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

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

Introduction

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

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

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

Scope of the review

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



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

Conclusion

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

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

May 14, 2024

GRUPO AVAL ACCIONES Y VALORES S.A.
Separate statement of financial position
(Stated in millions of Colombian pesos)

| | | | <u>March 31st</u> <u>2024</u> | | <u>December 31st</u> <u>2023</u> |
|---|----|------------|----------------------------------|------------|-------------------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | Ps. | 159,482 | Ps. | 157,323 |
| Trading securities | 6 | | 269 | | 256 |
| Amortized cost investments | 7 | | 18,806 | | 18,707 |
| Accounts receivable from related parties | 8 | | 760,833 | | 444,964 |
| Taxes paid in advance | 8 | | 4,303 | | 5,958 |
| Other accounts receivable | 8 | | 20 | | 31 |
| Other non-financial assets | | | 148 | | 103 |
| Total current assets | | | <u>943,861</u> | | <u>627,342</u> |
| Non-current Assets | | | | | |
| Investments in subsidiaries and associates | 9 | Ps. | 18,317,610 | Ps. | 18,645,247 |
| Accounts receivable from related parties | 8 | | 1,037,421 | | 1,031,954 |
| Property and equipment, net | 10 | | 2,018 | | 2,404 |
| Deferred tax assets, net | 11 | | 296 | | 278 |
| Total non-current Assets | | | <u>19,357,345</u> | | <u>19,679,883</u> |
| Total assets | | Ps. | <u>20,301,206</u> | Ps. | <u>20,307,225</u> |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Financial obligations at amortized cost | 12 | Ps. | 20,306 | Ps. | 20,923 |
| Outstanding bonds at amortized cost | 12 | | 245,232 | | 237,172 |
| Accounts payable | 14 | | 677,955 | | 363,998 |
| Employee benefits | 13 | | 2,682 | | 2,880 |
| Tax liabilities | 14 | | 10,780 | | 13,335 |
| Other non-financial liabilities | 14 | | 1,214 | | 1,214 |
| Total current liabilities | | | <u>958,169</u> | | <u>639,522</u> |
| Long-term liabilities | | | | | |
| Financial obligations at amortized cost | 12 | Ps. | 1,530,827 | Ps. | 1,525,800 |
| Outstanding bonds at amortized cost | 12 | | 900,000 | | 900,000 |
| Total long-term liabilities | | | <u>2,430,827</u> | | <u>2,425,800</u> |
| Total liabilities | | Ps. | <u>3,388,996</u> | Ps. | <u>3,065,322</u> |
| Equity | | | | | |
| Subscribed and paid capital | 15 | Ps. | 23,743 | Ps. | 23,743 |
| Additional paid-in capital | 15 | | 9,695,243 | | 9,695,243 |
| Retained earnings | 15 | | 7,600,229 | | 7,450,394 |
| Net income | | | 119,614 | | 723,038 |
| Other comprehensive income | 15 | | (526,619) | | (650,515) |
| Total shareholders' equity | | Ps. | <u>16,912,210</u> | Ps. | <u>17,241,903</u> |
| Total liabilities and shareholders' equity | | Ps. | <u>20,301,206</u> | Ps. | <u>20,307,225</u> |

The accompanying notes are an integral part of these condensed separate financial statements

María Lorena Gutiérrez Botero
President

María Edith González Flórez
Certified Public Accountant
Registration 13083-T

Diana Alexandra Rozo Muñoz
Revisor Fiscal of Grupo Aval Acciones y Valores S.A.
Registration 120741 T
Member of KPMG S.A.S.
(See my report of May 14th 2024)

GRUPO AVAL ACCIONES Y VALORES S.A.
Separate income statement
(Stated in millions of Colombian pesos, except earnings per share)

| | Note | For the accumulated period | |
|--|-------------|-----------------------------------|----------------------------|
| | | March 31st 2024 | March 31st 2023 |
| Operating revenue | | | |
| Equity method income, net | 17 | Ps. 119,407 | Ps. 412,496 |
| Other revenue from ordinary activities | 17 | 107,300 | 116,610 |
| Total operating revenue | | Ps. 226,707 | Ps. 529,106 |
| Expenses, net | | | |
| Administrative expenses | 18 | Ps. 22,948 | Ps. 18,713 |
| Other expenses | 18 | 6 | (99) |
| revenue from exchange rate differences | 18 | 29 | (130) |
| Operating income | | Ps. 203,724 | Ps. 510,622 |
| Financial expenses | 18 | 73,101 | 81,532 |
| Earnings before taxes | | Ps. 130,623 | Ps. 429,090 |
| Income tax expense | 11 | 11,009 | 13,150 |
| Net income from continuing operations | | Ps. 119,614 | Ps. 415,940 |
| Net income | | Ps. 119,614 | Ps. 415,940 |
| Number of shares outstanding | 15 | 23,743,475,754 | 23,743,475,754 |
| Net income per share | | Ps. 5.04 | Ps. 17.52 |

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GRUPO AVAL ACCIONES Y VALORES S.A.
 Separate Other Comprehensive Income Statement
 (Stated in millions of Colombian pesos)

| | For the accumulated period | |
|--|-----------------------------------|----------------------------|
| | March 31st 2024 | March 31st 2023 |
| Net income | Ps. 119,614 | Ps. 415,940 |
| Other comprehensive income (OCI), net of taxes | | |
| Participation in other comprehensive income reported using the equity method | 123,896 | 325,437 |
| Comprehensive income, net | Ps. 243,510 | Ps. 741,377 |

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GRUPO AVAL ACCIONES Y VALORES S.A.
Separate Statement of Changes in Equity
(Stated in millions of Colombian pesos)

| | Retained earnings (losses) | | | | | | | | |
|--|-----------------------------|----------------------|-------------------|-----------------------|----------------------|------------------------------|----------------------|----------------------------|-----------------------|
| | Subscribed and paid capital | Paid-in Capital | Legal reserve | Occasional reserve | Retained earnings | Operations with shareholders | Net Income | Other comprehensive income | Total Equity |
| Balance as of December 31st 2022 | Ps. <u>23,743</u> | Ps. <u>9,695,243</u> | Ps. <u>11,872</u> | Ps. <u>12,817,186</u> | Ps. <u>(245,351)</u> | Ps. <u>(6,644,277)</u> | Ps. <u>2,541,179</u> | Ps. <u>(1,237,319)</u> | Ps. <u>16,962,276</u> |
| Constitution of reserves for future distributions net income 2022 | | | | 2,541,179 | | | (2,541,179) | | - |
| Reserve appropriation | | | | (7,111,764) | 467,487 | 6,644,277 | | | - |
| To distribute a cash dividend of \$ 3.60 per share per month from April 2023 to March 2024 including those two months, over 23.743.475.754 outstanding shares as of the date of the Shareholder's meeting. | | | | (1,025,718) | | | | | (1,025,718) |
| Application of the equity method | | | | | | | | 325,437 | 325,437 |
| Withholding tax on dividends | | | | | 14,690 | | | | 14,690 |
| Net Income | | | | | | | 415,940 | | 415,940 |
| Balance as of March 31st 2023 | Ps. <u>23,743</u> | Ps. <u>9,695,243</u> | Ps. <u>11,872</u> | Ps. <u>7,220,883</u> | Ps. <u>236,826</u> | Ps. <u>-</u> | Ps. <u>415,940</u> | Ps. <u>(911,882)</u> | Ps. <u>16,692,625</u> |
| Balance as of December 31st 2023 | Ps. <u>23,743</u> | Ps. <u>9,695,243</u> | Ps. <u>11,872</u> | Ps. <u>7,220,883</u> | Ps. <u>217,639</u> | Ps. <u>-</u> | Ps. <u>723,038</u> | Ps. <u>(650,515)</u> | Ps. <u>17,241,903</u> |
| Constitution of reserves for future distributions net income 2023 | | | | 723,038 | | | (723,038) | | - |
| To distribute a cash dividend of \$ 2.00 per share per month from April 2024 to March 2025 including those two months, over 23.743.475.754 outstanding shares as of the date of the Shareholder's meeting. | | | | (569,843) | | | | | (569,843) |
| Application of the equity method | | | | | | | | 123,896 | 123,896 |
| Changes in subsidiaries equity | | | | | (8,387) | | | | (8,387) |
| Withholding tax on dividends | | | | | 5,027 | | | | 5,027 |
| Net Income | | | | | | | 119,614 | | 119,614 |
| Balance as of March 31st 2024 | Ps. <u>23,743</u> | Ps. <u>9,695,243</u> | Ps. <u>11,872</u> | Ps. <u>7,374,078</u> | Ps. <u>214,279</u> | Ps. <u>-</u> | Ps. <u>119,614</u> | Ps. <u>(526,619)</u> | Ps. <u>16,912,210</u> |

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GRUPO AVAL ACCIONES Y VALORES S.A.
Separate Statement of Cash Flows
(Stated in millions of Colombian pesos)

| | Note | For the accumulated period | |
|---|------|----------------------------|--------------------|
| | | March 31st 2024 | March 31st 2023 |
| Cash flow from operating activity: | | | |
| Net Income | | Ps. 119,614 | Ps. 415,940 |
| Adjustments to reconcile net income with net cash provided (used) by operating activities | | | |
| Income tax expense | | Ps. 11,009 | Ps. 13,150 |
| Depreciation and amortization | 10 | 452 | 398 |
| Loan Impairment | 8 | (12) | (121) |
| Equity method income | 17 | (119,407) | (412,496) |
| Changes in operating assets and liabilities: | | | |
| (Increase) Decrease in trading securities | | Ps. (13) | Ps. 570 |
| Increase (Decrease) in receivable interests | 8 | 99 | (382) |
| Decrease in other assets and liabilities, net: prepaid taxes, prepaid expenses, taxes, accounts payable, employee liabilities, estimated liabilities and provisions | | (12,105) | (16,530) |
| Decrease in interests payable | | 7,396 | 1,319 |
| Interest paid on lease agreements (IFRS 16) | 18 | (67) | (132) |
| Dividends received by subsidiaries | | 250,769 | 98,655 |
| Net cash provided by operating activities | | Ps. 257,735 | Ps. 100,371 |
| Net cash used in investing activities | | Ps. - | Ps. - |
| Cash flow from financing activities: | | | |
| Dividends paid | | (255,091) | (1,475) |
| Payment of lease liabilities | 12 | (386) | (269) |
| Net cash used in financing activities | | Ps. (255,477) | Ps. (1,744) |
| Effect of exchange rate difference on cash | | (99) | - |
| Change in cash and cash equivalents | | 2,159 | 98,627 |
| Cash and cash equivalents as of the beginning of the period | | 157,323 | 67,439 |
| Cash and cash equivalents as of the end of the period | | Ps. 159,482 | Ps. 166,066 |
| Additional information: | | | |
| Payment of Interest | | Ps. 65,771 | Ps. 80,343 |

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GRUPO AVAL ACCIONES Y VALORES S.A.
Notes to the Separate Financial Statements
(Stated in millions of Colombian pesos, except earnings per share)

(1) Reporting Entity

Grupo Aval Acciones y Valores S.A. (hereinafter referred to as the 'Company' or 'Grupo Aval') is a Stock Corporation established by Public Deed number 0043 on January 7, 1994; Its registered office is located at Carrera 13 No. 26A – 47, Bogotá, D.C., Colombia.

Its corporate purpose is focused on the to buy and to sell of stocks, bonds, and securities of entities belonging to the financial system and other commercial entities. As part of its activities, the Company is authorized to acquire and trade all kinds of marketable securities and securities in general freely circulating in the market; to promote the creation of all kinds of companies related to or complementary to the corporate purpose; to represent natural or legal persons engaged in similar or complementary activities, as well as those previously indicated; to lend or borrow money, with or without interest; to provide as collateral or for management its movable or immovable assets; to issue, endorse, acquire, accept, collect, protest, cancel, or pay bills of exchange, checks, promissory notes, or any other securities titles, either by accepting or providing them as payment, and generally execute or celebrate the exchange contract in all its manifestations, in all their forms, or related, parallel, and/or complementary activities. The total number of employees as at March 31, 2024 and December 31, 2023, was 119.

The duration of the Company, as established in its bylaws, is until May 24, 2044, but may be dissolved or extended before that term.

The Law 1870 of 2017 aims to define, supervise, and regulate financial conglomerates to watch over the stability of the financial system. In its Article 3, it defines the scope and responsibility of financial holdings, such as Grupo Aval. This law specifies that these entities will be subject to inspection and supervision by the Financial Superintendent; therefore, all regulatory provisions related to risk management, internal control, information disclosure, conflicts of interest, and corporate governance that they must apply will be applicable.

- **Takeover Bid**

On December 6, 2022, the Tender Offer made by Esadinco S.A. was accepted, which included the sale of BHIC shares by Banco de Bogotá. On December 14, the selling process concluded, resulting in the sale of 20.9% of BHIC shares. The remaining 4.1% stake was sold by Banco de Bogotá on March 17, 2023.

(2) Basis of presentation of separate financial statements and summary of significant accounting policies.

The condensed separate interim condensed financial information of Grupo Aval Acciones y Valores S.A., have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (IFRS adopted by Colombia) and established in Law 1314 of 2009, regulated in the annex of Decree 2420 of 2015, and the other amending decrees issued by the National Government.

The condensed interim separate financial statements do not include all the information and disclosures required for an annual financial statement, and therefore need to be read in conjunction with the annual separate financial statements as at 31 December 2023. In accordance with IAS 34 Interim Financial Reporting, the accounting policies used for interim periods are the same as those applied in the preparation of the annual financial statements.

GRUPO AVAL ACCIONES Y VALORES S.A.
Notes to the Separate Financial Statements
(Stated in millions of Colombian pesos, except earnings per share)

Grupo Aval Acciones y Valores S.A., presents stability in the recognition of its results in each quarter, as in the different periods disclosed above there is no evidence of seasonality or cyclical effects in its disclosed results.

(3) Critical accounting judgments and estimates in the application of accounting policies

In preparing these interim financial statements, the Company's management makes estimates and assumptions that affect the application of policies, the amounts recognized and the carrying amounts of assets and liabilities, income and expenses.

Significant judgements made by management apply to the Group's accounting policies and the key sources of estimates were the same as those applied to the separate annual financial statements for the period ended at December 31, 2023.

(4) Fair Value Estimation

The fair value of financial assets and liabilities traded in active markets (such as financial assets in debt and equity securities and actively traded derivatives on stock exchanges or interbank markets) is based on 'dirty' prices provided by an official price provider authorized by the called SFC (Superintendencia Financiera de Colombia). These prices are determined through weighted averages of transactions occurring during the trading day.

An active market is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide continuous price information. A "dirty" price is one includes accrued and pending interest on the security from the issuance date or the last interest payment until the settlement date of the purchase or sale transaction. The fair value of financial assets and liabilities not traded in an active market is determined using valuation techniques established by the price provider or Grupo Aval entities' management. Valuation techniques for non-standardized financial instruments, such as options, currency swaps, and over-the-counter derivatives, include the use of interest rate or currency valuation curves constructed by price providers from market data and extrapolated to the specific conditions of the instrument being valued. Other valuation methods involve discounted cash flow analysis, option pricing models, and commonly used techniques by market participants. These techniques emphasize maximizing the use of market data and minimizing reliance on entity-specific data.

The Company may use internally developed models for financial instruments that do not have active markets. These models are generally based on methods and valuation techniques that are commonly standardized in the financial sector. Some inputs for these models may not be observable in the market, and therefore, they are estimated based on assumptions.

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

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

GRUPO AVAL ACCIONES Y VALORES S.A.
Notes to the Separate Financial Statements
(Stated in millions of Colombian pesos, except earnings per share)

- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is classified in its entirety is determined based on the lowest-level input that is significant for the fair value measurement as a whole. The importance of an input is assessed in relation to the fair value measurement as a whole. Financial instruments quoted in markets that are not considered active but are valued based on quoted market prices, quotes from price providers, or alternative pricing 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, it is categorized as a Level 3 measurement. The assessment of the significance of a particular input to the fair value measurement as a whole requires judgment, considering specific factors related to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Company. Observable data refers to market data that is already available, regularly distributed or updated by the price provider, reliable and verifiable, without proprietary rights, and provided by independent sources actively participating in the relevant market.

Fair value measurements on a recurring basis

Fair value measurements on a recurring basis are those required or allowed by IFRS accounting standards in the financial statements at the end of each accounting period.

Tradable investments are carried at fair value using the unit value provided by the fund's management company, which reflects the fair value of the underlying assets, incorporating all the risks to which the assets are exposed, in accordance with IFRS 13. The management company, based on observable market data, accounts for the credit risk associated with the asset; therefore, the Company does not analyze or monitor impairment indicators.

The fair value of underlying assets is calculated based on inputs observable by the market, either directly or indirectly, which can be substantially corroborated with observable market data. For this reason, these investments have been classified as Level 2.

The fair value of investments primarily reflects changes in market conditions, primarily due to changes in interest rates and other economic conditions in the country where the investment is held. As at March 31, 2024, and December 31, 2023, the Company believes that there have been no significant losses in the fair value of investments due to impairment of credit risk conditions for these assets.

The following table analyzes, within the fair value hierarchy, the Company's financial assets and liabilities (by class) measured at fair value as at March 31, 2024, and December 31, 2023, on a recurring basis:

| | March 31, 2024 | | | |
|--|----------------|----------------|-------------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Amortized cost investments | Ps. - | Ps. - | Ps. 18,806 | Ps. 18,806 |
| Trading securities at fair value | - | 269 | - | 269 |
| Total recurring fair value assets | Ps. - | Ps. 269 | Ps. 18,806 | Ps. 19,075 |

GRUPO AVAL ACCIONES Y VALORES S.A.
Notes to the Separate Financial Statements
(Stated in millions of Colombian pesos, except earnings per share)

| | December 31, 2023 | | | |
|--|-------------------|----------------|-------------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Amortized cost investments | Ps. - | Ps. - | Ps. 18,707 | Ps. 18,707 |
| ding securities at fair value | - | 256 | - | 256 |
| Total recurring fair value assets | Ps. - | Ps. 256 | Ps. 18,707 | Ps. 18,963 |

Fair value information for financial assets and liabilities recorded at amortized cost determined solely for disclosure purposes.

The following is the breakdown of how financial assets and liabilities recorded at amortized cost and valued at fair value solely for the purpose of this disclosure were assessed.

Financial assets

The following table analyzes, within the fair value hierarchy, the financial assets, investments at amortized cost and loans granted by Grupo Aval Acciones y Valores S.A. to Endor Capital Assets S.R.L. as at March 31, 2024 and December 31, 2023, measured on a recurring basis:

| | Book Value | | Fair Value | |
|---|----------------------|----------------------|----------------------|----------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2024 | December 31, 2023 |
| Amortized cost investments | | | | |
| CDT Banco de Occidente Panamá ⁽¹⁾ | Ps. 18,806 | Ps. 18,707 | Ps. 18,806 | Ps. 18,506 |
| Subtotal Investments to maturity | 18,806 | 18,707 | 18,806 | 18,506 |
| Credit Portfolio | | | | |
| Promissory 1 – Endor Capital ^{(2) y (3)} | Ps. 1,042,947 | Ps. 1,037,466 | Ps. 1,315,729 | Ps. 1,320,719 |
| Promissory 2 – Endor Capital ^{(2) y (3)} | 202,217 | 202,319 | 210,096 | 213,091 |
| Subtotal Credit portfolio | 1,245,164 | 1,239,785 | 1,525,825 | 1,533,810 |
| Total | Ps. 1,263,970 | Ps. 1,258,492 | Ps. 1,544,631 | Ps. 1,552,316 |

⁽¹⁾ For the calculation of the fair value of investments, the same nominal value is taken because they have a maturity of less than 90 days.

⁽²⁾ The fair value of Promissory Note 1 was calculated using the Credit Default Swap (CDS) curve for Colombia, along with the Interest Rate Swap (IRS) curve in dollars. Credit spreads (margin) for AA-rated issuers were added, calculated in the market of papers issued in DTF + SWAP DTF minus the zero-coupon curve of TES. For Promissory Note 2, the fair value was calculated by taking the credit spread (margin), calculated in the market for rates of papers indexed to DTF and IBR. The implicit rate in the SWAP DTF - Fixed Rate curve, quoted in Precia, was added. As at March 31, 2024, and December 31, 2023, the average discount rate used was 9.9765% and 10.7362%, and 10.9693% and 11.5893%, respectively. Both promissory notes are classified in Level 2 of the hierarchy.

⁽³⁾ On May 24, 2023, a contract was signed transferring the contractual debtor position to Endor Capital Assets, S.R.L. for the loans granted to Esadinco. An amendment was made to the contract between Grupo Aval Acciones y Valores and Esadinco S.A.

Financial liabilities

For financial obligations and other liabilities, their fair value was determined using discounted cash flow models by risk-free interest rates adjusted for entity-specific risk premiums. For outstanding bonds, their fair value was determined based on their quotations on stock exchanges.

The following table provides a summary of the Company's financial liabilities as at March 31, 2024 and December 31, 2023, not measured at fair value on a recurring basis, compared with their fair value for those for which fair value is viable to calculate:

GRUPO AVAL ACCIONES Y VALORES S.A.
Notes to the Separate Financial Statements
(Stated in millions of Colombian pesos, except earnings per share)

| Capital balance and interest | Book Value | | Fair Value | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2024 | December 31, 2023 |
| Bank loans ⁽¹⁾ | Ps. 506,825 | Ps. 507,556 | Ps. 531,731 | Ps. 532,678 |
| Third party loans ⁽²⁾ | 1,042,623 | 1,037,157 | 1,060,720 | 1,064,408 |
| Bonds outstanding ⁽³⁾ | 1,145,232 | 1,137,172 | 1,063,864 | 1,088,765 |
| Total | Ps. 2,694,680 | Ps. 2,681,885 | Ps. 2,656,315 | Ps. 2,685,851 |

⁽¹⁾ The fair values of bank loans are calculated by taking the credit spread (margin); in turn, the market-calculated rates of papers indexed to DTF and IBR are used, and to these rates, the implicit rate in the SWAP DTF - Fixed Rate curve quoted in Precia is added. As at March 31, 2024, and December 31, 2023, the average discount rates used were 10.2461% and 11.2265%, respectively, and they are classified in Level 2 of the hierarchy.

⁽²⁾ For the valuation of dollar-denominated credits, the fair value was calculated by taking the CDS (Credit Default Swap) curve for Colombia, plus the IRS (Interest Rate Swap) curve in dollars, adding the credit spreads (margin) of AA issuers calculated in the market for papers issued in DTF + the SWAP DTF rate minus the zero coupon curve of TES. As at March 31, 2024, and December 31, 2023, the average discount rates used were 9.8535% and 10.6001%, respectively, and they are classified in Level 2 of the hierarchy.

⁽³⁾ For the calculation of the fair value of bonds outstanding, the prices from Precia (formerly called Infovalmer) were used for each of the cuts, calculated with an estimated price, which corresponds to the "dirty" price, obtained as the result of the present value of the cash flows of a security, discounted with the reference rate and the corresponding margin; likewise, they are classified in Level 2 of the hierarchy.

(5) Cash and cash equivalents

Balances comprise the following as at March 31, 2024 and December 31, 2023:

| | March 31, 2024 | December 31, 2023 |
|--|--------------------|--------------------|
| In Colombian Pesos | | |
| Cash | Ps. 4 | Ps. 3 |
| Bank and other financial institutions on demand | 152,313 | 157,286 |
| | 152,317 | 157,289 |
| In foreign currency | | |
| Bank and other financial institutions on demand ⁽¹⁾ | 7,165 | 34 |
| | Ps. 159,482 | Ps. 152,351 |

⁽¹⁾ It includes a balance in US dollars in a current account at Banco de Bogotá Miami Agency for US 1,864,903.44 as at March 31, 2024, converted at the closing exchange rate of \$3,842.30 per dollar.

From the total cash, the Company has earmarked specific resources amounting to Ps.1,214 as at March 31, 2024, and December 31, 2023, to cover the repayment of undistributed contributions in shares from the 2011 issuance.

Below is the breakdown of the credit quality determined by independent credit rating agencies for the main financial institutions where the Company holds cash funds:

| Credit quality | March 31, 2024 | December 31, 2023 |
|----------------------------|--------------------|--------------------|
| Investment grade | Ps. 152,317 | Ps. 157,289 |
| Not rated or not available | 7,165 | 34 |
| Total | Ps. 159,482 | Ps. 157,323 |

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(6) Trading securities

As at March 31, 2024 and December 31, 2023, the balance of marketable securities consists of the following:

| Credit quality | March 31, 2024 | December 31, 2023 |
|-----------------------------|---------------------------|------------------------------|
| Collective investment funds | Ps. <u>269</u> | Ps. <u>256</u> |

Investments are measured at fair value using the unit value provided by the fund management company, which reflects the fair value of the underlying assets, incorporating all risks to which the assets are exposed, in accordance with IFRS 13 "Fair Value Measurement" based on observable market data, which also reflects the credit risk associated with the asset and, therefore, the Company does not analyze or monitor indicators of impairment.

The Company's marketable investments can be corroborated by observable data from the reports provided in the fund accounting.

The fair value of investments mainly reflects changes in market conditions, mainly due to changes in interest rates and other economic conditions in the country where the investment is held. As at March 31, 2024 and December 31, 2023, the Company considers that there have been no significant losses in the fair value of the investments due to conditions of impairment of credit risk of these assets.

The following is a breakdown of the credit quality determined by independent risk rating agents, of the main investment counterparties in which the Company has investments:

| Credit quality | March 31, 2024 | December 31, 2023 |
|-----------------------|---------------------------|------------------------------|
| Degree of investment | Ps. <u>269</u> | Ps. <u>256</u> |

Fair value includes credit risk, so no further impairment assessments are required.

(7) Amortized cost investments

The balance of investments at amortized cost comprises the following as at March 31, 2024 and December 31, 2023:

| TD in foreign currency | March 31, 2024 | December 31, 2023 |
|-------------------------------|---------------------------|------------------------------|
| Capital ⁽¹⁾ | Ps. 18,789 | Ps. 18,690 |
| Interest ⁽²⁾ | 17 | 17 |
| Total | Ps. <u>18,806</u> | Ps. <u>18,707</u> |

⁽¹⁾ Includes a balance in U.S. dollars in Banco de Occidente Panama for USD4,890,000.00 as at March 31, 2024 converted at the closing exchange rate of Ps. 3,842.30 per dollar.

⁽²⁾ Includes a balance in U.S. dollars at Banco de Occidente Panama for USD4,501.48 as at March 31, 2024 translated at the closing exchange rate of Ps. 3,842.30 per dollar.

On December 2023, a TD was opened with Banco de Occidente Panama in U.S. dollars for a term of 181 days and a rate of 5.6%.

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The credit quality of the Company's main investment counterparties, as rated by independent risk rating agencies, is as follows:

| | March 31, 2024 | December 31, 2023 |
|-----------------------|---------------------------|------------------------------|
| Credit quality | | |
| Stable outlook | Ps. <u>18,806</u> | Ps. <u>18,707</u> |

The book value and fair value of investments at amortized cost (calculation methodology included in note 5 - Fair value estimation in the Financial Assets section) are as follows:

| | Book Value | | Fair Value | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2024 | December 31, 2023 |
| Investments to maturity | | | | |
| TD Banco Occidente Panamá ⁽¹⁾ | Ps. <u>18,806</u> | Ps. <u>18,707</u> | Ps. <u>18,806</u> | Ps. <u>18,506</u> |
| Total Financial Assets | Ps. <u>18,806</u> | Ps. <u>18,707</u> | Ps. <u>18,806</u> | Ps. <u>18,506</u> |

⁽¹⁾ For the calculation of the fair value of investments, the same nominal value is taken because they have a maturity of less than 90 days.

(8) Accounts receivable

The following is the detail of accounts receivable as at March 31, 2024 and December 31, 2023:

| | March 31, 2024 | December 31, 2023 |
|---|-----------------------------|------------------------------|
| Dividends receivable from subsidiaries ⁽¹⁾ | Ps. 553,090 | Ps. 237,133 |
| Accounts receivable from related parties ⁽²⁾ | <u>207,743</u> | <u>207,831</u> |
| Subtotal accounts receivable from related parties | <u>760,833</u> | <u>444,964</u> |
| Tax assets ⁽³⁾ | Ps. <u>4,303</u> | Ps. <u>5,958</u> |
| Subtotal advance tax payments | <u>4,303</u> | <u>5,958</u> |
| Miscellaneous | Ps. 18 | Ps. 30 |
| Incapacities | <u>2</u> | <u>1</u> |
| Subtotal other accounts receivable | <u>20</u> | <u>31</u> |
| Subtotal accounts receivable - current portion | Ps. <u>765,156</u> | Ps. <u>450,953</u> |
| Accounts receivable from related parties ⁽²⁾ | <u>1,037,421</u> | <u>1,031,954</u> |
| Subtotal accounts receivable - non-current portion | Ps. <u>1,037,421</u> | Ps. <u>1,031,954</u> |
| Total accounts receivable | Ps. <u>1,802,577</u> | Ps. <u>1,482,907</u> |

⁽¹⁾ In March 2024 the companies in which Grupo Aval has direct investment declared dividends of Ps. 567,113.

⁽²⁾ In December 2022, Grupo Aval granted two loans to the entity Esadinco S.A. explained in section Accounts receivable from related parties, of this note.

In May 2023, the contractual position of Esadinco as debtor was transferred to Endor Capital Assets S.R.L., The contract signed between Grupo Aval and Esadinco S.A. was amended, maintaining the same conditions of the loans originally agreed with Esadinco, S.A.

⁽³⁾ As at March 31, 2024, the tax asset is composed of the net result between the balance in favor of the previous period, plus the withholdings and self-withholdings of the period minus the income tax liability, whose net balance in favor of the period is Ps 4,303, which is transferred to assets for presentation purposes in each period.

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Accounts receivable from related parties

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|---|-----------------------------|------------------------------|
| Current | | |
| Capital | Ps. 200,000 | Ps. 200,000 |
| Interest | 9,949 | 10,049 |
| Impairment ⁽¹⁾ | <u>(2,206)</u> | <u>(2,218)</u> |
| Subtotal current | <u>207,743</u> | <u>207,831</u> |
| Capital | Ps. 1,037,421 | Ps. 1,031,954 |
| Subtotal Non-current | <u>1,037,421</u> | <u>1,031,954</u> |
| Total Accounts receivable from related parties | <u>Ps. 1,245,164</u> | <u>Ps. 1,239,785</u> |

- (1) For the calculation of the impairment of the current credit in the institution, a financial rating model was used, which consists of statistical models based on the client's financial information. Using the Probability of Default (PD) and the Loss Given Default (LGD) of clients with the same rating, equal segment, and with the information from the models at the end at March 31, 2024, December 31, 2023, the provision percentage was 0.17680% and 0.17855%, respectively, for a one-year period, given that this is a non-impaired credit and there is no significant increase in risk, resulting in a decrease in impairment of Ps.12.

Loans granted to Endor Capital Assets S.R.L. (i) for two and three years, with a single final principal payment:

| Accounts receivable from related parties - agreed interest rates | | |
|---|---------------------------------|------------------------------|
| Credits to: | SOFR 3M + 3.5% T.V. | IBR 3M + 4.5% T.V. |
| Amount: | USD 270,000,000 ⁽ⁱⁱ⁾ | Ps. 200,000 ⁽ⁱⁱⁱ⁾ |

- i) On May 24, 2023, the contractual position of Esadinco as debtor was transferred to Endor Capital Assets S.R.L..The contract signed between Grupo Aval and Esadinco S.A. was amended, maintaining the same conditions of the loans originally agreed with Esadinco, S.A.
- ii) On December 2, 2022, Grupo Aval subscribed a loan granted to its related party Esadinco S.A. (Promissory note 1) in Colombian pesos equivalent to USD 270 million U.S. dollars, for a term of 36 months with a rate of SOFR 3M + 3.5% and quarterly interest payments.
- iii) On December 2, 2022, Grupo Aval subscribed a loan granted to its related party Esadinco S.A. (Promissory note 2) for Ps.200,000, for a term of 24 months with a rate of IBR 3M + 4.5% and quarterly interest payments.

The credits granted by Grupo Aval to Endor Capital Assets S.R.L. are secured with share guarantee contracts as follows:

Guarantees on accounts receivable from related parties as at March 31, 2024

| | <u>Loan value</u> | <u>Number of shares under guarantee</u> | <u>Company issuing the shares</u> |
|------------|---------------------------|---|---------------------------------------|
| Ps. | <u>200,000</u> | <u>1,167,513</u> | Femisal S.R.L. |
| USD | 89,293,306 | 3,263,511,681 | Femisal S.R.L. |
| | 180,706,694 | 6,604,508,624 | Femisal S.R.L. |
| USD | <u>270,000,000</u> | <u>9,868,020,305</u> | |

The breakdown of the principal and interest components of accounts receivable from related parties is as follows:

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| March 31, 2024 | | | | | |
|---|------------|------------------|------------------|--------------------|----------------------|
| Credit | | Capital | Interest | Impairment | Total |
| Promissory 1 – Endor Capital ⁽¹⁾ | Ps. | 1,037,421 | Ps. 7,374 | Ps. (1,848) | Ps. 1,042,947 |
| Promissory 2 – Endor Capital ⁽¹⁾ | | 200,000 | 2,575 | (358) | 202,217 |
| Total | Ps. | 1,237,421 | Ps. 9,949 | Ps. (2,206) | Ps. 1,245,164 |

| December 31, 2023 | | | | | |
|---|------------|------------------|-------------------|--------------------|----------------------|
| Credit | | Capital | Interest | Impairment | Total |
| Promissory 1 – Esadincó S.A. ⁽¹⁾ | Ps. | 1,031,954 | Ps. 7,368 | Ps. (1,856) | Ps. 1,037,466 |
| Promissory 2 – Esadincó S.A. ⁽¹⁾ | | 200,000 | 2,681 | (362) | 202,319 |
| Total | Ps. | 1,231,954 | Ps. 10,049 | Ps. (2,218) | Ps. 1,239,785 |

The book value and fair value of accounts receivable from related parties at amortized cost (calculation methodology included in Note 5 - Estimation of fair values in its Financial Assets section) are as follows:

| Capital balance and interest | Book Value | | Fair Value | |
|---|-----------------------|--------------------------|-----------------------|--------------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2024 | December 31, 2023 |
| Promissory 1 – Endor Capital ⁽²⁾ | Ps. 1,042,947 | Ps. 1,037,466 | Ps. 1,315,729 | Ps. 1,320,719 |
| Promissory 2 – Endor Capital ⁽²⁾ | 202,217 | 202,319 | 210,096 | 213,091 |
| Total | Ps. 1,245,164 | Ps. 1,239,785 | Ps. 1,525,825 | Ps. 1,533,810 |

⁽¹⁾ The fair value of Promissory note 1 was calculated by taking the CDS (Credit Default Swap) curve for Colombia, plus the IRS curve in dollars, adding the credit spreads (margin) of the AA issuers, calculated in the market of papers issued in DTF + the SWAP DTF rate minus the zero coupon curve of the TES. In the case of Promissory note 2, the fair value was calculated by taking the credit spread (margin), the rates of papers indexed to the DTF and IBR are calculated in the market and to these the implicit rate in the SWAP DTF - Fixed Rate curve, quoted in Precia, is added. As at March 31, 2024 and December 31, 2023, the average discount rate used for promissory note 1 was 9.9765% and 10.9693% and for promissory note 2 was 10.7362% and 11.5893%, respectively. Both promissory notes are classified in hierarchy level 2.

⁽²⁾ On May 24, 2023, cession of the contractual position of debtor to Endor Capital Assets, S. R. L. was signed for the loans granted to Esadincó and the contract signed between Grupo Aval and Esadincó S. A. was amended, maintaining the same conditions as the loans initially agreed with Esadincó S. A.

Maturities of loans granted as at March 31, 2024

| Credit | | 2024 | | 2025 | | Total |
|---|------------|----------------|------------|------------------|------------|------------------|
| Promissory 1 – Endor Capital ⁽¹⁾ | Ps. | 7,374 | Ps. | 1,037,421 | Ps. | 1,044,795 |
| Promissory 2 – Endor Capital ⁽¹⁾ | | 202,575 | | - | | 202,575 |
| Total | Ps. | 209,949 | Ps. | 1,037,421 | Ps. | 1,247,370 |

⁽¹⁾ Include principal and interest.

Contractual maturities are presented in accordance with the provisions of Appendix B11C of IFRS 7.

Type of currency of accounts receivable from related parties

| | March 31, 2024 | December 31, 2023 |
|--|-----------------------|--------------------------|
| Colombian pesos | Ps. 202,575 | Ps. 202,681 |
| Colombian pesos per loan in U.S. dollars | 1,044,795 | 1,039,322 |
| Total | Ps. 1,247,370 | Ps. 1,242,003 |

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Annual interest rates on accounts receivable from related parties

| | March 31, 2024 | |
|-----------------------------------|--------------------|--------------|
| | In Colombian pesos | |
| | Minimum rate | Maximum rate |
| Promissory note 1 – Endor Capital | 9,12% | 9,16% |
| Promissory note 2 – Endor Capital | 16,97% | 17,71% |
| | December 31, 2023 | |
| | In Colombian pesos | |
| | Minimum rate | Maximum rate |
| Promissory note 1 – Esadenco S.A. | 8,17% | 9,19% |
| Promissory note 2 – Esadenco S.A. | 16,55% | 18,08% |

(9) Investments in subsidiaries and associates

The value of investments in subsidiaries and associates as at March 31, 2024 and December 31, 2023 is as follows:

| | Percent of Participation | | Number of shares | | Book value | |
|---|--------------------------|----------------------|-------------------|----------------------|-----------------------|-----------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2024 | December 31, 2023 | March 31, 2024 | December 31, 2023 |
| | Subsidiaries | | | | | |
| Banco de Bogotá S.A. | 68.93% | 68.93% | 244,858,322 | 244,858,322 | Ps. 8,846,914 | Ps. 9,005,759 |
| Banco de Occidente S.A. | 72.27% | 72.27% | 112,671,465 | 112,671,465 | 3,934,228 | 4,026,825 |
| Banco Comercial AV Villas S.A. | 79.86% | 79.86% | 179,459,557 | 179,459,557 | 1,265,757 | 1,322,954 |
| Banco Popular S.A. ⁽¹⁾ | 93.74% | 93.74% | 7,241,936,738 | 7,241,936,738 | 2,879,849 | 2,938,542 |
| Corporación Financiera Colombiana S.A. ^{(1) y (2)} | 8.71% | 8.71% | 31,833,029 | 31,833,029 | 1,272,662 | 1,235,453 |
| Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. ⁽³⁾ | 20.00% | 20.00% | 21,842,531 | 21,842,531 | 584,964 | 609,657 |
| Grupo Aval Limited | 100.00% | 100.00% | 1 | 1 | (479,004) | (506,174) |
| Subtotal Subsidiaries | | | | | Ps. 18,305,370 | Ps. 18,633,016 |
| Associates | | | | | | |
| ADL Digital Lab S.A.S | 34.00% | 34.00% | 408 | 408 | 12,240 | 12,231 |
| Subtotal Associates | | | | | Ps. 12,240 | Ps. 12,231 |
| Total investments in subsidiaries an associates | | | | | Ps. 18,317,610 | Ps. 18,645,247 |

⁽¹⁾ On November 22, 2023, a shareholders' agreement was signed by Grupo Aval, Banco de Bogotá S.A., Banco de Occidente S.A. and Banco Popular S.A., whereby Banco Popular S.A. became the controlling company of Corporación Financiera Colombiana S.A. ("Corficolombiana") under the terms of articles 260 and 261 of the Commercial Code.

⁽²⁾ In November and December 2022, 476,700 shares of Corporación Financiera Colombiana were acquired in the secondary market for Ps. 7,852, increasing the interest shareholding by 0.130377%, from 8.575953% to 8.706330%.

In May 2022, 2,325,619 shares were received from Corporación Financiera Colombiana S.A. for Ps.65,117 (Ps.65,609 Dividend - Ps.492 Withholding tax) corresponding to the payment of dividends in shares, increasing the participation by 0.075011%, whereby total shareholding went from 8.500942% to 8.575953%

⁽³⁾ In July 2021, a shareholders' agreement was subscribed between Grupo Aval, Banco de Bogotá, Banco de Occidente, Fiduciaria Bogotá and Fiduciaria de Occidente in which Grupo Aval acquires the quality of direct controller of Sociedad Administradora de Fondos de Pensiones Porvenir SA, under the terms of articles 260 and 261 of the Code of Commerce. The subscription of the referred agreement does not imply for Grupo Aval any variation in the shareholding it currently holds.

Restriction on investments

As at March 31, 2024 and December 31, 2023, there was a restriction on 15,589,972 shares of Banco de Occidente S.A. respectively, pledged as collateral to guarantee financial obligations with Banco de Bogotá S.A.

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As at March 31, 2024 and December 31, 2023, there was a restriction on 772,532,650 shares of Banco Popular, granted as pledge to guarantee financial obligations with Banco de Bogotá S.A.

As at March 31, 2024 and December 31, 2023, there was a restriction on 6,537,470 shares of Corficolombiana, respectively, pledged as collateral to secure financial obligations with Banco de Bogotá S.A.

As at March 31, 2024 and December 31, 2023, there was a restriction on 3,427,867 shares of Banco de Bogotá, pledged as collateral to guarantee financial obligations with Banco de Occidente S.A.

The aforementioned guarantees cover loans for Ps.493,406. Included in Note 12 - Financial obligations at amortized cost.

Subsidiaries and associates

The following is a detail of the assets, liabilities and equity of subsidiaries and associates accounted for by the equity method as at March 31, 2024 and December 31, 2023:

| March 31, 2024 | | | | | | | | | | | | | | | | |
|--|------------|--------------------|------------|-----------------------------|------------|----------------------------|-------------------|-------------------|--------------|-------------------|------------|------------------|------------|----------------|------------|-------------------|
| Asset | | Liability | | Equity | | | | | | | | | | | | |
| | | | | Subscribed and paid capital | Reserves | Additional paid-in capital | Retained earnings | Net income | Total Equity | | | | | | | |
| Subsidiaries | | | | | | | | | | | | | | | | |
| Banco de Bogotá S.A. | Ps. | 120,481,977 | Ps. | 108,285,261 | Ps. | 3,553 | Ps. | 8,389,454 | Ps. | 4,840,366 | Ps. | (1,233,142) | Ps. | 196,485 | Ps. | 12,196,716 |
| Banco de Occidente S.A. | | 66,210,277 | | 60,887,811 | | 4,677 | | 4,423,690 | | 597,079 | | 219,399 | | 77,621 | | 5,322,466 |
| Banco Comercial AV Villas S.A. | | 19,222,901 | | 17,637,865 | | 22,473 | | 1,284,736 | | 81,118 | | 282,469 | | (85,760) | | 1,585,036 |
| Banco Popular S.A. | | 29,993,553 | | 27,303,928 | | 77,253 | | 2,566,421 | | (21,763) | | 156,075 | | (88,361) | | 2,689,625 |
| Corporación Financiera Colombiana S.A. | | 27,006,084 | | 14,458,630 | | 3,656 | | 6,009,156 | | 6,038,854 | | 291,246 | | 204,542 | | 12,547,454 |
| Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. | | 3,578,303 | | 845,914 | | 109,211 | | 1,373,917 | | 1,146,347 | | (60,033) | | 162,947 | | 2,732,389 |
| Grupo Aval Limited | | 3,366,498 | | 3,845,502 | | - | | - | | (203,335) | | (304,459) | | 28,790 | | (479,004) |
| Subtotal Subsidiaries | Ps. | 269,859,593 | Ps. | 233,264,911 | Ps. | 220,823 | Ps. | 24,047,374 | Ps. | 12,478,666 | Ps. | (648,445) | Ps. | 496,264 | Ps. | 36,594,682 |
| Associates | | | | | | | | | | | | | | | | |
| ADL Digital Lab S.A.S | | 76,163 | | 40,163 | | 1,200 | | 1,718 | | - | | 33,056 | | 26 | | 36,000 |
| Subtotal Associates | Ps. | 76,163 | Ps. | 40,163 | Ps. | 1,200 | Ps. | 1,718 | Ps. | - | Ps. | 33,056 | Ps. | 26 | Ps. | 36,000 |
| Total | Ps. | 269,935,756 | Ps. | 233,305,074 | Ps. | 222,023 | Ps. | 24,049,092 | Ps. | 12,478,666 | Ps. | (615,389) | Ps. | 496,290 | Ps. | 36,630,682 |

| December 31, 2023 | | | | | | | | | | | | | | | | |
|--|------------|--------------------|------------|-----------------------------|------------|----------------------------|-------------------|-------------------|--------------|-------------------|------------|---------------------|------------|------------------|------------|-------------------|
| Asset | | Liability | | Equity | | | | | | | | | | | | |
| | | | | Subscribed and paid capital | Reserves | Additional paid-in capital | Retained earnings | Net income | Total Equity | | | | | | | |
| Subsidiaries | | | | | | | | | | | | | | | | |
| Banco de Bogotá S.A. | Ps. | 119,073,307 | Ps. | 106,646,131 | Ps. | 3,553 | Ps. | 18,184,023 | Ps. | 4,751,487 | Ps. | (11,468,029) | Ps. | 956,142 | Ps. | 12,427,176 |
| Banco de Occidente S.A. | | 64,240,155 | | 58,789,565 | | 4,677 | | 4,201,825 | | 587,683 | | 191,124 | | 465,281 | | 5,450,590 |
| Banco Comercial AV Villas S.A. | | 18,827,212 | | 17,170,549 | | 22,473 | | 1,401,862 | | 66,984 | | 381,656 | | (216,312) | | 1,656,663 |
| Banco Popular S.A. | | 29,439,247 | | 26,687,013 | | 77,253 | | 2,824,491 | | (47,515) | | 296,829 | | (398,824) | | 2,752,234 |
| Corporación Financiera Colombiana S.A. | | 26,982,474 | | 14,862,408 | | 3,656 | | 5,221,997 | | 5,816,008 | | 184,027 | | 894,378 | | 12,120,066 |
| Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. | | 3,530,284 | | 674,432 | | 109,211 | | 1,095,712 | | 1,152,304 | | (59,985) | | 558,610 | | 2,855,852 |
| Grupo Aval Limited | | 3,360,047 | | 3,866,222 | | - | | - | | (201,716) | | (393,429) | | 88,970 | | (506,175) |
| Subtotal Subsidiaries | Ps. | 265,452,726 | Ps. | 228,696,320 | Ps. | 220,823 | Ps. | 32,929,910 | Ps. | 12,125,235 | Ps. | (10,867,807) | Ps. | 2,348,245 | Ps. | 36,756,406 |
| Associates | | | | | | | | | | | | | | | | |
| ADL Digital Lab S.A.S | | 71,577 | | 35,602 | | 1,200 | | 1,182 | | - | | 22,440 | | 11,153 | | 35,975 |
| Subtotal Associates | Ps. | 71,577 | Ps. | 35,602 | Ps. | 1,200 | Ps. | 1,182 | Ps. | - | Ps. | 22,440 | Ps. | 11,153 | Ps. | 35,975 |
| Total | Ps. | 265,524,303 | Ps. | 228,731,922 | Ps. | 222,023 | Ps. | 32,931,092 | Ps. | 12,125,235 | Ps. | (10,845,367) | Ps. | 2,359,398 | Ps. | 36,792,381 |

As a result of the impairment test performed as at March 31, 2024 and December 31, 2023, taking into account the market value of these investments or the financial results of the subsidiaries, the Company's management does not consider it necessary to establish an impairment provision for these investments.

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(10) Property and Equipment

The following is the movement of the book value of property and equipment during the periods ended March 31, 2024, and December 31, 2023:

| | <u>For own use</u> | <u>Right of use</u> | <u>Total</u> |
|---|------------------------|---------------------|--------------|
| Cost or Fair Value: | | | |
| Balance at December 31, 2022 | Ps. 5,905 | Ps. 6,064 | Ps. 11,969 |
| Capitalized purchases or expenses (net) | 145 | (98) | 47 |
| Drawings / Sales (Net) | (180) | - | (180) |
| Loss on disposal of assets | (4) | - | (4) |
| Balance at December 31, 2023 | Ps. 5,866 | Ps. 5,966 | Ps. 11,832 |
| Capitalized purchases or expenses (net) | - | 62 | 62 |
| Drawings / Sales (Net) | - | - | - |
| Loss on disposal of assets | - | - | - |
| Balance at March 31, 2024 | Ps. 5,866 | Ps. 6,028 | Ps. 11,894 |
| Accumulated depreciation: | | | |
| Balance at December 31, 2022 | Ps. 4,856 | Ps. 3,030 | Ps. 7,886 |
| Depreciation for the period charged to the income statement | 443 | 1,281 | 1,724 |
| Drawings / Sales (Net) | (178) | - | (178) |
| Loss on disposal of assets | (4) | - | (4) |
| Balance at December 31, 2023 | Ps. 5,117 | Ps. 4,311 | Ps. 9,428 |
| Depreciation for the period charged to the income statement | 104 | 344 | 448 |
| Drawings / Sales (Net) | - | - | - |
| Loss on disposal of assets | - | - | - |
| Balance at 31 March 31, 2024 | Ps. 5,221 | Ps. 4,655 | Ps. 9,876 |
| Tangible assets, net: | | | |
| Balance at December 31, 2023 | Ps. 749 | Ps. 1,655 | Ps. 2,404 |
| Balance at March 31, 2024 | Ps. 645 | Ps. 1,373 | Ps. 2,018 |

a. Property and Equipment for own use

The following is the detail of the balance as at March 31, 2024 and December 31, 2023, by type of property and equipment for own use:

| Description | <u>Cost</u> | <u>Accumulated depreciation</u> | <u>Books value</u> |
|---|-------------|-------------------------------------|------------------------|
| Office equipment, furniture, and fixtures | Ps. 921 | Ps. (861) | Ps. 60 |
| Computer equipment | 2,410 | (2,056) | 354 |
| Improvements on properties not owned ⁽¹⁾ | 2,535 | (2,304) | 231 |
| Balance at March 31, 2024 | Ps. 5,866 | Ps. (5,221) | Ps. 645 |

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| Description | Cost | Accumulated depreciation | Books value |
|---|------------------|--------------------------|----------------|
| Office equipment, furniture, and fixtures | Ps. 921 | Ps. (847) | Ps. 74 |
| Computer equipment | 2,410 | (2,023) | 387 |
| Improvements on properties not owned ⁽¹⁾ | 2,535 | (2,247) | 288 |
| Balance at December 31, 2023 | Ps. 5,866 | Ps. (5,117) | Ps. 749 |

⁽¹⁾ This item corresponds to adjustments made in the Grupo Aval offices.

b. Property and equipment under right of use

The company adopted IFRS 16 from January 1, 2019. Leases are recognized as an asset for the right of use and a liability on the date the asset is leased and is available for use by the company. Right-of-use assets are depreciated on a straight-line basis until the end of the lease term.

The following is the breakdown of the balance as at March 31, 2024 and December 31, 2023, by type of property and equipment under right of use:

| Right of use | Cost | Accumulated depreciation | Books value |
|---|------------------|--------------------------|------------------|
| Banco de Occidente level 22 y 23 ⁽¹⁾ | Ps. 6,028 | Ps. (4,655) | Ps. 1,373 |
| Balance as at March 31, 2024 | Ps. 6,028 | Ps. (4,655) | Ps. 1,373 |

| Right of use | Cost | Accumulated depreciation | Books value |
|---|------------------|--------------------------|------------------|
| Banco de Occidente level 22 y 23 ⁽¹⁾ | Ps. 5,966 | Ps. (4,311) | Ps. 1,655 |
| Balance as at December 31, 2023 | Ps. 5,966 | Ps. (4,311) | Ps. 1,655 |

⁽¹⁾ The nominal interest rate to determine interest and depreciation on the right of use at the adoption date of IFRS 16 was set at 1.55% per month during the year 2023. On January 2, 2024, a quotation and validation of rates were carried out, setting the rate for 2024 at 1.15% per month, resulting in a variation in the right of use due to an adjustment in the rate of Ps.62.

On January 2, 2023, a quotation and validation of rates were conducted, setting the rate for 2023 at 1.55% per month, resulting in a variation in the right of use due to a rate adjustment of (Ps.446).

On April 1, 2023, the lease payment for the 22nd and 23rd floors of the Banco de Occidente Building was increased due to an adjustment based on the 2022 IPC of 13.12%, resulting in a variation in the right of use due to an increase in the lease payment of Ps.348.

(11) Income Taxes

Income tax expense is recognized based on the administration's best estimate of both current income tax and deferred income tax.

The Company's effective tax rate on continuing operations for the three-month period ended March 31, 2024, was 8.43% and for the three-month period ended March 31, 2023, it was 3.06%, the increase in the effective rate of 5.37 percentage points is primarily due to the following factors:

- As at March 2024, there was an increase in non-deductible expenses associated with income that did not constitute income or occasional gains, compared to the same quarter of 2023, which generated an increase in the effective tax rate of 3.70 percentage points from one period to the next.

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- As at March 2024, there was a decrease in income not taxed by the equity method income of \$293,089 compared to the same period in 2023, which generated an increase in the effective tax rate of 1.66 percentage points from one quarter to the next.

(12) Financial Obligations at Amortized Cost

The balances of financial obligations as at March 31, 2024 and December 31, 2023, are:

| | March 31, 2024 | December 31, 2023 |
|---|---------------------------|------------------------------|
| Short-term financial liabilities | | |
| Loans Banks | Ps. 13,419 | Ps. 14,150 |
| Third-party loans ⁽²⁾ | 5,202 | 5,203 |
| Finance leases ⁽³⁾ | 1,685 | 1,570 |
| | 20,306 | 20,923 |
| Outstanding Bonds | 245,232 | 237,172 |
| Total Short-term financial liabilities | Ps. 265,538 | Ps. 258,095 |
| Long-term financial liabilities | | |
| Loans Banks ⁽¹⁾ | Ps. 493,406 | Ps. 493,406 |
| Third-party loans ⁽²⁾ | 1,037,421 | 1,031,954 |
| Finance leases ⁽³⁾ | - | 440 |
| | 1,530,827 | 1,525,800 |
| Outstanding Bonds | 900,000 | 900,000 |
| Total Long-term financial liabilities | 2,430,827 | 2,425,800 |
| Total financial liabilities | Ps. 2,696,365 | Ps. 2,683,895 |

⁽¹⁾ Obligations acquired with Banco Bogotá S.A., including both short and long-term principal and interest, initially agreed for a term of two years with a single final principal payment:

| Financial Obligations - Agreed interest rates | | | | | | |
|---|-------------------|------------------|-------------------|------------------|------------------|-------------------|
| Loans at: | IBR + 2.75 % T.V. | IBR + 2.8 % T.V. | IBR + 3.25 % T.V. | IBR + 3.2 % T.V. | IBR + 3.3 % T.V. | IBR + 4.25 % T.V. |
| Amounts: | Ps. 34,400 | Ps. 161,199 | Ps. 177,755 | Ps. 40,000 | Ps. 53,000 | Ps. 27,052 |

- On October 31, 2023, Banco de Bogotá S.A. and Grupo Aval Acciones y Valores S.A. agreed to debt novation for loans of Ps.48,255, Ps.24,500, and Ps.5,000. Instead, a debt with Banco de Occidente S.A. for Ps.77,755 is established, with a maturity date on October 31, 2024, and a spread of 3.25%.
- On August 3, 2023, Banco de Bogotá S.A. and Grupo Aval Acciones y Valores S.A. agreed to extend the term to one year for the loans of Ps.5,000 and Ps.24,500. Instead, a new maturity date of August 4, 2024, is established, with a spread of 4.13%.
- On July 7, 2023, Banco de Bogotá S.A. and Grupo Aval Acciones y Valores S.A. agreed to extend the term to one year for the loan of Ps.100,000. Instead, a new maturity date of July 7, 2024, is established, with a spread of 3.25%.
- On June 24, 2023, Banco de Bogotá S.A. and Grupo Aval Acciones y Valores S.A. agreed to extend the term to one year for the loan of Ps.48,255. Instead, a new maturity date of July 8, 2024, is established, with a spread of 3.65%.
- On June 24, 2023, Banco de Bogotá S.A. and Grupo Aval Acciones y Valores S.A. agreed to extend the term to one year for the loan of Ps.40,000. Instead, a new maturity date of June 24, 2024, is established, with a spread of 3.2%.

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- On May 24, 2023, Banco de Bogotá S.A. and Grupo Aval Acciones y Valores S.A. agreed to extend the term to one year for the loan of Ps.34,400. Instead, a new maturity date of May 24, 2024, is established, with a spread of 2.75%.
 - On April 26, 2023, Banco de Bogotá S.A. and Grupo Aval Acciones y Valores S.A. agreed to extend the term to one year for the loans of Ps.161,199. Instead, a new maturity date of April 26, 2024, is established, with a spread of 2.8%.
 - On December 29, 2022, Grupo Aval made a payment to Banco de Bogotá S.A. of the principal amount corresponding to obligation 356267503 for Ps.29,000.
 - For presentation purposes at the period closure at December 2023, and in accordance with paragraph 73 of IAS 1, long-term loans amounting to Ps.493,406 are included, maintaining the initially agreed interest rates and/or spreads.
 - For obligations maturing in 2024, management intends to renew at 1 year.
- (2) Corresponds to the obligation acquired on December 2, 2022, where Grupo Aval Limited grants a loan to Grupo Aval Acciones y Valores S.A. for USD 270 million, equivalent in Colombian pesos, with a agreed term of 18 months, SOFR 3M + 2.00% TV interest rate, and quarterly interest payments.
- (3) Corresponds to the balance of the financial lease liability generated in the adoption of IFRS 16, amounting to Ps.2,071, minus the right-of-use amortization for the period of Ps.386.
- The nominal interest rate for determining interest and the depreciation of the right-of-use at the adoption date of IFRS 16 was set at 1.55% per month during the year 2023. On January 2, 2024, a rate quotation and validation were conducted, fixing the rate for the year 2024 at 1.15% per month, resulting in a variation in the right-of-use due to the rate adjustment Ps.62.
- On January 3, 2022, a rate quotation and validation were conducted, fixing the rate for the year 2023 at 1.55% per month, resulting in a variation in the right-of-use due to the rate adjustment of (Ps.446).
- On April 1, 2023, the lease payment for the 22rd and 23rd level of the Banco de Occidente Building was increased by adjusting for the 2022 CPI, by 13.12%, generating a variation in the right-of-use due to the increased rent of Ps.348.
- The lease agreement for the 22nd and 23rd level of Banco de Occidente expires on March 31, 2025, at the end of which the lease will be renewed upon written agreement between the parties.

The loans obtained by Grupo Aval from its subsidiaries Banco de Bogotá S.A. and Banco de Occidente are secured with share guarantee contracts covering the total amount of the loans:

Guarantees on obligations as at March 31, 2024

| | Loan amount | Number of shares as collateral | Company issuing the shares |
|--|--------------------|---|---|
| | Ps. 415,651 | 772,532,650 15,589,972 6,537,470 | Banco Popular Banco de Occidente ^{(1), (2) y (3)} Corficolombiana ⁽²⁾ |
| | 415,651 | 794,660,092 | |
| | 77,755 | 3,427,867 | Banco Bogotá ⁽¹⁾ |
| | 77,755 | 3,427,867 | |
| | Ps. 493,406 | 798,087,959 | |

- (1) On November 2, 2023, a pledge contract is executed for shares of Banco de Bogotá S.A. and Banco de Occidente S.A., totaling 3,427,867 shares respectively, to cover all obligations acquired up to that date.
- (2) In May 2023, a pledge contract is executed for shares of Banco de Occidente S.A. and Corficolombiana, totaling 2,293,187 and 4,943,900 shares respectively, to cover all obligations acquired with Banco de Bogotá S.A.

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(3) On April 4, June 29, and November 8, 2022, a pledge contract is executed for shares of Banco de Occidente S.A., totaling 2,657,000, 1,686,000, and 1,453,000 shares, to cover all obligations acquired with Banco de Bogotá S.A.

The composition of principal and interest for the financial obligations is as follows:

| Obligations | March 31, 2024 | | | December 31, 2023 | | |
|-------------------|----------------------|-------------------|----------------------|----------------------|-------------------|----------------------|
| | Capital | Interest | Total | Capital | Interest | Total |
| Bank loans | Ps. 493,406 | Ps. 13,419 | Ps. 506,825 | Ps. 493,406 | Ps. 14,150 | Ps. 507,556 |
| Third-party loans | 1,037,421 | 5,202 | 1,042,623 | 1,031,954 | 5,203 | 1,037,157 |
| Outstanding bonds | 1,124,520 | 20,712 | 1,145,232 | 1,124,520 | 12,652 | 1,137,172 |
| Total | Ps. 2,655,347 | Ps. 39,333 | Ps. 2,694,680 | Ps. 2,649,880 | Ps. 32,005 | Ps. 2,681,885 |

The book value and fair value of financial liabilities at amortized cost (calculation methodology included in note 4 - Fair value estimation in its Financial Liabilities and Other Liabilities section) are as follows:

| Balance capital e Interest | Book Value | | Fair Value | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2024 | December 31, 2023 |
| Bank loans ⁽¹⁾ | Ps. 506,825 | Ps. 507,556 | Ps. 531,731 | Ps. 532,678 |
| Third-party loans ⁽²⁾ | 1,042,623 | 1,037,157 | 1,060,720 | 1,064,408 |
| Outstanding bonds ⁽³⁾ | 1,145,232 | 1,137,172 | 1,063,864 | 1,088,765 |
| Total | Ps. 2,694,680 | Ps. 2,681,885 | Ps. 2,656,315 | Ps. 2,685,851 |

(1) The fair values of bank loans are calculated by taking the credit spread (margin); in turn, market rates for papers indexed to DTF and IBR are calculated, and the implicit rate in the SWAP DTF - Fixed Rate curve, quoted in Precia, is added to them. As at March 31, 2024 and December 31, 2023, the average discount rates used were 10.2461% and 11.2265%, respectively, and they are classified in level 2 of the hierarchy.

(2) For the valuation of loans in dollars, the fair value was calculated using the Credit Default Swap (CDS) curve for Colombia, plus the IRS curve in dollars, adding the credit spreads (margin) of AA-rated issuers, calculated in the market for papers issued in DTF + the SWAP rate DTF minus the zero-coupon curve of the TES. As of March 31, 2024, and December 31, 2023, the average discount rates used were 9.8535% and 10.6001%, respectively, and they are classified at level 2 of the hierarchy.

(3) For the calculation of the fair value of the outstanding bonds, Precia (formerly Infovalmer) prices were used for each of the periods, calculated with the estimated price, which corresponds to the 'dirty' price. This is obtained as the present value of the cash flows of a security, discounted.

Maturities of obligations as at March 31, 2024

| Obligation | 2024 | 2025 | 2026 | 2036 | 2039 | 2042 | Total |
|---|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|----------------------|
| Bank loans ⁽¹⁾ | Ps. 13,419 | Ps. 493,406 | Ps. - | Ps. - | Ps. - | Ps. - | Ps. 506,825 |
| Loans from third parties ⁽¹⁾ | 5,202 | - | 1,037,421 | - | - | - | 1,042,623 |
| Outstanding bonds ⁽¹⁾ | 245,232 | 93,000 | - | 207,000 | 300,000 | 300,000 | 1,145,232 |
| Total | Ps. 263,853 | Ps. 586,406 | Ps. 1,037,421 | Ps. 207,000 | Ps. 300,000 | Ps. 300,000 | Ps. 2,694,680 |

(1) Includes principal and interest

The contractual maturities are presented in accordance with the provisions of Appendix B11C of IFRS 7.

IFRS 16 Maturities as at March 31, 2024

| | Short-term | Total |
|--------------|------------------|------------------|
| Leasing | Ps. 1,685 | Ps. 1,685 |
| Total | Ps. 1,685 | Ps. 1,685 |

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Currency of financial liabilities

| | March 31, 2024 | December 31, 2023 |
|---|---------------------------|------------------------------|
| Colombian pesos | Ps. 1,653,742 | Ps. 1,646,738 |
| Dollar ⁽¹⁾ (Peso's equivalent) | 1,042,623 | 1,037,157 |
| Total | Ps. 2,696,365 | Ps. 2,683,895 |

⁽¹⁾ This corresponds to the obligation acquired on December 2, 2022, where Grupo Aval Limited grants a loan to Grupo Aval Acciones y Valores S.A. for the Colombian pesos equivalent to USD 270 millions, with a term of 18 months, SOFR 3M + 2.00%TV interest rate, and quarterly interest payments.

Annual interest rates for financial liabilities

| | March 31, 2024 | | | |
|-------------------|-------------------------------------|---------------------|------------------------------|---------------------|
| | Expressed In Colombian pesos | | In a foreign currency | |
| | Minimum Rate | Maximum Rate | Minimum Rate | Maximum Rate |
| Bank loans | 15.39% | 17.66% | - | - |
| Third-party loans | - | - | 7.53% | 7.57% |
| Bonds | 6.42% | 15.88% | - | - |

| | December 31, 2023 | | | |
|-------------------|-------------------------------------|---------------------|------------------------------|---------------------|
| | Expressed In Colombian pesos | | In a foreign currency | |
| | Minimum Rate | Maximum Rate | Minimum Rate | Maximum Rate |
| Bank loans | 13.49% | 17.74% | - | - |
| Third-party loans | - | - | 6.59% | 7.60% |
| Bonds | 6.42% | 19.17% | - | - |

The composition of the bond debt liability as at March 31, 2024, and December 31, 2023, by issuance date and maturity date is as follows:

| Issuer | Issue date | March 31, 2024 | December 31, 2023 | Maturity date | Interest rate |
|---|-------------------|---------------------------|------------------------------|--------------------------|----------------------|
| Grupo Aval Acciones y Valores S.A ⁽¹⁾ | Dec-09 | Ps. 124,520 | Ps. 124,520 | Dec-24 | CPI + 5.20% |
| | Nov-16 | 93,000 | 93,000 | Nov-26 | CPI + 3.86% |
| | Nov-16 | 207,000 | 207,000 | Nov-36 | CPI + 4.15% |
| | Jun-17 | 300,000 | 300,000 | Jun-42 | CPI + 3.99% |
| | Nov-19 | 100,000 | 100,000 | Nov-24 | FIJA 6.42% |
| | Nov-19 | 300,000 | 300,000 | Nov-39 | CPI + 3.69% |
| | | Ps. 1,124,520 | Ps. 1,124,520 | | |

⁽¹⁾ Principal value of the issuance.

(13) Employee Benefits

Under Colombian labor law, the contracts signed with the company's employees grant them rights to short-term benefits such as salaries, vacation pay, legal bonuses, severance pay, and severance interest. Long-term benefits are not included in these contracts.

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Similarly, in accordance with Colombian regulations, companies and their employees are required to make pension contributions to defined contribution funds established by the general pension and social security system, as per Law 100 of 1993. Therefore, the Company is not responsible for long-term pension benefits.

The following is the composition of employee benefits balances as at March 31, 2024, and December 31, 2023:

| | March 31, 2024 | December 31, 2023 |
|---------------------|---------------------------|------------------------------|
| Short-Term Benefits | Ps. <u>2,682</u> | Ps. <u>2,880</u> |

(14) Accounts Payable and Other Liabilities

The balances of accounts payable and other liabilities comprise the following items as at March 31, 2024 and December 31, 2023:

| | March 31, 2024 | December 31, 2023 |
|--|---------------------------|------------------------------|
| Dividends Payable | Ps. 673,937 | Ps. 360,039 |
| Accounts Payable | 57 | 419 |
| Withholdings and other labor-related contributions | 1,237 | 1,224 |
| Commissions and Fees | 2,112 | 1,893 |
| Other Accounts Payable | 612 | 423 |
| Total Accounts Payable | Ps. <u>677,955</u> | Ps. <u>363,998</u> |
| Taxes ⁽¹⁾ | 10,780 | 13,335 |
| Other Non-Financial Liabilities | 1,214 | 1,214 |
| Total Other Liabilities | Ps. <u>11,994</u> | Ps. <u>14,549</u> |
| Total | Ps. <u>689,949</u> | Ps. <u>378,547</u> |

⁽¹⁾ Taxes Payable

| | March 31, 2024 | December 31, 2023 |
|---|---------------------------|------------------------------|
| Industry and Commerce Tax | 3,913 | 2,941 |
| VAT Payable | 4,070 | 7,449 |
| Withholding Tax | 2,764 | 2,829 |
| VAT Withholdings | 28 | 101 |
| Withholdings on Industry and Commerce Tax | 5 | 15 |
| Total Taxes | Ps. <u>10,780</u> | Ps. <u>13,335</u> |

(15) Shareholders' equity

Mandatory and voluntary reserves are determined during the Shareholders' Meetings. Below is a breakdown of retained earnings (losses) as at March 31, 2024 and December 31, 2023:

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| Retained Earnings | March 31, 2024 | December 31, 2023 |
|---|---------------------------|------------------------------|
| Legal Reserve | Ps. 11,872 | Ps. 11,872 |
| Occasional reserve at the disposal of the highest social body | 7,374,078 | 7,220,883 |
| | Ps. 7,385,950 | Ps. 7,232,755 |
| Utilities in first-time adoption | 256,878 | 256,878 |
| Withholding tax on dividends ⁽¹⁾ | (33,453) | (38,480) |
| Realization of OCI on entities | (302) | (759) |
| Preferred dividends declared subsidiaries ⁽²⁾ | (8,844) | - |
| | Ps. 7,600,229 | Ps. 7,450,394 |

⁽¹⁾ In accordance with paragraph 65A of IAS 12, which states that the value of the withholding tax on dividends has been recognized in equity by (Ps. 33,453), of which (Ps. 28,297) corresponds to the participation (Equity method) in the withholding tax recognized by the entities over which Grupo Aval has control and (Ps. 5,156) corresponds to the net of the withholding tax transferred by its subsidiaries to Grupo Aval by (Ps. 16,124) and that transferred by Grupo Aval to its shareholders by Ps. 10,968, in accordance with the provisions Art. 242-1 ET, as amended by Act 1943 of 2018.

⁽²⁾ According to Corficolombiana's PDU (Profit Sharing Projects) in March 2024, cash dividends were declared only for preferred shares, which generated an equity variation in retained earnings of (Ps. 8,844) as part of the MPP calculation; in Banco de Bogotá (Ps. 5,222), Banco Popular (Ps. 1,063), Banco de Occidente (Ps. 659) and Grupo AVAL (Ps. 1,900).

Decreed dividends

Dividends are decreed and paid to shareholders based on the occasional reserves available to the highest corporate organ. As of 2017, the Company has been cutting accounts on an annual basis. The declared dividends were as follows for the results of the years ended December 31, 2023, and 2022:

| | December 31, 2023 | December 31, 2022 |
|--------------------------------------|---|---|
| Unconsolidated earnings for the year | Ps. 723,038 | Ps. 2,541,179 |
| Dividends paid in cash | At the meeting held in March 2024, 24.00 pesos per share were decreed, payable in twelve installments of 2.00 pesos per share, from April 2024 to March 2025. | At the meeting held in March 2023, 43.20 pesos per share were decreed, payable in twelve installments of 3.60 pesos per share, from April 2023 to March 2024. |
| Outstanding Common Shares | 16,201,712,499 | 16,203,440,659 |
| Outstanding preferred shares | 7,541,763,255 | 7,540,035,095 |
| Total shares outstanding | 23,743,475,754 | 23,743,475,754 |
| Total dividends decreed | Ps. 569,843 | Ps. 1,025,718 |

Adjustments to the application of IFRS for the first time

The Company recognized in equity the positive net differences resulting from the application of IFRS for the first time. Positive net differences generated in the application of IFRS for the first time may not be distributed to cover losses, carry out capitalization processes, distribute profits and/or dividends, or be recognized as reserves; and they may only be disposed of when they have been

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effectively made with third parties, other than those who are related parties. Positive net differences generated in the application of IFRS for the first time will not be counted in compliance with the prudential requirements of technical equity, the minimum capital required to operate, according to the nature of each entity. In the event that the application of IFRS for the first time results in negative net differences, these must be deducted from technical equity.

Other comprehensive results

The method of participation as at March 31, 2024, and December 31, 2023, is detailed below:

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|--|-----------------------------|------------------------------|
| Surplus Method of participation | | |
| Banco de Bogotá S.A. | Ps. (87,859) | Ps. (153,292) |
| Banco de Occidente S.A. | (118,572) | (124,422) |
| Banco Popular S.A. | (35,424) | (57,898) |
| Banco Comercial AV Villas S.A. | (86,613) | (98,452) |
| Corporación Financiera Colombiana S.A. | 29,784 | 8,674 |
| Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. | (13,472) | (12,281) |
| Grupo Aval Limited | <u>(214,463)</u> | <u>(212,844)</u> |
| Total other equity holdings | Ps. <u>(526,619)</u> | Ps. <u>(650,515)</u> |

Proper capital management

The Company at the individual level is not subject to any minimum equity requirement for the development of its operations; therefore, the management of the Company's capital is aimed at satisfying the minimum capital requirements of the subsidiary financial institutions in accordance with the parameters established in Colombian legislation, so that the Company can maintain and even increase its participation in the equity of such entities.

(16) Contingencies

a. Commitments

- As at March 31, 2024, the loans obtained by the Company with its subsidiary Banco de Bogotá S.A. and Banco de Occidente S.A., are guaranteed with; 15,589,972 shares of Banco de Occidente S.A., 772,532,650 shares of Banco Popular, 6,537,470 shares of Corficolombiana, and 3,427,867 of Banco de Bogotá.
- The Company is a guarantor of the bonds issued on the international capital market by its subsidiary Aval Group Limited in the Cayman Islands, pursuant to Regulation S of the Securities Act of 1933 of the United States of America and under Rule 144A, for USD 1 billion as follows:
 - In February 2020, USD 1 billion was issued, maturing in February 2030, with a deduction of 56.8 basis points, price of 99.43% and coupon of 4.375%.
- In September 2022, Grupo Aval Limited made the payment of the September 2012 bond issue for USD 1 billion, for which Grupo Aval was the guarantor.

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(17) Operating revenue

A breakdown of income for the periods ended at March 31, 2024 and December 31, 2023:

| | Accumulated to | |
|---|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Operating revenue | | |
| Income method of participation in subsidiary companies ⁽¹⁾ | Ps. 119,398 | Ps. 412,625 |
| Income method of participation in associated companies ⁽²⁾ | 9 | (129) |
| Total revenue share method | Ps. 119,407 | Ps. 412,496 |
| Other income from regular activities | | |
| Interest | Ps. 4,050 | Ps. 3,603 |
| Financial returns | 31,779 | 33,726 |
| Commissions and/or fees | 71,248 | 79,014 |
| Miscellaneous - Remuneration | 223 | 267 |
| Total other income | 107,300 | 116,610 |
| Total operating revenue | Ps. 226,707 | Ps. 529,106 |

⁽¹⁾ Investments in entities over which the Company has control are Banco de Bogotá S. A., Banco de Occidente S. A., Banco Comercial AV Villas S. A., Banco Popular S. A., Corporación Financiera Colombiana S. A., Grupo Aval Limited and Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S. A., these are referred to as "Investments in Subsidiaries" and are accounted for using the equity method in accordance with IAS 28.

⁽²⁾ Corresponds to the associated company ADL Digital Lab S.A.S. and is accounted for using the equity method in accordance with IAS 28.

Calculation of the equity method income

The basis for calculating the equity method income for the periods ending March 31, 2024, and 2023 is set out below:

| | For the period ended in | | | | | |
|--|-----------------------------|---------------------|---------------------------------------|----------------------|----------------------|---------------------|
| | Percentage of Participation | | Income Basis for the Equity method | | Equity method income | |
| | 31 de marzo 2024 | 31 de marzo 2023 | 31 de marzo 2024 | 31 de marzo 2023 | 31 de marzo 2024 | 31 de marzo 2023 |
| Subsidiaries | | | | | | |
| Banco de Bogotá S.A. | 68.93% | 68.93% | Ps. 196,485 | Ps. 478,140 | Ps. 135,428 | Ps. 329,560 |
| Banco de Occidente S.A. | 72.27% | 72.27% | 77,620 | 174,436 | 56,098 | 126,068 |
| Banco Comercial AV Villas S.A. | 79.86% | 79.86% | (85,760) | (67,131) | (68,484) | (53,608) |
| Banco Popular S.A. | 93.74% | 93.74% | (88,361) | (92,813) | (82,832) | (87,006) |
| Corporación Financiera Colombiana S.A. | 8.71% | 8.71% | 204,542 | 609,719 | 17,808 | 53,084 |
| Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. | 20.00% | 20.00% | 162,947 | 190,679 | 32,590 | 38,137 |
| Grupo Aval Limited | 100.00% | 100.00% | 28,790 | 6,390 | 28,790 | 6,390 |
| Total subsidiaries | | | Ps. 496,263 | Ps. 1,299,420 | Ps. 119,398 | Ps. 412,625 |
| Associates | | | | | | |
| ADL Digital LAB S.A.S. | 34.00% | 34.00% | 26 | (378) | 9 | (129) |
| Total associates | | | Ps. 26 | Ps. (378) | Ps. 9 | Ps. (129) |
| Total permanent investments | | | Ps. 496,289 | Ps. 1,299,042 | Ps. 119,407 | Ps. 412,496 |

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(18) General overhead and financial expenses

A detail of expenses for the periods ended March 31, 2024, and 2023, is as follows:

| | Accumulated as of | |
|--|---------------------------|---------------------------|
| | March 31, 2024 | March 31, 2023 |
| Administrative expenses | | |
| Personnel expenses | Ps. 10,566 | Ps. 9,393 |
| Fees | 5,205 | 4,929 |
| Taxes: | | |
| Industry and commerce Tax | 4,181 | 2,416 |
| Financial transaction tax | 1,297 | 364 |
| Sales operating expenses | 167 | 148 |
| Contributions and affiliations | 571 | 626 |
| Leases | 2 | 3 |
| Services | 277 | 243 |
| Property and equipment depreciation | 447 | 396 |
| Amortization | 5 | 2 |
| Maintenance and repairs | 31 | 21 |
| Travel expenses | 17 | 13 |
| Other administrative expenses | 182 | 159 |
| Total administrative expenses | Ps. 22,948 | Ps. 18,713 |
| Other expenses | | |
| Impairment of accounts receivable from related parties | Ps. 12 | Ps. - |
| Miscellaneous | (6) | (99) |
| Total other expenses | Ps. 6 | Ps. (99) |
| Gain (loss) on foreign exchange differences | | |
| Foreign exchange gain | Ps. 5,305 | Ps. (21,636) |
| Foreign exchange lost | (5,276) | 21,506 |
| Net effect of foreign exchange differences | Ps. 29 | Ps. (130) |
| Financial expenses | | |
| Banking expenses | Ps. 1 | Ps. 1 |
| | Ps. 1 | Ps. 1 |
| Interest: | | |
| Bonds in circulation | 34,913 | Ps. 42,757 |
| Interest on bank loans and other financial obligations | 38,120 | 38,642 |
| Interest on lease liabilities (IFRS 16) | 67 | 132 |
| Total interest | 73,100 | Ps. 81,531 |
| Total financial expenses | 73,101 | Ps. 81,532 |

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(19) Related parties:

In accordance with IAS 24, a related party is a person or entity that is related to the entity that prepares its financial statements, which may exercise control or joint control over the reporting entity, exercise significant influence over the reporting entity or be considered a member of key management personnel of the reporting entity or of a controlling entity of the reporting entity. The definition of related party includes persons and/or relatives related to the entity, entities that are members of the same group ("controller" and "subsidiary"), associates or joint ventures of the entity or group entities, and post-employment benefit plans for the benefit of employees of the reporting entity or a related entity.

The related parties that currently apply to the Company are as follows:

1. Natural persons who exercise control or joint control, who own more than 50% of Grupo Aval; additionally includes close relatives who could be expected to influence or be influenced by that person.
2. Natural persons, who are members of key management personnel and have authority and responsibility for planning, directing and controlling the activities of the entity, members of the Board of Directors, President and Vice Presidents and senior management personnel of Grupo Aval; additionally includes close relatives who could be expected to influence or be influenced by that person.
3. Juridical persons that are members of the same group; this category includes the controlling company, subsidiaries or other subsidiaries of the same controlling company of Grupo Aval.
4. Associated companies and joint ventures are entities over which the Company has significant influence, generally defined as an ownership between 20% and 50% of its capital.
5. This category includes entities that are controlled by the natural persons included in numbers 1 and 2.
6. This item includes entities in which the persons referred over items 1 and 2 exercise significant influence.

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a. Balances ended March 31, 2024, and December 31, 2023, with related parties are included in the following accounts:

| Categories | March 31, 2024 | | | | | |
|---|--|---------------------------------|--|-------------------------------------|--|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| | Individuals exercising control or joint control | Core management personnel | Companies' members of the same group | Associates and joint ventures | Entities controlled by the persons included in categories 1 and 2 | Entities in which the persons included in categories 1 and 2 exercise significant influence |
| Assets | | | | | | |
| Cash and cash equivalents | Ps. - | Ps. - | Ps. 159,478 | Ps. - | Ps. - | Ps. - |
| Financial assets in investments | - | - | 18,324,176 | 12,240 | - | - |
| Accounts receivable | - | - | 553,107 | - | 1,247,370 | - |
| Liabilities | | | | | | |
| Accounts payable | 34 | 228 | 22 | - | 509,766 | 4 |
| Financial obligations at amortized cost | - | 20 | 1,550,422 | - | 30,038 | - |
| | | | | | | |
| Categories | December 31, 2023 | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| | Individuals exercising control or joint control | Core management personnel | Companies' members of the same group | Associates and joint ventures | Entities controlled by the persons included in categories 1 and 2 | Entities in which the persons included in categories 1 and 2 exercise significant influence |
| Assets | | | | | | |
| Cash and cash equivalents | Ps. - | Ps. - | Ps. 157,320 | Ps. - | Ps. - | Ps. - |
| Financial assets in investments | - | - | 18,651,723 | 12,231 | - | - |
| Accounts receivable | - | - | 237,163 | - | 1,242,002 | - |
| Liabilities | | | | | | |
| Accounts payable | 15 | 108 | 48 | - | 256,318 | 2 |
| Financial obligations at amortized cost | - | 20 | 1,545,688 | - | 30,045 | - |

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b. Compensation of core management personnel:

Compensation received by Core Management Personnel is comprised of the following:

| | March 31, 2024 | March 31, 2023 |
|------------------------------|---------------------------|---------------------------|
| Salaries | Ps. 4,214 | Ps. 3,611 |
| Short-term employee benefits | 583 | 511 |
| Total | Ps. 4,797 | Ps. 4,122 |

Compensation of core management personnel includes salaries, vacation allowance and the company's expenses in Health Promoting Entities (EPS Entidad Promotora de Salud in spanish), Pension Fund Administrators (AFP Administradora de Fondo de Pensiones in spanish), Labor Risk Administrators (ARL Administradora de riesgos Laborales in spanish), (CCF Caja de Compensación Familiar in spanish), (ICBF Instituto Colombiano de Bienestar Familiar in spanish) y (SENA Servicio Nacional de Aprendizaje in spanish).

The Company has not granted any long-term benefits to its employees.

(20) Subsequent events

The Company did not record events between March 31, 2024, and the date of approval of the financial statements for publication that would be disclosed in the notes.