

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, 2023</u>	<u>December 31, 2022</u>
Assets			
Cash and cash equivalents	Ps.	19,195,667	Ps. 17,032,857
Trading assets		13,256,089	11,841,407
Investment securities		32,829,631	33,674,477
Hedging derivative assets	4	69,427	20,854
Loans, net	4	177,912,548	179,115,847
Other accounts receivable, net	4	24,200,326	23,380,573
Non-current assets held for sale		117,544	92,830
Investments in associates and joint ventures	6	1,211,400	1,423,343
Tangible assets	7	7,113,576	7,235,441
Concessions arrangements rights	8	13,558,614	13,242,706
Goodwill	9	2,215,172	2,248,217
Other Intangibles		2,176,317	2,040,158
Income tax assets		3,682,128	3,633,876
Other assets		523,135	608,650
Total assets	Ps.	<u>298,061,574</u>	<u>Ps. 295,591,236</u>
Liabilities and equity			
Liabilities			
Trading liabilities	4	Ps. 1,859,861	Ps. 1,757,606
Hedging derivative liabilities	4	8,868	3,568
Customer deposits	4	180,244,522	173,341,149
Financial obligations	4	66,923,900	72,116,775
Provisions	11	1,028,066	1,227,171
Income tax liabilities		5,576,624	5,291,487
Employee benefits	12	842,400	890,019
Other liabilities	13	10,815,317	10,141,802
Total liabilities	Ps.	<u>267,299,558</u>	<u>Ps. 264,769,577</u>
Equity			
Owners of the parent:			
Subscribed and paid-in capital	Ps.	23,744	Ps. 23,744
Additional paid-in capital		9,571,374	9,571,374
Retained earnings		7,584,503	8,018,417
Other comprehensive income		(714,174)	(1,146,565)
Equity attributable to owners of the parent		<u>16,465,447</u>	<u>16,466,970</u>
Non-controlling interest		<u>14,296,569</u>	<u>14,354,689</u>
Total equity		<u>30,762,016</u>	<u>30,821,659</u>
Total liabilities and equity	Ps.	<u>298,061,574</u>	<u>Ps. 295,591,236</u>

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,	
		2023	2022	2023	2022 ⁽¹⁾
Continuing operations					
Interest income	4	Ps. 7,154,573	Ps. 4,286,674	Ps. 14,162,897	Ps. 8,046,465
Interest expense	4	(5,579,086)	(2,312,320)	(11,038,587)	(3,991,500)
Net interest income		1,575,487	1,974,354	3,124,310	4,054,965
Net impairment loss on financial assets		(988,285)	(566,799)	(1,774,774)	(1,262,221)
Net interest income, after impairment losses		587,202	1,407,555	1,349,536	2,792,744
Income from commissions and fees		1,108,866	912,818	2,193,396	1,907,893
Expenses from commissions and fees		(224,977)	(215,488)	(467,204)	(500,524)
Net income from commissions and fees	16	883,889	697,330	1,726,192	1,407,369
Income from sales of goods and services		2,675,797	3,231,601	5,603,278	5,899,491
Costs and expenses of sales goods and services		(2,056,571)	(1,790,801)	(3,820,414)	(3,438,097)
Gross profit from sales of goods and services	16	619,226	1,440,800	1,782,864	2,461,394
Net trading loss	17	(783,145)	481,492	(864,425)	194,147
Net income from other financial instruments mandatorily at fair value through profit or loss		76,579	68,429	170,528	142,337
Other income	18	1,516,570	(390,668)	2,392,442	402,616
Other expenses	18	(2,089,168)	(1,754,564)	(4,166,180)	(3,434,041)
Net income before tax expense		811,153	1,950,374	2,390,957	3,966,566
Income tax expense	10	(350,561)	(564,290)	(883,112)	(1,197,240)
Net income from continuing operations		Ps. 460,592	Ps. 1,386,084	Ps. 1,507,845	Ps. 2,769,326
Discontinued operations					
Net income from discontinued operations, net of tax	⁽¹⁾	Ps. -	Ps. -	Ps. -	Ps. 1,597,512
Net income		Ps. 460,592	Ps. 1,386,084	Ps. 1,507,845	Ps. 4,366,838
Net income attributable to owners of the parent					
Net income for the period from continuing operations		166,211	675,488	591,300	1,307,119
Net income for the period from discontinued operations, net of tax	⁽¹⁾	-	-	-	1,098,073
Owners of the parent		Ps. 166,211	Ps. 675,488	Ps. 591,300	Ps. 2,405,192
Net income attributable to non-controlling interests					
Net income for the period from continuing operations		294,381	710,596	916,545	1,462,207
Net income for the period from discontinued operations, net of tax	⁽¹⁾	-	-	-	499,439
Non-controlling interests		Ps. 294,381	Ps. 710,596	Ps. 916,545	Ps. 1,961,646
Net Income		Ps. 460,592	Ps. 1,386,084	Ps. 1,507,845	Ps. 4,366,838
Net income per share basic and diluted (in Colombian pesos)	14	Ps. 7.00	Ps. 29.65	Ps. 24.90	Ps. 106.75

⁽¹⁾ See note 1.1 “Discontinued operations of BAC Holding”.

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 six-months periods ended June 30,	
		2023	2022	2023	2022
Net income		Ps. 460,592	Ps. 1,386,084	Ps. 1,507,845	Ps. 4,366,838
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	(383,011)	673,207	(506,163)	(6,832,516)
Hedging derivative instrument	5	-	(881)	-	4,051,829
Hedging non-derivative instrument	5	361,940	(567,720)	482,180	2,589,366
Cash flow hedges		4,868	1,460	1,754	(4,242)
Foreign currency translation differences from unhedged foreign operations		(168,084)	113,746	(233,158)	1,146,612
Investments in associates and joint ventures		(27,119)	(124,896)	(26,525)	(128,427)
Unrealized (losses) gains on securities at FVOCI		503,528	(780,321)	1,238,689	(1,913,292)
Income tax		(318,349)	349,477	(563,288)	(2,027,578)
		(26,227)	(335,928)	Ps. 393,489	Ps. (3,118,248)
Items that will not be reclassified to profit or loss					
Transfer from owner-occupied property to investment property		-	199	-	199
Gains (Losses) unrealized on equity securities at FVOCI		131,172	(260,883)	77,462	(282,946)
Actuarial (losses) gains from defined benefit pension plans		(19,923)	46,782	(19,924)	80,409
Income tax		6,852	(20,287)	6,830	(31,245)
		118,101	(234,189)	Ps. 64,368	Ps. (233,583)
Other comprehensive income, net of taxes		91,874	(570,117)	457,857	(3,351,831)
Total comprehensive income, net of taxes		Ps. 552,466	Ps. 815,967	Ps. 1,965,702	Ps. 1,015,007
Total comprehensive income for the periods attributable to:					
Owners of the parent		Ps. 299,883	Ps. 293,739	1,023,691	153,656
Non-controlling interest		252,583	522,228	942,011	861,351
		Ps. 552,466	Ps. 815,967	Ps. 1,965,702	Ps. 1,015,007

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, 2023 and 2022
(Amounts expressed in millions of Colombian pesos)

	Subscribed and paid-in capital	Additional paid – in capital	Appropriated retained earnings	Other comprehensive income (OCI)	Equity attributable to owners of the parent	Non-controlling interest (NCI)	Total equity
Balance as of December 31, 2021	Ps. 22,281	Ps. 8,490,799	Ps. 13,383,391	Ps. 1,117,182	Ps. 23,013,653	Ps. 16,457,994	Ps. 39,471,647
Issuance of shares	1,463	1,082,307	—	—	1,083,770	572,136	1,655,906
Dividends declared in cash	—	—	(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	—	13,241	—	—	13,241	(13,241)	—
Spin Off ⁽¹⁾	—	—	(6,638,961)	—	(6,638,961)	(3,019,613)	(9,658,574)
Effect of realization of equity instruments ⁽²⁾	—	—	(5,432)	—	(5,432)	(6,093)	(11,525)
Other comprehensive income	—	—	—	(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 as of June 30, 2022	Ps. 23,744	Ps. 9,586,347	Ps. 7,944,227	Ps. (1,134,354)	Ps. 16,419,964	Ps. 13,729,594	Ps. 30,149,558
Balance as of December 31, 2022	Ps. 23,744	Ps. 9,571,374	Ps. 8,018,417	Ps. (1,146,565)	Ps. 16,466,970	Ps. 14,354,689	Ps. 30,821,659
Dividends declared in cash	—	—	(1,025,718)	—	(1,025,718)	(1,014,789)	(2,040,507)
Other comprehensive income	—	—	—	432,391	432,391	25,466	457,857
Withholding Tax over dividends	—	—	504	—	504	14,658	15,162
Net income	—	—	591,300	—	591,300	916,545	1,507,845
Balance as of June 30, 2023	Ps. 23,744	Ps. 9,571,374	Ps. 7,584,503	Ps. (714,174)	Ps. 16,465,447	Ps. 14,296,569	Ps. 30,762,016

⁽¹⁾ See note 1.1 “Discontinued operations of BAC Holding”.

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, 2023 and 2022
(Amounts expressed in millions of Colombian pesos)

	Notes	June 30, 2023	June 30, 2022 ⁽¹⁾
Cash flows from operating activities:			
Net income before income tax		Ps. 2,390,957	Ps. 3,966,566
Reconciliation of net income before taxes and net cash provided by operating activities:			
Depreciation and amortization	16-18	562,169	533,926
Impairment losses of loans and receivables, net	4-16	2,089,746	1,551,680
Net income in concession agreements		(2,222,425)	(2,648,074)
Net interest income		(3,124,310)	(4,054,965)
Sales of non-current assets held for sale, net		(21,193)	(5,517)
Gain on sales of tangible assets		(101,106)	(14,967)
Foreign exchange losses	18	(1,684,847)	333,290
Share of profit of equity accounted investees, net of tax	18	(194,276)	(341,888)
Dividends caused	18	(122,046)	(108,630)
Fair value adjustments on:			
Derivatives	17	1,847,476	(324,107)
Non-current assets held for sale		(142)	158
Investment property		32,497	(13,379)
Biological assets		(7,284)	(9,050)
Changes in operating assets and liabilities:			
Derivatives		(1,675,141)	429,022
Trading assets		(1,306,429)	668,252
Accounts receivable		(1,038,184)	99,908
Other assets		(72,588)	(24,129)
Other liabilities and provisions		(428,869)	(208,182)
Employee benefit		(139,822)	(49,363)
Loan portfolio		(11,753,255)	(12,267,881)
Customer deposits		10,328,635	11,308,833
Interbank borrowings and overnight funds		4,353,468	251,330
Borrowings from development entities		(257,965)	1,845
Borrowings from banks		(3,433,623)	3,874,364
Interest received		19,347,490	7,157,283
Interest paid		(9,983,489)	(3,779,107)
Lease interest		(87,908)	(74,927)
Income tax payments		(1,335,382)	(982,108)
Net cash provided by operating activities		Ps. 1,962,154	Ps. 5,270,183
Cash flows from investing activities:			
Purchases of amortized cost financial assets		Ps. (4,254,988)	Ps. (3,751,243)
Redemptions of amortized cost financial assets		4,365,996	3,439,631
Purchases of FVOCI		(8,210,405)	(5,752,138)
Proceeds from sales of FVOCI		9,956,352	6,990,738
Acquisition of associates investment and joint ventures		—	(2,667)
Purchases tangible assets		(247,840)	(165,664)
Proceeds from sales of property, plant and equipment		66,574	79,749
Proceeds from sales of non-current assets held for sale		22,150	17,590
Additions of concession arrangement rights		1,074,882	(496,085)
Additions of other intangible assets		(215,357)	(216,687)
Dividends received		283,857	272,264
(Decrease) to deconsolidation of subsidiaries		—	(17,570,390)
Net cash provided (used) in by investing activities		Ps. 2,841,221	Ps. (17,154,902)
Cash flows from financing activities:			
Dividends paid to shareholders		Ps. (256,500)	Ps. (409,876)
Dividends paid to non-controlling interest		(340,372)	(421,326)
Issuance of debt securities		2,592,076	543,355
Payment of outstanding debt securities		(3,323,937)	(964,283)
Leases		(203,338)	(183,880)
Issuance of shares		—	129
Net cash used by financing activities		Ps. (1,532,071)	Ps. (1,435,881)
Effect of foreign currency changes on cash and equivalents		(1,108,494)	(487,517)
Decrease in cash and cash equivalents in joint operations		—	(1,393,602)
Increase (decrease) in cash and cash equivalents		2,162,810	(15,201,719)
Cash and cash equivalents at beginning of period		Ps. 17,032,857	Ps. 36,642,829
Cash and cash equivalents at end of period		Ps. 19,195,667	Ps. 21,441,110

(1) See note 1.1 “Discontinued operations of BAC Holding”.

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