

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>June 30, 2022</u>	<u>December 31, 2021</u>
Assets			
Cash and cash equivalents	Ps.	21,441,110 Ps.	36,642,829
Trading assets		10,888,431	10,986,770
Investment securities		31,690,535	44,664,373
Hedging derivative assets	4	49,080	44,248
Loans, net	4	159,651,929	220,297,825
Other accounts receivable, net		20,799,022	19,027,205
Non-current assets held for sale		144,863	208,426
Investments in associates and joint ventures	6	4,882,001	1,172,829
Tangible assets	7	7,043,861	9,100,553
Concessions	8	12,032,212	11,098,116
Goodwill	9	2,234,890	8,486,560
Other Intangibles		1,769,215	1,886,042
Income tax assets		2,956,663	2,607,673
Other assets		527,229	680,476
Total assets	Ps.	276,111,041 Ps.	366,903,925
Liabilities and equity			
Liabilities			
Trading liabilities	4 Ps.	1,893,758 Ps.	1,049,910
Hedging derivative liabilities	4	5,828	55,813
Customer deposits	4	160,029,327	234,470,421
Financial obligations	4	68,653,662	73,282,326
Provisions	11	1,076,024	1,150,261
Income tax liabilities		4,631,267	4,714,714
Employee benefits	12	846,280	1,163,076
Other liabilities	13	8,825,337	11,545,757
Total liabilities	Ps.	245,961,483 Ps.	327,432,278
Equity			
Owners of the parent:			
Subscribed and paid-in capital	14 Ps.	23,744 Ps.	22,281
Additional paid-in capital		9,586,347	8,490,799
Retained earnings		7,944,227	13,383,391
Other comprehensive income		(1,134,354)	1,117,182
Equity attributable to owners of the parent		16,419,964	23,013,653
Non-controlling interest		13,729,594	16,457,994
Total equity		30,149,558	39,471,647
Total liabilities and equity	Ps.	276,111,041 Ps.	366,903,925

The accompanying notes are an integral part of the 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 June 30,		For the six-months periods ended June 30,	
		2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Continuing operations					
Interest income		Ps. 4,286,674	Ps. 3,144,372	Ps. 8,046,465	Ps. 6,256,170
Interest expense		(2,312,320)	(1,093,033)	(3,991,500)	(2,178,639)
Net interest income		1,974,354	2,051,339	4,054,965	4,077,531
Net impairment loss on financial assets		(566,799)	(751,254)	(1,262,221)	(1,589,999)
Net interest income, after impairment losses		1,407,555	1,300,085	2,792,744	2,487,532
Income from commissions and fees		912,818	895,919	1,907,893	1,829,779
Expenses from commissions and fees		(215,488)	(164,818)	(500,524)	(342,439)
Net income from commissions and fees	16	697,330	731,101	1,407,369	1,487,340
Income from sales of goods and services		3,231,601	2,668,500	5,899,491	5,041,955
Costs and expenses of sales goods and services		(1,790,801)	(1,727,639)	(3,438,097)	(3,330,426)
Gross profit from sales of goods and services	16	1,440,800	940,861	2,461,394	1,711,529
Net trading income	17	481,492	262,447	194,147	452,057
Net income from other financial instruments mandatorily at fair value through profit or loss		68,429	62,818	142,337	144,458
Other income	18	(390,668)	79,406	402,616	219,602
Other expenses	18	(1,754,564)	(1,642,029)	(3,434,041)	(3,190,172)
Net income before tax expense		1,950,374	1,734,689	3,966,566	3,312,346
Income tax expense		(564,290)	(440,440)	(1,197,240)	(932,354)
Net income from continuing operations		Ps. 1,386,084	Ps. 1,294,249	Ps. 2,769,326	Ps. 2,379,992
Discontinued operations					
Net income from discontinued operations	1.1. ,1.2	Ps. -	Ps. 420,763	Ps. 1,597,512	Ps. 786,609
Net income		Ps. 1,386,084	Ps. 1,715,012	Ps. 4,366,838	Ps. 3,166,601
Net income attributable to owners of the parent					
Net income for the period from continuing operations		675,488	660,266	1,307,119	1,200,563
Net income for the period from discontinued operations	1.1.	-	289,218	1,098,073	540,688
Owners of the parent		Ps. 675,488	Ps. 949,484	Ps. 2,405,192	Ps. 1,741,251
Net income attributable to non-controlling interests					
Net income for the period from continuing operations		710,596	633,983	1,462,207	1,179,429
Net income for the period from discontinued operations	1.1.	-	131,545	499,439	245,921
Non-controlling interests		Ps. 710,596	Ps. 765,528	Ps. 1,961,646	Ps. 1,425,350
Net Income		Ps. 1,386,084	Ps. 1,715,012	Ps. 4,366,838	Ps. 3,166,601
Net income per share basic and diluted (in Colombian pesos)	14	Ps. 29.65	Ps. 42.61	Ps. 106.75	Ps. 78.15

(1) The information was modified considering the discontinued operation see note 1.1.

The accompanying notes are an integral part of the 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 periods ended June 30,		For the three-months periods ended June 30,	
		2022	2021	2022	2021
Net income		Ps. 1,386,083	Ps. 1,715,012	Ps. 4,366,838	Ps. 3,166,601
Other comprehensive income					
Items that may be reclassified to profit or loss					
Net gain (loss) on hedges of net investments in foreign operations					
Foreign currency translation differences from hedged foreign operations	5	673,207	338,415	(6,832,516)	1,511,467
Hedging derivative instrument	5	(881)	(51,306)	4,051,829	(227,509)
Hedging non-derivative instrument	5	(567,720)	(163,391)	2,589,366	(730,232)
Cash flow hedges		1,460	1,734	(4,242)	(746)
Foreign currency translation differences from unhedged foreign operations		113,035	(30,617)	1,145,900	(5,362)
Investments in associates and joint ventures		(124,896)	(1,376)	(128,427)	1,350
Unrealized (losses) gains on securities at FVOCI		(780,321)	51,035	(1,913,292)	(533,840)
Income tax		349,477	75,107	(2,027,578)	412,292
Total, items that may be reclassified to profit or loss		Ps. (336,639)	Ps. 219,601	Ps. (3,118,960)	Ps. 427,420
Items that will not be reclassified to profit or loss					
Revaluation investment properties		199	3,272	199	3,333
Unrealized losses on equity securities at FVOCI		(260,171)	(68,788)	(282,234)	(45,018)
Actuarial gains from defined benefit pension plans		46,782	11,704	80,409	11,704
Income tax		(20,287)	(14,509)	(31,245)	(16,831)
Total, items that will not be reclassified to profit or loss		Ps. (233,477)	Ps. (68,321)	Ps. (232,871)	Ps. (46,812)
Total other comprehensive income, net of taxes		(570,116)	151,280	(3,351,831)	380,608
Total comprehensive income		Ps. 815,967	Ps. 1,866,292	Ps. 1,015,007	Ps. 3,547,209
Total comprehensive income for the periods attributable to:					
Owners of the Group		293,739	1,063,632	153,656	1,983,028
Non-controlling interest		522,228	802,660	861,351	1,564,181
		Ps. 815,967	Ps. 1,866,292	Ps. 1,015,007	Ps. 3,547,209

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

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Consolidated Statement of Changes in Equity for the six-month periods ended June 30, 2022 and 2021
(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	
	Ps.		Ps.		Ps.		Ps.		Ps.		Ps.		Ps.	
Balance at December 31, 2020	Ps.	<u>22,281</u>	Ps.	<u>8,470,870</u>	Ps.	<u>11,302,134</u>	Ps.	<u>862,013</u>	Ps.	<u>20,657,298</u>	Ps.	<u>14,782,259</u>	Ps.	<u>35,439,557</u>
Issuance of shares		—		—		—		—		—		148		148
Dividends declared		—		—		(1,203,175)		—		(1,203,175)		(838,028)		(2,041,203)
Equity transactions		—		19,929		—		—		19,929		(19,929)		—
Preferred shares		—		—		(677)		—		(677)		(308)		(985)
Effect of realization of equity instruments		—		—		1,025		—		1,025		374		1,399
Other comprehensive income ⁽¹⁾		—		—		—		241,777		241,777		138,831		380,608
Withholding Tax over dividends		—		—		(1,603)		—		(1,603)		4,877		3,274
Net income		—		—		1,741,251		—		1,741,251		1,425,350		3,166,601
Balance at June 30, 2021	Ps.	<u>22,281</u>	Ps.	<u>8,490,799</u>	Ps.	<u>11,838,955</u>	Ps.	<u>1,103,790</u>	Ps.	<u>21,455,825</u>	Ps.	<u>15,493,574</u>	Ps.	<u>36,949,399</u>
	Ps.		Ps.		Ps.		Ps.		Ps.		Ps.		Ps.	
Balance at December 31, 2021	Ps.	<u>22,281</u>	Ps.	<u>8,490,799</u>	Ps.	<u>13,383,391</u>	Ps.	<u>1,117,182</u>	Ps.	<u>23,013,653</u>	Ps.	<u>16,457,994</u>	Ps.	<u>39,471,647</u>
Issuance of shares		1,463		1,082,307		—		—		1,083,770		572,136		1,655,906
Dividends declared in shared ⁽¹⁾		—		—		(1,083,770)		—		(1,083,770)		(572,007)		(1,655,777)
Dividends declared in cash		—		—		(119,405)		—		(119,405)		(550,390)		(669,795)
Equity transactions ⁽¹⁾		—		13,241		—		—		13,241		(13,241)		—
Spin Off ⁽²⁾		—		—		(6,638,961)		—		(6,638,961)		(3,019,613)		(9,658,574)
Effect of realization of equity instruments ⁽³⁾		—		—		(5,432)		—		(5,432)		(6,093)		(11,525)
Other comprehensive income ⁽⁴⁾		—		—		—		(2,251,536)		(2,251,536)		(1,100,295)		(3,351,831)
Withholding Tax over dividends		—		—		3,212		—		3,212		(543)		2,669
Net income		—		—		2,405,192		—		2,405,192		1,961,646		4,366,838
Balance at June 30, 2022	Ps.	<u>23,744</u>	Ps.	<u>9,586,347</u>	Ps.	<u>7,944,227</u>	Ps.	<u>(1,134,354)</u>	Ps.	<u>16,419,964</u>	Ps.	<u>13,729,594</u>	Ps.	<u>30,149,558</u>

(1) See note 14

(2) See note 1.1.

(3) Part of the realization of ORI is detailed in the effect of Spin-off. See note 1.1.

(4) See note 1.2

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

Grupo Aval Acciones y Valores S.A. and Subsidiaries
Condensed Consolidated Statement of Cash Flows for the six-month periods ended June 30, 2022 and 2021
(Amounts expressed in millions of Colombian pesos)

	Notes	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash flows from operating activities:			
Net income before income tax included discontinued operations	Ps.	5,564,078	Ps. 4,285,548
Reconciliation of net income before taxes and net cash provided by operating activities:			
Depreciation and amortization	16-18	533,926	708,371
Impairment losses of loans and receivables, net	4-16	1,551,680	2,429,517
Net income in concession agreements		(2,648,074)	(2,130,314)
Net interest income		(4,054,965)	(6,198,339)
Sales of non-current assets held for sale, net		(5,517)	(17,362)
Gain on sales of tangible assets		(14,967)	(17,148)
Foreign exchange losses		333,290	22,848
Share of profit of equity accounted investees, net of tax	18	(341,888)	(146,087)
Dividends caused	18	(108,630)	(104,945)
Gains on discontinued operations	1.1	(1,597,512)	—
Fair value adjustments on:			
Derivative financial instruments	17	(324,107)	(473,755)
Non-current assets held for sale		158	5,101
Investment property		(13,379)	(2,223)
Biological assets		(9,050)	(5,976)
Changes in operating assets and liabilities:			
Derivative financial instruments		429,022	82,686
Trading assets		668,252	(591,348)
Accounts receivable		99,908	(77,056)
Other assets		(24,129)	(335,424)
Other liabilities and provisions		(208,182)	320,538
Employee benefit		(49,363)	(34,603)
Loan portfolio		(12,267,881)	(4,560,722)
Customer deposits		11,308,833	4,446,865
Interbank borrowings and overnight funds		251,330	2,620,472
Borrowings from development entities		1,845	1,598
Borrowings from banks		3,874,364	(902,928)
Interest received		7,157,283	9,261,750
Interest paid		(3,779,107)	(3,421,830)
Lease interest		(74,927)	(99,095)
Income tax payments		(982,108)	(1,130,176)
Net cash provided by operating activities	Ps.	<u>5,270,183</u>	<u>Ps. 3,935,963</u>
Cash flows from investing activities:			
Purchases of amortized cost financial assets	Ps.	(3,751,243)	Ps. (3,139,923)
Redemptions of amortized cost financial assets		3,439,631	3,187,527
Purchases of FVOCI		(5,752,138)	(25,882,747)
Proceeds from sales of FVOCI		6,990,738	21,993,393
Acquisition of associates investment and joint ventures		(2,667)	(2,213)
Purchases tangible assets		(165,664)	(192,839)
Proceeds from sales of property, plant and equipment		79,749	65,664
Proceeds from sales of non-current assets held for sale		17,590	39,508
Additions of concession arrangement rights		(496,085)	(729,153)
Additions of other intangible assets		(216,687)	(252,178)
Dividends received		272,264	184,312
Decrease to deconsolidation of subsidiaries	1.1	(17,570,390)	—
Net cash used by investing activities	Ps.	<u>(17,154,902)</u>	<u>Ps. (4,728,649)</u>
Cash flows from financing activities:			
Dividends paid to shareholders	Ps.	(409,876)	Ps. (630,518)
Dividends paid to non-controlling interest		(421,326)	(486,466)
Issuance of debt securities		543,355	1,190,858
Payment of outstanding debt securities		(964,283)	(851,135)
Leases		(183,880)	(229,617)
Issuance of shares		129	148
Net cash used by financing activities	Ps.	<u>(1,435,881)</u>	<u>Ps. (1,006,730)</u>
Effect of foreign currency changes on cash and equivalents		<u>(487,517)</u>	<u>3,387,502</u>
Decrease in cash and cash equivalents in joint operations	1.1	<u>(1,393,602)</u>	<u>—</u>
Increase (decrease) in cash and cash equivalents		<u>(15,201,719)</u>	<u>1,588,086</u>
Cash and cash equivalents at beginning of period	Ps.	<u>36,642,829</u>	<u>Ps. 34,025,535</u>
Cash and cash equivalents at end of period	Ps.	<u>21,441,110</u>	<u>Ps. 35,613,621</u>

The accompanying notes are an integral part of the 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 – 1.1 SPIN-OFF BAC Holding International Corp. (BAC Holding)

As of March 30, 2022, Grupo Aval completed the spin-off process that caused the loss of control of the company BAC Holding, which consisted in the fact that through the subsidiary Banco de Bogotá, which had a direct participation in BAC Holding of 100%, spin off 75% of it in favor of Grupo Aval shareholders.

The equity effects recognized in the consolidated financial statement as a result of the spin-off of BAC Holding International Corp. as of March 31, 2022, are detailed below.

Spin-off recorded values	Value
Equity value of BAC Holding as of March 31, 2022	Ps. 12,878,099
Spin-off percentage	75.00%
Spin-off value	Ps. 9,658,574
Percentage of Grupo Aval over BAC Holding	68.74%
Effect of the spin-off by owners of the parent	Ps. (6,638,961)
Effect of the spin-off by non-controlling interest	Ps. (3,019,613)

The derecognition to book values of the assets and liabilities of BAC Holding, spun off as of March 31, 2022, is detailed below.

Assets

Cash and cash equivalents	Ps. 17,570,390
Trading assets	158,850
Investment securities	14,286,296
Loans, net	69,778,334
Other accounts receivable, net	915,840
Non-current assets held for sale	63,957
Tangible assets	1,899,743
Goodwill	5,902,410
Other Intangibles	196,106
Income tax assets	227,872
Other assets	186,034
Total assets	Ps. 111,185,832

Liabilities and equity

Liabilities

Trading liabilities	Ps. 904
Customer deposits	83,778,961
Financial obligations	10,938,587

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

Provisions		39,670
Income tax liabilities		481,239
Employee benefits		246,186
Other liabilities		2,820,225
Total liabilities	Ps.	98,305,772
Equity attributable to owners of the parent		12,878,099
Non-controlling interest		1,961
Total equity		12,880,060
Total liabilities and equity	Ps.	111,185,832

The following is the detail of the Income Statement corresponding to discontinued operations:

	For the three-months periods ended June 30,		For the six-months periods ended June 30,	
	2022	2021	2022	2021
Interest income	Ps. —	Ps. 1,653,914	Ps. 1,849,420	Ps. 3,244,544
Interest expense	—	(552,322)	(554,086)	(1,123,736)
Net interest income	—	1,101,592	1,295,334	2,120,808
Net impairment loss on financial assets	—	(293,171)	(267,776)	(611,626)
Net interest income, after impairment losses	—	808,421	1,027,558	1,509,182
Income from commissions and fees	—	598,719	753,523	1,215,797
Expenses from commissions and fees	—	(24,903)	(30,396)	(51,438)
Net income from commissions and fees	—	573,816	723,127	1,164,359
Net trading income	—	6,579	953	14,601
Other income	—	227,505	291,413	415,175
Other expenses	—	(1,097,196)	(1,274,057)	(2,130,115)
Net income before tax expense	—	519,125	768,994	973,202
Income tax expense	—	(98,362)	(224,104)	(186,593)
Net income from discontinued operations of BAC	Ps. —	Ps. 420,763	Ps. 544,890	Ps. 786,609
Items that are be reclassified to profit or loss	—	—	1,052,622	—
Net income from discontinued operations due to deconsolidation	—	—	1,052,622	—
Net income from discontinued operations	—	420,763	1,597,512	786,609
Owners of the parent	—	289,218	1,098,073	540,687
Non-controlling interests	—	131,545	499,439	245,922
Net income from discontinued operations	—	420,763	1,597,512	786,609
Net income per share basic and diluted (in Colombian pesos)	—	12.98	46.25	24.27

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

The following table discloses the cash flows from discontinued operations during 2022 and 2021.

Cash flows on discontinued operations

	2022	2021
Net income before tax expense	Ps. 768,994	Ps. 973,202
Changes in operating assets and liabilities	1,948,687	6,590,459
Net cash provided by operating activities	2,717,681	7,563,661
Net cash (used in) provided by investing activities	(2,093,303)	(1,503,592)
Net cash (used in) provided by financing activities	(594,581)	(2,994,981)
Effect of foreign currency changes on cash and equivalents	(1,423,399)	(3,231,854)
Decrease in cash and cash equivalents	(1,393,602)	(166,766)
Cash and cash equivalents at beginning of period	Ps. 18,963,992	Ps. 17,580,000
Cash and cash equivalents at end of period	Ps. 17,570,390	Ps. 17,413,234

NOTE – 1.2 EFFECT DUE TO LOSS OF CONTROL IN BAC HOLDING

The following is the effect of the realization of Other Comprehensive Income a result of the loss of control of the subsidiary BAC Holding as of March 31, 2022:

	Value
Split value of the Other comprehensive income account to the income statement ⁽¹⁾	Ps. 1,052,622
Percentage of Grupo Aval over BAC Holding	68.74%
Attributable to owners of the parent	Ps. 723,535
Attributable to Minorities	Ps. 329,087
Value split from the Other Comprehensive Income account to retained earnings	Ps. (7,735)
Percentage of Grupo Aval over BAC Holding	68.74%
Attributable to owners of the parent	Ps. (5,317)
Attributable to Minorities	Ps. (2,418)

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, 2021. All information is presented in millions of pesos and has been rounded to the nearest unit, except in cases here otherwise indicated.

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, 2021.

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, taking into account 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.

NOTE 4 – FINANCIAL INSTRUMENTS

a) Carrying value and fair value

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. For financial instruments that are not measured at fair value if the carrying amount is a reasonable approximation of fair value, fair value information is not included:

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	Carrying Value	Fair Value				Total
		Level 1	Level 2	Level 3		
ASSETS						
Trading investment						
Securities issued or secured by Colombian Government	Ps. 2,636,928	Ps. 2,432,795	Ps. 204,133	Ps. —	Ps. 2,636,928	
Securities issued or secured by other entities of the Colombian Government	209,153	—	209,153	—	209,153	
Securities issued or secured by foreign Government	60,165	—	—	60,165	60,165	
Securities issued or secured by other financial entities	1,038,849	—	1,038,849	—	1,038,849	
Securities issued or secured by entities of the Non-financial sector	6,847	—	6,847	—	6,847	
Other	28,057	—	28,057	—	28,057	
Total trading investment	Ps. 3,979,999	Ps. 2,432,795	Ps. 1,487,039	Ps. 60,165	Ps. 3,979,999	
Investments in debt securities at fair value through profit or loss						
Other	—	—	—	—	—	
Total investments in debt securities at fair value through profit or loss	Ps. 3,979,999	Ps. 2,432,795	Ps. 1,487,039	Ps. 60,165	Ps. 3,979,999	
Investments at fair value through OCI						
Securities issued or secured by Colombian Government	14,520,822	11,932,747	2,588,075	—	14,520,822	
Securities issued or secured by other entities of the Colombian Government	899,388	553,979	345,409	—	899,388	
Securities issued or secured by foreign Government	2,597,566	1,246,307	1,351,259	—	2,597,566	
Securities issued or secured by central banks	164,980	—	164,980	—	164,980	
Securities issued or secured by other financial entities	2,922,776	—	2,370,909	551,867	2,922,776	
Securities issued or secured by entities of the non-financial sector	49,177	—	16,758	32,419	49,177	
Other	840,867	1,477	835,503	3,887	840,867	
Total investments at fair value through OCI	Ps. 21,995,576	Ps. 13,734,510	Ps. 7,672,893	Ps. 588,173	Ps. 21,995,576	
Total investments in debt securities	Ps. 25,975,575	Ps. 16,167,305	Ps. 9,159,932	Ps. 648,338	Ps. 25,975,575	
Investments in equity securities						
Trading equity securities	5,022,156	4,163	3,685,138	1,332,855	5,022,156	
Investments in equity through OCI	1,112,969	1,040,675	315	71,979	1,112,969	
Total investments in equity securities	Ps. 6,135,125	Ps. 1,044,838	Ps. 3,685,453	Ps. 1,404,834	Ps. 6,135,125	
Held for trading Derivatives						
Currency Forward	1,262,757	—	1,262,757	—	1,262,757	
Bond Forward	5,908	—	5,908	—	5,908	
Interest Rate Swap	494,322	—	494,322	—	494,322	
Currency Swap	51,293	—	51,293	—	51,293	
Currency Options	71,996	—	71,996	—	71,996	
Total held for trading derivatives	Ps. 1,886,276	Ps. —	Ps. 1,886,276	Ps. —	Ps. 1,886,276	

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	Carrying Value	Fair Value				Total
		Level 1	Level 2	Level 3		
Hedging Derivatives						
Currency Forward	8,396	—	8,396	—		8,396
Interest Rate Swap	40,684	—	40,684	—		40,684
Total hedging derivatives	Ps. 49,080	Ps. —	Ps. 49,080	Ps. —	Ps. —	Ps. 49,080
Other account receivables						
Financial assets in concession contracts	3,370,817	—	—	3,370,817		3,370,817
Total other account receivables designated at fair value	Ps. 3,370,817	Ps. —	Ps. —	Ps. 3,370,817	Ps. —	Ps. 3,370,817
Total assets at fair value on recurring basis	Ps. 37,416,873	Ps. 17,212,143	Ps. 14,780,741	Ps. 5,423,989	Ps. —	Ps. 37,416,873
Financial assets at amortized cost, net						
Investments in debt securities, net	8,581,990	72,379	5,928,456	2,528,622		8,529,457
Securities issued or secured by Colombian Government	2,210,143	43,418	2,161,206	—		2,204,624
Securities issued or secured by other entities of the Colombian Government	3,727,926	—	3,704,951	—		3,704,951
Securities issued or secured by Foreign Government	29,001	28,961	—	—		28,961
Securities issued or secured by other financial entities	2,266,375	—	—	2,260,283		2,260,283
Securities issued or secured by entities of the non-financial sector	280,614	—	—	268,339		268,339
Other	67,931	—	62,299	—		62,299
Loan portfolio, net (see literal f for details)	159,651,929					152,809,802
Interbank and overnight funds	2,003,739					
Commercial	90,553,528					
Consumer	51,386,804					
Mortgage	15,500,861					
Microcredit	206,997					
Other accounts receivables, net	17,428,205					17,734,356
Total financial assets at amortized cost, net	185,662,124					
LIABILITIES						
Trading Derivatives						
Currency forward	1,121,772	—	1,121,772	—		1,121,772
Bond forward	4,313	—	4,313	—		4,313
Index futures	6,587	6,587	—	—		6,587
Interest rate swap	572,517	—	572,517	—		572,517
Currency swap	82,749	—	82,749	—		82,749
Currency options	105,820	—	105,820	—		105,820
Total trading derivatives	Ps. 1,893,758	Ps. 6,587	Ps. 1,887,171	Ps. —	Ps. —	Ps. 1,893,758
Hedging derivatives						
Currency forward	Ps. 166	Ps. —	Ps. 166	Ps. —	Ps. —	Ps. 166

Grupo Aval Acciones y Valores S.A. and Subsidiaries
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	Carrying Value	Fair Value				Total
		Level 1	Level 2	Level 3		
Interest rate swap	5,662	—	5,662	—	5,662	5,662
Total hedging derivatives	5,828	—	5,828	—	5,828	5,828
Total liabilities at fair value on recurring basis	Ps. 1,899,586	Ps. 6,587	Ps. 1,892,999	Ps. —	Ps. 1,899,586	Ps. 1,899,586
Financial liabilities at amortized cost						
Customer deposits	Ps. 160,029,327					Ps. 159,812,315
Checking accounts	26,462,098					26,479,905
Time deposits	60,524,828					60,271,629
Savings accounts	72,642,767					72,661,156
Others deposits	399,634					399,625
Financial obligations	68,653,662					67,126,180
Interbank borrowings and overnight funds	10,499,888					10,689,887
Leases contracts	2,249,421					2,073,784
Borrowings from banks and similar	20,696,206					20,180,148
Bonds issued (see literal e for details)	31,973,108					30,815,891
Borrowings from development entities	3,235,039					3,366,470
Total financial liabilities at amortized cost	Ps. 228,682,989					Ps. 226,938,495

December 31, 2021

	Carrying Value	Fair Value				Total
		Level 1	Level 2	Level 3		
ASSETS						
Trading investment						
Securities issued or secured by Colombian Government	Ps. 2,757,952	Ps. 2,244,069	Ps. 513,883	Ps. —	Ps. —	Ps. 2,757,952
Securities issued or secured by other entities of the Colombian Government	249,510	—	249,510	—	—	249,510
Securities issued or secured by foreign Governments	213,863	—	150,962	62,901	—	213,863
Securities issued or secured by other financial entities	1,476,476	—	1,476,476	—	—	1,476,476
Securities issued or secured by entities of the non—financial sector	9,388	—	9,388	—	—	9,388
Other	34,098	—	34,098	—	—	34,098
Total trading investment	Ps. 4,741,287	Ps. 2,244,069	Ps. 2,434,317	Ps. 62,901	Ps. —	Ps. 4,741,287
Investments at fair value through OCI						
Securities issued or secured by Colombian Government	16,071,762	10,638,542	5,433,220	—	—	16,071,762
Securities issued or secured by other Colombian Government entities	822,914	108,028	714,886	—	—	822,914
Securities issued or secured by foreign Governments	12,732,664	1,324,236	11,408,428	—	—	12,732,664
Securities issued or secured by central banks	1,857,718	—	1,857,718	—	—	1,857,718

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	Carrying Value	Fair Value				Total
		Level 1	Level 2	Level 3		
Securities issued or secured by other financial entities	4,204,924	—	4,186,830	18,094	4,204,924	
Securities issued or secured by non-financial sector entities	737,710	—	737,710	—	737,710	
Others	1,066,174	52,466	1,005,882	7,826	1,066,174	
Total investments at fair value through OCI	Ps. 37,493,866	Ps. 12,123,272	Ps. 25,344,674	Ps. 25,920	Ps. 37,493,866	
Total investments in debt securities	Ps. 42,235,153	Ps. 14,367,341	Ps. 27,778,991	Ps. 88,821	Ps. 42,235,153	
Investments in equity securities						
Trading equity securities	5,082,574	6,404	3,807,594	1,268,576	5,082,574	
Investments in equity through OCI	1,406,135	1,313,152	4,395	88,588	1,406,135	
Total investments in equity securities	Ps. 6,488,709	Ps. 1,319,556	Ps. 3,811,989	Ps. 1,357,164	Ps. 6,488,709	
Held for trading derivatives						
Currency forward	851,109	—	851,109	—	851,109	
Bond forward	1,099	—	1,099	—	1,099	
Interest rate swap	208,440	—	208,440	—	208,440	
Currency swap	39,589	—	39,589	—	39,589	
Currency options	62,191	—	62,191	—	62,191	
Index Futures	481	481	—	—	481	
Total held for trading derivatives	Ps. 1,162,909	Ps. 481	Ps. 1,162,428	Ps. —	Ps. 1,162,909	
Hedging derivatives						
Currency forward	6,677	—	6,677	—	6,677	
Interest rate swap	27,579	—	27,579	—	27,579	
Currency swap	9,992	—	9,992	—	9,992	
Total hedging derivatives	Ps. 44,248	Ps. —	Ps. 44,248	Ps. —	Ps. 44,248	
Other account receivables						
Financial assets in concession contracts	3,228,480	—	—	3,228,480	3,228,480	
Total other account receivables designated at fair value	Ps. 3,228,480	Ps. —	Ps. —	Ps. 3,228,480	Ps. 3,228,480	
Total assets at fair value on recurring basis	Ps. 53,159,499	Ps. 15,687,378	Ps. 32,797,656	Ps. 4,674,465	Ps. 53,159,499	
Financial assets at amortized cost, net						
Investments in debt securities, net	5,764,372	42,306	5,290,891	378,181	5,711,378	
Securities issued or secured by Colombian Government	1,568,762	42,306	1,521,267	—	1,563,573	
Securities issued or secured by other Colombian Government entities	3,695,027	—	3,677,659	—	3,677,659	
Securities issued or secured by foreign Governments	27,866	—	27,865	—	27,865	
Securities issued or secured by other financial entities	145,770	—	—	129,032	129,032	
Securities issued or secured by non-financial sector entities	259,971	—	—	249,149	249,149	
Others	66,976	—	64,100	—	64,100	
Loan portfolio, net (see literal f for details)	220,297,825				222,142,713	

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	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Interbank and overnight funds	3,216,047				
Commercial	116,173,059				
Consumer	72,308,141				
Mortgage	28,387,909				
Microcredit	212,669				
Other accounts receivables, net	15,798,725				16,080,799
Total financial assets at amortized cost, net	241,860,922				
LIABILITIES					
Trading derivatives					
Currency forward	659,871	—	659,871	—	659,871
Bond forward	3,014	—	3,014	—	3,014
Index futures	4,972	4,972	—	—	4,972
Interest rate swap	230,862	—	230,862	—	230,862
Currency swap	72,044	—	72,044	—	72,044
Currency options	79,147	—	79,147	—	79,147
Total trading derivatives	Ps. 1,049,910	Ps. 4,972	Ps. 1,044,938	Ps. —	Ps. 1,049,910
Hedging derivatives					
Currency forward	33,160	—	33,160	—	33,160
Interest rate swap	22,653	—	22,653	—	22,653
Total hedging derivatives	55,813	—	55,813	—	55,813
Total liabilities at fair value on recurring basis	Ps. 1,105,723	Ps. 4,972	Ps. 1,100,751	Ps. —	Ps. 1,105,723
Financial liabilities at amortized cost					
Customer deposits	Ps. 234,470,422				Ps. 235,505,912
Checking accounts	59,225,849				59,225,849
Time deposits	85,530,244				86,565,734
Savings accounts	89,097,128				89,097,128
Others deposits	617,201				617,201
Financial obligations	73,282,326				72,891,434
Interbank borrowings and overnight funds	10,672,415				10,671,623
Leases contracts	2,882,157				2,751,443
Borrowings from banks and similar	24,242,553				24,097,648
Bonds issued (see literal e for details)	32,257,932				32,090,880
Borrowings from development entities	3,227,269				3,279,840
Total financial liabilities at amortized cost	Ps. 307,752,748				Ps. 308,397,346

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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.

Level 2 financial instruments as those traded in non-active market, the following table provides information about valuation techniques and significant inputs when measuring assets and liabilities.

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		
Others	Market approach	Average price / market price ⁽²⁾
	Income approach	Theoretical price / estimated price ⁽¹⁾
		Yield and margin
Securities issued or secured by other Colombian Government entities	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⁾
Others	Market approach	Average price / market price ⁽²⁾
	Income approach	Theoretical price / estimated price ⁽¹⁾
Securities issued or secured by other Colombian Government entities	Market approach	Market price ⁽²⁾
Securities issued or secured by non-financial sector entities		
Securities issued or secured by foreign Governments		Bloomberg Generic
Securities issued or secured by other financial entities	Market approach	Market price ⁽²⁾
Securities issued or secured by central banks	Market approach	Bloomberg Generic
Equity securities		
Corporate stock	Market approach	Estimated prices ⁽¹⁾
Investment funds ⁽²⁾	Market approach	Market value of underlying assets, less management and administrative fees
Trading derivatives		
	Income approach	Discounted cash flow
		FWD points, discount rates of different currencies and Spot exchange rates
Foreign currency forward		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

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ASSETS AND LIABILITIES	Valuation technique Level 2	Significant inputs
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
Currency options	Income approach	Discounted cash flow
Interest rate swap	Income approach	Discounted cash flow
	Market approach	Curves
Currency futures	Income approach	Discount rate, spot rate

- (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 (ie obtained from price vendors). 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 Foreign Currency</u>		
Securities issued or secured by foreign Governments		
Securities issued or secured by non-financial sector entities		Discounted cash flows using yields from similar securities outstanding.
Others	Income approach	
		Discounted cash flows using yields from similar securities outstanding.
Securities issued or secured by other financial entities		Internal rate of return
	Income approach	
Equity securities		
		- Growth in values after 5 years
	Discounted cash flow	- Income
		- Discount interest rates
Investments in equity securities(1)	Adjusted net Asset Value	- Current financial assets
	Comparable Multiples	- Multiple of EBITDA
Other financial assets		
		- Free-cash flow from concession contracts
		- Concession contract's maturity period
		- Perpetuity value of the year "n" free-cash flow
Assets under concession contracts	Discounted cash flow	- Present value of the discounted residual value at Weighted Average Cost of Capital ("WACC").
		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 (3)
Investment properties	Discounted cash flow	The processes used to collect data and determine the fair value of investment properties are described in (4)

(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, 2021.

Methods and Variables	Variation	Favorable impact	Unfavorable impact
Comparable Multiples / Recent Transaction Price			
EBITDA Number of times	+/- 1 x	Ps. 246,938	Ps. (967,707)
Adjusted Net Asset Value			
Current financial assets	+/- 1%	50	(50)
Adjusted discounted cash flow			
Growth in residual values after 5 years	+/- 1%	7,508	(16,247)
Income	+/- 1%	67,645	(73,742)
Discount interest rates	+/- 50 bp	48,141	(59,605)

(2) Valuation of financial assets under concession arrangement rights

Sensitivity analysis

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 at June 30, 2022 is Ps. 3,370,817 and Ps. 3,228,480 as of December 31, 2021.

Variable	June 30, 2022	
	+100 pbs	-100 pbs
WACC	Ps. (827,154)	Ps. 1,279,273
Perpetuity growth rate	746,633	(518,685)
Variable	December 31, 2021	
	+100 bps	-100 bps
WACC	Ps. (788,000)	Ps. 1,232,537
Perpetuity growth rate	700,340	(483,643)

c) Transfer of levels

The following is the detail of the classification level transfers between Levels during the periods ended June 30, 2022 and December 31, 2021. In general, the transfers between Levels of the investment portfolios correspond fundamentally to changes in the liquidity levels of market securities.

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	Investments in debt securities at FVTPL			Investments in debt securities at FVOCI		
	Transfers between:			Transfers between:		
	Level 2 to Level 1	Level 1 to Level 2		Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 3
Assets						
Investments in debt securities at fair value						
Securities issued or secured by Colombian Government	Ps. 8,087	Ps. —		Ps. 1,801,312	Ps. —	Ps. —
Securities issued or secured by other entities of the Colombian Government	—	—		418,346	—	—
Securities issued or secured by other financial entities	—	—		—	—	8,354
Others	—	—		1,476	44,538	—
	Ps. 8,087	Ps. —		Ps. 2,221,134	Ps. 44,538	Ps. 8,354

December 31, 2021

	Investments in debt securities at FVTPL			Investments in debt securities at FVOCI		
	Transfers between:			Transfers between:		
	Level 2 to Level 1	Level 1 to Level 2		Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 3
Assets						
Investments in debt securities at fair value						
Securities issued or secured by Colombian Government	Ps. —	Ps. —		Ps. —	Ps. 813,196	Ps. —
Securities issued or secured by other Colombian Government entities	—	—		—	Ps. 193,459	—
Securities issued or secured by other financial entities	—	—		—	Ps. 54,873	—
Others	—	—		16,446	Ps. —	—
	Ps. —	Ps. —		Ps. 16,446	Ps. 1,061,528	Ps. —

There were no transfers of fair values between level 3 to level 2 as of June 30, 2022 and December 31, 2021.

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
December 31, 2021	Ps.	88,821	Ps. 1,357,164	Ps. 3,228,480
Valuation adjustment with an effect on income		1,320	58,748	142,337
Valuation adjustments with an effect on OCI		84,160	688	—
Additions		751,314	55,801	—
Sales / redemptions		(214,382)	(10,969)	—
Transfers from level 2 to level 3		8,354	—	—
Discontinued with effect on results ⁽¹⁾		—	1	—
Entities deconsolidation ⁽¹⁾		(71,248)	(56,599)	—
June 30, 2022	Ps.	648,338	Ps. 1,404,834	Ps. 3,370,817

(1) See details in note 1.1. See spin-off BAC Holding

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

The following table present Grupo Aval's assets and liabilities, classified within the fair value hierarchy, which are measured on a nonrecurring basis as of June 30, 2022 and December 31, 2021 at fair value less cost of sale:

	Level 1	Level 2	Level 3	Total
June 30, 2022				
Impaired collateralized loans	Ps. —	Ps. —	Ps. 1,661,747	Ps. 1,661,747
Non- current assets held for sale	—	—	144,863	144,863
	Ps. —	Ps. —	Ps. 1,806,610	Ps. 1,806,610
December 31, 2021				
Impaired collateralized loans	Ps. —	Ps. —	Ps. 1,959,513	Ps. 1,959,513
Non- current assets held for sale	—	—	208,426	208,426
	Ps. —	Ps. —	Ps. 2,167,939	Ps. 2,167,939

e) Financial obligations from issued bonds

Detail of issued bonds net of eliminations as of June 30, 2022 and December 31, 2021, by issue date and maturity date was as follows:

Local Currency

Issuer	Issue Date	June 30, 2022	December 31, 2021	Maturity Date	Interest Rate
Banco Av. Villas S.A.	23/02/2021	Ps. 477,422	Ps. 475,949	Between 23/02/2024 and 23/02/2026	CPI + 0.71% to 1.36%
Banco de Bogotá S.A.	Between 24/09/2020 and 10/02/2021	904,842	902,331	Between 24/09/2023 and 10/02/2026	CPI + 1.16%; IBR + 1.14% and Fix Between 3.40% and 4.75%
Banco de Occidente S.A	Between 09/08/2012 and 20/08/2020	2,589,638	2,685,078	Between 09/08/2022 and 14/12/2032	CPI + 1.75% to 4.65%; IBR + 1.37% and Fix Between 5.83% and 6.49%
Corporación Financiera Colombiana S.A.	Between 27/08/2009 and 20/10/2021	3,656,188	3,754,128	Between 27/08/2022 and 19/11/2045	CPI + 1.58% to 5.99%; Fix Between 3.77% and 7.10%
Banco Popular S.A. ⁽¹⁾	Between 12/10/2016 and 10/03/2022	2,805,533	2,518,982	Between 12/09/2022 and 10/03/2027	CPI + 2.58% to 4.13%; IBR + 1.59% to 2.68% and Fix Between 5.88% and 10.20%
Grupo Aval Acciones y Valores S.A.	Between 03/12/2009 and 14/11/2019	1,135,585	1,132,101	Between 14/11/2024 and 28/06/2042	CPI + 3.69% to 5.20% and Fix 6.42%
Peso denominated Total		Ps. 11,569,208	Ps. 11,468,569		

⁽¹⁾ Includes the issue made on March 10, 2022 for Ps. 490,765 with maturities: March 10, 2024 for Ps. 104,715; on March 10, 2025 for Ps.332,948 and; March 10, 2027 for Ps. 53,102.

Foreign Currency

Issuer	Issue Date	June 30, 2022	December 31, 2021	Maturity Date	Interest Rate
Banco de Bogotá S.A. Under rule 144A.	Between 19/02/2013 and 03/08/2017	8,367,184	8,509,886	Between 19/02/2023 and 03/08/2027	Fix Between 4.38% to 6.25%

BAC Credomatic and MFG

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Foreign Currency

Issuer	Issue Date	June 30, 2022	December 31, 2021	Maturity Date	Interest Rate
El Salvador		—	421,097		
Honduras		—	334,127		
Panamá	Between 09/11/2017 and 13/04/2022	1,638,070	1,569,444	Between 02/07/2022 and 30/06/2026	Fix Between 2.00% to 5.00%
BAC Credomatic and MFG Total		Ps. 1,638,070	Ps. 2,324,668		
Banco Bogotá, BAC Credomatic and MFG Total		Ps. 10,005,254	Ps. 10,834,554		
Grupo Aval Limited	Between 26/09/2012 and 04/02/2020	8,329,198	7,971,392	Between 26/09/2022 and 04/02/2030	Fix Between 4.38% to 4.75%
Promigas S.A. and Gases del Pacífico S.A.C. Under rule 144A.	Between 16/10/2019 and 22/10/2020	2,069,448	1,983,417	Between 16/10/2029 and 22/10/2029	Fix 3.75%
Foreign Currency Total		Ps. 20,403,900	Ps. 20,789,363		
Total of Bonds		Ps. 31,973,108	Ps. 32,257,932		

The amount of issued bonds due over 12 months as of June 30, 2022 is Ps. 22,875,997 and December 31, 2021 is Ps. 25,521,295.

Grupo Aval has not had any defaults of principal or interest or other breaches with respect to its liabilities at June 30, 2022 and December 31, 2021, and Grupo Aval is complying with the related covenants agreed with investors and debtors.

f) Credit risk concentration

The following is the balance of financial assets by loan portfolio and their provision for impairment as of June 30, 2022 and December 31, 2021:

Portfolio segment	June 30, 2022			December 31, 2021		
	Gross balance	Allowance for impairment	Net balance of credit portfolio	Gross balance	Allowance for impairment	Net balance of credit portfolio
Commercial	Ps. 95,946,039	Ps. 5,392,511	Ps. 90,553,528	Ps. 122,027,804	Ps. 5,854,745	Ps. 116,173,059
Consumer	54,481,189	3,094,385	51,386,804	76,889,145	4,581,004	72,308,141
Mortgage	15,883,597	382,736	15,500,861	29,120,316	732,407	28,387,909
Microcredit	278,638	71,641	206,997	317,739	105,070	212,669
Interbank and overnight funds	2,004,142	403	2,003,739	3,218,433	2,386	3,216,047
Total ⁽¹⁾	Ps. 168,593,605	Ps. 8,941,676	Ps. 159,651,929	Ps. 231,573,437	Ps. 11,275,612	Ps. 220,297,825

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

There was no loan portfolio provided as collateral in resource auction operations with Banco Republica as of June 30, 2022.

Impairment losses per portfolio as of June 30, 2022, and 2021:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Commercial	Ps. 130,850	Ps. 341,313	Ps. 384,440	Ps. 685,420
Consumer	569,774	445,110	1,128,815	997,800
Mortgage	11,828	56,108	(6,126)	79,649
Microcredit	726	12,794	5,332	19,537
Interbank and overnight funds	299	990	(1,983)	348
Total	Ps. 713,477	Ps. 856,315	Ps. 1,510,478	Ps. 1,782,754

⁽¹⁾ The information was modified taking into account the discontinuous operation see note 1.1.

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(1) Loan portfolio by economic sector

Below is the gross balance of the loan portfolio distribution of Grupo Aval by economic activity as of June 30, 2022 and December 31, 2021:

Sector	June 30, 2022	%	December 31, 2021	%
Consumer services	Ps. 76,875,365	46%	Ps. 112,664,061	49%
Commercial services	34,385,436	20%	47,289,524	20%
Construction	13,771,877	8%	16,207,343	7%
Food, beverage and tobacco	6,782,859	4%	10,734,796	5%
Transportation and communications	6,692,642	4%	7,762,906	3%
Public services	4,752,476	3%	6,526,252	3%
Chemical production	4,885,736	3%	4,905,552	2%
Other industrial and manufacturing products	6,510,925	4%	9,011,548	4%
Agricultural	4,155,095	2%	5,831,197	3%
Government	4,937,912	3%	4,496,895	2%
Trade and tourism	1,679,048	1%	2,697,992	1%
Mining products and oil	1,161,967	1%	1,003,516	0%
Other	2,002,267	1%	2,441,855	1%
Total of each economic sector	Ps. 168,593,605	100%	Ps. 231,573,437	100%

(2) Portfolio credit by risk level rating

As of June 30, 2022, and December 31, 2021, the following is a summary of the portfolio credit by risk level rating:

PD Range	June 30, 2022			
	Total Exposure			
	Stage 1	Stage 2	Stage 3	Total
0% - 7.5%	Ps. 136,348,393	Ps. 3,299,347	Ps. 216	Ps. 139,647,956
7.5% - 15%	4,974,380	2,548,829	2	7,523,211
15% - 22.5%	741,755	1,152,731	39	1,894,525
22.5% - 30%	180,602	913,296	76	1,093,974
30% - 45%	82,297	2,025,122	179	2,107,598
45% - 60%	66,517	3,527,110	111	3,593,738
60% - 90%	2,742	1,621,226	2,696	1,626,664
> 90%	710	37,542	11,067,687	11,105,939
TOTAL	Ps. 142,397,396	Ps. 15,125,203	Ps. 11,071,006	Ps. 168,593,605

PD Range	December 31, 2021			
	Total Exposure			
	Stage 1	Stage 2	Stage 3	Total
0% - 7.5%	Ps. 180,615,328	Ps. 6,434,636	Ps. 384	Ps. 187,050,348
7.5% - 15%	9,118,305	3,280,770	189	12,399,264
15% - 22.5%	789,446	3,489,521	25	4,278,992
22.5% - 30%	140,222	2,465,098	37	2,605,357
30% - 45%	127,038	3,506,321	99	3,633,458
45% - 60%	18,134	5,499,764	279	5,518,177
60% - 90%	5,510	2,120,466	1,066	2,127,042
> 90%	5,138	101,997	13,853,664	13,960,799
TOTAL	Ps. 190,819,121	Ps. 26,898,573	Ps. 13,855,743	Ps. 231,573,437

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The following tables show the balance of the loan portfolio by class as of June 30, 2022 and December 31, 2021.

Commercial portfolio

June 30, 2022							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	77,053,619	Ps.	1,760,618	Ps.	36	Ps. 78,814,273
7.5% - 15%		1,791,151		1,107,794		-	2,898,945
15% - 22.5%		401,265		592,274		—	993,539
22.5% - 30%		133,688		323,670		14	457,372
30% - 45%		22,506		995,653		-	1,018,159
45% - 60%		30,425		3,006,905		—	3,037,330
60% - 90%		1,806		55,159		282	57,247
> 90%		573		6,114		8,662,487	8,669,174
TOTAL	Ps.	79,435,033	Ps.	7,848,187	Ps.	8,662,819	Ps. 95,946,039

December 31, 2021							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	97,948,422	Ps.	3,979,842	Ps.	28	Ps. 101,928,292
7.5% - 15%		2,351,842		469,870		188	2,821,900
15% - 22.5%		441,936		1,650,110		—	2,092,046
22.5% - 30%		44,434		1,019,403		—	1,063,837
30% - 45%		48,970		965,305		—	1,014,275
45% - 60%		15,318		3,600,621		164	3,616,103
60% - 90%		5,195		57,424		—	62,619
> 90%		2,263		5,400		9,421,069	9,428,732
TOTAL	Ps.	100,858,380	Ps.	11,747,975	Ps.	9,421,449	Ps. 122,027,804

Consumer portfolio

June 30, 2022							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	44,236,019	Ps.	1,296,163	Ps.	177	Ps. 45,532,359
7.5% - 15%		2,684,814		845,931		1	3,530,746
15% - 22.5%		286,191		302,951		39	589,181
22.5% - 30%		31,505		372,336		45	403,886
30% - 45%		51,445		853,371		178	904,994
45% - 60%		28,179		324,213		109	352,501
60% - 90%		692		1,266,688		2,410	1,269,790
> 90%		137		30,738		1,866,857	1,897,732
TOTAL	Ps.	47,318,982	Ps.	5,292,391	Ps.	1,869,816	Ps. 54,481,189

December 31, 2021							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	57,159,315	Ps.	2,084,770	Ps.	356	Ps. 59,244,441
7.5% - 15%		6,187,490		1,508,771		1	7,696,262
15% - 22.5%		319,342		772,795		24	1,092,161
22.5% - 30%		70,402		1,143,141		35	1,213,578
30% - 45%		70,804		1,547,538		83	1,618,425
45% - 60%		1,297		1,129,306		115	1,130,718
60% - 90%		215		1,550,628		1,063	1,551,906
> 90%		2,875		91,777		3,247,002	3,341,654
TOTAL	Ps.	63,811,740	Ps.	9,828,726	Ps.	3,248,679	Ps. 76,889,145

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Mortgage portfolio

June 30, 2022							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	12,987,410	Ps.	242,566	Ps.	3	Ps. 13,229,979
7.5% - 15%		393,284		595,104		1	988,389
15% - 22.5%		52,194		257,506		—	309,700
22.5% - 30%		1,864		217,289		17	219,170
30% - 45%		479		175,780		1	176,260
45% - 60%		—		195,331		2	195,333
60% - 90%		—		283,436		4	283,440
> 90%		—		690		480,636	481,326
TOTAL	Ps.	13,435,231	Ps.	1,967,702	Ps.	480,664	Ps. 15,883,597

December 31, 2021							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	22,224,572	Ps.	369,997	Ps.	—	Ps. 22,594,569
7.5% - 15%		476,755		1,302,129		—	1,778,884
15% - 22.5%		22,014		1,066,616		1	1,088,631
22.5% - 30%		12,899		301,834		2	314,735
30% - 45%		6,909		991,992		16	998,917
45% - 60%		-		769,729		—	769,729
60% - 90%		-		471,393		3	471,396
> 90%		-		4,820		1,098,635	1,103,455
TOTAL	Ps.	22,743,149	Ps.	5,278,510	Ps.	1,098,657	Ps. 29,120,316

Microcredit portfolio

June 30, 2022							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	67,203	Ps.	—	Ps.	—	Ps. 67,203
7.5% - 15%		105,131		—		—	105,131
15% - 22.5%		2,105		—		—	2,105
22.5% - 30%		13,545		1		—	13,546
30% - 45%		7,867		318		—	8,185
45% - 60%		7,913		661		—	8,574
60% - 90%		244		15,943		—	16,187
> 90%		—		—		57,707	57,707
TOTAL	Ps.	204,008	Ps.	16,923	Ps.	57,707	Ps. 278,638

December 31, 2021							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	66,191	Ps.	27	Ps.	—	Ps. 66,218
7.5% - 15%		100,613		—		—	100,613
15% - 22.5%		6,154		—		—	6,154
22.5% - 30%		12,487		720		—	13,207
30% - 45%		355		1,486		—	1,841
45% - 60%		1,519		108		—	1,627
60% - 90%		100		41,021		—	41,121
> 90%		—		—		86,958	86,958
TOTAL	Ps.	187,419	Ps.	43,362	Ps.	86,958	Ps. 317,739

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Repos, interbank loans portfolio

June 30, 2022							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	2,004,142	Ps.	—	Ps.	—	Ps. 2,004,142
7.5% - 15%		—		—		—	—
15% - 22.5%		—		—		—	—
22.5% - 30%		—		—		—	—
30% - 45%		—		—		—	—
45% - 60%		—		—		—	—
60% - 90%		—		—		—	—
> 90%		—		—		—	—
TOTAL	Ps.	2,004,142	Ps.	0	Ps.	—	Ps. 2,004,142

December 31, 2021							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	3,216,828	Ps.	—	Ps.	—	Ps. 3,216,828
7.5% - 15%		1,605		—		—	1,605
15% - 22.5%		—		—		—	—
22.5% - 30%		—		—		—	—
30% - 45%		—		—		—	—
45% - 60%		—		—		—	—
60% - 90%		—		—		—	—
> 90%		—		—		—	—
TOTAL	Ps.	3,218,433	Ps.	0	Ps.	—	Ps. 3,218,433

Credit Commitments

June 30, 2022							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	26,358,492	Ps.	324,449	Ps.	732	Ps. 26,683,673
7.5% - 15%		245,422		326,883		6	572,311
15% - 22.5%		17,719		1,912,975		266	1,930,960
22.5% - 30%		14,635		16,320		634	31,589
30% - 45%		1,644		488,101		1,612	491,357
45% - 60%		164		192,034		1,034	193,232
60% - 90%		155		49,429		1,004	50,588
> 90%		8		26		128,569	128,603
TOTAL	Ps.	26,638,239	Ps.	3,310,217	Ps.	133,857	Ps. 30,082,313

December 31, 2021							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	43,415,038	Ps.	263,329	Ps.	667	Ps. 43,679,034
7.5% - 15%		1,495,285		117,201		75	1,612,561
15% - 22.5%		38,875		2,034,625		153	2,073,653
22.5% - 30%		16,802		80,460		404	97,666
30% - 45%		5,874		114,349		1,478	121,701
45% - 60%		442		175,708		1,408	177,558
60% - 90%		199		69,091		1,274	70,564
> 90%		30		1,023		102,531	103,584
TOTAL	Ps.	44,972,545	Ps.	2,855,786	Ps.	107,990	Ps. 47,936,321

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(3) Loss allowance for loans, financial assets and others receivable

The table below shows the loss allowance balances as of June 30, 2022 and December 31, 2021.

	June 30, 2022									
	Stage 1		Stage 2		Stage 3		Simplified approach	Total		
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired					
Loan portfolio										
Commercial loan portfolio	Ps.	522,458	Ps.	685,126	Ps.	4,184,927	Ps.	—	Ps.	5,392,511
Consumer loan portfolio		719,219		835,323		1,539,843		—		3,094,385
Mortgage loan portfolio		47,121		93,636		241,979		—		382,736
Microcredit loan portfolio		9,247		6,299		56,095		—		71,641
Interbank and overnight funds		403		—		—		—		403
Total loan portfolio	Ps.	1,298,448	Ps.	1,620,384	Ps.	6,022,844	Ps.	—	Ps.	8,941,676
Investments in debt securities at amortized cost		24,938		7,589		—		—		32,527
Other accounts receivable		19,137		15,058		137,142		197,002		368,339
Total loss allowance financial assets at amortized cost	Ps.	1,342,523	Ps.	1,643,031	Ps.	6,159,986	Ps.	197,002	Ps.	9,342,542
Investments in debt securities at FVOCI										
		13,444		—		—		—		13,444
Loan commitments and financial guarantee contracts		43,825		9,328		836		—		53,989
Total loss allowance	Ps.	1,399,792	Ps.	1,652,359	Ps.	6,160,822	Ps.	197,002	Ps.	9,409,975

	December 31, 2021									
	Stage 1		Stage 2		Stage 3		Simplified approach	Total		
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired					
Loan portfolio										
Commercial loan portfolio	Ps.	655,655	Ps.	1,006,822	Ps.	4,192,268	Ps.	—	Ps.	5,854,745
Consumer loan portfolio		1,066,543		1,396,101		2,118,360		—		4,581,004
Mortgage loan portfolio		93,122		286,903		352,382		—		732,407
Microcredit loan portfolio		6,740		13,291		85,039		—		105,070
Interbank and overnight funds		2,386		—		—		—		2,386
Total loan portfolio	Ps.	1,824,446	Ps.	2,703,117	Ps.	6,748,049	Ps.	—	Ps.	11,275,612
Investments in debt securities at amortized cost		3,297		7,401		—		—		10,698
Other accounts receivable		18,939		16,771		129,449		217,643		382,802
Total loss allowance financial assets at amortized cost	Ps.	1,846,682	Ps.	2,727,289	Ps.	6,877,498	Ps.	217,643	Ps.	11,669,112
Investments in debt securities at FVOCI										
		123,978		—		—		—		123,978
Loan commitments and financial guarantee contracts		45,916		10,097		6,028		—		62,041
Total loss allowance	Ps.	2,016,576	Ps.	2,737,386	Ps.	6,883,526	Ps.	217,643	Ps.	11,855,131

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;

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- 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 that were written off during the period

The table below shows for loans stage 3 individually assessed for ECL the gross amount and loss allowance balances as of June 30, 2022 and December 31, 2021.

June 30, 2022

	Gross Amount Registered	Collateral Guarantees (1)	Allowance Recognized
Without recognized provision			
Commercial	Ps. 111,675	Ps. 106,280	Ps. —
Subtotal	Ps. 111,675	Ps. 106,280	Ps. —
With recognized provision			
Commercial	6,922,774	1,455,907	3,084,397
Consumer	5,149	256	1,802
Mortgage	1,170	—	959
Subtotal	Ps. 6,929,093	Ps. 1,456,163	Ps. 3,087,158
Totals			
Commercial	7,034,449	1,562,187	3,084,397
Consumer	5,149	256	1,802
Mortgage	1,170	—	959
Total	Ps. 7,040,768	Ps. 1,562,443	Ps. 3,087,158

December 31, 2021

	Gross Amount Registered	Collateral Guarantees (1)	Allowance Recognized
Without recognized provision			
Commercial	Ps. 234,321	Ps. 226,767	Ps. —
Subtotal	Ps. 234,321	Ps. 226,767	Ps. —
With recognized provision			
Commercial	7,451,781	1,611,433	3,063,079
Consumer	1,825	—	1,103
Subtotal	Ps. 7,453,606	Ps. 1,611,433	Ps. 3,064,182
Totals			
Commercial	7,686,102	1,838,200	3,063,079
Consumer	1,825	—	1,103
Total	Ps. 7,687,927	Ps. 1,838,200	Ps. 3,064,182

(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 June 30, 2022 and December 31, 2021, 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:

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June 30, 2022

	<u>Carrying Amount</u>		<u>Collateral</u>	
Stage 1 and 2	Ps.	16,655,630	Ps.	13,582,145
Stage 3		2,817,913		2,526,054
	Ps.	19,473,543	Ps.	16,108,199

December 31, 2021

	<u>Carrying Amount</u>		<u>Collateral</u>	
Stage 1 and 2	Ps.	29,813,813	Ps.	27,396,891
Stage 3		2,989,892		2,691,236
	Ps.	32,803,705	Ps.	30,088,127

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.

	<u>Scenario A</u>		<u>June 30, 2022 Scenario B</u>		<u>Scenario C</u>	
Gross Exposure						
Commercial	Ps.	95,946,039	Ps.	95,946,039	Ps.	95,946,039
Consumer		54,481,189		54,481,189		54,481,189
Mortgages		15,883,597		15,883,597		15,883,597
Microcredit		278,638		278,638		278,638
Repos, interbank loans portfolio		2,004,142		2,004,142		2,004,142
Total gross exposure	Ps.	168,593,605	Ps.	168,593,605	Ps.	168,593,605

Loss Allowance						
Commercial	Ps.	5,336,769	Ps.	5,366,226	Ps.	5,448,475
Consumer		3,022,770		2,978,614		3,072,002
Mortgages		373,806		375,747		380,403
Microcredit		69,230		71,306		74,026
Repos, interbank loans portfolio		6,403		6,353		6,867
Total Loss Allowance	Ps.	8,808,978	Ps.	8,798,246	Ps.	8,981,773

Proportion of Assets in Stage 2

Commercial	8.6 %	8.5 %	8.6 %
Consumer	9.3 %	9.7 %	10.7 %
Mortgages	12.0 %	12.1 %	12.1 %
Microcredit	6.1 %	6.1 %	6.1 %
Repos, interbank loans portfolio	0.0 %	0.0 %	0.0 %

December 31, 2021

	<u>Scenario A</u>		<u>Scenario B</u>		<u>Scenario C</u>	
Gross Exposure						
Commercial	Ps.	122,027,804	Ps.	122,027,804	Ps.	122,027,804
Consumer		76,889,145		76,889,145		76,889,145
Mortgages		29,120,316		29,120,316		29,120,316
Microcredit		317,739		317,739		317,739
Repos, interbank loans portfolio		3,218,433		3,218,433		3,218,433
Total gross exposure	Ps.	231,573,437	Ps.	231,573,437	Ps.	231,573,437

Loss Allowance						
Commercial	Ps.	5,720,145	Ps.	5,830,791	Ps.	5,940,469
Consumer		4,410,869		4,599,286		4,766,627

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	December 31, 2021					
	Scenario A		Scenario B		Scenario C	
Mortgages		670,926		732,072		785,675
Microcredit		102,434		105,148		107,139
Repos, interbank loans portfolio		7,198		7,279		7,335
Total Loss Allowance	Ps.	10,911,572	Ps.	11,274,576	Ps.	11,607,245

Proportion of Assets in Stage 2

Commercial	9.8 %	10.1 %	10.5 %
Consumer	11.3 %	12.7 %	14.0 %
Mortgages	16.9 %	17.5 %	18.2 %
Microcredit	13.7 %	13.7 %	13.7 %
Repos, interbank loans portfolio	-	-	-

Loan portfolio

The following table shows the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	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, 2021	Ps.	1,824,446	Ps.	2,703,117	Ps.	6,748,049	Ps.	11,275,612
Transfers:								
Transfer from stage 1 to stage 2		(119,402)		119,402		—		—
Transfer from stage 1 to stage 3		(59,464)		—		59,464		—
Transfer from stage 2 to stage 3		—		(346,255)		346,255		—
Transfer from stage 3 to stage 2		—		100,899		(100,899)		—
Transfer from stage 2 to stage 1		150,003		(150,003)		—		—
Transfer from stage 3 to stage 1		41,987		—		(41,987)		—
Net remeasurement of loss allowance ⁽³⁾		(108,414)		311,449		1,305,111		1,508,146
New financial assets originated or purchased		478,835		157,249		314,652		950,736
Financial assets that have been derecognized		(260,636)		(133,742)		(554,026)		(948,404)
Unwind of discount ⁽¹⁾		—		—		244,145		244,145
FX and other movements		1,321		5,621		6,806		13,748
Discontinued operations ⁽²⁾		(298)		20,314		259,464		279,480
Entity deconsolidation		(643,594)		(1,008,807)		(1,203,288)		(2,855,689)
Write-offs		(6,336)		(158,860)		(1,360,902)		(1,526,098)
Loss allowance as of June 30, 2022	Ps.	1,298,448	Ps.	1,620,384	Ps.	6,022,844	Ps.	8,941,676

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		
	Ps.	(84,451)	Ps.	55,981	Ps.	29,900	1,430

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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		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, 2021	Ps. 190,819,121	Ps. 26,898,573	Ps. 13,855,743	Ps. 231,573,437			
Transfers:							
Transfer from stage 1 to stage 2	(4,532,045)	4,532,045	—	—			
Transfer from stage 1 to stage 3	(965,386)	—	965,386	—			
Transfer from stage 2 to stage 3	—	(1,723,121)	1,723,121	—			
Transfer from stage 2 to stage 1	3,347,066	(3,347,066)	—	—			
Transfer from stage 3 to stage 2	—	431,413	(431,413)	—			
Transfer from stage 3 to stage 1	232,989	—	(232,989)	—			
Increase in loan portfolio and borrowing costs	66,808,399	1,526,728	409,971	68,745,098			
Decrease in loan portfolio and borrowing costs	(50,391,332)	(3,629,481)	(2,238,101)	(56,258,914)			
Increase-decrease in interest	(672,479)	(26,530)	1,266,399	567,390			
Increase-decrease in other receivables associated with loans	(6,802)	(5,877)	1,444	(11,235)			
Write-offs	(6,336)	(158,860)	(1,360,902)	(1,526,098)			
Discontinued operations ⁽¹⁾	5,468,511	(1,152,751)	(2,055,220)	2,260,540			
Entity deconsolidation	(68,780,807)	(8,364,807)	(874,390)	(78,020,004)			
FX and other movements	1,076,497	144,937	41,957	1,263,391			
Total portfolio as of June 30, 2022	Ps. 142,397,396	Ps. 15,125,203	Ps. 11,071,006	Ps. 168,593,605			

(*) For the quarter of June 30, 2022, the TRM presented a variation of Ps. 170.05 per dollar

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	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, 2020	Ps. 1,760,076	Ps. 3,039,056	Ps. 6,106,039	Ps. 10,905,171			
Transfers:							
Transfer from stage 1 to stage 2	(214,052)	214,052	—	—			
Transfer from stage 1 to stage 3	(50,496)	—	50,496	—			
Transfer from stage 2 to stage 3	—	(664,496)	664,496	—			
Transfer from stage 3 to stage 2	—	79,997	(79,997)	—			
Transfer from stage 2 to stage 1	149,529	(149,529)	—	—			
Transfer from stage 3 to stage 1	43,299	—	(43,299)	—			
Net remeasurement of loss allowance ⁽³⁾	(117,974)	410,538	1,377,103	1,669,667			
New financial assets originated or purchased	406,438	142,212	216,034	764,684			
Financial assets that have been derecognized	(266,600)	(174,922)	(210,075)	(651,597)			
Unwind of discount ⁽¹⁾	—	—	223,730	223,730			
FX and other movements	3,384	6,066	3,409	12,859			
Discontinued operations ⁽²⁾	(179,042)	322,737	461,873	605,568			
Entity deconsolidation	221,530	(235,279)	(464,050)	(477,799)			
Write—offs	(21,457)	(34,888)	(1,739,021)	(1,795,366)			
Loss allowance as of June 30, 2021	Ps. 1,734,635	Ps. 2,955,544	Ps. 6,566,738	Ps. 11,256,917			

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

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(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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

	Stage 1 12- month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps.	(45,886)Ps.	(42,501)Ps.	76,373 Ps.	(12,014)

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, 2020	Ps. 167,489,648	Ps. 26,588,199	Ps. 12,369,318	Ps. 206,447,165
Transfers:				
Transfer from stage 1 to stage 2	(7,618,499)	7,618,499	—	—
Transfer from stage 1 to stage 3	(765,520)	—	765,520	—
Transfer from stage 2 to stage 3	—	(2,425,579)	2,425,579	—
Transfer from stage 2 to stage 1	3,378,852	(3,378,852)	—	—
Transfer from stage 3 to stage 2	—	279,131	(279,131)	—
Transfer from stage 3 to stage 1	235,581	—	(235,581)	—
Increase in loan portfolio and borrowing costs	53,107,171	1,473,642	802,207	55,383,020
Decrease in loan portfolio and borrowing costs	(47,283,512)	(3,070,561)	(1,942,933)	(52,297,006)
Increase-decrease in interest	(926,173)	11,622	1,158,775	244,224
Increase-decrease in other receivables associated with loans	(16,618)	(8,249)	4,068	(20,799)
Write-offs	(21,457)	(34,888)	(1,739,021)	(1,795,366)
Discontinued operations ⁽¹⁾	4,885,243	(604,628)	(1,333,401)	2,947,214
Entity deconsolidation	192,338	1,524,550	1,668,757	3,385,645
FX and other movements	1,910,188	245,158	101,057	2,256,403
Total portfolio as of June 30, 2021	Ps. 174,567,242	Ps. 28,218,044	Ps. 13,765,214	Ps. 216,550,500

(*) For the quarter of June 30, 2021 the TRM presented a variation of Ps. 316.00 per dollar

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

Commercial portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	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, 2021	Ps. 655,655	Ps. 1,006,822	Ps. 4,192,268	Ps. 5,854,745
Transfers:				
Transfer from stage 1 to stage 2	(20,778)	20,778	—	—
Transfer from stage 1 to stage 3	(3,890)	—	3,890	—
Transfer from stage 2 to stage 3	—	(49,512)	49,512	—
Transfer from stage 3 to stage 2	—	42,770	(42,770)	—
Transfer from stage 2 to stage 1	36,648	(36,648)	—	—
Transfer from stage 3 to stage 1	27,357	—	(27,357)	—
Net remeasurement of loss allowance ⁽³⁾	(94,505)	(81,587)	662,936	486,844
New financial assets originated or purchased	210,071	85,629	234,324	530,024
Financial assets that have been derecognized	(116,356)	(56,413)	(459,659)	(632,428)

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	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Unwind of discount ⁽¹⁾	—	—	172,133	172,133
FX and other movements	2,786	2,169	4,923	9,878
Discontinued operations ⁽²⁾	13,103	(1,253)	5,184	17,034
Entity deconsolidation	(186,789)	(246,073)	(270,208)	(703,070)
Write-offs	(844)	(1,556)	(340,249)	(342,649)
Loss allowance as of June 30, 2022	Ps. 522,458	Ps. 685,126	Ps. 4,184,927	Ps. 5,392,511

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

	Stage 1	Stage 2	Stage 3	Total
	12- month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	
Ps.	(29,600)Ps.	(20,005)Ps.	31,040 Ps.	(18,565)

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	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Total portfolio as of December 31, 2021	Ps. 100,858,380	Ps. 11,747,975	Ps. 9,421,449	Ps. 122,027,804
Transfers:				
Transfer from stage 1 to stage 2	(1,987,457)	1,987,457	—	—
Transfer from stage 1 to stage 3	(713,962)	—	713,962	—
Transfer from stage 2 to stage 3	—	(794,371)	794,371	—
Transfer from stage 2 to stage 1	1,301,504	(1,301,504)	—	—
Transfer from stage 3 to stage 2	—	256,937	(256,937)	—
Transfer from stage 3 to stage 1	179,564	—	(179,564)	—
Increase in loan portfolio and borrowing costs	39,947,225	854,738	267,145	41,069,108
Decrease in loan portfolio and borrowing costs	(30,960,394)	(2,068,144)	(1,635,926)	(34,664,464)
Increase-decrease in interest	(94,194)	(28,018)	755,251	633,039
Increase-decrease in other receivables associated with loans	(5,923)	(4,033)	631	(9,325)
Write-offs	(844)	(1,556)	(340,249)	(342,649)
Discontinued operations ⁽¹⁾	3,794,373	93,854	(942,926)	2,945,301
Entity deconsolidation	(33,770,516)	(2,954,137)	24,761	(36,699,892)
FX and other movements	887,277	58,989	40,851	987,117
Total portfolio as of June 30, 2022	Ps. 79,435,033	Ps. 7,848,187	Ps. 8,662,819	Ps. 95,946,039

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

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The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	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, 2020	Ps. 656,830	Ps. 805,097	Ps. 3,818,479	Ps. 5,280,406
Transfers:				
Transfer from stage 1 to stage 2	(70,716)	70,716	—	—
Transfer from stage 1 to stage 3	(8,461)	—	8,461	—
Transfer from stage 2 to stage 3	—	(137,905)	137,905	—
Transfer from stage 3 to stage 2	—	21,284	(21,284)	—
Transfer from stage 2 to stage 1	46,752	(46,752)	—	—
Transfer from stage 3 to stage 1	8,463	—	(8,463)	—
Net remeasurement of loss allowance ⁽³⁾	(77,309)	119,366	560,539	602,596
New financial assets originated or purchased	196,169	67,056	118,476	381,701
Financial assets that have been derecognized	(101,242)	(50,298)	(147,337)	(298,877)
Unwind of discount ⁽¹⁾	—	—	152,698	152,698
FX and other movements	3,159	616	2,880	6,655
Discontinued operations ⁽²⁾	(5,754)	70,689	88,736	153,671
Entity deconsolidation	20,571	(1,430)	(111,951)	(92,810)
Write—offs	(2,442)	(967)	(649,911)	(653,320)
Loss allowance as of June 30, 2021	Ps. 666,020	Ps. 917,472	Ps. 3,949,228	Ps. 5,532,720

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

	Stage 1	Stage 2	Stage 3	Total
	12-	Lifetime ECL	Lifetime ECL	
	month ECL	not credit-	credit-	
		impaired	impaired	
	Ps. (348)Ps.	(64,344)Ps.	31,681 Ps.	(33,011)

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	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL not	ECL credit-	
		credit-	impaired	
		impaired		
Total portfolio as of December 31, 2020	Ps. 92,626,136	Ps. 9,843,700	Ps. 8,517,102	Ps. 110,986,938
Transfers:				
Transfer from stage 1 to stage 2	(4,093,133)	4,093,133	—	—
Transfer from stage 1 to stage 3	(517,011)	—	517,011	—
Transfer from stage 2 to stage 3	—	(1,069,644)	1,069,644	—
Transfer from stage 2 to stage 1	1,725,548	(1,725,548)	—	—
Transfer from stage 3 to stage 2	—	137,599	(137,599)	—
Transfer from stage 3 to stage 1	131,425	—	(131,425)	—
Increase in loan portfolio and borrowing costs	29,706,711	791,641	366,796	30,865,148
Decrease in loan portfolio and borrowing costs	(28,001,946)	(1,569,432)	(1,228,960)	(30,800,338)
Increase-decrease in interest	(157,544)	(23,844)	759,344	577,956
Increase-decrease in other receivables associated with loans	(4,893)	(3,754)	5,610	(3,037)

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	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Write-offs	(2,442)	(967)	(649,911)	(653,320)
Discontinued operations ⁽¹⁾	3,597,238	100,447	(611,998)	3,085,687
Entity deconsolidation	(1,087,851)	619,860	765,394	297,403
FX and other movements ^(*)	1,569,014	71,029	97,557	1,737,600
Total portfolio as of June 30, 2021	Ps. 95,491,252	Ps. 11,264,220	Ps. 9,338,565	Ps. 116,094,037

(*) For the quarter of June 30, 2021, the TRM presented a variation of Ps. 316.00 per dollar

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

Consumer portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	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, 2021	Ps. 1,066,543	Ps. 1,396,101	Ps. 2,118,360	Ps. 4,581,004
Transfers:				
Transfer from stage 1 to stage 2	(94,225)	94,225	—	—
Transfer from stage 1 to stage 3	(55,136)	—	55,136	—
Transfer from stage 2 to stage 3	—	(274,517)	274,517	—
Transfer from stage 3 to stage 2	—	50,524	(50,524)	—
Transfer from stage 2 to stage 1	92,182	(92,182)	—	—
Transfer from stage 3 to stage 1	10,297	—	(10,297)	—
Net remeasurement of loss allowance ⁽³⁾	(720)	384,648	635,334	1,019,262
New financial assets originated or purchased	242,639	69,711	75,829	388,179
Financial assets that have been derecognized	(114,799)	(71,532)	(92,295)	(278,626)
Unwind of discount ⁽¹⁾	—	—	56,953	56,953
FX and other movements	(795)	1,548	1,545	2,298
Discontinued operations ⁽²⁾	(7,450)	18,696	243,598	254,844
Entity deconsolidation	(415,046)	(588,429)	(805,632)	(1,809,107)
Write—offs	(4,271)	(153,470)	(962,681)	(1,120,422)
Loss allowance as of June 30, 2022	Ps. 719,219	Ps. 835,323	Ps. 1,539,843	Ps. 3,094,385

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

	Stage 1	Stage 2	Stage 3	Total
	12- month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	
Ps.	(52,821)Ps.	84,071 Ps.	7,170 Ps.	38,420

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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 ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired				
Total portfolio as of December 31, 2021	Ps.	63,811,740	Ps.	9,828,726	Ps.	3,248,679	Ps.	76,889,145
Transfers:								
Transfer from stage 1 to stage 2		(2,114,993)		2,114,993		—		—
Transfer from stage 1 to stage 3		(245,482)		—		245,482		—
Transfer from stage 2 to stage 3		—		(800,667)		800,667		—
Transfer from stage 2 to stage 1		1,446,156		(1,446,156)		—		—
Transfer from stage 3 to stage 2		—		136,856		(136,856)		—
Transfer from stage 3 to stage 1		29,349		—		(29,349)		—
Increase in loan portfolio and borrowing costs		20,151,809		617,539		138,947		20,908,295
Decrease in loan portfolio and borrowing costs		(14,111,970)		(1,465,520)		(532,244)		(16,109,734)
Increase-decrease in interest		(574,567)		7,718		457,245		(109,604)
Increase-decrease in other receivables associated with loans		2,916		(579)		423		2,760
Write-offs		(4,271)		(153,470)		(962,681)		(1,120,422)
Discontinued operations ⁽¹⁾		1,322,418		(52,123)		(467,995)		802,300
Entity deconsolidation		(22,507,056)		(3,526,844)		(892,233)		(26,926,133)
FX and other movements		112,933		31,918		(269)		144,582
Total portfolio as of June 30, 2022	Ps.	47,318,982	Ps.	5,292,391	Ps.	1,869,816	Ps.	54,481,189

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

		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, 2020	Ps.	1,013,071	Ps.	1,948,030	Ps.	1,977,870	Ps.	4,938,971
Transfers:								
Transfer from stage 1 to stage 2		(133,036)		133,036		—		—
Transfer from stage 1 to stage 3		(40,781)		—		40,781		—
Transfer from stage 2 to stage 3		—		(480,307)		480,307		—
Transfer from stage 3 to stage 2		—		50,914		(50,914)		—
Transfer from stage 2 to stage 1		90,776		(90,776)		—		—
Transfer from stage 3 to stage 1		29,957		—		(29,957)		—
Net remeasurement of loss allowance ⁽³⁾		(34,684)		228,683		774,357		968,356
New financial assets originated or purchased		194,592		71,301		94,855		360,748
Financial assets that have been derecognized		(155,995)		(116,573)		(58,736)		(331,304)
Unwind of discount ⁽¹⁾		—		—		58,910		58,910
FX and other movements		207		3,372		490		4,069
Discontinued operations ⁽²⁾		(147,327)		224,421		330,939		408,033
Entity deconsolidation		174,578		(227,060)		(343,868)		(396,350)
Write-offs		(18,010)		(29,377)		(1,054,890)		(1,102,277)
Loss allowance as of June 30, 2021	Ps.	973,348	Ps.	1,715,664	Ps.	2,220,144	Ps.	4,909,156

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

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	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Ps.	(34,463)Ps.	40,494 Ps.	7,691 Ps.	13,722

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, 2020	Ps.	51,453,521	Ps.	11,382,726	Ps.	2,999,210	Ps.	65,835,457
Transfers:								
Transfer from stage 1 to stage 2		(2,909,335)		2,909,335		—		—
Transfer from stage 1 to stage 3		(232,784)		—		232,784		—
Transfer from stage 2 to stage 3		—		(1,213,962)		1,213,962		—
Transfer from stage 2 to stage 1		1,372,497		(1,372,497)		—		—
Transfer from stage 3 to stage 2		—		111,887		(111,887)		—
Transfer from stage 3 to stage 1		83,169		—		(83,169)		—
Increase in loan portfolio and borrowing costs		20,250,723		629,483		420,388		21,300,594
Decrease in loan portfolio and borrowing costs		(15,720,750)		(1,375,019)		(649,741)		(17,745,510)
Increase-decrease in interest		(750,967)		19,985		360,526		(370,456)
Increase-decrease in other receivables associated with loans		(8,950)		(5,827)		(1,987)		(16,764)
Write-offs		(18,010)		(29,377)		(1,054,890)		(1,102,277)
Discontinued operations ⁽¹⁾		1,030,781		48,190		(299,851)		779,120
Entity deconsolidation		1,344,208		(21,167)		316,270		1,639,311
FX and other movements ^(*)		170,159		72,870		(66)		242,963
Total portfolio as of June 30, 2021	Ps.	56,064,262	Ps.	11,156,627	Ps.	3,341,549	Ps.	70,562,438

(*) For the quarter of June 30, 2021 the TRM presented a variation of Ps. 316.00 per dollar

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

Mortgage portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

		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, 2021	Ps.	93,122	Ps.	286,903	Ps.	352,382	Ps.	732,407
Transfers:								
Transfer from stage 1 to stage 2		(3,377)		3,377		—		—
Transfer from stage 1 to stage 3		(85)		—		85		—
Transfer from stage 2 to stage 3		—		(15,811)		15,811		—
Transfer from stage 3 to stage 2		—		6,674		(6,674)		—
Transfer from stage 2 to stage 1		18,854		(18,854)		—		—
Transfer from stage 3 to stage 1		4,104		—		(4,104)		—
Net remeasurement of loss allowance ⁽³⁾		(12,665)		6,527		3,955		(2,183)
New financial assets originated or purchased		7,001		1,802		4,494		13,297
Financial assets that have been derecognized		(10,360)		(5,112)		(1,768)		(17,240)
Unwind of discount ⁽¹⁾		—		—		9,190		9,190
FX and other movements		(670)		1,904		338		1,572
Discontinued operations ⁽²⁾		(5,951)		2,871		10,682		7,602
Entity deconsolidation		(41,759)		(174,305)		(127,448)		(343,512)

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	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Write-offs	(1,093)	(2,340)	(14,964)	(18,397)
Loss allowance as of June 30, 2022	Ps. 47,121	Ps. 93,636	Ps. 241,979	Ps. 382,736

- (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) See details in note 1.1. See spin-off BAC Holding
- (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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Ps.	(4,173)Ps.	(8,205)Ps.	(8,269)Ps.	(20,647)

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 credit- impaired	
Total portfolio as of December 31, 2021	Ps. 22,743,149	Ps. 5,278,510	Ps. 1,098,657	Ps. 29,120,316
Transfers:				
Transfer from stage 1 to stage 2	(415,542)	415,542	—	—
Transfer from stage 1 to stage 3	(3,330)	—	3,330	—
Transfer from stage 2 to stage 3	—	(112,001)	112,001	—
Transfer from stage 2 to stage 1	582,266	(582,266)	—	—
Transfer from stage 3 to stage 2	—	35,340	(35,340)	—
Transfer from stage 3 to stage 1	23,479	—	(23,479)	—
Increase in loan portfolio and borrowing costs	2,186,365	54,319	3,452	2,244,136
Decrease in loan portfolio and borrowing costs	(1,028,232)	(86,639)	(60,308)	(1,175,179)
Increase-decrease in interest	(20,827)	(7,220)	46,767	18,720
Increase-decrease in other receivables associated with loans	(1,433)	(1,265)	390	(2,308)
Write-offs	(1,093)	(2,340)	(14,964)	(18,397)
Discontinued operations ⁽¹⁾	351,471	(1,194,482)	(644,299)	(1,487,310)
Entity deconsolidation	(11,060,808)	(1,883,826)	(6,918)	(12,951,552)
FX and other movements	79,766	54,030	1,375	135,171
Total portfolio as of June 30, 2022	Ps. 13,435,231	Ps. 1,967,702	Ps. 480,664	Ps. 15,883,597

- (1) See details in note 1.1. See spin-off BAC Holding

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The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

		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, 2020	Ps.	72,294	Ps.	225,889	Ps.	262,721	Ps.	560,904
Transfers:								
Transfer from stage 1 to stage 2		(5,677)		5,677		—		—
Transfer from stage 1 to stage 3		(209)		—		209		—
Transfer from stage 2 to stage 3		—		(16,780)		16,780		—
Transfer from stage 3 to stage 2		—		5,965		(5,965)		—
Transfer from stage 2 to stage 1		8,408		(8,408)		—		—
Transfer from stage 3 to stage 1		4,411		—		(4,411)		—
Net remeasurement of loss allowance ⁽³⁾		(672)		61,353		19,981		80,662
New financial assets originated or purchased		8,721		3,401		2,703		14,825
Financial assets that have been derecognized		(6,597)		(5,621)		(3,620)		(15,838)
Unwind of discount ⁽¹⁾		—		—		6,868		6,868
FX and other movements		18		2,078		39		2,135
Discontinued operations ⁽²⁾		(25,961)		27,627		42,198		43,864
Entity deconsolidation		26,381		(6,789)		(8,231)		11,361
Write-offs		(752)		(3,235)		(8,263)		(12,250)
Loss allowance as of June 30, 2021	Ps.	80,365	Ps.	291,157	Ps.	321,009	Ps.	692,531

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

	Stage 1 12- month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit-impaired	Total
Ps.	(8,711)Ps.	(16,367)Ps.	37,004 Ps.	11,926

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, 2020	Ps.	18,537,882	Ps.	5,217,872	Ps.	803,017	Ps.	24,558,771
Transfers:								
Transfer from stage 1 to stage 2		(586,691)		586,691		—		—
Transfer from stage 1 to stage 3		(11,404)		—		11,404		—
Transfer from stage 2 to stage 3		—		(83,831)		83,831		—
Transfer from stage 2 to stage 1		257,657		(257,657)		—		—
Transfer from stage 3 to stage 2		—		25,480		(25,480)		—
Transfer from stage 3 to stage 1		19,454		—		(19,454)		—
Increase in loan portfolio and borrowing costs		1,935,063		52,318		4,420		1,991,801
Decrease in loan portfolio and borrowing costs		(1,185,353)		(109,761)		(51,381)		(1,346,495)
Increase-decrease in interest		(24,804)		12,987		36,167		24,350
Increase-decrease in other receivables associated with loans		(3,138)		1,332		585		(1,221)
Write-offs		(752)		(3,235)		(8,263)		(12,250)

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	Stage 1		Stage 2		Stage 3		Total
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		
Discontinued operations ⁽¹⁾	256,761		(753,265)		(421,552)		(918,056)
Entity deconsolidation	795,657		925,857		587,093		2,308,607
FX and other movements ^(*)	120,940		101,259		3,566		225,765
Total portfolio as of June 30, 2021	Ps. 20,111,272		Ps. 5,716,047		Ps. 1,003,953		Ps. 26,831,272

(*) For the quarter of June 30, 2021 the TRM presented a variation of Ps. 316.00 per dollar

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

Microcredit portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	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, 2021	Ps. 6,740		Ps. 13,291		Ps. 85,039		Ps. 105,070
Transfers:							
Transfer from stage 1 to stage 2	(1,022)		1,022		—		—
Transfer from stage 1 to stage 3	(353)		—		353		—
Transfer from stage 2 to stage 3	—		(6,415)		6,415		—
Transfer from stage 3 to stage 2	—		931		(931)		—
Transfer from stage 2 to stage 1	2,319		(2,319)		—		—
Transfer from stage 3 to stage 1	229		—		(229)		—
Net remeasurement of loss allowance ⁽²⁾	(537)		1,861		2,886		4,210
New financial assets originated or purchased	3,047		107		5		3,159
Financial assets that have been derecognized	(1,048)		(685)		(304)		(2,037)
Unwind of discount ⁽¹⁾	—		—		5,869		5,869
Write—offs	(128)		(1,494)		(43,008)		(44,630)
Loss allowance as of June 30, 2022	Ps. 9,247		Ps. 6,299		Ps. 56,095		Ps. 71,641

⁽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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

Ps.	Stage 1		Stage 2		Stage 3		Total
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		
	2,154	Ps.	120	Ps.	(41)	Ps.	2,233

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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 2				Total
	Stage 1 12-month ECL	Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired		
Total portfolio as of December 31, 2021	Ps. 187,419	Ps. 43,362	Ps. 86,958	Ps. 317,739	
Transfers:					
Transfer from stage 1 to stage 2	(14,053)	14,053	—	—	
Transfer from stage 1 to stage 3	(2,612)	—	2,612	—	
Transfer from stage 2 to stage 3	—	(16,082)	16,082	—	
Transfer from stage 2 to stage 1	17,140	(17,140)	—	—	
Transfer from stage 3 to stage 2	—	2,280	(2,280)	—	
Transfer from stage 3 to stage 1	597	—	(597)	—	
Increase in loan portfolio and borrowing costs	100,000	132	427	100,559	
Decrease in loan portfolio and borrowing costs	(85,339)	(9,178)	(9,623)	(104,140)	
Increase-decrease in interest	984	990	7,136	9,110	
Write-offs	(128)	(1,494)	(43,008)	(44,630)	
Total portfolio as of June 30, 2022	Ps. 204,008	Ps. 16,923	Ps. 57,707	Ps. 278,638	

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	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, 2020	Ps. 17,089	Ps. 60,040	Ps. 46,910	Ps. 124,039						
Transfers:										
Transfer from stage 1 to stage 2	(4,623)	4,623	—	—						
Transfer from stage 1 to stage 3	(1,045)	—	1,045	—						
Transfer from stage 2 to stage 3	—	(29,504)	29,504	—						
Transfer from stage 3 to stage 2	—	1,834	(1,834)	—						
Transfer from stage 2 to stage 1	3,593	(3,593)	—	—						
Transfer from stage 3 to stage 1	468	—	(468)	—						
Net remeasurement of loss allowance ⁽²⁾	(5,300)	1,136	22,226	18,062						
New financial assets originated or purchased	5,820	454	—	6,274						
Financial assets that have been derecognized	(2,046)	(2,430)	(323)	(4,799)						
Unwind of discount ⁽¹⁾	—	—	5,254	5,254						
Write-offs	(253)	(1,309)	(25,957)	(27,519)						
Loss allowance as of June 30, 2021	Ps. 13,703	Ps. 31,251	Ps. 76,357	Ps. 121,311						

⁽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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL			Lifetime ECL not credit- impaired			
	Ps. (2,246)Ps.	(2,284)Ps.	(3)Ps.	(4,533)			

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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			
	Ps.		Ps.		Ps.		Ps.	
Total portfolio as of December 31, 2020		178,570		143,901		49,850		372,321
Transfers:								
Transfer from stage 1 to stage 2		(29,340)		29,340		—		—
Transfer from stage 1 to stage 3		(4,321)		—		4,321		—
Transfer from stage 2 to stage 3		—		(58,142)		58,142		—
Transfer from stage 2 to stage 1		23,150		(23,150)		—		—
Transfer from stage 3 to stage 2		—		4,165		(4,165)		—
Transfer from stage 3 to stage 1		1,533		—		(1,533)		—
Increase in loan portfolio and borrowing costs		79,620		200		10,603		90,423
Decrease in loan portfolio and borrowing costs		(74,564)		(16,349)		(12,851)		(103,764)
Increase-decrease in interest		323		2,494		2,738		5,555
Increase-decrease in other receivables associated with loans		(1)		—		(1)		(2)
Write-offs		(253)		(1,309)		(25,957)		(27,519)
Total portfolio as of June 30, 2021	Ps.	174,717	Ps.	81,150	Ps.	81,147	Ps.	337,014

Repos, interbank loans portfolio

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
	Ps.		Ps.		Ps.		Ps.	
Loss allowance as of December 31, 2021		2,386		—		—		2,386
Net remeasurement of loss allowance ⁽²⁾		13		—		—		13
New financial assets originated or purchased		16,077		—		—		16,077
Financial assets that have been derecognized		(18,073)		—		—		(18,073)
Unwind of discount ⁽¹⁾		—		—		—		—
Write-offs		—		—		—		—
Loss allowance as of June 30, 2022		403		—		—		403

⁽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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Ps.	(11)Ps.	— Ps.	— Ps.	(11)

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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		Total
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		
Total portfolio as of December 31, 2021	Ps.	3,218,433	Ps.	—	Ps.	—	Ps. 3,218,433
Increase in loan portfolio and borrowing costs		4,423,000		—		—	4,423,000
Decrease in loan portfolio and borrowing costs		(4,205,397)		—		—	(4,205,397)
Increase-decrease in interest		16,125		—		—	16,125
Increase-decrease in other receivables associated with loans		(2,362)		—		—	(2,362)
Write-offs		—		—		—	—
Discontinued operations ⁽¹⁾		249		—		—	249
Entity deconsolidation		(1,442,427)		—		—	(1,442,427)
FX and other movements		(3,479)		—		—	(3,479)
Total portfolio as of June 30, 2022	Ps.	2,004,142	Ps.	—	Ps.	—	Ps. 2,004,142

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	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, 2020	Ps.	792	Ps.	—	Ps.	59	Ps. 851
Net remeasurement of loss allowance ⁽²⁾		(9)		—		—	(9)
New financial assets originated or purchased		1,136		—		—	1,136
Financial assets that have been derecognized		(720)		—		(59)	(779)
Loss allowance as of June 30, 2021	Ps.	1,199	Ps.	—	Ps.	—	Ps. 1,199

⁽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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

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

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 credit-impaired		
Total portfolio as of December 31, 2020	Ps.	4,693,539	Ps.	—	Ps.	139	Ps. 4,693,678
Increase in loan portfolio and borrowing costs		1,135,054		—		—	1,135,054
Decrease in loan portfolio and borrowing costs		(2,300,899)		—		—	(2,300,899)

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	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Increase-decrease in interest	6,819	—	—	6,819
Increase-decrease in other receivables associated with loans	364	—	(139)	225
Write-offs	—	—	—	—
Discontinued operations ⁽¹⁾	463	—	—	463
Entity deconsolidation	(859,676)	—	—	(859,676)
FX and other movements ^(*)	50,075	—	—	50,075
Total portfolio as of June 30, 2021	Ps. 2,725,739	Ps. —	Ps. —	Ps. 2,725,739

(*) For the quarter of June 30, 2021, the TRM presented a variation of Ps. 316.00 per dollar

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

Investments in debt securities at FVOCI

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	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 2021	Ps. 123,978	Ps. —	Ps. —	Ps. 123,978
Transfers:				
Transfer from stage 1 to stage 2	—	—	—	—
Transfer from stage 2 to stage 1	—	—	—	—
Net remeasurement of loss allowance ⁽³⁾	(3,873)	—	—	(3,873)
New financial assets originated or purchased	3,226	—	—	3,226
Financial assets that have been derecognized	(1,606)	—	—	(1,606)
Unwind of discount ⁽¹⁾	—	—	—	—
FX and other movements	142	—	—	142
Discontinued operations ⁽²⁾	2,935	—	—	2,935
Entities deconsolidation	(111,358)	—	—	(111,358)
Loss allowance as of June 30, 2022	Ps. 13,444	Ps. —	Ps. —	Ps. 13,444

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Ps. (2,089)	Ps. —	Ps. —	Ps. (2,089)

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The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
	Ps.		Ps.		Ps.		Ps.	
Loss allowance as of 31 December 2020		96,307		179		—		96,486
Transfers:								
Transfer from stage 1 to stage 2		(42)		42		—		—
Net remeasurement of loss allowance ⁽³⁾		(820)		61		—		(759)
New financial assets originated or purchased		5,492		—		—		5,492
Financial assets that have been derecognized		(8,036)		—		—		(8,036)
Unwind of discount ⁽¹⁾		—		—		—		—
Discontinued operations ⁽²⁾		7,957		(172)		—		7,785
Entities deconsolidation		7,805		(7)		—		7,798
FX and other movements		763		3		—		766
Loss allowance as of June 30, 2021	Ps.	109,426	Ps.	106	Ps.	—	Ps.	109,532

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

⁽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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Ps.	Ps.	Ps.	Ps.
(12,108)	(27)	—	(12,135)

Investments in debt securities at amortized cost

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
	Ps.		Ps.		Ps.		Ps.	
Loss allowance as of 31 December 2021		3,297		7,401		—		10,698
Transfers:								
Transfer from stage 1 to stage 2		—		—		—		—
Net remeasurement of loss allowance ⁽³⁾		19,262		(141)		—		19,121
New financial assets originated or purchased		1,467		—		—		1,467
Financial assets that have been derecognized		(369)		—		—		(369)
Unwind of discount ⁽¹⁾		—		—		—		—
FX and other movements		1,869		329		—		2,198
Discontinued operations ⁽²⁾		(76)		—		—		(76)
Entities deconsolidation		(512)		—		—		(512)
Loss allowance as of June 30, 2022	Ps.	24,938	Ps.	7,589	Ps.	—	Ps.	32,527

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

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(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 June 30, 2022 versus parameters as of December 31, 2021 and the loan portfolio as of June 30, 2022.

Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Ps. (541)	Ps. (1,351)	Ps. —	Ps. (1,892)

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	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 2020	Ps. 7,188	Ps. 7	Ps. —	Ps. 7,195
Transfers:				
Transfer from stage 1 to stage 2	(1,012)	1,012	—	—
Net remeasurement of loss allowance ⁽³⁾	(1,665)	3,712	—	2,047
New financial assets originated or purchased	1,378	1,294	—	2,672
Financial assets that have been derecognized	(827)	—	—	(827)
Unwind of discount ⁽¹⁾	—	—	—	—
Discontinued operations ⁽²⁾	(1,071)	—	—	(1,071)
Entities deconsolidation	162	—	—	162
FX and other movements	263	218	—	481
Loss allowance as of June 30, 2021	Ps. 4,416	Ps. 6,243	Ps. —	Ps. 10,659

(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) See details in note 1.1. See spin-off BAC Holding

(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 June 30, 2021 versus parameters as of December 31, 2020 and the loan portfolio as of June 30, 2021.

Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
Ps. (598)	Ps. —	Ps. —	Ps. (598)

Other accounts receivable

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2022.

	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, 2021	Ps. 18,939	Ps. 16,771	Ps. 129,449	Ps. 217,643	Ps. 382,802
Transfers stages	—	—	—	—	—
Net remeasurement of loss allowance	840	(1,255)	25,611	16,006	41,202
New financial assets originated or purchased	—	—	—	—	—
Financial assets that have been derecognized	—	—	—	—	—

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	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		
Unwind of discount ⁽¹⁾	—	—	—	—	—
FX and other movements	(569)	(458)	(2,518)	186	(3,359)
Entity deconsolidation	—	—	—	(33,315)	(33,315)
Discontinued operations ⁽²⁾	—	—	—	760	760
Write—offs	(73)	—	(15,400)	(4,278)	(19,751)
Loss allowance as of June 30, 2022	Ps. 19,137	Ps. 15,058	Ps. 137,142	Ps. 197,002	Ps. 368,339

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		
Loss allowance as of December 31, 2020	Ps. 18,136	Ps. 13,548	Ps. 107,471	Ps. 203,902	Ps. 343,057
Transfers stages	—	—	—	—	—
Net remeasurement of loss allowance	790	3,779	17,439	12,963	34,971
New financial assets originated or purchased	—	—	—	—	—
Financial assets that have been derecognized	—	—	—	—	—
Unwind of discount ⁽¹⁾	—	—	—	—	—
FX and other movements	317	48	382	964	1,711
Discontinued operations ⁽²⁾	—	—	—	6,224	6,224
Entity deconsolidation	—	—	—	(73)	(73)
Write—offs	(57)	—	(13,632)	(1,555)	(15,244)
Loss allowance as of June 30, 2021	Ps. 19,186	Ps. 17,375	Ps. 111,660	Ps. 222,425	Ps. 370,646

⁽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⁾ See details in note 1.1. See spin-off BAC Holding

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 June 30, 2022.

	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, 2021	Ps. 45,916	Ps. 10,097	Ps. 6,028	Ps. 62,041
Transfers:				
Transfer from Stage 1 to Stage 2	(480)	480	—	—
Transfer from Stage 1 to Stage 3	(45)	—	45	—
Transfer from Stage 2 to Stage 3	—	(260)	260	—
Transfer from Stage 3 to Stage 2	—	4	(4)	—
Transfer from Stage 2 to Stage 1	1,986	(1,986)	—	—
Transfer from Stage 3 to Stage 1	54	—	(54)	—
Net remeasurement of loss allowance	(11,851)	(247)	(986)	(13,084)
New loan commitments and financial guarantees issued	8,959	1,441	(29)	10,371
FX and other movements	83	—	—	83

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	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Discontinued operations ⁽¹⁾	(45)	(63)	(202)	(310)
Entity deconsolidation	(752)	(138)	(4,222)	(5,112)
Loss allowance as of June 30, 2022	Ps. 43,825	Ps. 9,328	Ps. 836	Ps. 53,989

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

The following table show the reconciliations from the opening to the closing balance of the loss allowance as of June 30, 2021.

	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, 2020	Ps. 57,226	Ps. 8,679	Ps. 1,488	Ps. 67,393
Transfers:				
Transfer from Stage 1 to Stage 2	(2,743)	2,743	—	—
Transfer from Stage 1 to Stage 3	(129)	—	129	—
Transfer from Stage 2 to Stage 3	—	(227)	227	—
Transfer from Stage 3 to Stage 2	—	65	(65)	—
Transfer from Stage 2 to Stage 1	3,168	(3,168)	—	—
Transfer from Stage 3 to Stage 1	76	—	(76)	—
Net remeasurement of loss allowance	(15,815)	1,971	(749)	(14,593)
New loan commitments and financial guarantees issued	7,507	1,258	663	9,428
FX and other movements	228	1	—	229
Discontinued operations ⁽¹⁾	107	(50)	(231)	(174)
Entity deconsolidation	(198)	—	17	(181)
Loss allowance as of June 30, 2021	Ps. 49,427	Ps. 11,272	Ps. 1,403	Ps. 62,102

⁽¹⁾ See details in note 1.1. See spin-off BAC Holding

g) Credit Commitments

Following is the detail of the guarantees, letters of credit and credit commitments on non-used credit lines as of June 30, 2022 and December 31, 2021:

Credit lines commitments not used

	June 30, 2022	December 31, 2021
	Notional amount	Notional amount
Guarantees	Ps. 3,896,072	Ps. 4,886,575
Unused letters of credit	499,756	1,366,444
Unused limits of overdrafts	3,242,672	2,064,096
Unused credit card limits	11,150,203	29,541,882
Other	11,293,610	10,077,324
Total	Ps. 30,082,313	Ps. 47,936,321

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

	June 30, 2022	December 31, 2021
Colombian Pesos	Ps. 25,832,578	Ps. 22,073,167
U.S. dollars	4,218,880	25,465,480
Euro	23,245	15,650
Other	7,610	382,024
Total	Ps. 30,082,313	Ps. 47,936,321

NOTE 5 – HEDGE ACCOUNTING

In accordance with its risk management policies, Grupo Aval’s subsidiaries use hedge accounting as of March 31, 2022 and December 31, 2021, as follows:

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.

To cover this risk, Grupo Aval hedges its exposure through foreign currency financial liabilities expressed in U.S. dollars and forward contracts for the sale of U.S. dollars.

Changes in the fluctuation of the Colombian peso against the U.S. dollar are as follows:

Date	Value of USD 1	Three-month variation in pesos
June 30, 2022	4,151.21	395.18
December 31, 2021	3,981.16	168.39
June 30, 2021	3,748.50	69.88

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

Detail of investment	Translation adjustment of the investments	Exchange difference of financial liabilities	Exchange difference in forward contracts	Net OCI account
BAC Holding and MFH ⁽¹⁾	Ps. (7,249,627)	Ps. 2,969,231	Ps. 4,048,527	Ps. (231,869)
Other subsidiaries and branches Banco de Bogotá	21,857	—	3,302	25,159
BAC Holding	354,107	(340,250)	—	13,857
Occidental Bank Barbados	5,141	(5,141)	—	—
Banco de Occidente Panamá	6,498	(6,498)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	4,483	(4,483)	—	—
Gases del Pacífico S.A.C.	5,422	(3,890)	—	1,532
Gas Natural de Lima y Callao S.A.C. – Calidda	16,958	(16,958)	—	—
Promigas Perú S.A.C.	820	(820)	—	—
Gases del Norte del Perú S.A.C.	1,822	(1,822)	—	—
Promigas Panamá Corporation	3	(3)	—	—
Total	Ps. (6,832,516)	Ps. 2,589,366	Ps. 4,051,829	Ps. (191,321)

⁽¹⁾ Include OCI from BAC Holding International Corp. and Multi Financial Holding hedge accounting and realization of the OCI items resulting from the spin-off of BAC Holding. See details in note 1.2. “Deconsolidation of BAC Holding”

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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 is presented gross of taxes:

June 30, 2022

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 (1)	Exchange difference in forward contracts	
Multifinancial Holding	395,114	(320,000)	(315) Ps.	142,278 Ps.	(126,458) Ps.	(431) Ps.	15,389
Other subsidiaries and branches Banco de Bogotá	124,433	—	(952)	256,853	—	(230,086)	26,767
BAC Holding	897,916	(861,000)	—	354,107	(340,250)	—	13,857
Occidental Bank Barbados	26,272	(26,272)	—	56,619	(56,619)	—	—
Banco de Occidente Panamá	28,233	(28,233)	—	79,088	(79,088)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	26,365	26,365	—	34,503	(34,503)	—	—
Gases del Pacífico S.A.C.	31,888	31,888	—	17,149	(29,446)	—	(12,297)
Gas Natural de Lima y Callao S.A.C. – Calidda	111,153	111,153	—	100,226	(100,226)	—	—
Promigas Perú S.A.C.	4,820	4,820	—	2,328	(2,328)	—	—
Gases del Norte del Perú S.A.C.	24,000	24,000	—	4,323	(4,323)	—	—
Promigas Panamá Corporation	8	8	—	3	(3)	—	—
Total	1,670,202	(1,037,271)	(1,267) Ps.	1,047,477 Ps.	(773,244) Ps.	(230,517) Ps.	43,716

December 31, 2021

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 (1)	Exchange difference in forward contracts	
BAC Holding and MFH ⁽²⁾⁽⁴⁾	3,861,718	(1,486,000)	(584,500) Ps.	7,391,903 Ps.	(3,021,983) Ps.	(4,048,958) Ps.	320,962
Other subsidiaries and branches Banco de Bogotá ⁽³⁾	145,159	—	(144,308)	234,995	—	(233,388)	1,607
Occidental Bank Barbados	32,329	(32,329)	—	51,478	(51,478)	—	—
Banco de Occidente Panamá	46,039	(46,039)	—	72,590	(72,590)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	26,365	(26,365)	—	30,020	(30,020)	—	—
Gases del Pacífico S.A.C.	31,888	(31,888)	—	11,727	(25,556)	—	(13,829)
Gas Natural de Lima y Callao S.A.C. – Calidda	125,284	(125,284)	—	83,268	(83,268)	—	—
Promigas Perú S.A.C.	4,820	(4,820)	—	1,508	(1,508)	—	—
Gases del Norte del Perú S.A.C.	8,395	(8,395)	—	2,501	(2,501)	—	—
Promigas Panamá Corporation	8	(8)	—	2	(2)	—	—
Total	4,282,005	(1,761,128)	(728,808) Ps.	7,879,992 Ps.	(3,288,906) Ps.	(4,282,346) Ps.	308,740

(1) Includes only a portion of this investments hedged

(2) Includes BAC Holding International Corp. and Multi Financial Holding

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

(4) Banco de Bogotá's Board of Directors approved "uncovering" part of the value of the net investment abroad through the reduction in the size of the hedging with derivatives, likewise, it authorized to stop covering the monthly increases in the value of the investment through equity method. The amount of unhedged translation adjustment of the investments was of Ps. 470,412 during year 2021.

a) 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 in their gas pipelines. Promigas and its subsidiaries hedge the exchange risk arising in future transactions of highly probable gas transportation income, entered into forward contracts for the sale of U.S. dollars with financial entities different from the ones consolidated into Grupo Aval.

b) Fair value hedging

As of March 31, 2022, the MFG uses interest rate swaps to reduce the risk of interest rates on financial assets and financial liabilities.

c) Testing of hedge effectiveness

Grupo Aval considers hedging as highly effective if at the beginning and in subsequent periods, the hedging is highly effective at offsetting changes in fair value or in cash flows attributable to the risk hedged during the period for which the hedging has been 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 June 30, 2022 and December 31, 2021.

NOTE 6 – INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

	June 30, 2022		December 31, 2021	
Associates	Ps.	4,877,950	Ps.	1,170,435
Joint ventures		4,051		2,394
Total	Ps.	4,882,001	Ps.	1,172,829

The following table shows Grupo Aval's ownership interest percentage in investments in associates:

	June 30, 2022		December 31, 2021	
	Ownership interest	Book value	Ownership interest	Book value
Associates				
BAC Holding International Corp ⁽¹⁾	25 %	Ps. 3,736,603	— %	Ps. —
Gas Natural de Lima y Callao S.A. - Cálidda	40 %	528,818	40 %	568,035
Gases del Caribe S.A. E.S.P.	31 %	318,360	31 %	305,456
Credibanco S.A.	25 %	201,860	25 %	200,824
Redeban Multicolor S.A.	20 %	30,397	20 %	22,801
A.C.H Colombia S.A.	34 %	15,641	34 %	36,427
Aerocali S.A.	50 %	16,906	50 %	8,852
Colombiana de Extrusión S.A. - Extrucol	30 %	12,430	30 %	12,966
Servicios de Identidad Digital S.A.S.	33 %	6,087	33 %	3,989
Energía Eficiente S.A.	33 %	3,683	33 %	4,307
ADL Digital Lab S.A.S.	34 %	4,516	34 %	4,014
Metrex S.A.	18 %	2,017	18 %	2,166
Concentra Inteligencia en Energía S.A.S.	24 %	632	24 %	598
		Ps. 4,877,950		Ps. 1,170,435

⁽¹⁾ Includes income from fair value PS. 137,427

NOTE 7 – TANGIBLE ASSETS

The following table are the balances for Tangible assets during the periods ended on June 30, 2022 and December 31, 2021.

Property, plant and equipment		June 30, 2022		December 31, 2021
Properties, plant and equipment for own use ⁽¹⁾	Ps.	4,615,932	Ps.	6,154,168
Right-of-use assets ⁽¹⁾		1,336,857		1,900,396
Investment properties		857,110		852,935
Biological Assets		167,201		154,986
Properties, plant and equipment given in operating lease		66,761		38,068
Total	Ps.	7,043,861	Ps.	9,100,553

(1) Includes the effect of the spin-off of Bac Holding International Corp. by Ps. (1,899,743), allocated as follows: Property, plant and equipment for Ps. (1,361,821) and assets for rights of use for Ps. (537,922).

NOTE 8 – CONCESSIONS

The following are the balances for Grupo Aval for concession contracts for three-months periods ended June 30, 2022 and 2021:

For three-months periods ended to June 30, 2022

		<u>Gas and energy</u>		<u>Infrastructure</u>		<u>Total</u>
Cost						
At March 31, 2022	Ps.	5,972,948	Ps.	6,638,191	Ps.	12,611,139
Additions		205,775		319,974		525,749
Reclassification to PPE		12		—		12
Withdrawals		(1,102)		—		(1,102)
Effect of movements in exchange rates		245,765		—		245,765
At June 30, 2022	Ps.	6,423,398	Ps.	6,958,165	Ps.	13,381,563
Accumulated Amortization						
At March 31, 2022	Ps.	(1,109,011)	Ps.	(151,675)	Ps.	(1,260,686)
Amortization of the period		(60,253)		(4,627)		(64,880)
Withdrawals		398		—		398
Effect of movements in exchange rates		(12,400)		—		(12,400)
At June 30, 2022	Ps.	(1,181,266)	Ps.	(156,302)	Ps.	(1,337,568)
Impairment losses						
At March 31, 2022	Ps.	(7,146)	Ps.	(4,412)	Ps.	(11,558)
Impairment charge		—		(225)		(225)
At June 30, 2022	Ps.	(7,146)	Ps.	(4,637)	Ps.	(11,783)
Total Intangible Assets						
At March 31, 2022	Ps.	4,856,791	Ps.	6,482,104	Ps.	11,338,895
Cost		450,450		319,974		770,424
Amortization		(72,255)		(4,627)		(76,882)
Impairment losses		—		(225)		(225)
At June 30, 2022	Ps.	5,234,986	Ps.	6,797,226	Ps.	12,032,212

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For three-months periods ended to June 30, 2021

	<u>Gas and energy</u>		<u>Infrastructure</u>		<u>Total</u>	
Cost						
At March 30, 2021	Ps.	4,854,017	Ps.	5,713,628	Ps.	10,567,645
Additions		309,722		185,742		495,464
Reclassification to PPE		20,306		—		20,306
Withdrawals		1,119		—		1,119
Effect of movements in exchange rates		30,446		—		30,446
At June 30, 2021	Ps.	5,215,610	Ps.	5,899,370	Ps.	11,114,980
Accumulated Amortization						
At March 30, 2021	Ps.	(877,711)	Ps.	(143,643)	Ps.	(1,021,354)
Amortization of the period		(55,811)		(4,522)		(60,333)
Withdrawals		8		—		8
Effect of movements in exchange rates		(1,836)		—		(1,836)
At June 30, 2021	Ps.	(935,350)	Ps.	(148,165)	Ps.	(1,083,515)
Impairment losses						
At March 30, 2021	Ps.	(2,296)	Ps.	(3,066)	Ps.	(5,362)
Impairment charge		(239)		(899)		(1,138)
At June 30, 2021	Ps.	(2,535)	Ps.	(3,965)	Ps.	(6,500)
Total Intangible Assets						
At March 30, 2021	Ps.	3,974,010	Ps.	5,566,919	Ps.	9,540,929
Cost		361,593		185,742		547,335
Amortization		(57,639)		(4,522)		(62,161)
Impairment losses		(239)		(899)		(1,138)
At June 30, 2021	Ps.	4,277,725	Ps.	5,747,240	Ps.	10,024,965

The following are the balances for Grupo Aval for concession contracts for six-months periods ended June 30, 2022 and 2021:

For six-months periods ended to June 30, 2022

	<u>Gas and energy</u>		<u>Infrastructure</u>		<u>Total</u>	
Cost						
At January 1, 2022	Ps.	5,893,832	Ps.	6,418,058	Ps.	12,311,890
Additions ⁽¹⁾		419,803		540,107		959,910
Reclassification to PPE		87		—		87
Withdrawals		(2,065)		—		(2,065)
Effect of movements in exchange rates		111,741		—		111,741
At June 30, 2022	Ps.	6,423,398	Ps.	6,958,165	Ps.	13,381,563
Accumulated Amortization						
At January 1, 2022	Ps.	(1,055,525)	Ps.	(146,847)	Ps.	(1,202,372)
Amortization of the period		(119,486)		(9,455)		(128,941)
Withdrawals		576		—		576
Effect of movements in exchange rates		(6,831)		—		(6,831)
At June 30, 2022	Ps.	(1,181,266)	Ps.	(156,302)	Ps.	(1,337,568)
Impairment losses						
At January 1, 2022	Ps.	(7,146)	Ps.	(4,256)	Ps.	(11,402)
Impairment charge		—		(381)		(381)
At June 30, 2022	Ps.	(7,146)	Ps.	(4,637)	Ps.	(11,783)
Total Intangible Assets						

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		Gas and energy		Infrastructure		Total
At January 1, 2022	Ps.	4,831,161	Ps.	6,266,955	Ps.	11,098,116
Cost		529,566		540,107		1,069,673
Amortization		(125,741)		(9,455)		(135,196)
Impairment losses		—		(381)		(381)
At June 30, 2022	Ps.	5,234,986	Ps.	6,797,226	Ps.	12,032,212

(1) In total additions, the concessions that contribute the most are: Concesionaria Vial Andina - Coviandina S.A.S. with Ps. 540,695; Gases del Norte del Perú S.A.C. with Ps. 237,006 and Gases del Pacífico S.A.C. with Ps. 69,115. All these concessions are in the construction stage.

For six-months periods ended to June 30, 2021

		Gas and energy		Infrastructure		Total
Cost						
At January 1, 2021	Ps.	4,654,889	Ps.	5,495,856	Ps.	10,150,745
Additions		420,570		403,514		824,084
Reclassification to PPE		20,394		—		20,394
Withdrawals		(1,464)		—		(1,464)
Effect of movements in exchange rates		121,221		—		121,221
At June 30, 2021	Ps.	5,215,610	Ps.	5,899,370	Ps.	11,114,980
Accumulated Amortization						
At January 1, 2021	Ps.	(821,017)	Ps.	(136,926)	Ps.	(957,943)
Amortization of the period		(107,973)		(11,239)		(119,212)
Withdrawals		77		—		77
Effect of movements in exchange rates		(6,437)		—		(6,437)
At June 30, 2021	Ps.	(935,350)	Ps.	(148,165)	Ps.	(1,083,515)
Impairment losses						
At January 1, 2021	Ps.	(2,296)	Ps.	(2,942)	Ps.	(5,238)
Impairment charge		(239)		(1,023)		(1,262)
At June 30, 2021	Ps.	(2,535)	Ps.	(3,965)	Ps.	(6,500)
Total Intangible Assets						
At January 1, 2021	Ps.	3,831,576	Ps.	5,355,988	Ps.	9,187,564
Cost		560,721		403,514		964,235
Amortization		(114,333)		(11,239)		(125,572)
Impairment losses		(239)		(1,023)		(1,262)
At June 30, 2021	Ps.	4,277,725	Ps.	5,747,240	Ps.	10,024,965

NOTE 9 – GOODWILL

The following is the roll-forward of goodwill balances during the period ended June 30, 2022 and 2021:

		For the three-months period ended June, 30	
		2022	2021
Balance at the beginning of the period	Ps.	2,220,495	Ps. 8,109,568
Impairment charge		—	—
Loss of control of entities		—	—
Effect of movements in exchange rates ⁽¹⁾		14,395	112,334
Balance at the end of the period	Ps.	2,234,890	Ps. 8,221,902

(1) Corresponds to the variation in the TRM between March and June, for 2022 of Ps. 395.18 per dollar and for 2021 of Ps. 69.88 per dollar on the goodwill recognized in Multi Financial Group.

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	For the six-months period ended June, 30			
	2022		2021	
Balance at the beginning of the period	Ps.	8,486,560	Ps.	7,713,817
Impairment charge		(1,579)		—
Loss of control of entities ⁽¹⁾		(6,256,286)		—
Effect of movements in exchange rates ⁽²⁾		6,195		508,085
Balance at the end of the period	Ps.	2,234,890	Ps.	8,221,902

- (1) Corresponds to the loss of control over BAC Holding International Corp., where Ps. 5,902,410 is the final balance spin-off and Ps. 353,876 correspond to the movement of the period due to conversion effect.
- (2) Corresponds to the variation in the TRM between December and June, for 2022 of Ps. 170.05 per dollar and for 2021 of Ps. 316.00 per dollar on the goodwill recognized in Multi Financial Group.

NOTE 10 - INCOME TAX

Income tax expense, consisting of income tax and its supplementary and deferred tax, is recognized based on the administration best estimate for the period.

The effective tax rate of Grupo Aval consolidated with respect to continuing operations for the six months ended June 30, 2022 was 30.18%, while for the nine months ended September 30, 2021 it was 28.15%.

Comparing the effective tax rates of the six-month periods ended June 30, 2022 and 2021, a variation of 2.05% is found, with the effective rate registered during the period of 2022 being higher. The main factors that explain the variation of the period are set out below:

- Tax rate applied to calculate income tax in Colombia increased by 4%, as a result of the entry into force of Law 2155 of September 2021:
 - i) Entities that are not categorized as financial institutions went from 31% in 2021 to 35% in 2022.
 - ii) Entities that are not classified as financial institutions went from 34% in 2021 composed by an income rate of 31% plus an income surtax rate of 3%, to 38% in 2022 composed by an income rate of 35% plus an income surtax rate of 3%.
- Exempt income decreased, mainly from Banco de Bogotá, affecting the effective rate by Ps. 87,194, which represents a higher effective rate of 2.77 percentage points in the year 2022.
- The equity participation method increased, affecting the effective rate by Ps. 81,821, which represents a variation of 1.82 percentage points that decreases the rate in the year 2022. Nontaxable income for 2021 corresponds to nontaxable dividends paid by BHIC to Banco de Bogotá within the CHC regime and exempt income from VIS portfolios. In 2022, these incomes will be reduced, especially due to the limitation of nontaxable income due to the generation of tax losses by the Bank
- During the first half of 2022 there was an increase in non-taxed income, which includes the income from the valuation of 25% of the investment in the associate BHIC, which impacts the rate by Ps. 96,742. This represents a variation of 2.22 percentage points that decreases the rate in the year 2022.

The effective tax rate of Grupo Aval consolidated with respect to continuing operations for the three-month period ended June 30, 2022 was 28.93%, while for the three-month period ended June 30, 2021 it was 25.39%.

The effective tax rates of the three-month periods ended June 30, 2022 and 2021, a variation of 3.54% is found, with the effective rate registered during the quarter of 2022 being higher. The explain the variation of the period is set out below:

- Tax rate applied to calculate income tax in Colombia increased by 4%, as a result of the entry into force of Law 2155 of September 2021:
 - i) Entities that are not categorized as financial institutions went from 31% in 2021 to 35% in 2022.
 - ii) Entities that are not classified as financial institutions went from 34% in 2021 composed by an income rate of 31% plus an income surtax rate of 3%, to 38% in 2022 composed by an income rate of 35% plus an income surtax rate of 3%.

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NOTE 11 – PROVISIONS

Below are the balances for legal provisions and non-legal related provisions during the periods ended on June 30, 2022 and December 31, 2021:

	June 30, 2022		December 31, 2021	
Legal related	Ps.	217,087	Ps.	247,529
Non-Legal related		858,937		902,732
Total	Ps.	1,076,024	Ps.	1,150,261

NOTE 12 – EMPLOYEE BENEFITS

The detail of the balance of liabilities for employee benefits as of June 30, 2022 and December 31, 2021 is as follows:

	June 30, 2022⁽¹⁾		December 31, 2021	
Short term	Ps.	366,113	Ps.	552,889
Post-employment		371,858		522,196
Long term		125,836		134,831
Total	Ps.	863,807	Ps.	1,209,916
Plan Asset	Ps.	(17,527)	Ps.	(46,840)
Net employee benefits	Ps.	846,280	Ps.	1,163,076

(1) Includes the effect of the spin-off of Bac Holding International Corp. by Ps. (246,186). See note 1.1.

NOTE 13 – OTHER LIABILITIES

Accounts payable and other liabilities include the following for the periods ended June 30, 2022 and December 31, 2021

OTHERS	June 30, 2022		December 31, 2021	
Suppliers and services payable	Ps.	2,553,220	Ps.	3,228,295
Income received for third parties		2,264,858		2,719,882
Contract liability related to concessions		521,678		548,167
Cashier checks		449,669		806,066
Withholdings taxes and labor contributions		429,724		582,910
Collection on behalf of third parties		429,412		339,545
Dividends payable		425,841		598,534
Transactions ATH and ACH		399,425		574,011
Commissions and fees		361,014		331,516
Insurance payables		98,751		150,282
Checks drawn and not paid		97,279		127,944
Collection service		91,497		332,368
Value added tax - VAT		65,211		80,307
Cash surplus		50,810		75,524
Financial transactions tax		34,654		41,190
Canceled accounts		34,026		35,271
Customer loyalty programs		18,413		221,990
Anticipated income		17,286		91,420
Other liabilities		482,569		660,534
Total other liabilities	Ps.	8,825,337	Ps.	11,545,756

(1) Includes the effect of the spin-off of Bac Holding International Corp. by Ps. (2,820,225). See note 1.1.

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

OTHERS		June 30, 2022	December 31, 2021
Liabilities to be canceled within twelve months	Ps.	6,637,875 Ps.	7,705,817
Liabilities to be canceled after twelve months		2,187,462	3,839,939
Total	Ps.	8,825,337 Ps.	11,545,756

NOTE 14 – EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

Declared dividends

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

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

		December 31, 2021	December 31, 2020
Profits of the immediately preceding period determined in the separate financial statements of Grupo Aval.	Ps.	3,502,757 Ps.	2,399,001
Occasional reserve release at the disposal of the General Meeting of Shareholders		10,518,335	9,510,716
Total income available for disposal of the General Meeting of Shareholders	Ps.	14,021,092 Ps.	11,909,717
		<p>A stock dividend at the rate of \$54 per share on the 22,281,017,159 common and preferred shares outstanding as of December 31, 2021.</p> <p>These dividends will be paid in shares, at the rate of 1 share for every 13.72333 common or preferred shares, as of December 31, 2021.</p> <p>The payment of the shares will be made on May 31, 2022, to whoever is entitled to it at the time the payment becomes due in accordance with current regulations. For this purpose, up to a total of 1,623,586,385 new shares of the same species held by the shareholder will be issued. The unit value of the shares will be 741.06.</p>	
Total shares outstanding		22,281,017,159	22,281,017,159
Total dividends decreed for controlling interests		1,203,175	1,203,175
To occasional reserve at the disposal of General Meeting of Shareholders		12,817,917	10,706,542

Payment of dividends in shares

Grupo Aval Acciones y Valores S.A. informs that the payment of the dividend in shares approved at the General Shareholders' Meeting held on March 30, 2022, has been completed. As a result, the subscribed and paid-in capital of Grupo Aval increased from Ps. 22,281,017,159 to Ps. 3.743.475.754 and the outstanding shares increased from 22,281,017,159 shares to 23,743,475,754 shares, of which 16,206,661,550 shares are common shares and 7,536,814,204 shares are preferred shares without voting rights.

Balance at June 30, 2022

Balance at December 31, 2021

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Authorized shares	120,000,000,000	120,000,000,000
Subscribed fully paid shares	22,281,017,159	22,281,017,159
Total outstanding shares	22,281,017,159	22,281,017,159
Issuance of shares	1,462,458,595	-
Total outstanding shares	23,743,475,754	22,281,017,159

Issuance of shares	1,462,458,595
Value per share	Ps. 741.06
Subscribed and paid-in capital	1,462,458,595
Additional paid-in capital	1,082,307,107,816
Issuance of shares	1,083,769,566,411

Earnings per share calculation

		For the three-months period ended		For the six-months period ended	
		June, 30		June, 30	
		2022	2021	2022	2021
Net income for the year	Ps.	1,386,084 Ps.	1,715,012 Ps.	4,366,838 Ps.	3,166,601
Less: participation of non- controlling interests		(710,596)	(765,528)	(1,961,646)	(1,425,350)
Net income attributable to owners of the parent	Ps.	675,488 Ps.	949,484 Ps.	2,405,192 Ps.	1,741,251
Less: preferred dividends declared		—	—	—	—
Less: Allocation of undistributed earnings to preferred stockholders ⁽¹⁾⁽²⁾		(216,093)	(304,728)	(771,053)	(558,838)
Net Income allocated to common shareholders for basic and diluted EPS	Ps.	459,395 Ps.	644,756 Ps.	1,634,139 Ps.	1,182,414
Weighted average number of common shares outstanding used in basic EPS calculation ⁽²⁾		15,491,987,995	15,129,504,442	15,308,384,016	15,130,134,712
Basic and Diluted earnings per share to common shareholders (pesos)		29.65	42.62	106.75	78.15
Weighted average of the common and preferred shares used in the calculation of net income for basic shares (common and preferential)		22,779,217,340	22,281,017,159	22,531,493,493	22,281,017,159
Basic net income of the owners of the parent per share	Ps.	29.65 Ps.	42.61 Ps.	106.75 Ps.	78.15

(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

Equity transactions

In the process of distributing dividends of Banco de Bogotá and Corficolombiana, Grupo Aval and its subsidiaries received dividends in shares, unlike some minority shareholders who opted to change the payment of dividends in shares for that of cash dividends, generating a modification in the participation of Grupo Aval at a consolidated level, going from a participation of 68.74% to 68.93% in Banco de Bogotá and of 39.98% to 40.40% in Corficolombiana; with a net equity effect of Ps. 13,241.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Capital expenses commitments

As of June 30, 2022, and December 31, 2021, Grupo Aval and its subsidiaries had contractual disbursement commitments to disburse capital expenditures for tangible assets for a value of Ps. 47,797 and Ps. 98,110 respectively and intangibles assets for Ps. 196,748 and Ps. 129,465 respectively.

Contingencies

As of June 30, 2022, and December 31, 2021, 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 June 30, 2022, and December 31, 2021, labor complaints had been recognized for Ps. 118,157 and Ps. 139,698 respectively. Historically, many of these proceedings have been resolved in favor of Grupo Aval and its subsidiaries.

II. Civil Proceedings:

As of June 30, 2022, and December 31, 2021, the result of the assessment of the claims of legal proceedings for civil suits, not including those with remote probability, reached an amount of Ps. 263,247 and for December 2021 amounted to Ps. 251,523.

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 June 30, 2022, the outstanding balances recognized for these claims amounted to Ps. 157,323 and December 31, 2021, these amounted to Ps. 138,418.

Other matters

The outcomes of the following legal processes cannot be necessarily classified as “possible” in accordance with IAS 37, however, they are being disclosed herein in consideration of their relevance.

Class Action before the Administrative Tribunal of Cundinamarca in connection with the Ruta del Sol Sector 2 Project

On January 26, 2017, the Inspector-General’s Office (Procuraduría General de la Nación or “PGN”) filed a class action against CRDS, (a company formed by Constructora Norberto Odebrecht S.A., Odebrecht Investimentos em Infraestrutura Ltda., CSS Constructores S.A. and Episol), the National Infrastructure Agency (“ANI”) and its members, for allegedly violating the collective rights of administrative morality, defense of public patrimony, and access to public services in connection with the Ruta del Sol Sector 2 project. On December 6, 2018, the Administrative Tribunal of Cundinamarca (“TAC”), the body presiding over the class action, issued a first instance ruling against CRDS, and all its shareholders, including Episol, and other individuals and entities. The TAC found the defendants jointly and severally liable for the damages caused to the collective interests and ordered the payment of Ps. 800,156 to the Colombian Ministry of Transportation. The TAC also debarred the defendants for a term of ten years, during which time they would be prohibited from contracting with the Colombian government and holding public office. Subsequently, in an order dated February 8, 2019, the TAC corrected certain arithmetical errors in its ruling, and reduced the amount of the fine to Ps. 715,656.

The aforementioned ruling is not final and appeals were filed by Episol and the other defendants, which were granted by the TAC on February 25, 2019 and will be heard by the Consejo de Estado (Colombia’s Supreme Court on administrative matters). On February 14, 2020, the Consejo de Estado issued a ruling regarding the effects of the appeal, specifying that the provisions of the first instance ruling regarding the delivery of money or other goods as well as the debarment from government contracting would only become enforceable in the event of a final second instance ruling by the Consejo del Estado confirming the decision under appeal.

In the case of Episol, its appeal filing seeks revocation of the TAC’s first instance ruling against it on the basis of multiple substantive and procedural defects.

It is not possible to establish how much time it will take for the Consejo de Estado to make a decision in relation to this case. In the event that the decision of the TAC is confirmed and Episol is compelled to assume the entire amount of the penalty, the maximum impact to the net attributable profit of Grupo Aval would be Ps. 289,098.

Investigations by United States authorities

In late 2018, the Department of Justice of the United States (“DOJ”) and the United States Securities and Exchange Commission (“SEC”) informed Grupo Aval that they had opened an investigation on matters related to the Ruta del Sol Sector 2 project. Grupo Aval is cooperating with the DOJ and the SEC in these investigations. It is not possible to predict the decisions that the DOJ or the SEC will take as a result of the issues that are the subject of these investigations, nor the impact that such investigations and their outcome may have on Grupo Aval and / or its subsidiaries.

NOTE 16 – NET INCOME FROM COMMISSIONS AND FEES

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

Net income from commissions and fees:

<u>Income from commissions and fees</u>	<u>For the three-months periods ended June 30,</u>		<u>For the six-months periods ended June 30,</u>	
	<u>2022</u>	<u>2021⁽¹⁾</u>	<u>2022</u>	<u>2021⁽¹⁾</u>
Banking service fees	Ps. 362,260	Ps. 323,144	Ps. 709,933	Ps. 654,731
Debit and credit card fees	204,785	156,131	391,495	313,523
Pension and severance fund management	198,953	283,975	502,649	587,270
Trust activities and portfolio management services	85,086	81,543	168,950	170,136
Bonded warehouse services	44,491	38,740	87,443	76,748
Commissions on transfers, checks and checkbooks	5,951	5,723	12,439	12,186
Office network services	6,507	4,278	12,164	8,997
Other commissions and fees	4,785	2,385	22,820	6,188
Total income from commissions and fees	Ps. 912,818	Ps. 895,919	Ps. 1,907,893	Ps. 1,829,779

(1) For comparative purposes, the detail of the discontinued operation of BAC Holding is extracted. See note 1.1.

<u>Commissions and fees expenses</u>	<u>For the three-months periods ended June 30,</u>		<u>For the six-months periods ended June 30,</u>	
	<u>2022</u>	<u>2021⁽¹⁾</u>	<u>2022</u>	<u>2021⁽¹⁾</u>
Banking services	Ps. (105,171)	Ps. (91,198)	Ps. (229,616)	Ps. (172,992)
Commissions for sales and services	(72,119)	(40,806)	(192,387)	(103,244)
Affiliations to pension funds	(25,845)	(20,916)	(50,854)	(41,108)
Information processing services of operators	(5,826)	(5,582)	(12,051)	(11,051)
Offices Network Services	(3,748)	(3,181)	(8,711)	(8,558)
Other	(2,779)	(3,135)	(6,905)	(5,486)
Total Commissions and fees expenses	(215,488)	(164,818)	(500,524)	(342,439)
Net income from commissions and fees	Ps. 697,330	Ps. 731,101	Ps. 1,407,369	Ps. 1,487,340

(1) For comparative purposes, the detail of the discontinued operation of BAC Holding is extracted. See note 1.1.

<u>Income from sales of goods and services</u>	<u>For the three-months periods ended June 30,</u>		<u>For the six-months periods ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Energy and gas E&G ⁽¹⁾	Ps. 1,353,815	Ps. 1,223,040	Ps. 2,676,987	Ps. 2,260,956
Infrastructure	1,587,353	1,256,155	2,634,128	2,400,826
Hotels	118,893	44,735	228,225	92,668
Agribusiness	68,540	51,704	137,057	96,363
Other Services	33,907	30,608	67,566	63,378
Other Income	69,093	62,258	155,528	127,764
Total Income from sales of goods and services	Ps. 3,231,601	Ps. 2,668,500	Ps. 5,899,491	Ps. 5,041,955

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		For the three-months periods ended June 30,		For the six-months periods ended June 30,	
Costs and expenses of sales goods and services					
Cost of sales of companies from non-financial sector	Ps.	(1,329,991)Ps	(1,327,772)Ps	(2,554,492)Ps	(2,528,292)
General and administrative expenses		(159,482)	(121,569)	(305,315)	(258,074)
Personnel expenses		(156,684)	(139,029)	(306,348)	(275,501)
Amortization		(72,808)	(68,189)	(144,870)	(134,405)
Commissions and fees expenses		(7,443)	(6,207)	(15,227)	(13,696)
Depreciation		(27,714)	(28,879)	(54,423)	(56,359)
Bonus payments		(3,008)	(7,905)	(5,478)	(15,173)
Allowance for impairment of loans and receivables		(18,841)	(15,962)	(24,785)	(25,022)
Donations expenses		(4,987)	(3,150)	(7,950)	(6,030)
Depreciation right of use assets		(9,373)	(8,703)	(18,273)	(17,261)
Labor severances		(470)	(274)	(936)	(613)
Total Costs and expenses of sales goods and services	Ps.	(1,790,801)Ps.	(1,727,639)Ps.	(3,438,097)Ps.	(3,330,426)
Net income from sales goods and services	Ps.	1,440,800 Ps.	940,861 Ps.	2,461,394 Ps.	1,711,529

(1) The increase of Ps. 416,031, presented for the six months to June 2022, corresponds mainly to the income from work progress of Promigas, mainly by its subsidiary Gases del Norte del Perú S.A.C.

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 June 30,		For the six-months periods ended June 30,	
	2022	2021 (4)	2022	2021 (4)
Trading investment income ⁽¹⁾				
Fixed income securities	Ps. (64,148)	Ps. 13,403	Ps. (84,385)	Ps. (109,040)
Equities	(47,539)	85,889	(45,575)	88,441
Total trading investment income	Ps. (111,687)	Ps. 99,292	Ps. (129,960)	Ps. (20,599)
Derivatives income				
Net income (loss) on financial derivatives ⁽²⁾	593,292	138,746	291,602	422,983
Other trading income ⁽³⁾	(113)	24,409	32,505	49,673
Total derivatives income	Ps. 593,179	Ps. 163,155	Ps. 324,107	Ps. 472,656
Total net trading income	Ps. 481,492	Ps. 262,447	Ps. 194,147	Ps. 452,057

(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

(4) The information was modified taking into account the discontinuous operation see note 1.1.

NOTE 18 – OTHER INCOME AND EXPENSE

Below is the detail of the others income and expense:

Other Income	For the three-months periods ended June 30,		For the six-months periods ended June 30,	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Foreign exchange gains (losses), net ⁽²⁾	Ps. (702,476)	Ps. (82,745)	Ps. (333,290)	Ps. (250,093)
Share of profit of equity accounted investees, net of tax ⁽³⁾	245,479	85,502	341,888	145,934
Dividends	1,747	701	108,630	102,799
Gain on sale of property, plant and equipment	5,696	3,997	18,336	8,253
Net gain in asset valuation	12,477	(27)	12,754	1,947
Net gain on sale of debt and equity securities	(8,343)	8,361	(10,906)	79,392
Gain on the sale of non-current assets held for sale	1,910	4,080	5,829	8,016
Other income ⁽⁴⁾	52,842	59,537	259,375	123,354
Total other income	Ps. (390,668)	Ps. 79,406	Ps. 402,616	Ps. 219,602

(1) For comparative purposes, the detail of the discontinued operation of BAC Holding is extracted. See note 1.1.

(2) For the three months ended to June, 2022 the closing TRM presented a variation of Ps. 395.18 per dollar and for 2021 it was Ps. 69.88; and for the six months ended to June, 2022 the TRM presented a variation Ps. 170.05 per dollar and for 2021 it was Ps. 316.00.

(3) Includes the effect of the investment in BAC Holding International Corp., which was classified as an associate as of March 30, 2022 for Ps. 153,993.

(4) Includes the valuation of the 25% interest in the investment of Bac Holding International Corp. as an associate for Ps. 137,427 recognized in the 1st quarter of 2022. See note 6.

Other expense	For the three-months periods ended June 30,		For the six-months periods ended June 30,	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Personnel expenses	Ps. (673,157)	Ps. (648,299)	Ps. (1,353,160)	Ps. (1,280,848)
Taxes and surcharges	(195,945)	(164,130)	(389,071)	(336,355)
Consultancy, legal, audit and other fees	(123,485)	(129,449)	(219,973)	(262,199)
Insurance	(126,367)	(110,412)	(249,878)	(241,068)
Contributions and affiliations	(55,746)	(56,098)	(111,949)	(95,014)
Maintenance and adequation	(79,730)	(79,104)	(162,557)	(158,850)
Depreciation of tangible assets	(53,186)	(46,827)	(107,490)	(99,132)
Depreciation right of use assets	(52,274)	(47,523)	(100,795)	(95,398)
Amortization of intangible assets	(55,357)	(49,231)	(108,075)	(98,849)
Warehouse services	(35,336)	(34,367)	(68,507)	(69,388)
Leases (Rent)	(33,226)	(30,649)	(64,288)	(61,382)
Marketing	(47,326)	(33,828)	(73,261)	(59,189)
Transportation services	(24,025)	(22,746)	(45,942)	(44,638)
Cleaning and security services	(19,222)	(18,650)	(36,507)	(37,466)
Outsourcing services	(16,589)	(2,381)	(32,719)	(29,933)
Impairment losses on other assets	(1,535)	(820)	(11,992)	(5,910)
Data processing	(20,329)	(15,182)	(35,885)	(30,051)
Supplies and stationery	(10,706)	(5,934)	(18,657)	(16,620)
Adaptation and installation	(8,875)	(9,166)	(14,075)	(12,789)
Travel expenses	(5,757)	(2,447)	(9,330)	(4,906)
Other	(116,391)	(134,786)	(219,930)	(150,187)
Total other expense	Ps. (1,754,564)	Ps. (1,642,029)	Ps. (3,434,041)	Ps. (3,190,172)

(1) For comparative purposes, the detail of the discontinued operation of BAC Holding is extracted. See note 1.1.

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NOTE 19 – ANALYSIS OF OPERATING SEGMENTS

As a result of the organizational changes developed during the first quarter of 2022, the allocation of the segments changed with respect to what was disclosed in previous periods, the changes presented are detailed below (See note 1.1):

- From the subsidiary Banco de Bogotá S.A. the BAC Holding International Corp. segment was spun off.

For comparative purposes, the information from previous periods is being presented with the aforementioned update in accordance with the requirements of IFRS 8 Operating Segments.

19.1 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 June 30, 2022 and December 31, 2021:

	June 30, 2022																				
	Banco de Bogotá S.A.		BAC Holding International Corp. ⁽¹⁾		Banco de Occidente S.A.		Banco Popular S.A.		Banco AV Villas S.A.		Porvenir S.A.		Corficolombiana S.A.		⁽²⁾ Other Segments		Eliminations		Total		
Assets																					
Trading assets	Ps.	2,520,463	Ps.	—	Ps.	2,440,908	Ps.	303,565	Ps.	148,348	Ps.	2,146,556	Ps.	3,406,902	Ps.	1,168	Ps.	(79,479)	Ps.	10,888,431	
Investment securities		12,725,267		—		5,999,297		4,083,560		2,865,147		915,029		3,458,929		2,670,940		(1,027,634)		31,690,535	
Hedging derivatives assets		5,923		—		—		—		—		—		43,157		—		—		49,080	
Investments in associates and joint ventures		12,266,587		—		1,594,714		662,848		7,770		—		892,855		4,517		(10,547,290)		4,882,001	
Loans, net		82,909,383		—		39,205,450		23,162,087		13,739,509		—		2,528,570		312,535		(2,205,605)		159,651,929	
Other Assets		19,996,190		—		6,591,357		3,429,463		1,895,543		961,624		37,884,315		6,071,775		(7,881,202)		68,949,065	
Total Assets	Ps.	130,423,813	Ps.	—	Ps.	55,831,726	Ps.	31,641,523	Ps.	18,656,317	Ps.	4,023,209	Ps.	48,214,728	Ps.	9,060,935	Ps.	(21,741,210)	Ps.	276,111,041	
Liabilities																					
Customer Deposits	Ps.	84,388,801	Ps.	—	Ps.	38,737,304	Ps.	23,205,586	Ps.	14,494,699	Ps.	1,049	Ps.	5,936,871	Ps.	—	Ps.	(6,734,983)	Ps.	160,029,327	
Financial Obligations		27,113,904		—		9,790,791		4,022,139		1,761,042		903,509		18,544,271		9,475,903		(2,957,897)		68,653,662	
Other Liabilities		3,173,955		—		2,308,681		1,118,980		541,033		755,832		9,636,567		254,733		(511,287)		17,278,494	
Total Liabilities	Ps.	114,676,660	Ps.	—	Ps.	50,836,776	Ps.	28,346,705	Ps.	16,796,774	Ps.	1,660,390	Ps.	34,117,709	Ps.	9,730,636	Ps.	(10,204,167)	Ps.	245,961,483	

(1) Corresponds to the spin-off segment BAC Holding International Corp. (see note 1.1).

(2) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto.

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December 31, 2021

	Banco de Bogotá S.A.		BAC Holding International Corp.		Banco de Occidente S.A.		Banco Popular S.A.		Banco AV Villas S.A.		Porvenir S.A.		Corficolombiana S.A.		⁽¹⁾ Other Segments		Eliminations	Total		
Assets																				
Trading assets	Ps.	2,480,205	Ps.	190,340	Ps.	1,655,678	Ps.	354,037	Ps.	249,071	Ps.	2,493,514	Ps.	3,664,843	Ps.	49	Ps.	(100,967)	Ps.	10,986,770
Investment securities		12,812,319		14,431,606		6,326,995		4,306,819		2,936,690		886,111		3,899,476		—		(935,643)		44,664,373
Hedging derivatives assets		5,379		—		—		—		—		—		38,869		—		—		44,248
Investments in associates and joint ventures		8,404,257		—		1,664,990		625,512		6,252		—		912,186		4,014		(10,444,382)		1,172,829
Investments in subsidiary companies ⁽²⁾		13,483,527		—		—		—		—		—		—		—		(13,483,527)		—
Loans, net		76,985,399		73,183,254		35,097,325		21,665,102		12,602,276		—		2,872,688		—		(2,108,219)		220,297,825
Other Assets		14,716,485		29,125,645		6,918,472		2,959,186		1,768,958		753,842		35,600,816		8,788,173		(10,893,697)		89,737,880
Total Assets	Ps.	128,887,571	Ps.	116,930,845	Ps.	51,663,460	Ps.	29,910,656	Ps.	17,563,247	Ps.	4,133,467	Ps.	46,988,878	Ps.	8,792,236	Ps.	(37,966,435)	Ps.	366,903,925
Liabilities																				
Customer Deposits	Ps.	76,452,861	Ps.	87,280,715	Ps.	36,340,252	Ps.	20,868,576	Ps.	13,408,861	Ps.	960	Ps.	5,330,880	Ps.	—	Ps.	(5,212,683)	Ps.	234,470,422
Financial Obligations		24,757,219		12,326,831		8,496,369		4,585,661		1,704,383		769,893		18,986,327		9,116,041		(7,460,398)		73,282,326
Other Liabilities		2,338,529		3,839,772		1,638,260		1,087,019		538,309		691,620		9,399,330		553,665		(406,974)		19,679,530
Total Liabilities	Ps.	103,548,609	Ps.	103,447,318	Ps.	46,474,881	Ps.	26,541,256	Ps.	15,651,553	Ps.	1,462,473	Ps.	33,716,537	Ps.	9,669,706	Ps.	(13,080,055)	Ps.	327,432,278

(1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto.

(2) Includes measurement of subsidiary BAC Holding International Corp

Statement of Income for the three-months ended June 30, 2022

	Banco de Bogotá S.A.		BAC Holding International Corp		Banco de Occidente S.A.		Banco Popular S.A.		Banco AV Villas S.A.		Porvenir S.A.		Corficolombiana S.A.		⁽¹⁾ Other Segments		Eliminations	Total		
External Income																				
Interest income	Ps.	1,976,130	Ps.	—	Ps.	1,008,104	Ps.	682,613	Ps.	378,872	Ps.	23,279	Ps.	158,375	Ps.	59,301	Ps.	—	Ps.	4,286,674
Income from commissions and fees ⁽²⁾		398,376		—		118,931		66,127		76,192		198,010		28,000		27,182		—		912,818
Income from sales of goods and services ⁽²⁾		10,650		—		15,891		—		—		16,366		3,188,694		—		—		3,231,601
Share of profit of equity accounted investees, net of tax		156,106		—		2,237		2,647		3,908		—		80,401		180		—		245,479
Dividends		1,596		—		—		—		—		—		151		—		—		1,747
Net income from other financial instruments mandatory at fair value through profit or loss		—		—		—		—		—		—		68,429		—		—		68,429
Net trading income		586,952		—		(143,712)		(11,905)		1,241		(58,156)		106,994		78		—		481,492
Valuation of investments in associates		—		—		—		—		—		—		—		—		—		—
Other Income		(623,659)		—		195,340		42,848		8,782		(41,867)		(220,710)		1,372		—		(637,894)
	Ps.	2,506,151	Ps.	—	Ps.	1,196,791	Ps.	782,330	Ps.	468,995	Ps.	137,632	Ps.	3,410,334	Ps.	88,113	Ps.	—	Ps.	8,590,346

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	Banco de Bogotá S.A.		BAC Holding International Corp		Banco de Occidente S.A.		Banco Popular S.A.		Banco AV Villas S.A.		Porvenir S.A.		Corficolombiana S.A.		⁽¹⁾ Other Segments		Eliminations		Total		
Intersegment Income																					
Interest income	Ps.	39,981	Ps.	—	Ps.	7,091	Ps.	6,855	Ps.	4,452	Ps.	1,981	Ps.	20,318	Ps.	146	Ps.	(80,824)	Ps.	—	
Income from commissions and fees ⁽²⁾		1,652		—		2,306		676		5,834		839		347		17,739		(29,393)		—	
Income from sales of goods and services ⁽²⁾		1		—		44,622		—		—		1,098		384		—		(46,105)		—	
Share of profit of equity accounted investees, net of tax		218,436		—		22,291		31,398		(2,722)		—		145		—		(269,548)		—	
Net trading income		—		—		—		—		—		(3,123)		(703)		—		3,826		—	
Other Income		(134,252)		—		2,048		64		1,540		782		(185)		41,870		88,133		—	
		125,818		—		78,358		38,993		9,104		1,577		20,306		59,755		(333,911)		—	
Total income	Ps.	2,631,969	Ps.	—	Ps.	1,275,149	Ps.	821,323	Ps.	478,099	Ps.	139,209	Ps.	3,430,640	Ps.	147,868	Ps.	(333,911)	Ps.	8,590,346	
Expenses																					
Interest expense	Ps.	(889,615)	Ps.	—	Ps.	(472,102)	Ps.	(345,426)	Ps.	(151,058)	Ps.	(11,857)	Ps.	(450,640)	Ps.	(122,995)	Ps.	131,373	Ps.	(2,312,320)	
Net impairment loss on financial assets		(272,654)		—		(199,688)		(67,354)		(15,131)		(1,999)		(6,941)		(3,220)		188		(566,799)	
Depreciations and amortizations		(76,638)		—		(35,686)		(23,540)		(17,549)		(3,518)		(2,501)		(2,593)		1,208		(160,817)	
Expenses from commissions and fees		(99,820)		—		(35,422)		(15,945)		(53,662)		(36,942)		(5,612)		(1,867)		33,782		(215,488)	
Costs and expenses of sales goods and services		(42,224)		—		(80,137)		—		—		(14,416)		(1,658,632)		7,517		(2,909)		(1,790,801)	
Administrative Expenses		(365,415)		—		(186,881)		(187,956)		(102,894)		(44,438)		(28,726)		(115,089)		157,610		(873,789)	
Income tax expense		(83,896)		—		(23,625)		(8,604)		(13,400)		13,625		(451,362)		3,572		(600)		(564,290)	
Other expense		(294,276)		—		(143,835)		(107,481)		(69,759)		(47,211)		(31,042)		91,892		(118,246)		(719,958)	
Total Expenses		(2,124,538)		—		(1,177,376)		(756,306)		(423,453)		(146,756)		(2,635,456)		(142,783)		202,406		(7,204,262)	
Net income	Ps.	507,431	Ps.	—	Ps.	97,773	Ps.	65,017	Ps.	54,646	Ps.	(7,547)	Ps.	795,184	Ps.	5,085	Ps.	(131,505)	Ps.	1,386,084	

(1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto.

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

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

Statement of Income for three-months ended June 30, 2022	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other segments	Eliminations	Total
Revenue from contracts with customers ⁽²⁾	Ps. 410,679	Ps. —	Ps. 181,750	Ps. 66,803	Ps. 82,026	Ps. 216,313	Ps. 3,217,425	Ps. 44,921	Ps. (75,498)	Ps. 4,144,419
Timing of revenue recognition										
At a point in time	13,967	—	7,850	4,386	24,519	128	39,480	43,125	(19,958)	113,497
Over time	396,712	—	173,900	62,417	57,507	216,185	3,177,945	1,796	(55,540)	4,030,922

(1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto.

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

Statement of Income for three-months ended June 30, 2021

	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other Segments	Eliminations	Total
External Income										
Interest income	Ps. 1,496,123	Ps. —	Ps. 663,276	Ps. 542,754	Ps. 321,901	Ps. 12,591	Ps. 107,904	Ps. (177)	Ps. —	Ps. 3,144,372
Income from commissions and fees ⁽²⁾	332,845	—	107,050	61,971	66,791	283,387	20,687	23,188	—	895,919
Income from sales of goods and services ⁽²⁾	6,292	—	9,030	—	—	13,514	2,639,664	—	—	2,668,500
Share of profit of equity accounted investees, net of tax	(51,835)	—	1,280	2,020	2,363	53,146	78,430	98	—	85,502
Dividends	677	—	(162)	(163)	339	—	10	—	—	701
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	—	—	62,818	—	—	62,818
Net trading income	84,250	—	30,632	11,834	124	68,704	66,900	3	—	262,447
Other Income	(5,254)	—	18,007	(2,375)	3,287	8,110	(31,119)	2,547	—	(6,797)
Income from discontinued operations ⁽³⁾	—	420,763	—	—	—	—	—	—	—	420,763
	Ps. 1,863,098	Ps. 420,763	Ps. 829,113	Ps. 616,041	Ps. 394,805	Ps. 439,452	Ps. 2,945,294	Ps. 25,659	Ps. —	Ps. 7,534,225
Intersegment Income										
Interest income	Ps. 21,548	Ps. —	Ps. 3,342	Ps. 3,421	Ps. 2,239	Ps. 398	Ps. 4,529	Ps. 44	Ps. (35,521)	Ps. —
Income from commissions and fees ⁽²⁾	1,643	—	2,085	745	5,045	219	509	20,464	(30,710)	—
Income from sales of goods and services ⁽²⁾	354	—	50,612	—	—	874	204	—	(52,044)	—
Share of profit of equity accounted investees, net of tax	183,874	—	84,361	26,205	(1,526)	(53,146)	389	—	(240,157)	—
Dividends	661	—	161	164	22	—	—	—	(1,008)	—
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—

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

Statement of Income for three-months ended June 30, 2021

	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other Segments	Eliminations	Total
Net trading income	806	—	(126)	12	—	96	481	—	(1,269)	—
Other Income	(19,988)	—	910	4,325	397	43	(455)	28,035	(13,267)	—
	<u>188,898</u>	<u>—</u>	<u>141,345</u>	<u>34,872</u>	<u>6,177</u>	<u>(51,516)</u>	<u>5,657</u>	<u>48,543</u>	<u>(373,976)</u>	<u>—</u>
Total income	Ps. 2,051,996	Ps. 420,763	Ps. 970,458	Ps. 650,913	Ps. 400,982	Ps. 387,936	Ps. 2,950,951	Ps. 74,202	Ps. (373,976)	Ps. 7,534,225
Expenses										
Interest expense	Ps. (517,097)	Ps. —	Ps. (173,358)	Ps. (140,984)	Ps. (55,003)	Ps. (9,684)	Ps. (236,469)	Ps. (101,112)	Ps. 140,674	Ps. (1,093,033)
Net impairment loss on financial assets	(470,789)	—	(192,307)	(48,238)	(36,405)	(936)	(2,569)	—	(10)	(751,254)
Depreciations and amortizations	(69,441)	—	(31,208)	(24,503)	(16,400)	(3,004)	(2,158)	(2,283)	5,416	(143,581)
Expenses from commissions and fees	(76,935)	—	(30,572)	(14,936)	(50,817)	(29,562)	(3,141)	(1,484)	42,629	(164,818)
Costs and expenses of sales goods and services	(37,205)	—	(79,054)	—	—	(12,998)	(1,602,439)	6,533	(2,476)	(1,727,639)
Administrative Expenses	(313,348)	—	(175,884)	(187,336)	(86,758)	(50,145)	(23,290)	(89,076)	145,351	(780,486)
Income tax expense	(9,863)	—	(13,767)	(34,592)	(25,061)	(45,424)	(297,283)	(14,065)	(385)	(440,440)
Other expense	(256,099)	—	(122,997)	(108,858)	(66,884)	(46,092)	(69,248)	150,673	(198,457)	(717,962)
Total Expenses	(1,750,777)	—	(819,147)	(559,447)	(337,328)	(197,845)	(2,236,597)	(50,814)	132,742	(5,819,213)
Net income	Ps. 301,219	Ps. 420,763	Ps. 151,311	Ps. 91,466	Ps. 63,654	Ps. 190,091	Ps. 714,354	Ps. 23,388	Ps. (241,234)	Ps. 1,715,012

- (1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto.
(2) Income from contracts with customer for commission and fee, see note 16.
(3) Spin-off of BAC Holding International Corp. segment (See note 1.1.).

Statement of Income for three-months ended June 30, 2021	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other segments	Eliminations	Total
Revenue from contracts with customers ⁽²⁾	Ps. 341,134	Ps. —	Ps. 168,777	Ps. 62,716	Ps. 71,836	Ps. 297,994	Ps. 2,661,064	Ps. 43,652	Ps. (82,754)	Ps. 3,564,419
Timing of revenue recognition										
At a point in time	13,902	—	3,387	4,945	20,225	23	32,029	43,524	(23,761)	94,274
Over time	327,232	—	165,390	57,771	51,611	297,971	2,629,035	128	(58,993)	3,470,145

- (1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto
(2) Income from contracts with customer for commission and fee, see note 16

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

Income for the six months ended June 30, 2022

	<u>Banco de Bogotá S.A.</u>	<u>BAC Holding International Corp</u>	<u>Banco de Occidente S.A.</u>	<u>Banco Popular S.A.</u>	<u>Banco AV Villas S.A.</u>	<u>Porvenir S.A.</u>	<u>Corficolombiana S.A.</u>	⁽¹⁾ <u>Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
External Income										
Interest income	Ps. 3,699,062	Ps. —	Ps. 1,852,939	Ps. 1,304,398	Ps. 725,821	Ps. 39,502	Ps. 307,700	Ps. 117,043	Ps. —	Ps. 8,046,465
Income from commissions and fees ⁽²⁾	770,472	—	235,534	130,790	149,012	500,786	68,055	53,244	—	1,907,893
Income from sales of goods and services ⁽²⁾	18,294	—	35,521	—	—	31,549	5,814,127	—	—	5,899,491
Share of profit of equity accounted investees, net of tax	160,465	—	3,881	5,377	6,677	—	164,986	502	—	341,888
Dividends	3,582	—	330	2,476	83	—	102,159	—	—	108,630
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	—	—	142,337	—	—	142,337
Net trading income	264,255	—	(13,618)	(1,567)	(167)	(131,417)	76,564	97	—	194,147
Other Income	(125,806)	—	113,992	45,270	14,458	(18,170)	(79,548)	1,902	—	(47,902)
Income from discontinued operations ⁽³⁾	1,187,254	544,890	—	—	—	—	—	(134,632)	—	1,597,512
	Ps. 5,977,578	Ps. 544,890	Ps. 2,228,579	Ps. 1,486,744	Ps. 895,884	Ps. 422,250	Ps. 6,596,380	Ps. 38,156	Ps. —	Ps. 18,190,461
Intersegment Income										
Interest income	Ps. 65,449	Ps. —	Ps. 11,135	Ps. 12,251	Ps. 7,804	Ps. 3,683	Ps. 29,805	Ps. 238	Ps. (130,365)	Ps. —
Income from commissions and fees ⁽²⁾	2,972	—	4,571	1,279	10,840	1,558	650	34,632	(56,502)	—
Income from sales of goods and services ⁽²⁾	—	—	82,155	—	—	2,321	624	—	(85,100)	—
Share of profit of equity accounted investees, net of tax	465,868	—	62,750	65,837	(5,159)	—	203	—	(589,499)	—
Dividends	12,431	—	5,250	9,828	7,240	—	1,876	—	(36,625)	—
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	—	(4,221)	(1,158)	—	5,379	—
Other Income	812	—	4,712	132	1,956	1,465	(363)	79,149	(87,863)	—
	547,532	—	170,573	89,327	22,681	4,806	31,637	114,019	(980,575)	—
Total income	Ps. 6,525,110	Ps. 544,890	Ps. 2,399,152	Ps. 1,576,071	Ps. 918,565	Ps. 427,056	Ps. 6,628,017	Ps. 152,175	Ps. (980,575)	Ps. 18,190,461
Expenses										
Interest expense	Ps. (1,548,637)	Ps. —	Ps. (791,635)	Ps. (582,848)	Ps. (244,216)	Ps. (21,420)	Ps. (802,229)	Ps. (238,765)	Ps. 238,250	Ps. (3,991,500)
Net impairment loss on financial assets	(680,676)	—	(388,947)	(116,322)	(42,028)	(5,098)	(7,016)	(22,248)	114	(1,262,221)
Depreciations and amortizations	(150,594)	—	(69,828)	(47,079)	(34,317)	(6,952)	(4,802)	(5,223)	2,435	(316,360)
Expenses from commissions and fees	(196,844)	—	(70,197)	(31,840)	(104,722)	(129,841)	(9,776)	(23,384)	66,080	(500,524)
Costs and expenses of sales goods and services	(82,784)	—	(157,810)	—	—	(29,113)	(3,175,130)	10,524	(3,784)	(3,438,097)
Administrative Expenses	(680,859)	—	(357,398)	(375,974)	(195,922)	(86,528)	(55,031)	(220,818)	300,801	(1,671,729)
Income tax expense	(204,900)	—	(42,770)	(48,300)	(40,783)	(17,608)	(839,817)	(2,405)	(657)	(1,197,240)
Other expense	(594,491)	—	(285,893)	(218,932)	(142,133)	(92,228)	(62,332)	191,266	(241,209)	(1,445,952)
Total Expenses	(4,139,785)	—	(2,164,478)	(1,421,295)	(804,121)	(388,788)	(4,956,133)	(311,053)	362,030	(13,823,623)

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

Income for the six months ended June 30, 2022

	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other Segments	Eliminations	Total
Net income	Ps. 2,385,325	Ps. 544,890	Ps. 234,674	Ps. 154,776	Ps. 114,444	Ps. 38,268	Ps. 1,671,884	Ps. (158,878)	Ps. (618,545)	Ps. 4,366,838

(1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto.

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

(3) Spin-off of BAC Holding International Corp. segment (See note 1.1.).

June 30, 2022	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other segments	Eliminations	Total
Revenue from contracts with customers ⁽²⁾	Ps. 791,738	Ps. —	Ps. 357,781	Ps. 132,069	Ps. 159,852	Ps. 536,214	Ps. 5,883,456	Ps. 87,876	Ps. (141,602)	Ps. 7,807,384
Timing of revenue recognition										
At a point in time	28,217	—	11,560	9,271	47,753	198	91,678	84,524	(39,261)	233,940
Over time	763,521	—	346,221	122,798	112,099	536,016	5,791,778	3,352	(102,341)	7,573,444

(1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto

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

Income for the six months ended June 30, 2021

	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other Segments	Eliminations	Total
External Income										
Interest income	Ps. 2,984,852	Ps. —	Ps. 1,324,571	Ps. 1,084,430	Ps. 635,610	Ps. 21,395	Ps. 205,311	Ps. 1	Ps. —	Ps. 6,256,170
Income from commissions and fees ⁽²⁾	673,422	—	224,508	124,160	133,363	586,003	44,943	43,380	—	1,829,779
Income from sales of goods and services ⁽²⁾	13,683	—	23,534	—	—	27,465	4,977,273	—	—	5,041,955
Share of profit of equity accounted investees, net of tax	1,017	—	1,965	3,130	3,693	—	135,972	157	—	145,934
Dividends	3,820	—	793	2,132	1,269	—	94,785	—	—	102,799
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	—	—	144,458	—	—	144,458

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

Income for the six months ended June 30, 2021

	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other Segments	Eliminations	Total
Net trading income	240,852	—	(21,665)	13,455	(1,431)	85,601	135,213	32	—	452,057
Other Income	(89,243)	—	136,739	20,905	12,464	2,262	(117,405)	5,147	—	(29,131)
Income from discontinued operations ⁽³⁾	—	786,609	—	—	—	—	—	—	—	786,609
	Ps. 3,828,403	Ps. 786,609	Ps. 1,690,445	Ps. 1,248,212	Ps. 784,968	Ps. 722,726	Ps. 5,620,550	Ps. 48,717	Ps. —	Ps. 14,730,630
Intersegment Income										
Interest income	Ps. 42,789	Ps. —	Ps. 6,626	Ps. 6,828	Ps. 4,452	Ps. 1,297	Ps. 9,104	Ps. 78	Ps. (71,174)	Ps. —
Income from commissions and fees ⁽²⁾	2,923	—	4,013	1,401	9,294	528	898	44,961	(64,018)	—
Income from sales of goods and services ⁽²⁾	671	—	98,195	—	—	1,737	376	—	(100,979)	—
Share of profit of equity accounted investees, net of tax	364,732	—	142,954	52,683	(2,721)	—	732	—	(558,380)	—
Dividends	6,093	—	2,345	4,713	3,281	—	1,906	—	(18,338)	—
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—
Net trading income	(366)	—	95	(10)	5	96	(182)	—	362	—
Other Income	2,681	—	1,821	4,376	1,350	261	(605)	49,001	(58,885)	—
	419,523	—	256,049	69,991	15,661	3,919	12,229	94,040	(871,412)	—
Total income	Ps. 4,247,926	Ps. 786,609	Ps. 1,946,494	Ps. 1,318,203	Ps. 800,629	Ps. 726,645	Ps. 5,632,779	Ps. 142,757	Ps. (871,412)	Ps. 14,730,630
Expenses										
Interest expense	Ps. (1,018,932)	Ps. —	Ps. (350,777)	Ps. (289,684)	Ps. (113,828)	Ps. (20,090)	Ps. (459,400)	Ps. (198,077)	Ps. 272,149	Ps. (2,178,639)
Net impairment loss on financial assets	(998,556)	—	(424,213)	(93,533)	(77,996)	(3,070)	(2,335)	—	9,704	(1,589,999)
Depreciations and amortizations	(140,377)	—	(61,757)	(48,950)	(33,228)	(6,257)	(4,615)	(4,677)	6,482	(293,379)
Expenses from commissions and fees	(148,992)	—	(58,131)	(28,878)	(95,776)	(61,856)	(6,812)	(2,771)	60,777	(342,439)
Costs and expenses of sales goods and services	(75,204)	—	(158,336)	—	—	(26,431)	(3,077,858)	10,438	(3,035)	(3,330,426)
Administrative Expenses	(596,141)	—	(349,674)	(365,465)	(195,881)	(96,432)	(49,190)	(172,044)	303,031	(1,521,796)
Income tax expense	(90,426)	—	(26,262)	(77,489)	(40,251)	(107,332)	(562,823)	(27,628)	(143)	(932,354)
Other expense	(534,002)	—	(241,017)	(218,030)	(136,208)	(101,572)	(96,768)	294,789	(342,189)	(1,374,997)

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

Income for the six months ended June 30, 2021

	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other Segments	Eliminations	Total
Total Expenses	(3,602,630)	—	(1,670,167)	(1,122,029)	(693,168)	(423,040)	(4,259,801)	(99,970)	306,776	(11,564,029)
Net income	Ps. 645,296	Ps. 786,609	Ps. 276,327	Ps. 196,174	Ps. 107,461	Ps. 303,605	Ps. 1,372,978	Ps. 42,787	Ps. (564,636)	Ps. 3,166,601

(1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto.

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

(3) Spin-off of BAC Holding International Corp. segment (See note 1.1.).

June 30, 2021	Banco de Bogotá S.A.	BAC Holding International Corp	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Porvenir S.A.	Corficolombiana S.A.	⁽¹⁾ Other segments	Eliminations	Total
Revenue from contracts with customers ⁽²⁾	Ps. 690,699	Ps. —	Ps. 350,250	Ps. 125,561	Ps. 142,657	Ps. 615,733	Ps. 5,023,490	Ps. 88,341	Ps. (164,997)	Ps. 6,871,734
Timing of revenue recognition										
At a point in time	27,523	—	9,572	10,549	41,296	105	67,829	87,779	(50,578)	194,075
Over time	663,176	—	340,678	115,012	101,361	615,628	4,955,661	562	(114,419)	6,677,659

(1) Includes Grupo Aval Holding, Grupo Aval Limited, ATH Negocio Conjunto and Aval Soluciones Digitales S.A. Negocio Conjunto

(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:

- 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

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19.2 Analysis of Revenues by Products and Services

Following table is the detail of the reportable Grupo Aval's revenues are analyzed by products and services, in the statement of income.

Statement of Income for the three-months ended June 30, 2022	Country						Total income
	Colombia	Panamá	Costa Rica	Perú	Other countries ⁽¹⁾		
Interest income	Ps. 4,051,598 Ps.	288,614 Ps.	94 Ps.	7,823 Ps.	8,865 Ps.	4,356,994	
Income from commissions and fees	879,432	32,732	25	10	619	912,818	
Storage services	44,491	—	—	—	—	44,491	
Trust activities	85,086	—	—	—	—	85,086	
Pension and severance fund management	198,953	—	—	—	—	198,953	
Fees on credit cards	199,988	4,797	—	—	—	204,785	
Office network services	6,507	—	—	—	—	6,507	
Commissions on drafts, checks and checkbooks	5,840	111	—	—	—	5,951	
Other commissions	4,785	—	—	—	—	4,785	
Commissions on banking services	333,782	27,824	25	10	619	362,260	
Share of profit of equity accounted investees, net of tax	245,479	—	—	—	—	245,479	
Dividends	361	1,386	—	—	—	1,747	
Income from sales of goods and services	2,990,050	—	—	241,551	—	3,231,601	
Energy and gas E&G	1,117,038	—	—	236,777	—	1,353,815	
Infrastructure	1,587,353	—	—	—	—	1,587,353	
Hotels	114,119	—	—	4,774	—	118,893	
Agribusiness	68,540	—	—	—	—	68,540	
Other Services	33,907	—	—	—	—	33,907	
Other operating income	69,093	—	—	—	—	69,093	
Other income	(122,409)	31,633	(41)	2,867	(23)	(87,973)	
Total income	Ps. 8,044,511 Ps.	354,365 Ps.	78 Ps.	252,251 Ps.	9,461 Ps.	8,660,666	

(1) Grand Cayman and Barbados.

Statement of Income for three-months ended June 30, 2021	Country						Total income
	Colombia	Panamá	Costa Rica	Perú	Other countries ⁽¹⁾		
Interest income	Ps. 2,875,501 Ps.	256,611 Ps.	116 Ps.	5,052 Ps.	7,092 Ps.	3,144,372	
Income from commissions and fees	867,740	27,981	(231)	—	429	895,919	
Storage services	38,740	—	—	—	—	38,740	
Trust activities	81,543	—	—	—	—	81,543	
Pension and severance fund management	283,975	—	—	—	—	283,975	
Fees on credit cards	153,316	2,815	—	—	—	156,131	
Office network services	4,278	—	—	—	—	4,278	
Commissions on drafts, checks and checkbooks	5,623	100	—	—	—	5,723	
Other commissions	2,385	—	—	—	—	2,385	
Commissions on banking services	297,880	25,066	(231)	—	429	323,144	
Share of profit of equity accounted investees, net of tax	85,502	—	—	—	—	85,502	
Dividends	(635)	1,336	—	—	—	701	

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Statement of Income for three-months ended June 30, 2021	Country					
	Colombia	Panamá	Costa Rica	Perú	Other countries ⁽¹⁾	Total income
Income from sales of goods and services	2,364,805	—	—	303,695	—	2,668,500
Energy and gas E&G	921,687	—	—	301,353	—	1,223,040
Infrastructure	1,256,155	—	—	—	—	1,256,155
Hotels	42,393	—	—	2,342	—	44,735
Agribusiness	51,704	—	—	—	—	51,704
Other Services	30,608	—	—	—	—	30,608
Other operating income	62,258	—	—	—	—	62,258
Other income	290,634	28,996	237	(1,361)	(38)	318,468
Total income from continuing operations	Ps. 6,483,547 Ps.	314,924 Ps.	122 Ps.	307,386 Ps.	7,483 Ps.	7,113,462
Discontinued operations ⁽²⁾	—	—	—	—	—	420,763
Total income	Ps. 6,483,547 Ps.	314,924 Ps.	122 Ps.	307,386 Ps.	7,483 Ps.	7,534,225

(1) United States, Virgin Islands, Bahamas and Barbados.

(2) Spin-off of BAC Holding International Corp. segment (See note 1.1.).

Income for the six months ended June 30, 2022	Country					
	Colombia	Panamá	Costa Rica	Perú	Other countries ⁽¹⁾	Total income
Interest income	Ps. 7,422,971 Ps.	592,151 Ps.	192 Ps.	14,860 Ps.	16,291 Ps.	8,046,465
Income from commissions and fees	1,844,229	62,354	58	21	1,231	1,907,893
Storage services	87,443	—	—	—	—	87,443
Trust activities	168,950	—	—	—	—	168,950
Pension and severance fund management	502,649	—	—	—	—	502,649
Fees on credit cards	382,467	9,028	—	—	—	391,495
Office network services	12,164	—	—	—	—	12,164
Commissions on drafts, checks and checkbooks	12,211	228	—	—	—	12,439
Other commissions	22,820	—	—	—	—	22,820
Commissions on banking services	655,525	53,098	58	21	1,231	709,933
Share of profit of equity accounted investees, net of tax	341,888	—	—	—	—	341,888
Dividends	105,656	2,974	—	—	—	108,630
Income from sales of goods and services	5,408,899	—	—	490,592	—	5,899,491
Energy and gas E&G	2,195,726	—	—	481,261	—	2,676,987
Infrastructure	2,634,128	—	—	—	—	2,634,128
Hotels	218,894	—	—	9,331	—	228,225
Agribusiness	137,057	—	—	—	—	137,057
Other Services	67,566	—	—	—	—	67,566
Other operating income	155,528	—	—	—	—	155,528
Other income	227,284	57,109	(62)	4,237	14	288,582
Total income from continuing operations	Ps. 15,350,927 Ps.	714,588 Ps.	188 Ps.	509,710 Ps.	17,536 Ps.	16,592,949
Discontinued operations ⁽²⁾	—	—	—	—	—	1,597,512
Total income	Ps. 15,350,927 Ps.	714,588 Ps.	188 Ps.	509,710 Ps.	17,536 Ps.	18,190,461

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- (1) Grand Cayman and Barbados.
(2) Spin-off of BAC Holding International Corp. segment (See note 1.1.).

Income for the six months ended June 30, 2021	Country					Total income
	Colombia	Panamá	Costa Rica	Perú	Other countries ⁽¹⁾	
Interest income	Ps. 5,732,652 Ps.	499,569 Ps.	205 Ps.	10,083 Ps.	13,661 Ps.	6,256,170
Income from commissions and fees	1,778,949	49,342	330	—	1,158	1,829,779
Storage services	76,748	—	—	—	—	76,748
Trust activities	170,136	—	—	—	—	170,136
Pension and severance fund management	587,270	—	—	—	—	587,270
Fees on credit cards	308,151	5,372	—	—	—	313,523
Office network services	8,997	—	—	—	—	8,997
Commissions on drafts, checks and checkbooks	11,976	210	—	—	—	12,186
Other commissions	6,188	—	—	—	—	6,188
Commissions on banking services	609,483	43,760	330	—	1,158	654,731
Share of profit of equity accounted investees, net of tax	146,087	(153)	—	—	—	145,934
Dividends	99,701	3,098	—	—	—	102,799
Income from sales of goods and services	4,598,004	—	—	443,951	—	5,041,955
Energy and gas E&G	1,821,263	—	—	439,693	—	2,260,956
Infrastructure	2,400,826	—	—	—	—	2,400,826
Hotels	88,410	—	—	4,258	—	92,668
Agribusiness	96,363	—	—	—	—	96,363
Other Services	63,378	—	—	—	—	63,378
Other operating income	127,764	—	—	—	—	127,764
Other income	477,637	88,967	207	(1,306)	1,879	567,384
Total income from continuing operations	Ps. 12,833,030 Ps.	640,823 Ps.	742 Ps.	452,728 Ps.	16,698 Ps.	13,944,021
Discontinued operations ⁽²⁾	—	—	—	—	—	786,609
Total income	Ps. 12,833,030 Ps.	640,823 Ps.	742 Ps.	452,728 Ps.	16,698 Ps.	14,730,630

- (1) United States, Virgin Islands, Bahamas and Barbados.
(2) Spin-off of BAC Holding International Corp. segment (See note 1.1.)

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 in Grupo Aval's financial statements.

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. 1,679,910 as of June 30, 2022 and Ps. 2,238,565 as of December 31, 2021; the financial assets at amortized cost that are being used as guarantees in repurchase transactions amounted to Ps. 2,610,428 as of June 30, 2022 and Ps. 361,388 as of December 31, 2021 and the debt securities of financial investments at fair value through OCI that are being used as guarantees in repurchase transactions amounted to Ps. 7,264,886 as of June 30, 2022 and Ps. 8,444,486 as of December 31, 2021.

ii. Securities lending

As of June 30, 2022, and as of December 31, 2021, Grupo Aval has not recorded securities lending.

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

I. Securitizations

As of June 30, 2022, and as of December 31, 2021, 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:

June 30, 2022	Securitizations	Grupo Aval's managed funds	Total
Grupo Aval's interest-assets			
Investments at fair value through profit or loss	Ps. —	Ps. 5,010,209	Ps. 5,010,209
Other account receivables	—	30,265	30,265
Total assets in relation to the Grupo Aval's interests in the unconsolidated structured entities	—	5,040,474	5,040,474
Grupo Aval's maximum exposure	Ps. —	Ps. 5,040,474	Ps. 5,040,474

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NOTE 22 – RELATED PARTIES

Balances as of June 30, 2022 and December 31, 2021 with related parties, are detailed in the following tables:

	June 30, 2022							
	Individuals		Entity		Individuals		Entity	
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals	
Assets								
Cash and cash equivalents	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 13,201	
Financial assets in investments	—	—	5,266,589	5	—	—	—	
Financial assets in credit operations	17,149	7,242	560,068	1,609,653	—	—	191,421	
Accounts receivable	35	14	1,250,766	496,455	—	—	22	
Other assets	—	—	19,180	102,722	—	—	1,612	
Liabilities								
Deposits	Ps. 215,856	Ps. 25,074	Ps. 109,837	Ps. 825,229	Ps. 109,837	Ps. 825,229	Ps. 254,806	
Accounts payables	309	340	20,716	196,952	—	—	2,589	
Financial obligations	4	36	—	—	—	—	18,597	
Others liabilities	—	—	17,221	415,726	—	—	—	

	December 31, 2021							
	Individuals		Entity		Individuals		Entity	
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals	
Assets								
Financial assets in investments	Ps. —	Ps. —	Ps. 1,489,672	Ps. —	Ps. 1,489,672	Ps. —	Ps. —	
Financial assets in credit operations	10,839	8,592	541,293	1,551,342	—	—	187,466	
Accounts receivable	58	8	20,761	351,582	—	—	2	

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	December 31, 2021				
	Individuals		Entity		
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Other assets	—	—	8,974	4,526	—
Liabilities					
Deposits	Ps. 191,333	Ps. 29,704	Ps. 110,142	Ps. 1,910,253	Ps. 12,914
Accounts payables	583	375	15,685	771,804	10
Financial obligations	2	12	—	—	—
Others liabilities	—	—	2,492	1,234	—

	For the three - months ended June 30, 2022				
	Individuals		Entity		
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 59	Ps. 133	Ps. 9,797	Ps. 29,250	Ps. 4,983
Fee income and commissions	—	22	5,194	36,775	1
Leases	—	—	368	5	—
Other income	232	93	107,499	16,830	47
Financial expenses	Ps. (125)	Ps. (135)	Ps. 2,012	Ps. (5,013)	Ps. (20,152)
Fee expenses and commissions	(1)	(520)	(12,592)	(420)	(176)
Operating expenses	(197)	(2,225)	914	(814)	—
Other expenses	(2)	(701)	(55,442)	(13,345)	(35)

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	For the six - months ended June 30, 2022				
	Individuals		Entity		
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 228	Ps. 269	Ps. 16,373	Ps. 49,674	Ps. 8,777
Fee income and commissions	1	36	12,754	78,246	2
Leases	—	—	735	8	—
Other income	234	95	231,814	23,502	48
Financial expenses	Ps. (855)	Ps. (261)	Ps. (1,511)	Ps. (20,906)	Ps. (20,154)
Fee expenses and commissions	(2)	(1,003)	(25,556)	(778)	(266)
Operating expenses	(454)	(4,423)	(149)	(1,501)	—
Other expenses	(4)	(1,364)	(67,433)	(26,572)	(35)

	For the three - months ended June 30, 2021				
	Individuals		Entity		
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 66	Ps. 102	Ps. 4,406	Ps. 13,963	Ps. 1,884
Fee income and commissions	2	10	5,262	26,479	1
Leases	—	—	364	76	—
Other income	2	3	86,072	5,600	(11)
Financial expenses	Ps. (50)	Ps. (88)	Ps. (250)	Ps. (6,534)	Ps. (53)
Fee expenses and commissions	(1)	(423)	(7,396)	(461)	(253)
Operating expenses	—	(2,128)	(70)	(759)	—
Other expenses	—	(621)	(17,560)	(9,226)	—

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	For the six - months ended June 30, 2021				
	Individuals		Entity		
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 101	Ps. 229	Ps. 8,991	Ps. 30,215	Ps. 3,824
Fee income and commissions	3	22	12,308	52,182	3
Leases	—	—	728	79	—
Other income	4	7	169,028	7,737	5
Financial expenses	Ps. (794)	Ps. (241)	Ps. (429)	Ps. (12,792)	Ps. (59)
Fee expenses and commissions	(2)	(891)	(14,850)	(762)	(268)
Operating expenses	—	(4,263)	(140)	(1,334)	—
Other expenses	—	(1,289)	(34,239)	(19,713)	—

Compensation of key management personnel

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

	Three-months ended in		Six-months ended in	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Salaries	Ps. 6,352	Ps. 9,017	Ps. 15,126	Ps. 17,666
Short term benefits for employees	746	1,036	1,982	6,529
Long term benefits for employees	—	79	—	205
Fee	380	374	801	739
Total	Ps. 7,478	Ps. 10,506	Ps. 17,909	Ps. 25,139

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NOTE 23 SUBSEQUENT EVENTS

As of the date of issuance of the condensed consolidated financial statements, no subsequent events are known that need to be disclosed in the financial statements