ps.	6,939,316	Ps.	—	Ps.	—	Ps.	10,035,715
Investments in debt securities at amortized cost		12,613		4,269		—		—		—		16,882
Other accounts receivable		25,965		19,188		141,129		199,382		—		385,664

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		December 31, 2023								
		Stage 1	Stage 2	Stage 3			Total			
		12—month ECL	Lifetime ECL not credit— impaired	Lifetime ECL credit— impaired	Simplified approach					
Total loss allowance financial assets at amortized cost	Ps.	1,850,186	Ps.	1,308,248	Ps.	7,080,445	Ps.	199,382	Ps.	10,438,261
Investments in debt securities at FVOCI		12,972		—		—		—		12,972
Loan commitments and financial guarantee contracts		61,637		7,682		949		—		70,268
Total loss allowance	Ps.	1,924,795	Ps.	1,315,930	Ps.	7,081,394	Ps.	199,382	Ps.	10,521,501

The table below shows for loans stage 3 individually assessed for ECL the gross amount and loss allowance balances as of March 31, 2024, and December 31, 2023.

March 31, 2024

		Gross Amount Registered	Collateral Guarantees ⁽¹⁾	Allowance Recognized		
Without recognized provision						
Commercial	Ps.	228,957	Ps.	228,542	Ps.	—
Subtotal	Ps.	228,957	Ps.	228,542	Ps.	—
With recognized provision						
Commercial		7,405,433		1,111,636		3,284,448
Consumer		3,237		—		2,010
Mortgage		14,725		1,970		10,664
Subtotal	Ps.	7,423,395	Ps.	1,113,606	Ps.	3,297,122
Totals						
Commercial		7,634,390		1,340,178		3,284,448
Consumer		3,237		—		2,010
Mortgage		14,725		1,970		10,664
Total	Ps.	7,652,352	Ps.	1,342,148	Ps.	3,297,122

December 31, 2023

		Gross Amount Registered	Collateral Guarantees ⁽¹⁾	Allowance Recognized		
Without recognized provision						
Commercial	Ps.	240,358	Ps.	239,937	Ps.	—
Subtotal	Ps.	240,358	Ps.	239,937	Ps.	—
With recognized provision						
Commercial		7,080,758		1,075,446		3,196,800
Consumer		3,144		—		1,959
Mortgage		12,515		1,970		10,507
Subtotal	Ps.	7,096,417	Ps.	1,077,416	Ps.	3,209,266
Totals						
Commercial		7,321,116		1,315,383		3,196,800
Consumer		3,144		—		1,959
Mortgage		12,515		1,970		10,507
Total	Ps.	7,336,775	Ps.	1,317,353	Ps.	3,209,266

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⁽¹⁾ The difference between the value of the loan and the guarantees disclosed on the table above corresponds to unsecured loans valued with the discounted cash flow method. When using this method, it is implied that it is possible for the customer to make future payments.

As of March 31, 2024, and December 31, 2023, the following chart sets out the carrying amount and the value of identifiable collateral (mainly commercial property) for commercial loans held by Grupo Aval at a consolidated level:

		March 31, 2024	
		Carrying Amount	Collateral
Stage 1 and 2	Ps.	23,252,416	Ps. 15,915,286
Stage 3		3,026,977	2,478,882
	Ps.	26,279,393	Ps. 18,394,168

		December 31, 2023	
		Carrying Amount	Collateral
Stage 1 and 2	Ps.	23,484,250	Ps. 15,996,375
Stage 3		2,952,217	2,429,026
	Ps.	26,436,467	Ps. 18,425,401

Forward-Looking Information

Grupo Aval incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECLs. Grupo Aval formulates a ‘base case’ view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on forecasts provided by economic experts and considering a forecast of multiple variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

The B scenario (base case) represents a most-likely outcome. It is aligned with information used by Grupo Aval for other purposes, such as budgeting. The other scenarios represent more optimistic (C) and more pessimistic (A) outcomes with their respective probability of occurrence.

The table below shows the loss allowance on loans assuming each forward-looking scenario (e.g. scenario A, B and C) were weighted 100% instead of applying scenario probability weights across the three scenarios.

		March 31, 2024		
		Scenario A	Scenario B	Scenario C
Gross Exposure				
Commercial	Ps.	109,459,104	Ps. 109,459,104	Ps. 109,459,104
Consumer		60,049,702	60,049,702	60,049,702
Mortgages		18,852,956	18,852,956	18,852,956
Microcredit		284,851	284,851	284,851
Repos, interbank loans portfolio		379,170	379,170	379,170
Total gross exposure	Ps.	189,025,783	Ps. 189,025,783	Ps. 189,025,783
Loss Allowance				
Commercial	Ps.	5,451,898	Ps. 5,437,397	Ps. 5,447,860
Consumer		4,646,959	4,606,053	4,596,137
Mortgages		414,504	414,000	415,638
Microcredit		59,632	59,507	59,954
Repos, interbank loans portfolio		267	254	248
Total Loss Allowance	Ps.	10,573,260	Ps. 10,517,211	Ps. 10,519,837

The table below shows the loan portfolio in Stage 2 for each scenario.

Proportion of Assets in Stage 2

Commercial	3.6 %	3.3 %	2.8 %
Consumer	8.3 %	8.4 %	8.4 %

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	March 31, 2024		
	Scenario A	Scenario B	Scenario C
Mortgages	6.4 %	6.5 %	4.4 %
Microcredit	5.0 %	5.0 %	5.0 %
Repos, interbank loans portfolio	- %	- %	- %

	December 31, 2023					
	Scenario A		Scenario B		Scenario C	
Gross Exposure						
Commercial	Ps.	107,047,817	Ps.	107,047,817	Ps.	107,047,817
Consumer		59,999,611		59,999,611		59,999,611
Mortgages		18,486,206		18,486,206		18,486,206
Microcredit		277,529		277,529		277,529
Repos, interbank loans portfolio		392,607		392,607		392,607
Total gross exposure	Ps.	186,203,770	Ps.	186,203,770	Ps.	186,203,770
Loss Allowance						
Commercial	Ps.	5,272,129	Ps.	5,289,159	Ps.	5,341,865
Consumer		4,246,126		4,273,465		4,336,939
Mortgages		372,739		378,986		384,902
Microcredit		53,754		53,618		53,662
Repos, interbank loans portfolio		127		126		136
Total Loss Allowance	Ps.	9,944,875	Ps.	9,995,354	Ps.	10,117,504

The table below shows the loan portfolio in Stage 2 for each scenario.

Proportion of Assets in Stage 2			
Commercial	3.6 %	3.6 %	3.9 %
Consumer	6.9 %	7.1 %	7.6 %
Mortgages	5.6 %	5.7 %	5.7 %
Microcredit	5.0 %	5.0 %	5.0 %
Repos, interbank loans portfolio	— %	— %	— %

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) in credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;
- Impact of the measurement of ECL due to changes made to models and assumptions;
- Discounts unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for asset denominated in foreign currencies and other movements; and
- Financial assets derecognized during the period and write-offs of allowances related to assets than were written off during the period.

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Loan portfolio

The following table shows the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024:

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired	
Loss allowance as of December 31, 2023	Ps. 1,811,608	Ps. 1,284,791	Ps. 6,939,316	Ps. 10,035,715			
Transfers:							
Transfer from stage 1 to stage 2	(183,241)	183,241	—	—			
Transfer from stage 1 to stage 3	(85,014)	—	85,014	—			
Transfer from stage 2 to stage 3	—	(408,259)	408,259	—			
Transfer from stage 3 to stage 2	—	48,610	(48,610)	—			
Transfer from stage 2 to stage 1	70,834	(70,834)	—	—			
Transfer from stage 3 to stage 1	31,589	—	(31,589)	—			
Net remeasurement of loss allowance ⁽³⁾	128,627	523,706	1,020,104	1,672,437			
New financial assets originated or purchased	157,682	14,762	76,713	249,157			
Financial assets that have been derecognized	(149,672)	(36,203)	(239,634)	(425,509)			
Sales of loan portfolio ⁽²⁾	(13)	(137)	(9,849)	(9,999)			
Unwind of discount ⁽¹⁾	—	23	207,195	207,218			
FX and other movements	647	192	665	1,504			
Write—offs	(14,185)	(84,009)	(1,075,173)	(1,173,367)			
Loss allowance as of March 31, 2024	Ps. 1,768,862	Ps. 1,455,883	Ps. 7,332,411	Ps. 10,557,156			

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ Sale of loan portfolio corresponds mainly to sale of impaired portfolio.

⁽³⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024 versus parameters as of December 31, 2023 and the loan portfolio as of March 31, 2024.

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Ps.	66,298	Ps. 35,139	Ps. (6,894)	Ps. 94,543

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired	
Total portfolio as of December 31, 2023	Ps. 164,524,561	Ps. 9,114,047	Ps. 12,565,162	Ps. 186,203,770			
Transfers:							
Transfer from stage 1 to stage 2	(4,042,502)	4,042,502	—	—			
Transfer from stage 1 to stage 3	(750,521)	—	750,521	—			
Transfer from stage 2 to stage 3	—	(1,398,374)	1,398,374	—			
Transfer from stage 2 to stage 1	1,344,176	(1,344,176)	—	—			
Transfer from stage 3 to stage 2	—	170,162	(170,162)	—			
Transfer from stage 3 to stage 1	133,707	—	(133,707)	—			
Increase in loan portfolio and borrowing costs	29,932,602	505,366	637,908	31,075,876			
Decrease in loan portfolio and borrowing costs	(25,648,311)	(1,240,342)	(907,132)	(27,795,785)			
Increase-decrease in interest and other receivables associated with loans	299,640	70,304	208,150	578,094			

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	Stage 2		Stage 3 Lifetime ECL credit- impaired	Total
	Stage 1	Lifetime		
	12-month ECL	ECL not credit- impaired		
Write-offs	(14,185)	(84,009)	(1,075,173)	(1,173,367)
Sale of loan portfolio-loss allowance ⁽¹⁾	(13)	(137)	(9,849)	(9,999)
Sale of loan portfolio-cash ⁽¹⁾	(3)	(30)	(2,304)	(2,337)
Gain or loss on sale portfolio ⁽¹⁾	(13)	(131)	(2,177)	(2,321)
FX and other movements ⁽²⁾	137,792	7,240	9,149	154,181
Total portfolio as of March 31, 2024	Ps. 165,916,930	Ps. 9,842,422	Ps. 13,268,760	Ps. 189,028,112

⁽¹⁾ Sale of loan portfolio corresponds mainly to sale of impaired portfolio and/ or with an increase in credit risk.

⁽²⁾ For the three months ended March 31, 2024, the closing TRM presented a variation of Ps.20.25 per dollar and for the same period in 2023 of Ps. (164.12) per dollar.

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023:

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired				
Loss allowance as of December 31, 2022	Ps. 1,494,887	Ps. 1,425,922	Ps. 6,276,705	Ps.	Ps.	Ps. 9,197,514	
Transfers:							
Transfer from stage 1 to stage 2	(139,002)	139,002	—			—	
Transfer from stage 1 to stage 3	(78,860)	—	78,860			—	
Transfer from stage 2 to stage 3	—	(316,888)	316,888			—	
Transfer from stage 3 to stage 2	—	39,935	(39,935)			—	
Transfer from stage 2 to stage 1	90,831	(90,831)	—			—	
Transfer from stage 3 to stage 1	23,580	—	(23,580)			—	
Net remeasurement of loss allowance ⁽²⁾	7,876	218,818	519,336			746,030	
New financial assets originated or purchased	246,208	95,184	66,178			407,570	
Financial assets that have been derecognized	(141,152)	(15,429)	(74,064)			(230,645)	
Unwind of discount ⁽¹⁾	—	9	153,234			153,243	
FX and other movements	(2,831)	(2,577)	(6,388)			(11,796)	
Write—offs	(2,561)	(86,856)	(744,975)			(834,392)	
Loss allowance as of March 31, 2023	Ps. 1,498,976	Ps. 1,406,289	Ps. 6,522,259	Ps.	Ps.	Ps. 9,427,524	

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023 versus parameters as of December 31, 2022 and the loan portfolio as of March 31, 2023.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps.	(171,007)Ps.	42 Ps.	73,226 Ps.	(97,739)

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The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1		Stage 2		Stage 3	
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired		
Total portfolio as of December 31, 2022	Ps. 164,906,023	Ps. 11,774,908	Ps. 11,632,430	Ps. 188,313,361		
Transfers:						
Transfer from stage 1 to stage 2	(4,549,433)	4,549,433	—	—		
Transfer from stage 1 to stage 3	(407,076)	—	407,076	—		
Transfer from stage 2 to stage 3	—	(1,000,157)	1,000,157	—		
Transfer from stage 2 to stage 1	3,227,763	(3,227,763)	—	—		
Transfer from stage 3 to stage 2	—	198,122	(198,122)	—		
Transfer from stage 3 to stage 1	162,515	—	(162,515)	—		
Increase in loan portfolio and borrowing costs	29,562,493	490,329	183,339	30,236,161		
Decrease in loan portfolio and borrowing costs	(26,532,589)	(1,029,619)	(1,101,446)	(28,663,654)		
Increase-decrease in interest and other receivables associated with loans	(414,669)	55,819	811,481	452,631		
Write-offs	(2,561)	(86,856)	(744,975)	(834,392)		
FX and other movements	(838,955)	(60,573)	(74,155)	(973,683)		
Total portfolio as of March 31, 2023	Ps. 165,113,511	Ps. 11,663,643	Ps. 11,753,270	Ps. 188,530,424		

The following tables show the movement in provision and gross amounts of these portfolios separately:

Commercial portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024:

	Stage 1		Stage 2		Stage 3	
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired		
Loss allowance as of December 31, 2023	Ps. 612,441	Ps. 218,824	Ps. 4,463,335	Ps. 5,294,600		
Transfers:						
Transfer from stage 1 to stage 2	(16,724)	16,724	—	—		
Transfer from stage 1 to stage 3	(4,724)	—	4,724	—		
Transfer from stage 2 to stage 3	—	(31,808)	31,808	—		
Transfer from stage 3 to stage 2	—	7,978	(7,978)	—		
Transfer from stage 2 to stage 1	16,580	(16,580)	—	—		
Transfer from stage 3 to stage 1	7,074	—	(7,074)	—		
Net remeasurement of loss allowance ⁽²⁾	20,309	18,224	300,924	339,457		
New financial assets originated or purchased	99,123	5,863	29,178	134,164		
Financial assets that have been derecognized	(81,633)	(16,046)	(161,576)	(259,255)		
Unwind of discount ⁽¹⁾	—	17	145,038	145,055		
FX and other movements	426	142	514	1,082		
Sales of loan portfolio	—	—	(7,584)	(7,584)		
Write—offs	(1,441)	(967)	(209,472)	(211,880)		
Loss allowance as of March 31, 2024	Ps. 651,431	Ps. 202,371	Ps. 4,581,837	Ps. 5,435,639		

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024, versus parameters as of December 31, 2023 and the loan portfolio as of March 31, 2024.

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Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps. 3,952	Ps. (20,629)	Ps. 2,916	Ps. (13,761)

The following table further explains changes in the gross carrying amount of the commercial portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Total portfolio as of December 31, 2023	Ps. 94,328,300	Ps. 3,530,534	Ps. 9,188,983	Ps. 107,047,817
Transfers:				
Transfer from stage 1 to stage 2	(937,470)	937,470	—	—
Transfer from stage 1 to stage 3	(384,198)	—	384,198	—
Transfer from stage 2 to stage 3	—	(371,438)	371,438	—
Transfer from stage 2 to stage 1	596,127	(596,127)	—	—
Transfer from stage 3 to stage 2	—	54,248	(54,248)	—
Transfer from stage 3 to stage 1	32,232	—	(32,232)	—
Increase in loan portfolio and borrowing costs	22,310,593	294,676	121,695	22,726,964
Decrease in loan portfolio and borrowing costs	(19,601,908)	(594,064)	(403,182)	(20,599,154)
Increase-decrease in interest and other receivables associated with loans	168,327	25,317	194,209	387,853
Write-offs	(1,441)	(967)	(209,472)	(211,880)
Sale of loan portfolio-loss allowance	—	—	(7,584)	(7,584)
Sale of loan portfolio-cash	—	—	(1,809)	(1,809)
Gain or loss on sale portfolio	—	—	—	—
FX and other movements ⁽¹⁾	106,593	4,512	8,121	119,226
Total portfolio as of March 31, 2024	Ps. 96,617,155	Ps. 3,284,161	Ps. 9,560,117	Ps. 109,461,433

⁽¹⁾ For the three months ended March 31, 2024, the closing TRM presented a variation of Ps.20.25 per dollar and for the same period in 2023 of Ps. (164.12) per dollar.

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Loss allowance as of December 31, 2022	Ps. 598,538	Ps. 515,202	Ps. 4,379,006	Ps. 5,492,746
Transfers:				
Transfer from stage 1 to stage 2	(16,997)	16,997	—	—
Transfer from stage 1 to stage 3	(2,509)	—	2,509	—
Transfer from stage 2 to stage 3	—	(23,610)	23,610	—
Transfer from stage 3 to stage 2	—	8,429	(8,429)	—
Transfer from stage 2 to stage 1	43,089	(43,089)	—	—
Transfer from stage 3 to stage 1	5,892	—	(5,892)	—
Net remeasurement of loss allowance ⁽²⁾	(73,592)	(153,907)	63,003	(164,496)
New financial assets originated or purchased	118,303	29,644	35,140	183,087
Financial assets that have been derecognized	(78,786)	(11,885)	(15,825)	(106,496)
Unwind of discount ⁽¹⁾	—	4	108,867	108,871
FX and other movements	(2,261)	(1,748)	(5,662)	(9,671)
Write—offs	(466)	(292)	(123,666)	(124,424)
Loss allowance as of March 31, 2023	Ps. 591,211	Ps. 335,745	Ps. 4,452,661	Ps. 5,379,617

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- (1) The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)
- (2) This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023 versus parameters as of December 31, 2022 and the loan portfolio as of March 31, 2023.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Ps.	(51,598)Ps.	54,452 Ps.	83,149 Ps.	86,003

The following table further explains changes in the gross carrying amount of the commercial portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Total portfolio as of December 31, 2022	Ps. 89,958,234	Ps. 5,672,094	Ps. 9,144,771	Ps. 104,775,099
Transfers:				
Transfer from stage 1 to stage 2		(1,688,632)	1,688,632	—
Transfer from stage 1 to stage 3		(142,703)	—	142,703
Transfer from stage 2 to stage 3		—	(177,284)	177,284
Transfer from stage 2 to stage 1	2,430,410	(2,430,410)	—	—
Transfer from stage 3 to stage 2		80,170	(80,170)	—
Transfer from stage 3 to stage 1	60,858	—	(60,858)	—
Increase in loan portfolio and borrowing costs	19,070,677	233,256	111,787	19,415,720
Decrease in loan portfolio and borrowing costs	(16,399,529)	(503,345)	(742,588)	(17,645,462)
Increase-decrease in interest and other receivables associated with loans	148,338	12,590	521,353	682,281
Write-offs		(466)	(292)	(124,424)
FX and other movements	(863,864)	(38,771)	(70,709)	(973,344)
Total portfolio as of March 31, 2023	Ps. 92,573,323	Ps. 4,536,640	Ps. 9,019,907	Ps. 106,129,870

Consumer portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Loss allowance as of December 31, 2023	Ps. 1,141,997	Ps. 993,268	Ps. 2,172,181	Ps. 4,307,446
Transfers:				
Transfer from stage 1 to stage 2		(162,087)	162,087	—
Transfer from stage 1 to stage 3		(79,738)	—	79,738
Transfer from stage 2 to stage 3		—	(360,593)	360,593
Transfer from stage 3 to stage 2		35,540	(35,540)	—
Transfer from stage 2 to stage 1	48,295	(48,295)	—	—
Transfer from stage 3 to stage 1	22,105	—	(22,105)	—
Net remeasurement of loss allowance ⁽²⁾	98,434	483,273	696,412	1,278,119
New financial assets originated or purchased	57,093	7,526	45,946	110,565
Financial assets that have been derecognized	(65,476)	(19,082)	(76,872)	(161,430)
Unwind of discount ⁽¹⁾		6	54,887	54,893

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	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
FX and other movements	177	27	115	319
Sales of loan portfolio	(13)	(137)	(2,265)	(2,415)
Write—offs	(8,235)	(80,244)	(851,967)	(940,446)
Loss allowance as of March 31, 2024	Ps. 1,052,552	Ps. 1,173,376	Ps. 2,421,123	Ps. 4,647,051

- (1) The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)
- (2) This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024, versus parameters as of December 31, 2023 and the loan portfolio as of March 31, 2024.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps.	57,239	Ps. 51,135	Ps. (13,718)	Ps. 94,656

The following table further explains changes in the gross carrying amount of the consumer portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Total portfolio as of December 31, 2023	Ps. 52,856,109	Ps. 4,408,775	Ps. 2,734,727	Ps. 59,999,611
Transfers:				
Transfer from stage 1 to stage 2	(2,539,721)	2,539,721	—	—
Transfer from stage 1 to stage 3	(352,067)	—	352,067	—
Transfer from stage 2 to stage 3	—	(918,786)	918,786	—
Transfer from stage 2 to stage 1	427,286	(427,286)	—	—
Transfer from stage 3 to stage 2	—	80,731	(80,731)	—
Transfer from stage 3 to stage 1	78,733	—	(78,733)	—
Increase in loan portfolio and borrowing costs	6,362,462	199,533	505,472	7,067,467
Decrease in loan portfolio and borrowing costs	(5,137,116)	(622,271)	(486,019)	(6,245,406)
Increase-decrease in interest and other receivables associated with loans	109,880	40,219	6,102	156,201
Write-offs	(8,235)	(80,244)	(851,967)	(940,446)
Sale of loan portfolio-loss allowance	(13)	(137)	(2,265)	(2,415)
Sale of loan portfolio-cash	(3)	(30)	(495)	(528)
Gain or loss on sale portfolio	(13)	(131)	(2,177)	(2,321)
FX and other movements ⁽¹⁾	15,990	1,026	523	17,539
Total portfolio as of March 31, 2024	Ps. 51,813,292	Ps. 5,221,120	Ps. 3,015,290	Ps. 60,049,702

- (1) For the three months ended March 31, 2024, the closing TRM presented a variation of Ps.20.25 per dollar and for the same period in 2023 of Ps. (164.12) per dollar.

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The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023:

		Stage 1		Stage 2		Stage 3		Total
		12-month		Lifetime		Lifetime		
		ECL		ECL not		ECL credit-		
				credit-		impaired		
				impaired				
Loss allowance as of December 31, 2022	Ps.	839,904	Ps.	853,159	Ps.	1,618,849	Ps.	3,311,912
Transfers:								
Transfer from stage 1 to stage 2		(118,652)		118,652		—		—
Transfer from stage 1 to stage 3		(76,116)		—		76,116		—
Transfer from stage 2 to stage 3		—		(282,242)		282,242		—
Transfer from stage 3 to stage 2		—		27,919		(27,919)		—
Transfer from stage 2 to stage 1		42,661		(42,661)		—		—
Transfer from stage 3 to stage 1		15,835		—		(15,835)		—
Net remeasurement of loss allowance ⁽²⁾		82,925		351,229		442,759		876,913
New financial assets originated or purchased		124,003		63,941		29,742		217,686
Financial assets that have been derecognized		(56,908)		(2,744)		(57,196)		(116,848)
Unwind of discount ⁽¹⁾		—		5		38,871		38,876
FX and other movements		(300)		(587)		(518)		(1,405)
Write—offs		(1,242)		(85,558)		(609,408)		(696,208)
Loss allowance as of March 31, 2023	Ps.	852,110	Ps.	1,001,113	Ps.	1,777,703	Ps.	3,630,926

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023 versus parameters as of December 31, 2022 and the loan portfolio as of March 31, 2023.

	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime ECL not	Lifetime ECL	
	ECL	credit-impaired	credit-impaired	
	Ps. (54,668)Ps.	(37,148)Ps.	(569)Ps.	(92,385)

The following table further explains changes in the gross carrying amount of the consumer portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

		Stage 1		Stage 2		Stage 3		Total
		12-month		Lifetime		Lifetime		
		ECL		ECL not		ECL credit-		
				credit-		impaired		
				impaired		impaired		
Total portfolio as of December 31, 2022	Ps.	52,529,128	Ps.	4,928,963	Ps.	1,961,353	Ps.	59,419,444
Transfers:								
Transfer from stage 1 to stage 2				(2,489,259)		2,489,259		—
Transfer from stage 1 to stage 3				(257,930)		—		257,930
Transfer from stage 2 to stage 3				—		(749,203)		749,203
Transfer from stage 2 to stage 1				627,135		(627,135)		—
Transfer from stage 3 to stage 2				—		94,332		(94,332)
Transfer from stage 3 to stage 1				83,783		—		(83,783)
Increase in loan portfolio and borrowing costs				7,717,260		249,093		69,711
Decrease in loan portfolio and borrowing costs				(5,329,988)		(499,767)		(327,866)
Increase-decrease in interest and other receivables associated with loans				(582,070)		40,504		266,419
Write-offs				(1,242)		(85,558)		(609,408)
FX and other movements				(128,731)		(10,068)		(868)
Total portfolio as of March 31, 2023	Ps.	52,168,086	Ps.	5,830,420	Ps.	2,188,359	Ps.	60,186,865

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Mortgage portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024:

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		
Loss allowance as of December 31, 2023	Ps.	45,080	Ps.	66,333	Ps.	268,574	Ps. 379,987
Transfers:							
Transfer from stage 1 to stage 2		(3,219)		3,219		—	—
Transfer from stage 1 to stage 3		(136)		—		136	—
Transfer from stage 2 to stage 3		—		(12,324)		12,324	—
Transfer from stage 3 to stage 2		—		4,829		(4,829)	—
Transfer from stage 2 to stage 1		5,692		(5,692)		—	—
Transfer from stage 3 to stage 1		2,395		—		(2,395)	—
Net remeasurement of loss allowance ⁽²⁾		7,455		19,313		18,213	44,981
New financial assets originated or purchased		1,446		1,370		1,584	4,400
Financial assets that have been derecognized		(1,980)		(982)		(1,102)	(4,064)
Unwind of discount ⁽¹⁾		—		—		4,810	4,810
FX and other movements		44		23		36	103
Write—offs		(4,433)		(2,575)		(8,469)	(15,477)
Loss allowance as of March 31, 2024	Ps.	52,344	Ps.	73,514	Ps.	288,882	Ps. 414,740

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024, versus parameters as of December 31, 2023 and the loan portfolio as of March 31, 2024.

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Ps.	5,207 Ps.	4,604 Ps.	3,914 Ps.	13,725

The following table further explains changes in the gross carrying amount of mortgage portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Total portfolio as of December 31, 2023	Ps. 16,720,997	Ps. 1,160,785	Ps. 604,424	Ps. 18,486,206
Transfers:				
Transfer from stage 1 to stage 2	(555,935)	555,935	—	—
Transfer from stage 1 to stage 3	(11,955)	—	11,955	—
Transfer from stage 2 to stage 3	—	(100,582)	100,582	—
Transfer from stage 2 to stage 1	319,383	(319,383)	—	—
Transfer from stage 3 to stage 2	—	34,461	(34,461)	—
Transfer from stage 3 to stage 1	22,684	—	(22,684)	—
Increase in loan portfolio and borrowing costs	860,487	10,936	5,497	876,920
Decrease in loan portfolio and borrowing costs	(505,571)	(22,812)	(13,856)	(542,239)
Increase-decrease in interest and other receivables associated with loans	18,788	4,336	7,530	30,654
Write-offs	(4,433)	(2,575)	(8,469)	(15,477)
FX and other movements	14,685	1,702	505	16,892
Total portfolio as of March 31, 2024	Ps. 16,879,130	Ps. 1,322,803	Ps. 651,023	Ps. 18,852,956

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The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023:

		Stage 1 12-month ECL		Stage 2 Lifetime ECL not credit- impaired		Stage 3 Lifetime ECL credit- impaired		Total
Loss allowance as of December 31, 2022	Ps.	48,763	Ps.	52,639	Ps.	251,039	Ps.	352,441
Transfers:								
Transfer from stage 1 to stage 2		(2,371)		2,371		—		—
Transfer from stage 1 to stage 3		(56)		—		56		—
Transfer from stage 2 to stage 3		—		(8,893)		8,893		—
Transfer from stage 3 to stage 2		—		3,389		(3,389)		—
Transfer from stage 2 to stage 1		5,022		(5,022)		—		—
Transfer from stage 3 to stage 1		1,834		—		(1,834)		—
Net remeasurement of loss allowance ⁽²⁾		(1,826)		19,970		10,766		28,910
New financial assets originated or purchased		2,277		1,548		1,296		5,121
Financial assets that have been derecognized		(3,617)		(674)		(926)		(5,217)
Unwind of discount ⁽¹⁾		—		—		4,105		4,105
FX and other movements		(270)		(242)		(208)		(720)
Write—offs		(827)		(861)		(6,773)		(8,461)
Loss allowance as of March 31, 2023	Ps.	48,929	Ps.	64,225	Ps.	263,025	Ps.	376,179

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance).

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023 versus parameters as of December 31, 2022 and the loan portfolio as of March 31, 2023.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
	Ps. (63,752)Ps.	(17,595)Ps.	(9,268)Ps.	(90,615)

The following table further explains changes in the gross carrying amount of mortgage portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

		Stage 1 12-month ECL		Stage 2 Lifetime ECL not credit- impaired		Stage 3 Lifetime ECL credit- impaired		Total
Total portfolio as of December 31, 2022	Ps.	16,226,428	Ps.	1,159,795	Ps.	497,132	Ps.	17,883,355
Transfers:								
Transfer from stage 1 to stage 2				(360,097)		360,097		—
Transfer from stage 1 to stage 3				(3,285)		—		3,285
Transfer from stage 2 to stage 3				—		(68,272)		68,272
Transfer from stage 2 to stage 1				169,464		(169,464)		—
Transfer from stage 3 to stage 2				—		23,011		(23,011)
Transfer from stage 3 to stage 1				17,806		—		(17,806)
Increase in loan portfolio and borrowing costs				747,829		7,980		1,839
Decrease in loan portfolio and borrowing costs				(447,618)		(24,283)		(28,745)
Increase-decrease in interest and other receivables associated with loans				4,771		2,586		23,632
Write-offs				(827)		(861)		(6,773)
FX and other movements				(122,478)		(11,734)		(2,578)
Total portfolio as of March 31, 2023	Ps.	16,231,993	Ps.	1,278,855	Ps.	515,247	Ps.	18,026,095

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Microcredit portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024:

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired			
Loss allowance as of December 31, 2023	Ps. 12,068	Ps. 6,366	Ps. 35,226	Ps. 53,660			
Transfers:							
Transfer from stage 1 to stage 2	(1,211)	1,211	—	—			
Transfer from stage 1 to stage 3	(416)	—	416	—			
Transfer from stage 2 to stage 3	—	(3,534)	3,534	—			
Transfer from stage 3 to stage 2	—	263	(263)	—			
Transfer from stage 2 to stage 1	267	(267)	—	—			
Transfer from stage 3 to stage 1	15	—	(15)	—			
Net remeasurement of loss allowance ⁽²⁾	2,393	2,896	4,555	9,844			
New financial assets originated or purchased	—	3	5	8			
Financial assets that have been derecognized	(582)	(93)	(84)	(759)			
Unwind of discount ⁽¹⁾	—	—	2,460	2,460			
Write—offs	(76)	(223)	(5,265)	(5,564)			
Loss allowance as of March 31, 2024	Ps. 12,458	Ps. 6,622	Ps. 40,569	Ps. 59,649			

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024, versus parameters as of December 31, 2023 and the loan portfolio as of March 31, 2024.

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
	Ps. (96)Ps.	29 Ps.	(6)Ps.	(73)

The following table further explains changes in the gross carrying amount of the microcredit portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Total portfolio as of December 31, 2023	Ps. 226,548	Ps. 13,953	Ps. 37,028	Ps. 277,529
Transfers:				
Transfer from stage 1 to stage 2	(9,376)	9,376	—	—
Transfer from stage 1 to stage 3	(2,301)	—	2,301	—
Transfer from stage 2 to stage 3	—	(7,568)	7,568	—
Transfer from stage 2 to stage 1	1,380	(1,380)	—	—
Transfer from stage 3 to stage 2	—	722	(722)	—
Transfer from stage 3 to stage 1	58	—	(58)	—
Increase in loan portfolio and borrowing costs	55,446	221	5,244	60,911
Decrease in loan portfolio and borrowing costs	(44,987)	(1,195)	(4,075)	(50,257)
Increase-decrease in interest and other receivables associated with loans	1,491	432	309	2,232
Write-offs	(76)	(223)	(5,265)	(5,564)
Total portfolio as of March 31, 2024	Ps. 228,183	Ps. 14,338	Ps. 42,330	Ps. 284,851

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The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Loss allowance as of December 31, 2022	Ps. 6,238	Ps. 4,922	Ps. 27,811	Ps. 38,971
Transfers:				
Transfer from stage 1 to stage 2	(982)	982	—	—
Transfer from stage 1 to stage 3	(179)	—	179	—
Transfer from stage 2 to stage 3	—	(2,143)	2,143	—
Transfer from stage 3 to stage 2	—	198	(198)	—
Transfer from stage 2 to stage 1	57	(57)	—	—
Transfer from stage 3 to stage 1	19	—	(19)	—
Net remeasurement of loss allowance ⁽²⁾	373	1,524	2,808	4,705
New financial assets originated or purchased	1,167	51	—	1,218
Financial assets that have been derecognized	(448)	(126)	(117)	(691)
Unwind of discount ⁽¹⁾	—	—	1,391	1,391
Write—offs	(26)	(145)	(5,128)	(5,299)
Loss allowance as of March 31, 2023	Ps. 6,219	Ps. 5,206	Ps. 28,870	Ps. 40,295

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023 versus parameters as of December 31, 2022 and the loan portfolio as of March 31, 2023.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit-impaired	Total
	Ps. (378)	Ps. 333	Ps. (86)	Ps. (131)

The following table further explains changes in the gross carrying amount of the microcredit portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Total portfolio as of December 31, 2022	Ps. 224,491	Ps. 14,056	Ps. 29,173	Ps. 267,720
Transfers:				
Transfer from stage 1 to stage 2	(11,445)	11,445	—	—
Transfer from stage 1 to stage 3	(3,158)	—	3,158	—
Transfer from stage 2 to stage 3	—	(5,398)	5,398	—
Transfer from stage 2 to stage 1	754	(754)	—	—
Transfer from stage 3 to stage 2	—	609	(609)	—
Transfer from stage 3 to stage 1	67	—	(67)	—
Increase in loan portfolio and borrowing costs	53,883	—	2	53,885
Decrease in loan portfolio and borrowing costs	(45,536)	(2,224)	(2,247)	(50,007)
Increase-decrease in interest and other receivables associated with loans	1,104	139	77	1,320
Write-offs	(26)	(145)	(5,128)	(5,299)
Total portfolio as of March 31, 2023	Ps. 220,134	Ps. 17,728	Ps. 29,757	Ps. 267,619

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Repos, interbank loans portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024:

		Stage 1		Stage 2		Stage 3		Total
		12-month		Lifetime		Lifetime		
		ECL		ECL not		ECL credit-		
				credit-		impaired		
				impaired				
Loss allowance as of December 31, 2023	Ps.	22	Ps.	—	Ps.	—	Ps.	22
Net remeasurement of loss allowance ⁽¹⁾		36		—		—		36
New financial assets originated or purchased		20		—		—		20
Financial assets that have been derecognized		(1)		—		—		(1)
Loss allowance as of March 31, 2024	Ps.	77	Ps.	—	Ps.	—	Ps.	77

⁽¹⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024, versus parameters as of December 31, 2023 and the loan portfolio as of March 31, 2024.

	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit-	credit-	
		impaired	impaired	
	(4)Ps.	—	—	(4)

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

		Stage 1		Stage 2		Stage 3		Total
		12-month		Lifetime		Lifetime		
		ECL		ECL not		ECL credit-		
				credit-		impaired		
				impaired				
Total portfolio as of December 31, 2023	Ps.	392,607	Ps.	—	Ps.	—	Ps.	392,607
Increase in loan portfolio and borrowing costs		343,614		—		—		343,614
Decrease in loan portfolio and borrowing costs		(358,729)		—		—		(358,729)
Increase-decrease in interest and other receivables		1,154		—		—		1,154
FX and other movements		524		—		—		524
Total portfolio as of March 31, 2024	Ps.	379,170	Ps.	—	Ps.	—	Ps.	379,170

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023:

		Stage 1		Stage 2		Stage 3		Total
		12-month		Lifetime		Lifetime		
		ECL		ECL not		ECL credit-		
				credit-		impaired		
				impaired				
Loss allowance as of December 31, 2022	Ps.	1,444	Ps.	—	Ps.	—	Ps.	1,444
Transfers:								
Transfer from stage 1 to stage 2		2		(2)		—		—
Net remeasurement of loss allowance ⁽¹⁾		(4)		2		—		(2)
New financial assets originated or purchased		458		—		—		458
Financial assets that have been derecognized		(1,393)		—		—		(1,393)
Loss allowance as of March 31, 2023	Ps.	507	Ps.	—	Ps.	—	Ps.	507

⁽¹⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023, versus parameters as of December 31, 2022 and the loan portfolio as of March 31, 2023.

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	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps.	(611)	Ps.	—	Ps. (611)

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain their significance to the changes in the allowance for the same portfolio as discussed above:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Total portfolio as of December 31, 2022	Ps. 5,967,742	Ps. —	Ps. 1	Ps. 5,967,743
Transfers:				
Transfer from stage 3 to stage 1	1	—	(1)	—
Increase in loan portfolio and borrowing costs	1,972,844	—	—	1,972,844
Decrease in loan portfolio and borrowing costs	(4,309,918)	—	—	(4,309,918)
Increase-decrease in interest and other receivables associated with loans	13,188	—	—	13,188
FX and other movements	276,118	—	—	276,118
Total portfolio as of March 31, 2023	Ps. 3,919,975	Ps. —	Ps. —	Ps. 3,919,975

Investments in debt securities at FVOCI

The following table explains in more detail the changes in the carrying amount of the Investments in debt securities at fair value through OCI to help explain their significance for the changes in the allowance as of March 31, 2024:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Loss allowance as of 31 December 2023	Ps. 12,972	Ps. —	Ps. —	Ps. 12,972
Net remeasurement of loss allowance ⁽²⁾	492	—	—	492
New financial assets originated or purchased	4,200	—	—	4,200
Financial assets that have been derecognized	(1,485)	—	—	(1,485)
Unwind of discount ⁽¹⁾	—	—	—	—
FX and other movements	9	—	—	9
Loss allowance as of March 31, 2024	Ps. 16,188	Ps. —	Ps. —	Ps. 16,188

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/ Loss Given Default (LGDs)/ Exposure at Default (EADs) and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024 versus parameters as of December 31, 2023 and the investment portfolio as of March 31, 2024.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps.	405	Ps.	—	Ps. 405

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The following table explains in more detail the changes in the carrying amount of the Investments in debt securities at fair value through OCI to help explain their significance for the changes in the allowance as of March 31, 2023:

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired			
Loss allowance as of 31 December 2022	Ps.	12,686	Ps.	—	Ps.	—	Ps.	12,686
Transfers:								
Transfer from stage 1 to stage 2		(196)		196		—		—
Net remeasurement of loss allowance ⁽²⁾		(1,238)		1,158		—		(80)
New financial assets originated or purchased		1,753		1		—		1,754
Financial assets that have been derecognized		(1,307)		—		—		(1,307)
Unwind of discount ⁽¹⁾		—		—		—		—
FX and other movements		(136)		(22)		—		(158)
Loss allowance as of March 31, 2023	Ps.	11,562	Ps.	1,333	Ps.	—	Ps.	12,895

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023 versus parameters as of December 31, 2022 and the investment portfolio as of March 31, 2023.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit-impaired	Total
	Ps. (273)	Ps. —	Ps. —	Ps. (273)

Investments in debt securities at amortized cost

The following table explains in more detail the changes in the carrying amount of the Investments at amortized cost to help explain their significance for the changes in the allowance as of March 31, 2024:

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired			
Loss allowance as of 31 December 2023	Ps.	12,613	Ps.	4,269	Ps.	—	Ps.	16,882
Net remeasurement of loss allowance ⁽²⁾		(443)		5		—		(438)
New financial assets originated or purchased		620		—		—		620
Financial assets that have been derecognized		(97)		—		—		(97)
Unwind of discount ⁽¹⁾		—		—		—		—
FX and other movements		56		22		—		78
Loss allowance as of March 31, 2024	Ps.	12,749	Ps.	4,296	Ps.	—	Ps.	17,045

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2024 versus parameters as of December 31, 2023 and the investment portfolio as of March 31, 2024.

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Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps. (118) Ps.	— Ps.	— Ps.	(118)

The following table explains in more detail the changes in the carrying amount of the Investments at amortized cost to help explain their significance for the changes in the allowance as of March 31, 2023:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Loss allowance as of 31 December 2022	Ps. 28,563	Ps. 8,367	Ps. —	Ps. 36,930
Net remeasurement of loss allowance ⁽²⁾	(973)	24	—	(949)
New financial assets originated or purchased	352	—	—	352
Financial assets that have been derecognized	(45)	—	—	(45)
Unwind of discount ⁽¹⁾	—	—	—	—
FX and other movements	(899)	(286)	—	(1,185)
Loss allowance as of March 31, 2023	Ps. 26,998	Ps. 8,105	Ps. —	Ps. 35,103

⁽¹⁾ The unwind of discount on Stage 3 financial assets is reported within "interest income" so that interest income is recognized on the amortized cost (after deducting the ECL allowance)

⁽²⁾ This amount includes impact of the measurement of ECL due to changes made in PDs/LGDs/EADs and changes made to model assumptions and methodologies from the opening to the closing balance. The following table shows the impact by stage estimated using all parameters as of March 31, 2023 versus parameters as of December 31, 2022 and the loan investment as of March 31, 2023.

Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps. (8) Ps.	48 Ps.	— Ps.	40

Other accounts receivable

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024.

	Stage 1 12- month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Simplified Approach	Total
Loss allowance as of December 31, 2023	Ps. 25,965	Ps. 19,188	Ps. 141,129	Ps. 199,382	Ps. 385,664
Net remeasurement of loss allowance	3,552	2,040	14,830	(9,011)	11,411
FX and other movements	—	—	16	8	24
Write—offs	—	—	(7,807)	(22,628)	(30,435)
Loss allowance as of March 31, 2024	Ps. 29,517	Ps. 21,228	Ps. 148,168	Ps. 167,751	Ps. 366,664

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The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023.

	Stage 1 12- month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Simplified Approach	Total
Loss allowance as of December 31, 2022	Ps. 24,977	Ps. 20,201	Ps. 140,123	Ps. 197,115	Ps. 382,416
Net remeasurement of loss allowance	(270)	2,242	12,791	(2,249)	12,514
FX and other movements	(272)	(177)	(516)	(214)	(1,179)
Write—offs	(40)	—	(5,188)	(12,381)	(17,609)
Loss allowance as of March 31, 2023	Ps. <u>24,395</u>	Ps. <u>22,266</u>	Ps. <u>147,210</u>	Ps. <u>182,271</u>	Ps. <u>376,142</u>

Loan commitments and financial guarantee contracts

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2024.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Loss allowance as of December 31, 2023	Ps. 61,637	Ps. 7,682	Ps. 949	Ps. 70,268
Transfers:				
Transfer from Stage 1 to Stage 2	(1,418)	1,418	—	—
Transfer from Stage 1 to Stage 3	(344)	—	344	—
Transfer from Stage 2 to Stage 3	—	(362)	362	—
Transfer from Stage 3 to Stage 2	—	6	(6)	—
Transfer from Stage 2 to Stage 1	1,090	(1,090)	—	—
Transfer from Stage 3 to Stage 1	10	—	(10)	—
Net remeasurement of loss allowance	2,905	(296)	935	3,544
New loan commitments and financial guarantees issued	7,975	702	26	8,703
FX and other movements	7	—	(1)	6
Loss allowance as of March 31, 2024	Ps. <u>71,862</u>	Ps. <u>8,060</u>	Ps. <u>2,599</u>	Ps. <u>82,521</u>

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of March 31, 2023.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Loss allowance as of December 31, 2022	Ps. 58,160	Ps. 6,461	Ps. 289	Ps. 64,910
Transfers:				
Transfer from Stage 1 to Stage 2	(638)	638	—	—
Transfer from Stage 1 to Stage 3	(228)	—	228	—
Transfer from Stage 2 to Stage 3	—	(428)	428	—
Transfer from Stage 3 to Stage 2	—	7	(7)	—
Transfer from Stage 2 to Stage 1	1,250	(1,250)	—	—
Transfer from Stage 3 to Stage 1	15	—	(15)	—
Net remeasurement of loss allowance	(11,905)	451	35	(11,419)
New loan commitments and financial guarantees issued	9,570	539	(57)	10,052
FX and other movements	22	(1)	—	21
Loss allowance as of March 31, 2023	Ps. <u>56,246</u>	Ps. <u>6,417</u>	Ps. <u>901</u>	Ps. <u>63,564</u>

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f) Credit Commitments

Following is the detail of the guarantees, letters of credit and credit commitments on non-used credit lines as of March 31, 2024, and December 31, 2023:

Credit lines commitments not used.

	March 31, 2024		December 31, 2023	
	Notional amount		Notional amount	
Unused credit card limits	Ps.	12,479,633	Ps.	12,449,298
Approved credits not disbursed		5,185,366		4,818,508
Credit arrangements		4,639,885		4,223,426
Guarantees		3,081,966		3,052,607
Unused limits of overdrafts		2,194,688		2,264,226
Unused letters of credit		810,784		735,472
Other		1,842,463		2,255,007
Total	Ps.	30,234,785	Ps.	29,798,544

Following is the detail of the credit commitments by type of currency:

	March 31, 2024		December 31, 2023	
Colombian Pesos	Ps.	26,213,404	Ps.	25,821,105
U.S. dollars		4,001,597		3,962,607
Euro		18,505		13,585
Other		1,279		1,247
Total	Ps.	30,234,785	Ps.	29,798,544

g) Other accounts receivable, net

Balances of other accounts receivable, net of impairment losses, comprise the following as of March 31, 2024, and December 31, 2023:

	March 31, 2024		December 31, 2023	
Contract assets	Ps.	18,459,870	Ps.	17,821,214
Other accounts receivable		8,349,215		8,181,675
Total other accounts receivable	Ps.	26,809,085	Ps.	26,002,889
Loss allowance		(366,664)		(385,664)
Total other accounts receivable, net	Ps.	26,442,421	Ps.	25,617,225

The following table provides information about assets from contracts with customers as of March 31, 2024, and December 31, 2023:

Contract assets	March 31, 2024		December 31, 2023	
Financial assets in concession arrangements rights at fair value	Ps.	3,935,400	Ps.	3,830,916
Financial assets in concession arrangements rights at amortized cost		14,524,470		13,990,298
Gross balance of other accounts receivable	Ps.	18,459,870	Ps.	17,821,214
Loss allowance ⁽¹⁾		(8,706)		(8,394)
Total contract assets	Ps.	18,451,164	Ps.	17,812,820

⁽¹⁾ See reconciliations simplified approach and general approach loss allowance on note 4.e).

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h) Financial obligations from issued bonds

Detail of issued bonds net of eliminations as of March 31, 2024, and December 31, 2023, by issue date and maturity date was as follows:

Local Currency

Issuer	Issue Date (*)	March 31, 2024	December 31, 2023	Maturity Date (*)	Interest Rate (*)
Banco Av. Villas S.A. ⁽¹⁾	23/02/2021	Ps. 87,195	Ps. 296,689	23/02/2026	CPI + 1.36%
Banco de Bogotá S.A. ⁽²⁾	Between 24/09/2020 and 10/02/2021	580,951	791,579	Between 24/09/2025 and 10/02/2026	CPI + 1.16%; and Fix 4.75%
Banco de Occidente S.A.	Between 09/08/2012 and 20/08/2020	2,115,587	2,121,344	Between 27/04/2024 and 14/12/2032	CPI + 2.37% to 4.65%; and Fix 5.83%
Corporación Financiera Colombiana S.A.	Between 27/08/2009 and 20/10/2021	3,216,117	3,205,530	Between 27/08/2024 and 19/11/2045	CPI + 1.58% to 5.99% and Fix 3.77%
Banco Popular S.A. ⁽³⁾	Between 12/10/2016 and 10/03/2022	1,749,636	2,002,987	Between 15/07/2024 and 10/03/2027	CPI + 2.58% to 4.13%; IBR + 1.59% and Fix Between 6.12% and 10.20%
Grupo Aval Acciones y Valores S.A.	Between 03/12/2009 and 14/11/2019	1,144,763	1,136,702	Between 14/11/2024 and 28/06/2042	CPI + 3.69% to 5.20% and Fix 6.42%
Peso denominated Total		Ps. 8,894,249	Ps. 9,554,831		

Foreign Currency

Issuer	Issue Date (*)	March 31, 2024	December 31, 2023	Maturity Date (*)	Interest Rate (*)
Banco de Bogotá S.A. Under rule 144A.	Between 12/05/2016 and 24/03/2023	6,812,819	6,750,155	Between 12/05/2026 and 24/03/2033	Fix Between 4.38% to 6.25% and SOFR6 3.75%
Multifinancial Holding	Between 04/02/2020 and 23/02/2024	1,368,788	1,377,782	Between 12/04/2024 and 29/12/2033	Fix Between 2.50% to 7.25%
Banco Bogotá and MFH Total		Ps. 8,181,607	Ps. 8,127,937		
Grupo Aval Limited	4/02/2020	3,814,106	3,834,985	4/02/2030	Fix 4.38%
Promigas S.A. and Gases del Pacífico S.A.C. Under rule 144A.	Between 16/10/2019 and 22/10/2020	1,939,144	1,910,073	Between 16/10/2029 and 22/10/2029	Fix 3.75%
Foreign Currency Total		Ps. 13,934,857	Ps. 13,872,995		
Total of Bonds		Ps. 22,829,106	Ps. 23,427,826		

(1) The variation corresponds mainly to: (i) Payment due to bond maturity on February 23, 2024 for Ps. 208,231.

(2) The variation corresponds mainly to: (i) Payment due to bond maturity on February 10, 2024 for Ps. 209,472.

(3) The variation corresponds mainly to: (i) Payment for bond maturity on February 13, 2024 for Ps. 146,087; (ii) Payment for bond maturity on March 10, 2024 for Ps. 105,674.

(*) This information applies to March 31, 2024.

The amount of issued bonds due over 12 months as of March 31, 2024, is Ps. 20,734,584 and December 31, 2023, is Ps. 21,664,811.

Grupo Aval has not had any defaults of principal or interest or other breaches with respect to its liabilities March 31, 2024, and December 31, 2023, and Grupo Aval is complying with the related covenants agreed with investors and debtors.

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j) Interest income

The interest income of the loan portfolio of Grupo Aval by portfolio is shown as follows as of March 31, 2024 and 2023:

	For the three-months periods ended March 31,	
	2024	2023
Loan Portfolio		
Commercial – Client portfolio	Ps. 3,600,069	Ps. 3,382,056
Consumer	2,335,794	2,178,593
Mortgage	468,524	408,431
Microcredit	19,438	17,304
Repos, interbank loans portfolio	169,626	375,017
Total loan portfolio	Ps. 6,593,451	Ps. 6,361,401
Investments in debt securities	642,741	646,923
Total interest income	Ps. 7,236,192	Ps. 7,008,324

j) Interest expense

The following is the detail of interest expenses as of March 31, 2024, and 2023:

	For the three-months periods ended March 31,	
	2024	2023
Interest expense		
Deposits		
Checking accounts	Ps. (73,036)	Ps. (62,461)
Savings accounts	(1,442,457)	(1,591,763)
Time deposits	(2,499,290)	(2,213,249)
Interest of the derivative designated as the hedging instrument ^(*)	(26,193)	(3,119)
Total	(4,040,976)	(3,870,592)
Financial obligations		
Interbank borrowings and overnight funds	Ps. (487,004)	Ps. (395,930)
Borrowings from banks and similar	(355,184)	(441,394)
Leases contracts	(64,835)	(46,338)
Bonds issued	(456,953)	(562,603)
Borrowing from development entities	(150,884)	(142,643)
Total	(1,514,860)	(1,588,908)
Total interest expense	Ps. (5,555,836)	Ps. (5,459,500)

^(*) Corresponds to the hedge of interest expense for Time Deposits greater than 12 months. See note 5 Hedge accounting.

NOTE 5 – HEDGE ACCOUNTING

In accordance with its risk management policies, Grupo Aval's subsidiaries use hedge accounting as of March 31, 2024 and December 31, 2023, as follows:

a) Hedges of net investment in foreign operations

Banco de Bogotá, Banco de Occidente and Promigas are exposed to foreign exchange risk relating to their investments in foreign subsidiaries, whose functional currencies are the US dollar.

The purpose of hedge accounting is to mitigate and offset any adverse changes resulting from the fluctuation in exchange rate of the Colombian Peso and the functional currency of such investments. The impacts of those movements are reflected in the cumulative translation adjustment in other comprehensive income of the consolidated financial statements.

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To cover this risk, Grupo Aval hedges its exposure through foreign currency financial liabilities expressed in U.S.

Changes in the fluctuation of the Colombian peso against the U.S. dollar during the periods ended on March 31, 2024 and December 31, 2023 are as follows:

Date	Value of USD 1	Three-month variation in pesos
March 31, 2024	3,842.30	20.25
December 31, 2023	3,822.05	(231.71)
March 31, 2023	4,646.08	(164.12)

According to the information described above, the following table shows movements of OCI gross of taxes, related to hedges of net investment in foreign operations:

March 31, 2024

Detail of investment	Translation adjustment of the investments	Exchange difference of financial liabilities	Exchange difference in forward contracts	Net OCI account
Multifinancial Holding	Ps. 8,287	Ps. (7,122)	Ps. —	Ps. 1,165
Other subsidiaries and branches Banco de Bogotá	3,097	(103)	—	2,994
Occidental Bank Barbados	785	(785)	—	—
Banco de Occidente Panamá	1,196	(1,196)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	669	(669)	—	—
Gases del Pacífico S.A.C.	511	(328)	—	183
Gas Natural de Lima y Callao S.A.C. – Calidda	3,515	(3,515)	—	—
Promigas Perú S.A.C.	98	(98)	—	—
Gases del Norte del Perú S.A.C.	486	(486)	—	—
Promigas Panamá Corporation	—	—	—	—
Promigas USA INC	(1)	1	—	—
Total	Ps. 18,643	Ps. (14,301)	Ps. —	Ps. 4,342

March 31, 2023

Detail of investment	Translation adjustment of the investments	Exchange difference of financial liabilities	Exchange difference in forward contracts	Net OCI account
Multifinancial Holding	Ps. (63,698)	Ps. 64,007	Ps. —	Ps. 309
Other subsidiaries and branches Banco de Bogotá	(21,453)	19,694	—	(1,759)
Occidental Bank Barbados	(4,573)	4,573	—	—
Banco de Occidente Panamá	(5,272)	5,272	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	(4,192)	4,192	—	—
Gases del Pacífico S.A.C.	(5,368)	3,907	—	(1,461)
Gas Natural de Lima y Callao S.A.C. – Calidda	(13,862)	13,862	—	—
Promigas Perú S.A.C.	(791)	791	—	—
Gases del Norte del Perú S.A.C.	(3,939)	3,939	—	—
Promigas Panamá Corporation	(1)	1	—	—
Total	Ps. (123,149)	Ps. 120,238	Ps. —	Ps. (2,911)

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According to information described above, the following table contains details of hedging operations carried out to cover foreign denominated equity investments. The analysis shows current amount of OCI gross of taxes:

March 31, 2024

Detail of investment	Thousands of USD			Ps. millions			Net OCI account
	Investment amount	Amount of hedge by financial liabilities in foreign currency	Amount of hedge by forward contracts	Cumulative translation adjustment of the investments	Exchange difference of financial liabilities	Exchange difference in forward contracts	
Multifinancial Holding	409,666	(400,000)	—	Ps. 15,261	Ps. 38,899	Ps. (435)	53,725
Other subsidiaries and branches Banco de Bogotá ⁽¹⁾	153,453	(150,000)	—	205,616	115,004	(230,412)	90,208
Occidental Bank Barbados	37,928	(37,928)	—	44,411	(44,411)	—	—
Banco de Occidente Panamá	62,242	(62,242)	—	58,533	(58,533)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	26,365	(26,365)	—	27,079	(27,079)	—	—
Gases del Pacífico S.A.C.	31,888	(31,888)	—	6,579	(21,659)	—	(15,080)
Gas Natural de Lima y Callao S.A.C. – Calidda	85,996	(85,996)	—	70,565	(70,565)	—	—
Promigas Perú S.A.C.	4,820	(4,820)	—	839	(839)	—	—
Gases del Norte del Perú S.A.C.	24,007	(24,007)	—	(3,092)	3,092	—	—
Promigas Panamá Corporation	0	(0)	—	2	(2)	—	—
Promigas USA INC	8	(8)	—	(1)	1	—	—
Total	836,373	(823,254)	—	Ps. 425,792	Ps. (66,092)	Ps. (230,847)	128,853

⁽¹⁾ Includes Banco de Bogotá Panamá, Banco Bogotá Finance, Ficentro, and contributions of foreign branches in Miami and New York.

December 31, 2023

Detail of investment	Thousands of USD			Ps. millions			Net OCI account
	Investment amount	Amount of hedge by financial liabilities in foreign currency	Amount of hedge by forward contracts	Cumulative translation adjustment of the investments	Exchange difference of financial liabilities	Exchange difference in forward contracts	
Multifinancial Holding	405,867	(390,000)	—	Ps. 6,974	Ps. 46,021	Ps. (435)	52,560
Other subsidiaries and branches Banco de Bogotá ⁽¹⁾	152,882	(120,000)	—	202,519	115,107	(230,412)	87,214
Occidental Bank Barbados	37,341	(37,341)	—	43,626	(43,626)	—	—
Banco de Occidente Panamá	58,877	(58,877)	—	57,337	(57,337)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	26,365	(26,365)	—	26,410	(26,410)	—	—
Gases del Pacífico S.A.C.	31,888	(31,888)	—	6,068	(21,331)	—	(15,263)
Gas Natural de Lima y Callao S.A.C. – Calidda	114,887	(114,887)	—	67,050	(67,050)	—	—
Promigas Perú S.A.C.	4,820	(4,820)	—	741	(741)	—	—
Gases del Norte del Perú S.A.C.	24,006	(24,006)	—	(3,578)	3,578	—	—
Promigas Panamá Corporation	1	(1)	—	2	(2)	—	—
Total	856,934	(808,185)	—	Ps. 407,149	Ps. (51,791)	Ps. (230,847)	124,511

⁽¹⁾ Includes Banco de Bogotá Panamá, Banco Bogotá Finance, Ficentro, and contributions of foreign branches in Miami and New York.

b) Hedging Cash Flow

The movement of the accumulated OCI account related to cash flow hedges in Colombian pesos during the years ended on March 31, 2024 and 2023 is as follows:

	March 31, 2024		March 31, 2023	
	Ps.	(30,381)	Ps.	5,542
Balance at the beginning of the year				
Changes in the fair value FwD - Future transactions		(1,622)		(6,487)
Changes in the fair value FwD - financial obligations		861		—
Changes in the fair value bonds		5,374		—
Changes in the fair value other accounts receivable		(6,037)		—
Reclassified to profit or loss		6,037		3,373
Balance at the end of the year	Ps.	(25,768)	Ps.	2,428

i. Hedging of forecasted transactions

In the ordinary course of its operations Promigas S.A. and its subsidiaries receive income in U.S. Dollars derived from the transportation of gas. Promigas and its subsidiaries hedge the exchange risk arising in future transactions of highly probable gas transportation income, entering into forward contracts for the sale of U.S. dollars with financial entities different from the ones consolidated into Grupo Aval.

ii. Hedging of exchange rate risk

Banco de Bogotá during May 2023 hedge of the foreign currency risk of the account receivable in dollars accounted for as a cash flow hedge.

Corficolombiana hedge the exchange risk arising in other accounts receivable during 2023.

Banco de Bogotá hedge the exchange risk arising in financial obligations during 2023.

c) Fair value hedging

As of March 31, 2024, and 2023 Banco de Bogotá uses interest rate swaps to reduce the risk of interest rates on financial time deposits.

As of March 31, 2024 Banco de Occidente uses interest rate swaps to reduce the risk of interest rates on financial time deposits.

Changes in fair value and interest expense during the years ended on March 31, 2024 and 2023 is as follows:

	March 31, 2024		March 31, 2023	
	Change in fair value	Interest expense ⁽¹⁾	Change in fair value	Interest expense ⁽¹⁾
Banco de Bogotá	Ps. 3,808	Ps. (25,881)	Ps. (3,230)	Ps. (3,119)
Banco de Occidente	9	(312)	—	—
Total	Ps. 3,817	Ps. (26,193)	Ps. (3,230)	Ps. (3,119)

⁽¹⁾ See note 4 j) "Interest expense".

d) Testing of hedge effectiveness

Grupo Aval's subsidiaries consider hedging as highly effective if at the beginning and in subsequent periods, the hedging instrument highly offsets changes in fair value or in cash flows attributable to the risk hedged during the period for which the hedging has been

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designated. The hedging is considered as such if the effectiveness of the hedging is in a range between 80% and 125%. Such effectiveness is assessed by Grupo Aval's entities at least quarterly and at the end of each accounting period.

According to this, each hedging was effective as of March 31, 2024, and December 31, 2023.

NOTE 6 – INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The detail of the investments in associates and joint ventures is as follows:

		March 31, 2024		December 31, 2023
Associates	Ps.	1,123,141	Ps.	1,288,641
Joint ventures		770		2,042
Total	Ps.	1,123,911	Ps.	1,290,683

	March 31, 2024		December 31, 2023	
	Ownership interest	Book value	Ownership interest	Book value
Associates				
Gas Natural de Lima y Callao S.A. - Cálidda	40 %	Ps. 503,054	40 %	Ps. 614,577
Gases del Caribe S.A. E.S.P.	31 %	309,574	31 %	328,661
Credibanco S.A.	25 %	211,305	25 %	210,399
Redeban Multicolor S.A.	20 %	40,122	20 %	41,562
A.C.H Colombia S.A.	34 %	12,713	34 %	32,580
Aerocali S.A.	50 %	16,433	50 %	24,389
Colombiana de Extrusión S.A. - Extrucol	30 %	11,394	30 %	14,507
ADL Digital Lab S.A.S.	34 %	12,240	34 %	12,231
Servicios de Identidad Digital S.A.S.	33 %	2,864	33 %	4,039
Energía Eficiente S.A.	33 %	1,678	33 %	3,485
Metrex S.A.	18 %	1,764	18 %	2,211
		Ps. 1,123,141		Ps. 1,288,641

	March 31, 2024		December 31, 2023	
	Ownership interest	Book value	Ownership interest	Book value
Joint ventures				
Renting Automayor S.A.S.	50%	770	50%	2,042
		Ps. 770		Ps. 2,042

A roll-forward of investments in associates and joint ventures accounts is shown below for the three -month ended March 31, 2024 and 2023:

Associates

		March 31, 2024		March 31, 2023
Balance at the beginning of the year	Ps.	1,288,641	Ps.	1,419,296
Acquisitions		210		—
Participation in the profit or loss of the period		92,414		94,883
Participation in Other Comprehensive Income		3,665		594
Declared Dividends		(265,272)		(313,438)
Exchange difference		3,483		(13,863)
Year-end balance	Ps.	1,123,141	Ps.	1,187,472

Joint ventures

		March 31, 2024		March 31, 2023
Balance at the beginning of the year	Ps.	2,042	Ps.	4,047
Participation in the period profit or loss		(1,272)		(145)
Year-end balance	Ps.	770	Ps.	3,902

NOTE 7 – TANGIBLE ASSETS

The following table are the balances for tangible assets during the periods ended on March 31, 2024, and December 31, 2023.

Property, plant and equipment		March 31, 2024		December 31, 2023
Properties, plant and equipment for own use	Ps.	4,447,860	Ps.	4,427,803
Right-of-use assets		1,419,718		1,336,957
Investment properties		908,197		906,469
Biological Assets		230,300		230,672
Properties, plant and equipment given in operating lease		88,328		93,989
Total	Ps.	7,094,403	Ps.	6,995,890

NOTE 8 – CONCESSION ARRANGEMENTS RIGHTS

The following are the balances for Grupo Aval for concession arrangements rights for three-months periods ended March 31, 2024, and 2023:

For the period of three-months ended March 31, 2024

		Gas and energy		Infrastructure		Total
Cost						
Balance as of January 1, 2024	Ps.	7,108,173	Ps.	8,239,871	Ps.	15,348,044
Additions		87,593		13		87,606
Reclassification to PPE		60		—		60
Withdrawals		(105)		—		(105)
Effect of movements in exchange rates ⁽¹⁾		14,677		—		14,677
Balance at March 31, 2024	Ps.	7,210,398	Ps.	8,239,884	Ps.	15,450,282
Accumulated Amortization						
Balance as of January 1, 2024	Ps.	(1,575,534)	Ps.	(207,432)	Ps.	(1,782,966)
Amortization of the period		(69,384)		(20,253)		(89,637)
Withdrawals		6		—		6
Effect of movements in exchange rates ⁽¹⁾		(1,449)		—		(1,449)
Balance at March 31, 2024	Ps.	(1,646,361)	Ps.	(227,685)	Ps.	(1,874,046)
Impairment losses						
Balance as of January 1, 2024	Ps.	(7,811)	Ps.	—	Ps.	(7,811)
Withdrawals		2		—		2
Balance at March 31, 2024	Ps.	(7,809)	Ps.	—	Ps.	(7,809)
Total Intangible Assets						
Balance as of January 1, 2024 ⁽²⁾	Ps.	5,524,828	Ps.	8,032,439	Ps.	13,557,267
Cost		102,225		13		102,238
Amortization		(70,827)		(20,253)		(91,080)
Impairment losses		2		—		2
Balance at March 31, 2024 ⁽²⁾	Ps.	5,556,228	Ps.	8,012,199	Ps.	13,568,427

⁽¹⁾ For the three-months ended March 31, 2024; the closing TRM presented a variation of Ps. 20.25 per dollar.

⁽²⁾ Includes intangible assets derived from concession contracts in the construction stage of Infrastructure and Gas and Power for Ps. 126,754 of March 31, 2024, and Ps. 130,936 as of December 31, 2023.

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	<u>Gas and energy</u>		<u>Infrastructure</u>		<u>Total</u>	
Cost						
Balance as of January 1, 2023	Ps.	<u>7,238,835</u>	Ps.	<u>7,521,341</u>	Ps.	<u>14,760,176</u>
Additions		133,347		345,269		478,616
Reclassification to PPE		13		—		13
Withdrawals		(3,068)		—		(3,068)
Effect of movements in exchange rates ⁽¹⁾		(114,913)		—		(114,913)
Balance at March 31, 2023	Ps.	<u>7,254,214</u>	Ps.	<u>7,866,610</u>	Ps.	<u>15,120,824</u>
Accumulated Amortization						
Balance as of January 1, 2023	Ps.	<u>(1,339,183)</u>	Ps.	<u>(165,863)</u>	Ps.	<u>(1,505,046)</u>
Amortization of the period		(68,130)		(4,278)		(72,408)
Withdrawals		21		—		21
Effect of movements in exchange rates ⁽¹⁾		5,468		—		5,468
Balance at March 31, 2023	Ps.	<u>(1,401,824)</u>	Ps.	<u>(170,141)</u>	Ps.	<u>(1,571,965)</u>
Impairment losses						
Balance as of January 1, 2023	Ps.	<u>(7,811)</u>	Ps.	<u>(4,613)</u>	Ps.	<u>(12,424)</u>
Period impairment charge		—		(223)		(223)
Balance at March 31, 2023	Ps.	<u>(7,811)</u>	Ps.	<u>(4,836)</u>	Ps.	<u>(12,647)</u>
Total Intangible Assets						
Balance as of January 1, 2023 ⁽²⁾	Ps.	<u>5,891,841</u>	Ps.	<u>7,350,865</u>	Ps.	<u>13,242,706</u>
Cost		15,379		345,269		360,648
Amortization		(62,641)		(4,278)		(66,919)
Impairment losses		—		(223)		(223)
Balance at March 31, 2023 ⁽²⁾	Ps.	<u>5,844,579</u>	Ps.	<u>7,691,633</u>	Ps.	<u>13,536,212</u>

⁽¹⁾ For the three- months ended March 31, 2023; the closing TRM presented a variation of Ps. (164.12) per dollar.

⁽²⁾ Includes intangible assets derived from concession contracts in the construction phase for Infrastructure and Gas and Energy for Ps. 7,481,118 and Ps. 86,722 as of March 31, 2023 respectively and Ps. 7,136,073 and Ps. 193,627 as of December 31, 2022 respectively.

NOTE 9 – GOODWILL

The following is the roll-forward of goodwill balances during the period ended March 31, 2024, and 2023:

	For the three-months periods ended March 31,	
	2024	2023
Balance at the beginning of the period	Ps. <u>2,202,222</u>	Ps. <u>2,248,217</u>
Impairment charge ⁽¹⁾	—	(10,000)
Effect of movements in exchange rates ⁽²⁾	737	(5,979)
Balance at the end of the period	Ps. <u>2,202,959</u>	Ps. <u>2,232,238</u>

⁽¹⁾ For 2023, corresponds the Goodwill recognized on Concesionaria Panamericana.

⁽²⁾ Corresponds to the variation in the TRM between January and March, for 2024 of Ps. 20.25 per dollar and for 2023 of Ps. (164.12) per dollar on the goodwill recognized in Multi Financial Group.

NOTE 10 - INCOME TAX

Income tax is composed of current income tax and deferred income tax. This is recognized by the best estimate in the interim period. The income tax from continued operations for the periods ended on March 31, 2024 and 2023, comprises the following:

		For Three months ended on March, 31	
		2024	2023
Current Income Tax	Ps.	(260,606)	Ps. (262,881)
Deferred Tax		34,947	(269,670)
Total Income Tax	Ps.	(225,659)	Ps. (532,551)

The effective tax rate of Grupo Aval consolidated for the quarter ended on March 31, 2024 was 32.29%, while for the quarter ended on March 31, 2023 it was 33.71%, as shown below:

		For Three months ended on March, 31	
		2024	2023
Profit before taxes	Ps.	698,901	Ps. 1,579,805
Income Tax		(225,659)	(532,551)
Effective Tax Rate		32.29%	33.71%

Comparing the effective tax rates for the quarters ended on March 31 2024 and 2023, there are a variation of (1.42%); the effective rate during the first quarter on March 31, 2023 was higher. Although this is a non-material variation in the effective rate between the periods compared, it is important to highlight the main factors that explain the variation in the period, as discussed below:

- Non-deductible expenses during the first quarter of 2024 impact the effective tax rate by Ps. 157,312, which represents an effect of 22.51 percentage points with respect to the income for the period. During the first quarter of 2023, these non-deductible expenses impacted the effective tax rate by Ps. 159,071, which represents an effect of 10.07 percentage points with respect to the income of the period. Non-deductible expenses did not have a significant variation in absolute terms, but when reviewing their impact with respect to the earnings of each comparative year, it is observed that this concept generates an increase in the variation of the rate by 12.44 percentage points.
- During the first quarter of 2024 there was an increase in income from dividends received as non-taxed dividends that impacted the effective rate for the period by Ps. 7,174, of which Corficolombiana and subsidiaries contributed an increase of Ps. 6,206. This variation affected the effective rate for the first quarter of 2024 by (4.74) percentage points, which corresponds to a decrease in the rate in 2024.
- During the first quarter of 2024, there was a decrease in income under the equity method, which is not income tax or deferred tax basis. The income for the first quarter of 2024 impacted the effective tax rate of the period by Ps. 36,457, which represents an effect of (5.22) percentage points with respect to the income for the period. During the first quarter of 2023, this concept impacted the rate by Ps. 37,895, which represents an effect of (2.40) percentage points with respect to the income for the period. Income from the equity method did not have a significant variation in absolute terms, but when reviewing its impact with respect to the earnings of each comparative year, it is observed that this concept generates a decrease in the rate by (2.82) percentage points.
- During the first quarter of 2024, there was an increase in Income from subsidiaries in tax-exempt countries impacting the effective rate of the period of Ps. 13,546, which affected the effective rate of the first quarter of 2024 by (2.59) percentage points. Likewise, during the first quarter of 2024 there was an increase in prior period adjustments that impact the effective rate of the period by Ps. 15,722, which affected the effective rate of the first quarter of 2024 by (2.28) percentage points. Both cases correspond to a decrease in the rate in 2024.
- Corficolombiana and subsidiaries reported a variation of Ps. (38,668) corresponding to the effect of the application of rates different from the statutory rate for the period, which impacted the effective tax rate by (0.74) percentage points, corresponding to a decrease in the effective rate in the year 2024.

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NOTE 11 – PROVISIONS

Below are the balances for legal provisions and non-legal related provisions during the periods ended on March 31, 2024 and December 31, 2023:

		March 31, 2024		December 31, 2023
Legal related	Ps.	197,162	Ps.	217,689
Non-Legal related		847,870		865,594
Total	Ps.	1,045,032	Ps.	1,083,283

NOTE 12 – EMPLOYEE BENEFITS

The detail of the balance of liabilities for employee benefits as of March 31, 2024 and December 31, 2023 is as follows:

		March 31, 2024		December 31, 2023
Short term	Ps.	404,255	Ps.	385,296
Post-employment		377,928		380,207
Long term		161,800		159,329
Total	Ps.	943,983	Ps.	924,832
Plan Asset	Ps.	(17,150)	Ps.	(17,024)
Net employee benefits	Ps.	926,833	Ps.	907,808

NOTE 13 – OTHER LIABILITIES

Other liabilities comprise the following for the periods ended March 31, 2024, and December 31, 2023:

Others		March 31, 2024		December 31, 2023
Income received for third parties ⁽¹⁾	Ps.	3,754,201	Ps.	3,399,759
Suppliers and services payable		3,238,745		3,474,177
Dividends payable		1,317,477		527,984
Withholdings taxes and labor contributions		525,609		703,380
Contract liability related to concessions		516,677		530,300
Commissions and fees		433,426		411,478
Cashier checks		271,978		655,854
Collection on behalf of third parties		235,024		334,963
Transactions ATH and ACH ⁽²⁾		207,157		939,341
Cash surplus		126,717		133,774
Insurance payables		125,607		117,371
Collection service		91,750		106,089
Checks drawn and not paid		77,145		70,791
Value added tax - VAT		42,419		75,098
Canceled accounts		34,840		34,782
Financial transactions tax		28,230		52,106
Anticipated income		22,688		17,566
Customer loyalty programs		14,515		14,784
Other liabilities		174,632		354,843
Total other liabilities	Ps.	11,238,837	Ps.	11,954,440

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Due to the advance payments made by Agencia Nacional de Infraestructura (ANI) which correspond to the resources of the autonomous patrimony of future validities, collection of tolls and financial returns.

- (1) A Toda Hora S.A. – ATH y ACH Colombia S.A. are entities that administer low-value payment systems that are in charge of supporting entities for clearing transactions that are carried out through electronic channels.

The following table details the distribution of the other liabilities to be cancelled within twelve months, and those to be cancelled after twelve.

Others		March 31, 2024	December 31, 2023
Liabilities to be canceled within twelve months	Ps.	7,415,431 Ps.	8,800,905
Liabilities to be canceled after twelve months		3,823,406	3,153,535
Total	Ps.	11,238,837 Ps.	11,954,440

NOTE 14 – EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

Transaction with non-controlling interest

During the month of March 2024; the subsidiary Corficolombiana approved the payment of an exclusive cash dividend on the preferred shares outstanding as of December 31, 2023 at a rate of Ps. 1,135 pesos per share for a total of Ps. 21,823 million. No subsidiary of the Group has this type of shares over Corficolombiana; consequently, they do not have the right of receive these dividends. This transaction with preferred shares did not present any change in the percentages of shareholders' participation.

Declared dividends

The dividends are declared and paid to shareholders based on unconsolidated net income for the immediately preceding period.

The dividends decreed for Owners of the parent were as follows:

		December 31, 2023		December 31, 2022
Profits of the immediately preceding period determined in the separate financial statements of Grupo Aval.	Ps.	723,037	Ps.	2,541,179
Occasional reserve release at the disposal of the General Meeting of Shareholders		7,220,883		5,705,421
Total income available for disposal of the General Meeting of Shareholders	Ps.	7,943,920	Ps.	8,246,600
Dividends declared		To distribute a cash profit of Ps. 2.00 per share per month during the months of April 2024 to March 2025, both months included over 23,743,475,754 shares subscribed and paid as of the date of this meeting.		To distribute a cash profit of Ps. 3.60 per share per month during the months of April 2023 to March 2024, both months included over 23,743,475,754 shares subscribed and paid as of the date of this meeting.
Total shares outstanding		23,743,475,754		23,743,475,754
Total dividends decreed for controlling interests	Ps.	569,843	Ps.	1,025,718
To occasional reserve at the disposal of General Meeting of Shareholders	Ps.	7,374,077	Ps.	7,220,882

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Earnings per share calculation

		For the three-months period ended March, 31	
		2024	2023
Net income for the year	Ps.	473,242	Ps. 1,047,254
Less: participation of non- controlling interests		(359,499)	(622,164)
Net income attributable to owners of the parent	Ps.	113,743	Ps. 425,090
Less: preferred dividends declared		—	—
Less: Allocation of undistributed earnings to preferred stockholders ⁽¹⁾⁽²⁾		(36,129)	(134,987)
Net Income allocated to common shareholders for basic and diluted EPS	Ps.	77,614	Ps. 290,103
Weighted average number of common shares outstanding used in basic EPS calculation ⁽²⁾		16,201,712,499	16,203,780,161
Basic and Diluted earnings per share to common shareholders (pesos)		4.79	17.90
Weighted average of the common and preferred shares used in the calculation of net income for basic shares (common and preferential)		23,743,475,754	23,743,475,754
Basic net income of the owners of the parent per share	Ps.	4.79	Ps. 17.90

(1) Based on average number of preferred shares

(2) Average based on the number of shares at the end of the month, preferred or common.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Capital expenses commitments

As of March 31, 2024, and December 31, 2023, Grupo Aval and its subsidiaries had contractual disbursement commitments to disburse capital expenditures for tangible assets for a value of Ps. 10,466 and Ps. 11,205 respectively and intangibles assets for Ps. 70,869 and Ps. 45,043 respectively.

Contingencies

As of March 31, 2024, and December 31, 2023, Grupo Aval and its subsidiaries attended administrative and legal proceedings as defendant; the claims of the proceedings were assessed based on analyses and opinion-s of responsible lawyers. The following legal contingencies were determined:

I. Labor Proceeding:

As of March 31, 2024, and December 31, 2023, labor complaints had been recognized for Ps. 137,027 and Ps. 124,012 respectively. Historically, many of these proceedings have been resolved in favor of Grupo Aval and its subsidiaries.

II. Civil Proceedings:

As of March 31, 2024, and December 31, 2023, the result of the assessment of the claims its of legal proceedings for civil suits, not including those with remote probability, reached an amount of Ps. 350,428 and Ps. 344,152.

III. Administrative and Tax Proceedings:

Claims derived from administrative and judicial processes include those of fiscal responsibility over concession contracts, tax proceedings and other, filed by national and local tax authorities. These authorities may establish, in some cases, sanctions in which Grupo Aval and its subsidiaries may incur as a result of: (i) the performance of their duty as a withholder or collector of national and local taxes, and/or (ii) the obligation to pay a higher tax amount in their condition of taxpayers. As of March 31, 2024, the outstanding balances recognized for these claims amounted to Ps. 328,199 and December 31, 2023, these amounted to Ps. 330,126.

NOTE 16 – NET INCOME FROM COMMISSIONS AND FEES

Below is a detail of the income and expenses from contracts with customers for:

Income from commissions and fees	For the period of three-months ended March 31,	
	2024	2023
Banking service fees	Ps. 412,156	Ps. 406,687
Debit and credit card fees	254,566	242,261
Pension and severance fund management	281,863	249,958
Trust activities and portfolio management services	120,258	122,869
Bonded warehouse services	45,817	47,322
Commissions on transfers, checks and checkbooks	5,071	6,093
Office network services	4,588	6,529
Other commissions and fees	2,538	2,811
Total income from commissions and fees	Ps. 1,126,857	Ps. 1,084,530

Commissions and fees expenses	For the period of three-months ended March 31,	
	2024	2023
Banking services	Ps. (146,442)	Ps. (136,634)
Commissions for sales and services	(56,573)	(66,141)
Affiliations to pension funds	(15,584)	(20,902)
Information processing services of operators	(8,233)	(6,924)
Offices Network Services	(5,003)	(7,059)
Other	(2,743)	(4,567)
Total Commissions and fees expenses	(234,578)	(242,227)
Net income from commissions and fees	Ps. 892,279	Ps. 842,303

Income from sales of goods and services	For the period of three-months ended March 31,	
	2024	2023
Energy and gas E&G	Ps. 1,528,001	Ps. 1,426,223
Infrastructure	768,606	1,226,566
Hotels	155,487	151,985
Agribusiness	74,375	63,329
Other Services	66,018	59,379
Total Income from sales of goods and services	Ps. 2,592,487	Ps. 2,927,482

Costs and expenses of sales goods and services	For the period of three-months ended March 31,	
	2024	2023
Cost of sales of companies from non-financial sector	Ps. (1,245,555)	Ps. (1,271,948)
General and administrative expenses	(192,321)	(194,496)
Personnel expenses	(161,367)	(149,487)
Amortization	(98,494)	(81,130)
Allowance for impairment of loans and receivables	(22,111)	(14,973)
Depreciation	(20,774)	(22,925)
Depreciation right of use assets	(10,230)	(8,932)
Commissions and fees expenses	(9,816)	(10,317)
Bonus payments	(4,318)	(4,499)
Donations expenses	(3,529)	(3,767)
Labor severances	(561)	(1,369)
Total Costs and expenses of sales goods and services	Ps. (1,769,076)	Ps. (1,763,843)
Net income from sales goods and services	Ps. 823,411	Ps. 1,163,639

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NOTE 17 – NET TRADING INCOME

Net trading income includes income from debt and equity securities, cross currency and bond derivatives:

	For the three-months periods ended March 31,			
	2024		2023	
Trading investment income ⁽¹⁾				
Fixed income securities	Ps.	118,969	Ps.	316,381
Equities		182,472		274,597
Total trading investment income	Ps.	301,441	Ps.	590,978
Derivatives loss				
Net loss on financial derivatives ⁽²⁾		29,054		(673,941)
Other trading income ⁽³⁾		(86,864)		1,683
Total derivatives loss	Ps.	(57,810)	Ps.	(672,258)
Total net trading loss	Ps.	243,631	Ps.	(81,280)

- (1) Includes net trading income from investment securities held for trading, which reflects the interest from investment in debt securities, gains/losses from mark-to-market valuation from investment in equity and debt securities and net income from trading activities.
- (2) Includes net trading income from trading derivatives, which reflects the gains/losses from mark-to-market valuation on trading derivatives.
- (3) Includes gains/losses from: (i) Net changes in the valuation of hedging derivatives from mark-to-market valuations from unhedged, (ii) the ineffective portion of the hedge, and (iii) Transfers of due hedging derivatives from OCI to the statement of income.

NOTE 18 – OTHER INCOME AND EXPENSES

Below is the detail of the others income and expense:

Other Income	For the period of three-months ended March 31,			
	2024		2023	
Dividends	Ps.	134,360	Ps.	119,767
Share of profit of equity accounted investees, net of tax		91,142		94,738
Net gain (loss) on sale of debt securities		53,401		27,544
Foreign exchange loss, net ⁽¹⁾		31,873		488,545
Gain on sale of assets properties, plant and equipment		25,963		4,679
Net gain (loss) on asset valuation		8,053		9
Gain on the sale of non-current assets held for sale		3,897		1,063
Other income		60,738		139,525
Total other income	Ps.	409,427	Ps.	875,870

- (1) For the three- months ended March 31, 2024; the closing TRM presented a variation of Ps. 20.25 per dollar and for 2023 it was Ps. (164.12) per dollar.

Other expense	For the period of three-months ended March 31,			
	2024		2023	
Personnel expenses	Ps.	(768,846)	Ps.	(773,373)
Taxes and fees		(311,132)		(287,857)
Insurance		(167,375)		(151,953)
Consultancy, audit and other fees		(116,451)		(126,628)
Maintenance and repairs		(108,037)		(108,030)
Amortization of intangible assets		(59,898)		(59,082)
Depreciation right of use assets		(57,355)		(51,447)
Depreciation of tangible assets		(55,366)		(56,068)
Affiliation contributions and transfers		(49,492)		(79,713)
Marketing		(44,928)		(36,947)
Warehouse services		(37,475)		(37,032)
Leases (Rent)		(37,338)		(38,051)
Transportation services		(25,330)		(24,570)
Data processing		(21,141)		(21,252)

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Other expense	For the period of three-months ended March 31,	
	2024	2023
Losses due to claims	(20,562)	(14,701)
Cleaning and security services	(19,115)	(18,802)
Outsourcing services	(14,492)	(17,658)
Supplies and stationary	(8,747)	(12,666)
Donations expenses	(7,315)	(11,607)
Loss from sale of property and equipment	(6,575)	(4,246)
Travel expenses	(4,659)	(4,855)
Adaptation and installation	(3,929)	(4,549)
Impairment losses other assets	(974)	(376)
Loss from sale of non-current assets held for sale	(443)	(198)
Other	(147,652)	(135,350)
Total other expense	Ps. (2,094,627)	Ps. (2,077,011)

NOTE 19 – ANALYSIS OF OPERATING SEGMENTS

Operating segments are components of Grupo Aval responsible for developing commercial activities that can generate revenue or incur expenses and whose operating profit or loss are regularly reviewed by the chief operating decision maker (“CODM”) of Grupo Aval, and for which financial information is available. Operating segment information is consistent with the internal reports provided to the CODM.

19.1. Description of the products and services from which each reportable segment derives its revenues

Grupo Aval is organized into four operating segments, which comprise the types of business detailed below:

- The “Banking Services” segment comprises the following businesses: Banking Services, fund management and trust businesses, storage companies and entities that manage low-value payment systems.
- The “Merchant Banking” segment comprises the following businesses: Financial Sector (trust and brokerage), Gas and Energy Sector (includes natural gas and energy transportation and distribution businesses), Infrastructure Sector (includes road infrastructure projects, mainly construction services, and operation and maintenance), Hotel Sector (mainly includes hospitality services), Agribusiness Sector (mainly includes palm oil, rubber and rice businesses).
- "Pension and Severance Fund Management" segment.
- “Holding” segment, which is made up of Grupo Aval (Separate Financial Statement) and Grupo Aval Limited.

19.2. Factors used by management to identify reportable segments

Operating segments identified above are based on the relevance of the nature of the products and services provided. The information on the performance of the operating segments is reviewed by the CODM on a quarterly basis.

19.3 Measurement of net income, assets and liabilities of operating segments

Grupo Aval’s CODM reviews the financial information of each of its operating segments and assesses the performance of each segment based on Statements of Financial Position and the Statement of Income of each of them, and on certain credit risk indicators.

19.4 Information on net income, assets and liabilities of reportable operating segments

Following is the detail of the reportable financial information summarized for each segment as of March 31, 2024 and December 31, 2023:

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**Statement of Financial
Position March 31, 2024**

	Banking Services		Merchant Banking		Pension and Severance Fund Administration		Holding ⁽¹⁾		Eliminations		Total	
Assets												
Trading assets	Ps.	9,068,781	Ps.	4,093,401	Ps.	2,289,556	Ps.	268	Ps.	(67,548)	Ps.	15,384,458
Investment securities		30,089,212		4,499,698		461,886		2,292,024		(782,774)		36,560,046
Hedging derivatives assets		56,147		2,783		—		—		—		58,930
Investments in associates and joint ventures		11,821,706		853,789		—		18,705,939		(30,257,523)		1,123,911
Loans, net		177,171,474		2,685,198		—		1,245,165		(2,630,881)		178,470,956
Other Assets		30,820,942		45,733,569		865,702		796,129		(2,922,648)		75,293,694
Total Assets	Ps.	259,028,262	Ps.	57,868,438	Ps.	3,617,144	Ps.	23,039,525	Ps.	(36,661,374)	Ps.	306,891,995
Liabilities												
Customer Deposits	Ps.	184,259,407	Ps.	8,414,815	Ps.	1,280	Ps.	—	Ps.	(3,463,314)	Ps.	189,212,188
Financial Obligations		42,665,644		20,977,304		63,556		5,498,587		(3,119,431)		66,085,660
Other Liabilities		7,041,687		12,709,831		804,484		693,288		(731,180)		20,518,110
Total Liabilities	Ps.	233,966,738	Ps.	42,101,950	Ps.	869,320	Ps.	6,191,875	Ps.	(7,313,925)	Ps.	275,815,958

(1) Includes Grupo Aval and Grupo Aval Limited.

**Statement of Financial
Position December 31,
2023**

	Banking Services		Merchant Banking		Pension and Severance Fund Administration		Holding ⁽¹⁾		Eliminations		Total	
Assets												
Trading assets	Ps.	8,987,130	Ps.	4,339,052	Ps.	2,197,618	Ps.	256	Ps.	(72,935)	Ps.	15,451,121
Investment securities		28,140,335		4,323,998		470,474		2,359,521		(868,635)		34,425,693
Hedging derivatives assets		47,975		687		—		—		—		48,662
Investments in associates and joint ventures		11,825,193		997,597		—		19,060,746		(30,592,853)		1,290,683
Loans, net		174,849,356		2,660,449		—		1,239,785		(2,581,535)		176,168,055
Other Assets		30,346,277		44,959,411		903,887		411,537		(2,823,730)		73,797,382
Total Assets	Ps.	254,196,266	Ps.	57,281,194	Ps.	3,571,979	Ps.	23,071,845	Ps.	(36,939,688)	Ps.	301,181,596
Liabilities												
Customer Deposits	Ps.	177,750,657	Ps.	8,169,647	Ps.	1,287	Ps.	—	Ps.	(3,934,195)	Ps.	181,987,396
Financial Obligations		41,562,702		21,455,386		97,565		5,512,298		(3,086,612)		65,541,339
Other Liabilities		9,258,820		12,134,042		601,505		382,088		(244,010)		22,132,445
Total Liabilities	Ps.	228,572,179	Ps.	41,759,075	Ps.	700,357	Ps.	5,894,386	Ps.	(7,264,817)	Ps.	269,661,180

(1) Includes Grupo Aval and Grupo Aval Limited.

Statement of Income for the period of three-months ended March 31, 2024

	Banking Services		Merchant Banking		Pension and Severance Fund Administration		Holding ⁽¹⁾		Eliminations		Total	
External Income												
Interest income	Ps.	6,862,623	Ps.	280,321	Ps.	10,216	Ps.	83,032	Ps.	—	Ps.	7,236,192
Income from commissions and fees ⁽²⁾		809,400		35,490		281,967		—		—		1,126,857
Income from sales of goods and services ⁽²⁾		31,572		2,541,638		19,277		—		—		2,592,487
Share of profit of equity accounted investees, net of tax		15,657		75,476		—		9		—		91,142
Dividends		5,600		128,760		—		—		—		134,360
Net income from other financial instruments mandatory at fair value through profit or loss		—		104,484		—		—		—		104,484
Net trading income		103,045		66,266		74,306		14		—		243,631
Foreign exchange loss, net		40,547		(12,534)		3,889		(29)		—		31,873

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Statement of Income for the period of three-months ended March 31, 2024

	Banking Services		Merchant Banking		Pension and Severance Fund Administration		Holding ⁽¹⁾		Eliminations		Total	
Other Income		148,905		990		1,934		223		—		152,052
Total external income	Ps.	8,017,349	Ps.	3,220,891	Ps.	391,589	Ps.	83,249	Ps.	—	Ps.	11,713,078
Intersegment Income												
Interest income	Ps.	100,115	Ps.	16,744	Ps.	314	Ps.	8,979	Ps.	(126,152)	Ps.	—
Income from commissions and fees ⁽²⁾		9,025		650		53		71,248		(80,976)		—
Income from sales of goods and services ⁽²⁾		6,021		381		2,623		—		(9,025)		—
Share of profit of equity accounted investees, net of tax		228,408		125		—		90,609		(319,142)		—
Net trading income		4		135		(300)		—		161		—
Other Income		7,364		13,951		561		51		(21,927)		—
Total intersegment income		351,635		34,232		3,251		170,887		(560,005)		—
Total income	Ps.	8,368,984	Ps.	3,255,123	Ps.	394,840	Ps.	254,136	Ps.	(560,005)	Ps.	11,713,078
Expenses												
Interest expense	Ps.	(4,769,285)	Ps.	(817,194)	Ps.	(2,452)	Ps.	(97,372)	Ps.	130,467	Ps.	(5,555,836)
Net impairment loss on financial assets		(1,349,591)		(10,404)		(323)		12		246		(1,360,060)
Depreciations and amortizations		(163,761)		(3,892)		(4,944)		(452)		430		(172,619)
Expenses from commissions and fees		(211,955)		(4,396)		(26,800)		(95)		8,668		(234,578)
Costs and expenses of sales goods and services		(114,309)		(1,638,910)		(20,005)		—		4,148		(1,769,076)
Personnel expenses		(675,299)		(39,173)		(43,817)		(10,565)		8		(768,846)
Administrative Expenses		(1,046,103)		(46,712)		(63,823)		(12,222)		80,002		(1,088,858)
Income tax expense		122,678		(272,196)		(62,267)		(13,884)		10		(225,659)
Other expense		(56,497)		(676)		(7,088)		(19)		(24)		(64,304)
Total Expenses		(8,264,122)		(2,833,553)		(231,519)		(134,597)		223,955		(11,239,836)
Net income	Ps.	104,862	Ps.	421,570	Ps.	163,321	Ps.	119,539	Ps.	(336,050)	Ps.	473,242

(1) Includes Grupo Aval and Grupo Aval Limited.

(2) Income from contracts with customer for commission and fee, see note 16.

Statement of Income for three-months ended March 31, 2024

	Banking Services		Merchant Banking		Pension and Severance Fund Administration		Holding ⁽¹⁾		Eliminations		Total	
Revenue from contracts with customers ⁽²⁾	Ps.	856,018	Ps.	2,578,159	Ps.	303,920	Ps.	71,248	Ps.	(90,001)	Ps.	3,719,344
Timing of revenue recognition												
At a point in time		34,424		110,609		19,510		71,248		(74,436)		161,355
Over time		821,594		2,467,550		284,410		—		(15,565)		3,557,989

(1) Includes Grupo Aval and Grupo Aval Limited.

(2) Income from contracts with customer for commission and fee, see note 16.

Statement of Income for the period of three-months ended March 31, 2023

	Banking Services		Merchant Banking		Pension and Severance Fund Administration		Holding ⁽¹⁾		Eliminations		Total	
External Income												
Interest income	Ps.	6,588,397	Ps.	283,052	Ps.	41,395	Ps.	95,480	Ps.	—	Ps.	7,008,324
Income from commissions and fees ⁽²⁾		801,735		34,626		248,169		—		—		1,084,530
Income from sales of goods and services ⁽²⁾		23,502		2,884,821		19,159		—		—		2,927,482
Share of profit of equity accounted investees, net of tax		12,398		82,469		—		(129)		—		94,738

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Statement of Income for the period of three-months ended March 31, 2023

	Banking Services	Merchant Banking	Pension and Severance Fund Administration	Holding ⁽¹⁾	Eliminations	Total
Dividends	5,714	114,053	—	—	—	119,767
Net income from other financial instruments mandatory at fair value through profit or loss	—	93,949	—	—	—	93,949
Net trading income	(265,398)	72,226	111,860	32	—	(81,280)
Foreign exchange loss, net	344,079	141,043	3,293	130	—	488,545
Other Income	165,072	6,024	1,458	266	—	172,820
Total external income	Ps. 7,675,499	Ps. 3,712,263	Ps. 425,334	Ps. 95,779	Ps. —	Ps. 11,908,875
Intersegment Income						
Interest income	Ps. 85,203	Ps. 55,018	Ps. (135)	Ps. 6,945	Ps. (147,031)	Ps. —
Income from commissions and fees ⁽²⁾	4,820	383	1,842	79,014	(86,059)	—
Income from sales of goods and services ⁽²⁾	6,781	271	1,214	—	(8,266)	—
Share of profit of equity accounted investees, net of tax	419,784	72	—	415,231	(835,087)	—
Dividends	453	1,444	—	—	(1,897)	—
Net trading income	—	3,299	3,213	—	(6,512)	—
Other Income	4,871	—	660	210	(5,741)	—
Total intersegment income	521,912	60,487	6,794	501,400	(1,090,593)	—
Total income	Ps. 8,197,411	Ps. 3,772,750	Ps. 432,128	Ps. 597,179	Ps. (1,090,593)	Ps. 11,908,875
Expenses						
Interest expense	Ps. (4,614,153)	Ps. (860,820)	Ps. (22,601)	Ps. (113,377)	Ps. 151,451	Ps. (5,459,500)
Net impairment loss on financial assets	(785,897)	(7,257)	6,357	380	(72)	(786,489)
Depreciations and amortizations	(159,798)	(3,452)	(3,398)	(398)	449	(166,597)
Expenses from commissions and fees	(210,915)	(4,328)	(33,138)	(81)	6,235	(242,227)
Costs and expenses of sales goods and services	(112,700)	(1,634,812)	(18,473)	—	2,142	(1,763,843)
Personnel expenses	(671,894)	(36,389)	(55,702)	(9,394)	6	(773,373)
Administrative Expenses	(1,048,172)	(34,230)	(59,609)	(31,711)	86,499	(1,087,223)
Income tax expense	(49,780)	(419,706)	(47,769)	(17,291)	1,995	(532,551)
Other expense	(36,601)	(6,573)	(6,614)	(22)	(8)	(49,818)
Total Expenses	(7,689,910)	(3,007,567)	(240,947)	(171,894)	248,697	(10,861,621)
Net income	Ps. 507,501	Ps. 765,183	Ps. 191,181	Ps. 425,285	Ps. (841,896)	Ps. 1,047,254

(1) Includes Grupo Aval and Grupo Aval Limited.

(2) Income from contracts with customer for commission and fee, see note 16.

Statement of Income for the period three-months ended March 31, 2023

	Banking Services	Merchant Banking	Pension and Severance Fund Administration	Holding ⁽¹⁾	Eliminations	Total
Revenue from contracts with customers ⁽²⁾	Ps. 836,838	Ps. 2,920,101	Ps. 270,384	Ps. 79,014	Ps. (94,325)	Ps. 4,012,012
Timing of revenue recognition						
At a point in time	35,783	84,650	17,941	79,014	(81,783)	135,605
Over time	801,055	2,835,451	252,443	—	(12,542)	3,876,407

(1) Include Grupo Aval and Grupo Aval Limited.

(2) Income from contracts with customer for commission and fee, see note 16.

Reconciliation of net income, assets and liabilities of reportable operating segments

Main eliminations of total income, expenses, assets and liabilities between segments with the corresponding consolidated entries at the level of Grupo Aval are:

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- Loans and financial obligations.
- Investments in term deposits and outstanding bonds of in other segments.
- Investments in subordinates elimination and record of non- controlling interests.
- Leases and commissions pay between entities of Grupo Aval.
- Expenses and incomes from commissions

19.5 Income by Country

The following tables report revenue by country for the three-months ended March 31, 2024 and 2023:

Statement of Income for the period of three-months ended March 31, 2024	Country						Total income
	Colombia	Panamá	Barbados	Perú	Other countries ⁽¹⁾		
Interest income	Ps. 6,755,717	Ps. 453,395	Ps. 16,388	Ps. 10,687	Ps. 5	Ps. 7,236,192	
Income from commissions and fees	1,091,602	34,693	557	—	5	1,126,857	
Commissions on banking services	383,210	28,384	557	—	5	412,156	
Pension and severance fund management	281,863	—	—	—	—	281,863	
Fees on credit cards	248,379	6,187	—	—	—	254,566	
Trust activities	120,258	—	—	—	—	120,258	
Storage services	45,817	—	—	—	—	45,817	
Commissions on drafts, checks and checkbooks	4,949	122	—	—	—	5,071	
Office network services	4,588	—	—	—	—	4,588	
Other commissions	2,538	—	—	—	—	2,538	
Share of profit of equity accounted investees, net of tax	91,142	—	—	—	—	91,142	
Dividends	132,496	1,864	—	—	—	134,360	
Income from sales of goods and services	2,413,808	—	—	178,679	—	2,592,487	
Energy and gas E&G	1,353,684	—	—	174,317	—	1,528,001	
Infrastructure	768,606	—	—	—	—	768,606	
Hotels	151,125	—	—	4,362	—	155,487	
Agribusiness	74,375	—	—	—	—	74,375	
Other Services	66,018	—	—	—	—	66,018	
Other income	482,501	47,109	123	2,292	15	532,040	
Total income	Ps. 10,967,266	Ps. 537,061	Ps. 17,068	Ps. 191,658	Ps. 25	Ps. 11,713,078	

⁽¹⁾ Costa Rica and Grand Cayman.

Statement of Income for the period three-months ended March 31, 2023	Country						Total income
	Colombia	Panamá	Barbados	Perú	Other countries ⁽¹⁾		
Interest income	Ps. 6,518,696	Ps. 463,034	Ps. 14,987	Ps. 11,480	Ps. 127	Ps. 7,008,324	
Income from commissions and fees	1,044,157	39,769	535	39	30	1,084,530	
Commissions on banking services	372,605	33,478	535	39	30	406,687	
Pension and severance fund management	249,958	—	—	—	—	249,958	
Fees on credit cards	236,113	6,148	—	—	—	242,261	
Trust activities	122,869	—	—	—	—	122,869	
Storage services	47,322	—	—	—	—	47,322	
Commissions on drafts, checks and checkbooks	5,950	143	—	—	—	6,093	
Office network services	6,529	—	—	—	—	6,529	
Other commissions	2,811	—	—	—	—	2,811	
Share of profit of equity accounted investees, net of tax	94,738	—	—	—	—	94,738	
Dividends	117,991	1,776	—	—	—	119,767	
Income from sales of goods and services	2,710,042	—	—	217,440	—	2,927,482	
Energy and gas E&G	1,214,274	—	—	211,949	—	1,426,223	
Infrastructure	1,226,566	—	—	—	—	1,226,566	
Hotels	146,494	—	—	5,491	—	151,985	
Agribusiness	63,329	—	—	—	—	63,329	
Other Services	59,379	—	—	—	—	59,379	
Other income	636,052	34,763	(502)	3,729	(8)	674,034	
Total income	Ps. 11,121,676	Ps. 539,342	Ps. 15,020	Ps. 232,688	Ps. 149	Ps. 11,908,875	

⁽¹⁾ Costa Rica and Grand Cayman.

NOTE 20 – TRANSFERS OF FINANCIAL ASSETS

Grupo Aval and its subsidiaries enter into transactions in the normal course of business by which it transfers financial assets to third parties. Depending on the circumstances, these transfers may either result in these financial assets being derecognized or continuing to be recognized.

A. Transferred financial assets not qualifying for full derecognition

i. Sale and repurchase agreements

The debt securities of financial investments at fair value through profit or loss that are being used as guarantees in repurchase transactions amounted to Ps. 4,474,963 as of March 31, 2024 and Ps. 2,853,286 as of December 31, 2023; the financial assets at amortized cost that are being used as guarantees in repurchase transactions amounted to Ps. 2,831,948 as of March 31, 2024 and Ps. 3,208,890 as of December 31, 2023 and the debt securities of financial investments at fair value through OCI that are being used as guarantees in repurchase transactions amounted to Ps. 9,743,828 as of March 31, 2024 and Ps. 10,786,312 as of December 31, 2023.

ii. Securities lending

As of March 31, 2024, and as of December 31, 2023, Grupo Aval has not recorded securities lending.

B. Transfer of financial assets that are derecognized in their entirety.

I. Securitizations

As of March 31, 2024 and as of December 31, 2023, Grupo Aval has not transferred financial assets to special purpose vehicles.

NOTE 21 – UNCONSOLIDATED STRUCTURED ENTITIES

The table below shows the total assets of unconsolidated structured entities in which Grupo Aval had an interest at the reporting date and its maximum exposure to loss in relation to those interests:

March 31, 2024	Grupo Aval's managed funds	funds managed by other entities (Nexus)	Total
Grupo Aval's interest-assets			
Investments at fair value through profit or loss	Ps. 3,743,467	Ps. 2,622,952	Ps. 6,366,419
Other account receivables	37,914	47	37,961
Total assets in relation to the Grupo Aval's interests in the unconsolidated structured entities	Ps. 3,781,381	Ps. 2,622,999	Ps. 6,404,380
Grupo Aval's maximum exposure (*)	Ps. 3,781,381	Ps. 2,622,999	Ps. 6,404,380

(*) Represent 2.09%, respectively of the Grupo Aval's managed funds total assets.

December 31, 2023	Grupo Aval's managed funds	funds managed by other entities (Nexus)	Total
Grupo Aval's interest-assets			
Investments at fair value through profit or loss	Ps. 3,680,026	Ps. 2,567,099	Ps. 6,247,125
Other account receivables	31,629	533	32,162
Total assets in relation to Grupo Aval's interests in the unconsolidated structured entities	Ps. 3,711,655	Ps. 2,567,632	Ps. 6,279,287
Grupo Aval's maximum exposure (*)	Ps. 3,711,655	Ps. 2,567,632	Ps. 6,279,287

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts expressed in millions of Colombian pesos)

(*) Represent 2.08%, respectively of the Grupo Aval's managed funds total assets.

NOTE 22 – RELATED PARTIES

Balances as of March 31, 2024, and December 31, 2023 with related parties, are detailed in the following tables:

	March 31, 2024		Entity		
	Individuals Individuals with control over Grupo Aval (*)	Key management personnel (*)	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Assets					
Cash and cash equivalents	Ps. —	Ps. —	Ps. —	Ps. 498	Ps. —
Financial assets in investments	—	—	1,399,057	2,018,958	—
Financial assets in credit operations	14,075	7,260	773,670 (**)	2,890,819	127,788
Accounts receivable	31	11	237,088	1,955,093	27
Other assets	—	—	23,380	42,766	16
Liabilities					
Deposits	Ps. 206,701	Ps. 27,890	Ps. 117,339	Ps. 1,591,685	Ps. 16,637
Accounts payables	1,288	512	25,511	698,782	4
Financial obligations	—	—	—	3,926	—
Others liabilities	—	—	1,940	12,689	—

(*) Include family members

(**) Includes two loans for Ps. 1,042,948 at 36 months with SOFR rate 3M + 3.5% and Ps. 202,217 months with IBR rate 3M + 4.5% granted to an entity controlled by the ultimate beneficial owner of the Group.

	December 31, 2023		Entity		
	Individuals Individuals with control over Grupo Aval (*)	Key management personnel (*)	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Assets					
Cash and cash equivalents	Ps. —	Ps. —	Ps. —	Ps. 863	Ps. —
Financial assets in investments	—	—	1,533,531	2,008,318	—
Financial assets in credit operations	14,141	7,537	742,607 (**)	2,884,514	138,645
Accounts receivable	28	12	34,908	1,945,671	68
Other assets	—	—	12,651	59,511	—
Liabilities					
Deposits	Ps. 187,385	Ps. 27,531	Ps. 95,101	Ps. 1,420,051	Ps. 15,432
Accounts payables	683	314	20,173	417,908	2
Financial obligations	85	1,237	3	4,774	—
Others liabilities	—	—	61	53	—

(*) Include family members

(**) Includes two loans for Ps. 1,037,413 at 36 months with SOFR rate 3M + 3.5% and Ps. 202,371 months with IBR rate 3M + 4.5% granted to an entity controlled by the ultimate beneficial owner of the Group.

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Amounts expressed in millions of Colombian pesos)

For the period of three-months ended March 31, 2024

	Individuals		Associates and joint ventures	Entity	
	Individuals with control over Grupo Aval (*)	Key management personnel (*)		Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 144	Ps. 132	Ps. 28,472	Ps. 144,082	Ps. 5,274
Fee income and commissions	1	52	6,679	38,351	9
Leases income	—	—	421	8	—
Other income	—	4	125,216	3,557	10
Financial expenses	Ps. (2,781)	Ps. (943)	Ps. (1,837)	Ps. (23,205)	Ps. (388)
Fee expenses and commissions	(1)	(816)	(22,022)	(718)	(8)
Operating expenses	(168)	(2,762)	(109)	(1,194)	—
Other expenses	(3)	—	(32,998)	(30,279)	—

(*) Include family members

For the period of three-months ended March 31, 2023

	Individuals		Associates and joint ventures	Entity	
	Individuals with control over Grupo Aval (*)	Key management personnel (*)		Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 139	Ps. 138	Ps. 18,270	Ps. 154,559	Ps. 6,136
Fee income and commissions	—	14	6,910	41,012	2
Leases income	—	—	375	—	—
Other income	1	2	131,365	6,969	6
Financial expenses	Ps. (1,260)	Ps. (704)	Ps. (4,295)	Ps. (20,876)	Ps. (71)
Fee expenses and commissions	(1)	(592)	(18,724)	(1,198)	(20)
Operating expenses	(201)	(3,121)	(71)	(785)	—
Other expenses	(3)	—	(48,599)	(24,490)	—

(*) Include family members

Compensation of key management personnel

The compensation received by the key personnel of the management comprises the following:

	Three-months ended in	
	March 31, 2024	March 31, 2023
Salaries	Ps. 8,451	Ps. 8,389
Short term benefits for employees	584	873
Fee	260	509
Total	Ps. 9,295	Ps. 9,771

NOTE 23 SUBSEQUENT EVENTS

On May 13, 2024, Banco de Occidente signed a contract for the issuance and subscription of subordinated bonds under REG S format as follows:

- a. The total amount of the bond issue was USD 175,000,000. The bonds will be issued in a single lot composed of a single series which will be denominated in United States dollars currency.
- b. The bonds will have a capital redemption period of ten (10.25) years (“Redemption Date”) and an early redemption call date in the fifth (5th) year from the date of issuance and subscription.

The Bonds will accrue a fixed interest rate in dollars of 10.875% semi-annually due, from the date of issue and subscription on the principal balances.