

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

	<u>Notes</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
<b>Assets</b>			
Cash and cash equivalents	Ps.	40,136,832 Ps.	30,117,236
Trading assets		11,478,913	9,113,668
Investment securities		28,999,930	26,000,311
Hedging derivative assets	4	205,973	166,598
Loans, net	4	195,066,325	173,942,317
Other accounts receivable, net		13,340,943	11,702,301
Non-current assets held for sale		284,076	206,193
Investments in associates and joint ventures		996,497	987,962
Tangible assets	6	9,295,453	8,950,411
Goodwill	7	8,571,545	7,348,587
Concessions	8	8,068,356	7,521,488
Other Intangibles		1,274,147	1,206,491
Income tax assets		2,210,053	1,141,806
Other assets		498,719	427,220
<b>Total assets</b>	<b>Ps.</b>	<b>320,427,762 Ps.</b>	<b>278,832,589</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Trading liabilities	4 Ps.	3,016,072 Ps.	962,438
Hedging derivative liabilities	4	770,921	94,298
Customer deposits	4	203,221,460	175,491,421
Financial obligations	4	65,763,396	54,844,576
Provisions	11	897,078	868,642
Income tax liabilities		3,111,653	3,258,583
Employee benefits	10	1,295,663	1,234,980
Other liabilities	12	9,321,186	8,729,382
<b>Total liabilities</b>	<b>Ps.</b>	<b>287,397,429 Ps.</b>	<b>245,484,320</b>
<b>Equity</b>			
<b>Owners of the parent:</b>			
Subscribed and paid-in capital	Ps.	22,281 Ps.	22,281
Additional paid-in capital		8,445,766	8,445,766
Retained earnings		9,652,247	10,289,073
Other comprehensive income		1,351,917	1,093,447
<b>Equity attributable to owners of the parent</b>		<b>19,472,211</b>	<b>19,850,567</b>
<b>Non-controlling interest</b>		<b>13,558,122</b>	<b>13,497,702</b>
<b>Total equity</b>		<b>33,030,333</b>	<b>33,348,269</b>
<b>Total liabilities and equity</b>	<b>Ps.</b>	<b>320,427,762 Ps.</b>	<b>278,832,589</b>

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  
(Figures in millions of Colombian pesos)

	Notes	For the quarter ended March 31	
		2020	2019
Interest income	Ps.	5,097,465	Ps. 4,669,195
Interest expense		(2,171,952)	(1,939,704)
<b>Net interest income</b>		<b>2,925,513</b>	<b>2,729,491</b>
Net impairment loss on financial assets		(1,036,500)	(833,124)
<b>Net interest income, after impairment losses</b>		<b>1,889,013</b>	<b>1,896,367</b>
Income from commissions and fees		1,534,835	1,405,216
Expenses from commissions and fees		(189,002)	(146,233)
<b>Net income from commissions and fees</b>	15	<b>1,345,833</b>	<b>1,258,983</b>
Income from sales of goods and services		2,463,598	1,923,489
Costs and expenses of sales goods and services		(1,629,897)	(1,348,941)
<b>Net income from sales goods and services</b>	15	<b>833,701</b>	<b>574,548</b>
Net trading income	16	1,101,155	108,164
Net income from other financial instruments mandatory at fair value through profit or loss		73,259	53,697
Other income	17	(804,333)	385,911
Other expenses	17	(2,576,378)	(2,286,454)
<b>Net income before tax expense</b>		<b>1,862,250</b>	<b>1,991,216</b>
Income tax expense		(516,425)	(634,573)
<b>Net income</b>	Ps.	<b>1,345,825</b>	Ps. <b>1,356,643</b>
<b>Net income attributable to:</b>			
<b>Owners of the parent</b>		700,237	762,862
<b>Non-controlling interest</b>		645,588	593,781
	Ps.	<b>1,345,825</b>	Ps. <b>1,356,643</b>
<b>Net income per share basic and diluted (in Colombian pesos)</b>		<b>31.43</b>	<b>34.24</b>

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  
(Figures in millions of Colombian pesos)

	Notes	For the quarter ended September 30	
		2020	2019
<b>Net income</b>		<b>Ps. 1,345,825</b>	<b>Ps. 1,356,643</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
<b>Net gain (loss) on hedges of net investments in foreign operations</b>			
Foreign currency translation differences from hedged foreign operations	5	3,796,835	(310,078)
Hedging derivative instrument	5	(2,010,876)	146,828
Hedging non-derivative instrument	5	(1,767,823)	163,609
Cash flow hedges		(42,617)	10,942
Foreign currency translation differences from unhedged foreign operations		(37,546)	18,239
Investments in associates and joint ventures		10,338	(6,942)
Unrealized gains (losses) on securities at FVOCI		(732,839)	170,445
Income tax		1,242,159	(107,056)
<b>Total, items that may be reclassified to profit or loss</b>	<b>Ps.</b>	<b>457,631</b>	<b>Ps. 85,987</b>
<b>Items that will not be reclassified to profit or loss</b>			
Unrealized gains (losses) on equity securities at FVOCI		62	158,030
Actuarial gains (losses) from defined benefit pension plans		(36)	(657)
Income tax		(75)	(272)
<b>Total, items that will not be reclassified to profit or loss</b>	<b>Ps.</b>	<b>(49)</b>	<b>Ps. 157,101</b>
<b>Total other comprehensive income</b>		<b>457,582</b>	<b>243,088</b>
<b>Total comprehensive income, net of taxes</b>	<b>Ps.</b>	<b>1,803,407</b>	<b>Ps. 1,599,731</b>
<b>Total comprehensive income for the periods attributable to:</b>			
<b>Owners of the Group</b>		958,707	882,442
<b>Non-controlling interest</b>		844,700	717,289
	<b>Ps.</b>	<b>1,803,407</b>	<b>Ps. 1,599,731</b>

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 nine-month periods ended at March 31, 2020 and 2019  
(Figures in millions of Colombian pesos)

		Subscribed and paid-in capital	Additional paid – in capital	Appropriated retained earnings	Other comprehensive income (OCI)	Equity attributable to owners of the parent	Non- controlling interest (NCI)	Total equity						
<b>Balance at December 31, 2018</b>	Ps.	<u>22,281</u>	Ps.	<u>8,472,336</u>	Ps.	<u>8,598,319</u>	Ps.	<u>696,773</u>	Ps.	<u>17,789,709</u>	Ps.	<u>11,764,639</u>	Ps.	<u>29,554,348</u>
Change in accounting policies on January 1, 2019		—	—	(4,960)	—	(4,960)	(22,022)	(26,982)						
<b>Balance at January 1, 2019</b>		<u>22,281</u>	<u>8,472,336</u>	<u>8,593,359</u>	<u>696,773</u>	<u>17,784,749</u>	<u>11,742,617</u>	<u>29,527,366</u>						
Dividends declared		—	—	(1,336,861)	—	(1,336,861)	(751,751)	(2,088,612)						
Acquisition of NCI without a change in control		—	4,552	—	—	4,552	(4,552)	—						
Other comprehensive income		—	—	—	119,580	119,580	123,508	243,088						
Net income		—	—	762,862	—	762,862	593,781	1,356,643						
<b>Balance at March 31, 2019</b>	Ps.	<u>22,281</u>	Ps.	<u>8,476,888</u>	Ps.	<u>8,019,360</u>	Ps.	<u>816,353</u>	Ps.	<u>17,334,882</u>	Ps.	<u>11,703,603</u>	Ps.	<u>29,038,485</u>
		Subscribed and paid-in capital	Additional paid – in capital	Appropriated retained earnings	Other comprehensive income (OCI)	Equity attributable to owners of the parent	Non- controlling interest (NCI)	Total equity						
<b>Balance at December 31, 2019</b>	Ps.	<u>22,281</u>	Ps.	<u>8,445,766</u>	Ps.	<u>10,289,073</u>	Ps.	<u>1,093,447</u>	Ps.	<u>19,850,567</u>	Ps.	<u>13,497,702</u>	Ps.	<u>33,348,269</u>
Equity transactions		—	—	—	—	—	80	80						
Dividends declared		—	—	(1,336,861)	—	(1,336,861)	(783,952)	(2,120,813)						
Effect of realization of equity instruments		—	—	11	—	11	40	51						
Other comprehensive income		—	—	—	258,470	258,470	199,112	457,582						
Withholding Tax over dividends		—	—	(213)	—	(213)	(1,060)	(1,273)						
Net income		—	—	700,237	—	700,237	645,588	1,345,825						
<b>Balance at March 31, 2020</b>	Ps.	<u>22,281</u>	Ps.	<u>8,445,766</u>	Ps.	<u>9,652,247</u>	Ps.	<u>1,351,917</u>	Ps.	<u>19,472,211</u>	Ps.	<u>13,557,510</u>	Ps.	<u>33,029,721</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 Cash Flows for the nine-month periods ended March 31, 2020 and 2019  
(Figures in millions of Colombian pesos)

	Nota	March 31, 2020	March 31, 2019
<b>Cash flows from operating activities:</b>			
Net income before income tax	Ps.	1,862,250	Ps. 1,991,216
<b>Reconciliation of net income before taxes and net cash provided by operating activities:</b>			
Depreciation and amortization	15-17	323,534	327,352
Impairment losses of loans and receivables, net	4-15	1,110,399	940,079
(Gains) in concession agreements		(1,377,717)	(950,280)
Net interest income		(2,925,513)	(2,729,491)
(Gains) on sales of non-current assets held for sale, net	17	(26,756)	(4,432)
(Gain) on sales of property, plant and equipment		(9,130)	(441)
Foreign exchange losses		189,008	(104,401)
Share of profit of equity accounted investees, net of tax		(72,652)	(47,325)
Other adjustments for reconciliation of net income		1,090,711	745,594
<b>Fair value adjustments on:</b>			
Derivative financial instruments	16	(1,305,373)	75,084
Non-current assets held for sale		(26)	3,045
Investment property		(3,397)	(4,652)
Biological assets		(2,420)	(4,534)
<b>Changes in operating assets and liabilities:</b>			
Derivative financial instruments		(23,690)	40,651
Trading assets		(133,211)	1,258,913
Accounts receivable		2,771,325	3,077,838
Other assets		(50,300)	(10,906)
Other liabilities, provisions and employee benefits		(5,097,813)	(5,483,501)
Loan portfolio		(5,337,702)	1,458,357
Customer deposits		9,878,250	347,306
Interbank borrowings and overnight funds		(1,928,980)	486,146
Borrowings from development entities		(1,170)	(567)
Borrowings from banks		957,773	(1,202,027)
Interest received		4,708,799	4,498,065
Interest paid		(2,174,887)	(1,847,298)
Lease interest		(52,786)	(44,820)
Income tax payments		(526,621)	(447,380)
<b>Net cash (used) provided by operating activities</b>	<b>Ps.</b>	<b>1,841,905</b>	<b>Ps. 2,367,591</b>
<b>Cash flows from investing activities:</b>			
Purchases of amortized cost financial assets	Ps.	(877,745)	Ps. (1,522,937)
Redemptions of amortized cost financial assets		744,745	1,499,377
Purchases of FVOCI		(14,742,787)	(7,812,397)
Proceeds from sales of FVOCI		13,824,523	5,393,104
Purchases tangible assets		(112,470)	(140,009)
Proceeds from sales of property, plant and equipment		38,856	16,825
Proceeds from sales of non-current assets held for sale		10,453	19,341
Additions of concession arrangement rights		(218,006)	(477,027)
Additions of other intangible assets		(85,277)	(52,348)
Dividends received		24,825	97,280
<b>Net cash (used in) provided by investing activities</b>	<b>Ps.</b>	<b>(1,392,883)</b>	<b>Ps. (2,978,791)</b>
<b>Cash flows from financing activities:</b>			
Dividends paid to shareholders	Ps.	(333,429)	Ps. (263,543)
Dividends paid to non-controlling interest		(174,993)	(155,185)
Issuance of debt securities		3,837,113	455,009
Payment of outstanding debt securities		(706,265)	(406,712)
Leases		(95,307)	—
Cash capitalization		692	—
<b>Net cash used in financing activities</b>	<b>Ps.</b>	<b>2,527,811</b>	<b>Ps. (370,431)</b>
<b>Effect of foreign currency changes on cash and equivalents</b>		<b>7,042,763</b>	<b>(501,138)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>10,019,596</b>	<b>(1,482,769)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>Ps.</b>	<b>30,117,236</b>	<b>Ps. 28,401,283</b>
<b>Cash and cash equivalents at end of period</b>	<b>Ps.</b>	<b>40,136,832</b>	<b>Ps. 26,918,514</b>

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

## **NOTE 1 – REPORTING ENTITY**

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

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

The consolidated condensed interim financial information has been prepared in accordance with International accounting standard IAS 34 Interim Financial Reporting.

These interim financial statements do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group’s last annual consolidated financial statements as of and for the year ended December 31, 2019. All information is presented in millions of pesos and has been rounded to the nearest unit.

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

## **NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES**

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation were the same as those described in the last annual financial statements ended on December 31, 2019.

### **Measurement of fair values**

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

The fair value hierarchy has the following levels:

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

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

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

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

#### **NOTE 4 – FINANCIAL INSTRUMENTS**

##### **a) Carrying value and fair value**

The following table presents an analysis, within the hierarchy of fair value, of Grupo Aval's assets and liabilities (by class), measured at fair value on a recurring basis. For financial instruments that are not measured at fair value if the carrying amount is a reasonable approximation of fair value, fair value information is not included:

**March 31, 2020**

	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>ASSETS</b>					
<b>Trading investment</b>					
Securities issued or secured by Colombian Government	Ps. 2,624,741	Ps. 1,499,496	Ps. 1,125,245	Ps. —	Ps. 2,624,741
Securities issued or secured by other entities of the Colombian Government	139,421	—	139,421	—	139,421
Securities issued or secured by foreign Government	156,178	—	156,178	—	156,178
Securities issued or secured by central banks	16,935	—	16,935	—	16,935
Securities issued or secured by other financial entities	1,885,547	79,596	1,805,951	—	1,885,547
Securities issued or secured by entities of the Non-financial sector	26,026	—	26,026	—	26,026
Other	34,169	—	34,169	—	34,169
<b>Total trading investment</b>	<b>Ps. 4,883,017</b>	<b>Ps. 1,579,092</b>	<b>Ps. 3,303,925</b>	<b>Ps. —</b>	<b>Ps. 4,883,017</b>
<b>Investments in debt securities at fair value through profit or loss</b>					
Other	9,254	—	—	9,254	9,254

Grupo Aval Acciones y Valores S.A. and Subsidiaries  
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	Fair Value									
		Carrying Value		Level 1		Level 2		Level 3		Total
<b>Total investments in debt securities at fair value through profit or loss</b>	Ps.	<b>4,892,271</b>	Ps.	<b>1,579,092</b>	Ps.	<b>3,303,925</b>	Ps.	<b>9,254</b>	Ps.	<b>4,892,271</b>
<b>Investments at fair value through OCI</b>										
Securities issued or secured by Colombian Government		12,090,723		7,704,876		4,385,847		—		12,090,723
Securities issued or secured by other entities of the Colombian Government		550,849		274,912		275,937		—		550,849
Securities issued or secured by foreign Government		6,230,591		12,488		6,218,103		—		6,230,591
Securities issued or secured by central banks		1,133,001		—		1,133,001		—		1,133,001
Securities issued or secured by other financial entities		3,900,968		582,634		3,318,334		—		3,900,968
Securities issued or secured by entities of the non-financial sector		34,539		—		34,539		—		34,539
Other		485,641		—		485,641		—		485,641
<b>Total investments at fair value through OCI</b>	Ps.	<b>24,426,312</b>	Ps.	<b>8,574,910</b>	Ps.	<b>15,851,402</b>	Ps.	<b>—</b>	Ps.	<b>24,426,312</b>
<b>Total investments in debt securities</b>	Ps.	<b>29,318,583</b>	Ps.	<b>10,154,002</b>	Ps.	<b>19,155,327</b>	Ps.	<b>9,254</b>	Ps.	<b>29,318,583</b>
<b>Investments in equity securities</b>										
Trading equity securities		3,708,084		1,830		2,967,172		739,082		3,708,084
Investments in equity through OCI		1,330,696		1,165,673		53,249		111,774		1,330,696
<b>Total investments in equity securities</b>	Ps.	<b>5,038,780</b>	Ps.	<b>1,167,503</b>	Ps.	<b>3,020,421</b>	Ps.	<b>850,856</b>	Ps.	<b>5,038,780</b>
<b>Held for trading Derivatives</b>										
Currency Forward		2,366,320		—		2,366,320		—		2,366,320
Bond Forward		2,104		—		2,104		—		2,104
Interest Rate Swap		143,421		—		143,421		—		143,421
Currency Swap		119,093		—		119,093		—		119,093
Currency Options		256,874		—		256,874		—		256,874
<b>Total held for trading derivatives</b>	Ps.	<b>2,887,812</b>	Ps.	<b>—</b>	Ps.	<b>2,887,812</b>	Ps.	<b>—</b>	Ps.	<b>2,887,812</b>
<b>Hedging Derivatives</b>										
Currency Forward		205,973		—		205,973		—		205,973
<b>Total hedging derivatives</b>	Ps.	<b>205,973</b>	Ps.	<b>—</b>	Ps.	<b>205,973</b>	Ps.	<b>—</b>	Ps.	<b>205,973</b>
<b>Other account receivables</b>										
Financial assets in concession contracts		2,779,289		—		—		2,779,289		2,779,289
<b>Total other account receivables designated at fair value</b>	Ps.	<b>2,779,289</b>	Ps.	<b>—</b>	Ps.	<b>—</b>	Ps.	<b>2,779,289</b>	Ps.	<b>2,779,289</b>
<b>Total assets at fair value on recurring basis</b>	Ps.	<b>40,230,437</b>	Ps.	<b>11,321,505</b>	Ps.	<b>25,269,533</b>	Ps.	<b>3,639,399</b>	Ps.	<b>40,230,437</b>
<b>Financial assets at amortized cost, net</b>										
<b>Investments in debt securities, net</b>		<b>3,233,668</b>		<b>130,522</b>		<b>3,097,797</b>		<b>—</b>		<b>3,228,319</b>
Securities issued or secured by Colombian Government		137,360		101,785		39,526		—		141,311
Securities issued or secured by other entities of the Colombian Government		2,978,596		—		2,969,053		—		2,969,053

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

	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Securities issued or secured by Foreign Government	28,623	28,737	—	—	28,737
Securities issued or secured by other financial entities	54,649	—	54,778	—	54,778
Other	34,440	—	34,440	—	34,440
<b>Loan portfolio, net (see literal f for details)</b>	<b>195,066,325</b>				<b>199,983,968</b>
Interbank and overnight funds	3,279,920				
Commercial	107,231,128				
Consumer	61,422,122				
Mortgage	22,821,860				
Microcredit	311,295				
<b>Other accounts receivables, net</b>	<b>10,561,654</b>				
<b>Total financial assets at amortized cost, net</b>	<b>208,861,647</b>				
<b>LIABILITIES</b>					
<b>Trading Derivatives</b>					
Currency forward	2,496,912	—	2,496,912	—	2,496,912
Bond forward	32,856	—	32,856	—	32,856
Bond futures	—	—	—	—	—
Interest rate swap	150,787	—	150,787	—	150,787
Currency swap	177,526	—	177,526	—	177,526
Currency options	157,991	—	157,991	—	157,991
<b>Total trading derivatives</b>	<b>Ps. 3,016,072</b>	<b>Ps. —</b>	<b>Ps. 3,016,072</b>	<b>Ps. —</b>	<b>Ps. 3,016,072</b>
<b>Hedging derivatives</b>					
Currency forward	Ps. 761,350	Ps. —	Ps. 761,350	Ps. —	Ps. 761,350
Interest rate swap	9,571	—	9,571	—	9,571
<b>Total hedging derivatives</b>	<b>770,921</b>	<b>—</b>	<b>770,921</b>	<b>—</b>	<b>770,921</b>
<b>Total liabilities at fair value on recurring basis</b>	<b>Ps. 3,786,993</b>	<b>Ps. —</b>	<b>Ps. 3,786,993</b>	<b>Ps. —</b>	<b>Ps. 3,786,993</b>
<b>Financial liabilities at amortized cost</b>					
<b>Customer deposits</b>	<b>Ps. 203,221,460</b>				<b>Ps. 208,465,167</b>
Checking accounts	53,059,452				56,498,195
Time deposits	81,071,442				82,189,540
Savings accounts	68,701,944				69,388,811
Others deposits	388,622				388,621
<b>Financial obligations</b>	<b>65,763,396</b>				<b>64,530,996</b>

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	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Interbank borrowings and overnight funds	7,768,179				7,767,964
Leases contracts	3,537,640				3,342,210
Borrowings from banks and similar	21,973,596				22,268,138
Bonds issued (see literal e for details)	28,684,406				27,353,122
Borrowings from development entities	3,799,575				3,799,562
<b>Total financial liabilities at amortized cost</b>	<b>Ps. 268,984,856</b>				<b>Ps. 272,996,163</b>

December 31, 2019

	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>ASSETS</b>					
<b>Trading investment</b>					
Securities issued or secured by Colombian Government	Ps. 2,425,760	Ps. 1,503,708	Ps. 922,052	Ps. —	Ps. 2,425,760
Securities issued or secured by other entities of the Colombian Government	175,794	—	175,794	—	175,794
Securities issued or secured by foreign Government	139,534	3,220	136,314	—	139,534
Securities issued or secured by central banks	13,966	—	13,966	—	13,966
Securities issued or secured by other financial entities	1,850,422	33,179	1,817,243	—	1,850,422
Securities issued or secured by entities of the non—financial sector	33,942	—	33,942	—	33,942
Other	33,695	—	33,695	—	33,695
<b>Total trading investment</b>	<b>Ps. 4,673,113</b>	<b>Ps. 1,540,107</b>	<b>Ps. 3,133,006</b>	<b>Ps. —</b>	<b>Ps. 4,673,113</b>
<b>Investments in debt securities at fair value through profit or loss</b>					
Other	10,102	—	—	10,102	10,102
<b>Total investments in debt securities at fair value through profit or loss</b>	<b>Ps. 4,683,215</b>	<b>Ps. 1,540,107</b>	<b>Ps. 3,133,006</b>	<b>Ps. 10,102</b>	<b>Ps. 4,683,215</b>
<b>Investments at fair value through OCI</b>					
Securities issued or secured by Colombian Government	11,643,942	7,923,409	3,720,533	—	11,643,942
Securities issued or secured by other entities of the Colombian Government	465,678	191,994	273,684	—	465,678
Securities issued or secured by foreign Government	4,997,430	9,954	4,987,476	—	4,997,430
Securities issued or secured by central banks	970,095	—	970,095	—	970,095
Securities issued or secured by other financial entities	3,054,925	237,887	2,817,038	—	3,054,925
Securities issued or secured by entities of the non-financial sector	34,840	—	34,840	—	34,840
Other	442,082	—	442,082	—	442,082
<b>Total investments at fair value through OCI</b>	<b>Ps. 21,608,992</b>	<b>Ps. 8,363,244</b>	<b>Ps. 13,245,748</b>	<b>Ps. —</b>	<b>Ps. 21,608,992</b>

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	Fair Value				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Total investments in debt securities</b>	Ps. <b>26,292,207</b>	Ps. <b>9,903,351</b>	Ps. <b>16,378,754</b>	Ps. <b>10,102</b>	Ps. <b>26,292,207</b>
<b>Investments in equity securities</b>					
Trading equity securities	3,523,121	1,679	3,046,048	475,394	3,523,121
Investments in equity through OCI	1,328,092	1,174,959	46,228	106,905	1,328,092
<b>Total investments in equity securities</b>	Ps. <b>4,851,213</b>	Ps. <b>1,176,638</b>	Ps. <b>3,092,276</b>	Ps. <b>582,299</b>	Ps. <b>4,851,213</b>
<b>Held for trading derivatives</b>					
Currency forward	765,166	—	765,166	—	765,166
Bond forward	253	—	253	—	253
Interest rate swap	73,481	—	73,481	—	73,481
Currency swap	34,682	—	34,682	—	34,682
Currency options	43,852	—	43,852	—	43,852
<b>Total held for trading derivatives</b>	Ps. <b>917,434</b>	Ps. <b>—</b>	Ps. <b>917,434</b>	Ps. <b>—</b>	Ps. <b>917,434</b>
<b>Hedging derivatives</b>					
Currency forward	166,598	—	166,598	—	166,598
<b>Total hedging derivatives</b>	Ps. <b>166,598</b>	Ps. <b>—</b>	Ps. <b>166,598</b>	Ps. <b>—</b>	Ps. <b>166,598</b>
<b>Other account receivables</b>					
Financial assets in concession contracts	2,706,030	—	—	2,706,030	2,706,030
<b>Total other account receivables designated at fair value</b>	Ps. <b>2,706,030</b>	Ps. <b>—</b>	Ps. <b>—</b>	Ps. <b>2,706,030</b>	Ps. <b>2,706,030</b>
<b>Total assets at fair value on recurring basis</b>	Ps. <b>34,933,482</b>	Ps. <b>11,079,989</b>	Ps. <b>20,555,062</b>	Ps. <b>3,298,431</b>	Ps. <b>34,933,482</b>
<b>Financial assets at amortized cost, net</b>					
<b>Investments in debt securities, net</b>	<b>3,053,125</b>	<b>23,042</b>	<b>3,008,313</b>	<b>—</b>	<b>3,031,355</b>
Securities issued or secured by other entities of the Colombian Government	3,029,065	—	3,007,296	—	3,007,296
Securities issued or secured by Foreign Governments	23,043	23,042	—	—	23,042
Securities issued or secured by other financial entities	1,017	—	1,017	—	1,017
<b>Loan portfolio, net (see literal f for details)</b>	<b>171,403,629</b>				<b>176,228,181</b>
Interbank and overnight funds	2,717,975				
Commercial	98,051,116				
Consumer	52,006,179				
Mortgage	18,290,839				
Microcredit	337,520				
<b>Other accounts receivables, net</b>	<b>6,812,229</b>				
<b>Total financial assets at amortized cost, net</b>	<b>181,268,983</b>				

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	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>LIABILITIES</b>					
<b>Trading derivatives</b>					
Currency forward	815,393	—	815,393	—	815,393
Bond forward	574	—	574	—	574
Bond futures	52	52	—	—	52
Interest rate swap	64,500	—	64,500	—	64,500
Currency swap	31,982	—	31,982	—	31,982
Currency options	49,937	—	49,937	—	49,937
<b>Total trading derivatives</b>	<b>Ps. 962,438</b>	<b>Ps. 52</b>	<b>Ps. 962,386</b>	<b>Ps. —</b>	<b>Ps. 962,438</b>
<b>Hedging derivatives</b>					
Currency forward	90,726	—	90,726	—	90,726
Interest rate swap	3,572	—	3,572	—	3,572
<b>Total hedging derivatives</b>	<b>94,298</b>	<b>—</b>	<b>94,298</b>	<b>—</b>	<b>94,298</b>
<b>Total liabilities at fair value on recurring basis</b>	<b>Ps. 1,056,736</b>	<b>Ps. 52</b>	<b>Ps. 1,056,684</b>	<b>Ps. —</b>	<b>Ps. 1,056,736</b>
<b>Financial liabilities at amortized cost</b>					
<b>Customer deposits</b>	<b>Ps. 175,491,421</b>				<b>Ps. 176,310,606</b>
Checking accounts	42,449,702				42,449,609
Time deposits	73,225,189				74,044,372
Savings accounts	59,352,760				59,352,854
Others deposits	463,770				463,771
<b>Financial obligations</b>	<b>54,844,576</b>				<b>56,116,678</b>
Interbank borrowings and overnight funds	9,240,479				9,240,478
Leases contracts	3,033,502				3,033,507
Borrowings from banks and similar	16,769,842				16,903,959
Bonds issued (see literal e for details)	21,918,268				23,167,014
Borrowings from development entities	3,882,485				3,771,720
<b>Total financial liabilities at amortized cost</b>	<b>Ps. 230,335,997</b>				<b>Ps. 232,427,284</b>

**b) Fair Value determination**

The following table provides information about valuation techniques and significant inputs when measuring at fair value on recurring basis assets and liabilities, with fair value hierarchy level 2 and level 3.

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

	Valuation technique Level 2	Significant inputs
<b>ASSETS</b>		
<b>Investments in debt securities at fair value</b>		
<b><u>In Colombian Pesos</u></b>		
Securities issued or secured by the Colombian Government	Discounted cash flow	Theoretical price / estimated price <sup>(1)</sup> Average price / market price <sup>(2)</sup>
Securities issued or secured by Colombian government entities	Discounted cash flow	Theoretical price / estimated price <sup>(1)</sup> Average price / market price <sup>(2)</sup>
Securities issued or secured by other financial entities	Discounted cash flow	Theoretical price / estimated price <sup>(1)</sup> Average price / market price <sup>(2)</sup> Yield and margin
Securities issued or secured by non-financial sector entities	Discounted cash flow	Theoretical price / estimated price <sup>(1)</sup> Average price / market price <sup>(2)</sup>
Other	Discounted cash flow	Theoretical price / estimated price <sup>(1)</sup> Average price / market price <sup>(2)</sup> Yield and margin
<b><u>In Foreign Currency</u></b>		
Securities issued or secured by the Colombian Government	Market Price	Market price <sup>(2)</sup>
Securities issued or secured by Colombian government entities	Discounted cash flow	Theoretical price / estimated price <sup>(1)</sup> Average price / market price <sup>(2)</sup>
Securities issued or secured by foreign governments	Internal model	Discounted cash flows using yields from similar securities outstanding Negotiation price, if there are not negotiations, it is calculated by groups of debt securities according to the Superintendency of Pensions methodologies.
Securities issued or secured by foreign governments	Market price	Last auction allocation price Market price <sup>(2)</sup>
Securities issued or secured by Central Banks	Internal model Market price	Discounted cash flows using yields from similar securities outstanding Market price or price calculated based on benchmarks set by price providers methodologies
Securities issued or secured by other financial entities	Discounted cash flow Internal model Market price	Theoretical price / estimated price <sup>(1)</sup> Discounted cash flows using yields from similar securities outstanding Market price or price calculated based on benchmarks set by price providers methodologies Bloomberg Generic Market price <sup>(2)</sup>
Securities issued or secured by non-financial sector entities	Market price	Theoretical price / estimated price <sup>(1)</sup> Market price <sup>(2)</sup>
Other	Discounted cash flow	Theoretical price / estimated price <sup>(1)</sup>

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	Valuation technique Level 2	Significant inputs
	Market price	Market price or price calculated based on benchmarks set by price providers methodologies Negotiation price, if there are not negotiations, it is calculated by groups of debt securities according to the Superintendency of Pensions methodologies.
		Last auction allocation price
		Quoted price
		Market price <sup>(2)</sup>
		Bloomberg Generic
<b>Investment in equity securities</b>		
Corporate stock	Market Price	Estimated prices <sup>(1)</sup>
Investment funds	Market Price	Market value of underlying assets, less management and administrative fees
Pension and severance funds <sup>(3)</sup>	Market Price	Market value of underlying assets, less management and administrative fees
<b>Trading derivatives</b>		
Foreign currency forward	Discounted cash flow	Underlying asset price
Debt securities forward		Currency curve by underlying asset
Interest rate swap		Forward Exchange rates curve of the operation's currency
Cross currency swap		Implicit curves of Exchange rates forwards
Swap (others)		Swap curves by underlying asset
Currency options		Implicit volatilities matrixes and curves
Foreign currency futures	Market	Market price <sup>(2)</sup>
		Spot, rates, days to maturity
Debt securities futures	Market	Market price <sup>(2)</sup>
	Initial price	Spot, rates, days to maturity
<b>Hedging derivatives</b>		
Currency forward	Discounted cash flow	Curves by currency
Foreign currency futures	Market	Market price <sup>(2)</sup>
<b>LIABILITIES</b>		
<b>Derivatives held for trading</b>		
Foreign currency forward	Discounted cash flow	Underlying asset price
Debt securities forward		Currency curve by underlying asset
Interest rate swap		Forward Exchange rates curve of the operation's currency
Currency swap		Implicit curves of exchange rates forwards
Swap (others)		Swap curves by underlying asset
Currency options		Implicit volatilities matrixes and curves
	Market	Market price <sup>(2)</sup>
		Spot, rates, days to maturity
	Market	Market price <sup>(2)</sup>
		Spot, rates, days to maturity
<b>Hedging Derivatives</b>		
Foreign currency forward	Discounted cash flow	Underlying asset price

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Valuation technique Level 2	Significant inputs
Interest rate swap	Currency curve by underlying asset Forward Exchange rates curve of the operation's currency Implicit curves of Exchange rates forwards Swap curves by underlying asset
Foreign currency futures	Implicit volatilities matrixes and curves Market price <sup>(2)</sup>

- 
- (1) Estimated Price: A valuation model based on information obtained from a price vendor when it is not able to supply quoted prices (unadjusted) for each security. This model is the basis for the construction of the valuation margin of the securities that is represented on the assigned curve or reference rate. This margin remains constant on the assigned curve or reference rate when calculating the theoretical valuation price.
- (2) Quoted market prices (ie obtained from price vendors)
- (3) The subsidiary Porvenir S.A. according to Colombian rules is required to invest to 1% of its total assets under management from severance and mandatory pension funds.

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

	Valuation technique Level 3	Significant inputs
<b>ASSETS</b>		
<b>Investments in debt securities at fair value</b>		
<b><u>In Colombian Pesos</u></b>		
Other	Discounted cash flow	Projected payments flow of mortgage securitizations
<b>Equity securities</b>		
Investments in equity securities (1)	Discounted cash flow	Growth in values after 5 years Net Income Growth in residual values after 5 years Discount interest rates
	Comparable Multiples	EBITDA Value Multiple of EBITDA Net income value Multiple of net income
<b><u>Other financial assets</u></b>		
Assets under concession contracts (2)	Discounted cash flow	Free-cash flow from concession contracts Concession contract's maturity period Perpetuity value of the year "n" free-cash flow Present value of the discounted residual value at Weighted Average Cost of Capital ("WACC").
		The detail of valuation process for financial assets in concession arrangements are outlined in <sup>(2)</sup>
<b>Non-financial assets</b>		
Biological assets	Discounted cash flow	The processes used to collect data and determine the fair value of biological assets are described in <sup>(3)</sup>
Investment properties	Discounted cash flow	The processes used to collect data and determine the fair value of investment properties are described in <sup>(4)</sup>

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**(1) Valuation of equity instruments Level 3**

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

The following table includes a sensitivity analysis of changes in these variables in the equity of Grupo Aval, bearing in mind that the variations in fair value of said investments are recorded in equity because they correspond to investments classified as equity instruments at fair value with changes in equity.

The following table includes a sensitivity analysis of main level 3 equity securities of December 31, 2019:

Methods and Variables	Variation	Favorable impact		Unfavorable impact	
<b>Comparable Multiples / Recent Transaction Price</b>					
EBITDA Number of times	+/-1 x	Ps.	2,860	Ps.	(2,865)
<b>Adjusted Net Asset Value</b>					
Most relevant variable in assets	+/-10%		331		(287)
<b>Adjusted discounted cash flow</b>					
Growth in residual values after 5 years	+/-1%		303		(270)
	+/- 30 bp		220		(223)
Income	+/-1%		858		(1,017)
	+/- 1% anual		371		(378)
Discount rates	+/- 50 bp		604		(607)
Discount interest rates	+/- 50 bp		648		(639)
		<b>Ps.</b>	<b>6,195</b>	<b>Ps.</b>	<b>(6,286)</b>

**(2) Valuation of financial assets under concession arrangement rights**

Promigas and subsidiaries, designated at fair value the financial assets under concession contracts, the method of discounted cash flows was used to determine the fair value.

The assumptions and inputs in the calculation of the financial asset were:

- Financial assets are calculated taking into account the expiration date of each concession contract.
- The calculation was carried out in proportion to the expiration of each of the concession contracts in force.
- Only the operational cash flows of these assets under concession were taken into account.

The components of the calculations are as follows:

- Free cash flow generated solely by assets under concession.
- Expiration period of the concession.
- Amount in-perpetuity of the Free Cash Flow (FCF) of the year, estimated factoring a growth in the residual amount between 1% and 3% each year.
- Current amount of the residual amount Weighted Average Cost of Capital (WACC \*), estimated taking into account an interest rate between 8.75 % and 9.08% each year.

(\*) Nominal WACC calculated under the Capital Asset Pricing Model (CAPM) methodology for each, updated annually. The following variables were used for determining the WACC:

- Beta Unlevered USA (Oil/Gas Distribution): Damodaran. [Beta unlevered 0.61, 2020]
- Risk Free Rate, Source: Geometric Average 1995-2019 of American bonds "T-Bonds".
- Marker Return, Source: Geometric Average 1995-2019 Damodaran "Stocks" USA.
- Market Premium: Market Return – Risk Free Rate

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- Country Risk Premium: Average last 5 years EMBI (Difference between 10-year Colombian sovereign bonds and 10 year “T-Bonds”). Damodaran
- Emerging Market: Equity Premium Emerging countries (Lambda - Damodaran)

### Sensitivity analysis

The following table includes a sensitivity analysis of the assumptions used by Promigas and its subsidiaries in the calculation of fair value of unconditional transfer rights of gas pipelines to Government entities at the expiration date of the contracts. The value of the financial asset at March 31, 2020 is Ps. 2,779,289 and Ps. 2,706,030 as of December 31, 2019.

Variable	March 31, 2020	
	+100 pbs	-100 pbs
WACC	Ps. (675,517)	Ps. 1,029,057
Perpetuity growth rate	596,031	(420,953)

  

Variable	December 31, 2019	
	+100 bps	-100 bps
WACC	Ps. (637,556)	Ps. 979,942
Perpetuity growth rate	550,652	(387,750)

### c) Transfer of levels

During the current year, due not to changes in market conditions, the following table summarizes the transfer between fair value levels 1 and 2 as of March 31, 2020 and December 31, 2019. In general, transfers between Level 1 and Level 2 in the investment portfolios are due, fundamentally, to changes in the liquidity levels of the securities in the markets.

#### March 31, 2020

	Investments in debt securities at FVTPL		Investments in debt securities at FVOCI	
	Transfers between:		Transfers between:	
	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2
<b>Assets</b>				
<b>Investments in debt securities at fair value</b>				
Securities issued or secured by Colombian Government	Ps. —	Ps. 7,473	Ps. —	Ps. 18,103
Securities issued or secured by other Colombian Government entities	—	—	—	—
Securities issued or secured by other financial entities	—	—	—	—
	<b>Ps. —</b>	<b>Ps. 7,473</b>	<b>Ps. —</b>	<b>Ps. 18,103</b>

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December 31, 2019

	Investments in debt securities at FVTPL				Investments in debt securities at FVOCI			
	Transfers between:				Transfers between:			
	Level 2 to Level 1		Level 1 to Level 2		Level 2 to Level 1		Level 1 to Level 2	
<b>Assets</b>								
<b>Investments in debt securities at fair value</b>								
Securities issued or secured by Colombian Government	Ps.	—	Ps.	—	Ps.	72,451	Ps.	591,093
Securities issued or secured by other Colombian Government entities		—		1		—		38,324
Securities issued or secured by other financial entities		—		—		3,301		119,271
	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>1</b>	<b>Ps.</b>	<b>75,752</b>	<b>Ps.</b>	<b>748,688</b>

There were no transfers of fair values between levels and 2 to or from level 3.

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

	Financial assets in debt securities		Equity instruments		Financial assets in concession arrangements	
<b>December 31, 2019</b>	Ps.	10,102	Ps.	582,299	Ps.	2,706,030
Valuation adjustment with an effect on income		(848)		12,920		73,259
Valuation adjustments with an effect on OCI		—		4,378		—
Additions (*)		—		251,151		—
Sales / redemptions		—		—		—
Reclassifications		—		108		—
<b>March 31, 2020</b>	<b>Ps.</b>	<b>9,254</b>	<b>Ps.</b>	<b>850,856</b>	<b>Ps.</b>	<b>2,779,289</b>

(\*) Includes investment in NEXUS Real Estate Capital Funds by Banco de Occidente of Ps.233,326, Fiduciaria Occidente of Ps.17,442 and the income from investments Pro-Inversiones Zona Franca for Ps.326 and Construcciones Zona Franca for Ps.57 at Banco Popular.

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

The following table present Grupo Aval's assets and liabilities, classified within the fair value hierarchy, which are measured on a nonrecurring basis as of March 31, 2020 and December 31, 2019 at fair value less cost of sale:

	Level 1		Level 2		Level 3		Total	
<b>March 31, 2020</b>								
Impaired collateralized loans	Ps.	—	Ps.	—	Ps.	976,462	Ps.	976,462
Non- current assets held for sale		—		—		284,076		284,076
	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>1,260,538</b>	<b>Ps.</b>	<b>1,260,538</b>
<b>December 31, 2019</b>								
Impaired collateralized loans	Ps.	—	Ps.	—	Ps.	870,110	Ps.	870,110
Non- current assets held for sale		—		—		206,193		206,193
	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>1,076,303</b>	<b>Ps.</b>	<b>1,076,303</b>

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**e) Financial obligations from issued bonds**

The different entities from Grupo Aval are authorized by the Superintendency of Finance and by the regulatory entities abroad where Grupo Aval operates, for issuing or placing either bonds or general guarantee bonds. The bonds issued by Grupo Aval and subsidiaries are non-guaranteed. Detail of issued bonds net of eliminations as of March 31, 2020 and December 31, 2019, by issue date and maturity date was as follows:

**Local Currency**

Issuer	Issue Date	March 31, 2020	December 31, 2019	Maturity Date	Interest Rate
Banco de Bogotá S.A.	23/02/2010	—	137,598	23/02/2020	CPI + 5.45% and UVR + 5.45%
Banco de Occidente S.A	Between 22/09/2011 and 18/09/2019	3,237,313	3,246,333	Between 27/04/2020 and 14/12/2032	CPI + 1.75% to 4.65%, Fixed between 6.18% to 7.77%
Corporación Financiera Colombiana S.A.	Between 27/08/2009 and 27/08/2019	2,799,287	2,895,156	Between 08/09/2020 and 02/03/2043	CPI +2.16% to 5.99%, Fixed 7.10%
Banco Popular S.A	Between 12/10/2016 and 04/02/2020	1,853,316	1,753,896	Between 12/09/2020 and 04/02/2027	CPI+ 3.08% to 4.13%; Fixed between 5.88% to 8.10%
Grupo Aval Acciones y Valores S.A.	Between 03/12/2009 and 14/11/2019	Ps. 1,225,926	Ps. 1,201,189	Between 28/06/2020 and 28/06/2042	CPI + 2.69% to 5.20% and Fixed 6.42%
<b>Peso denominated Total</b>		<b>Ps. 9,115,842</b>	<b>Ps. 9,234,172</b>		

**Foreign Currency**

Issuer	Issue Date	March 30, 2020	December 31, 2019	Maturity Date	Interest Rate
Banco de Bogotá S.A. Under rule 144A.	Between 19/02/2013 and 03/08/2017	8,816,568	7,109,822	Between 19/02/2023 and 03/08/2027	Fixed between 4.38% to 6.25%
<b>BAC Credomatic</b>					
El Salvador	Between 30/07/2015 and 19/08/2019	776,411	726,607	Between 30/07/2020 and 19/08/2024	Between 5.20% to 5.85%
Honduras	Between 12/05/2017 and 10/03/2020	395,223	320,162	Between 12/05/2020 and 11/04/2022	Between 0.75% to 9.50%
<b>BAC Credomatic Total</b>		<b>Ps. 1,171,634</b>	<b>Ps. 1,046,769</b>		
<b>Banco Bogotá and BAC Credomatic Total</b>		<b>Ps. 9,988,202</b>	<b>Ps. 8,156,591</b>		
Grupo Aval Limited (*)	Between 19/09/2012 and 04/02/2020	8,008,281	3,268,629	Between 26/09/2022 and 04/02/2030	Fixed between 4.38% to 4.75%
Corporación Financiera Colombiana S.A.	16/10/2019	1,572,081	1,258,876	16/10/2029	Fixed 3.75%
<b>Foreign Currency Total</b>		<b>Ps. 19,568,564</b>	<b>Ps. 12,684,096</b>		
<b>Total of Bonds</b>		<b>Ps. 28,684,406</b>	<b>Ps. 21,918,268</b>		

(\*) Includes the issuance for USD 1,000,000,000 issued 02/04/2020 and maturing 02/02/2030

The amount of issued bonds due over 12 months as of March 31, 2020 is Ps. 27,302,525 and December 31, 2019 is Ps. 19,908,991.

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Grupo Aval has not had any defaults of principal or interest or other breaches with respect to its liabilities during the nine-months ended March 31, 2020 and year ended December 31, 2019, and Grupo Aval is complying with the related covenants agreed with investors and debtors.

**f) Credit risk concentration**

The following is the balance of financial assets by loan portfolio and their provision for impairment as of March 31, 2020 and December 31, 2019:

Portfolio segment	March 31, 2020			December 31, 2019		
	Gross balance	Allowance for impairment	Net balance of credit portfolio	Gross balance	Allowance for impairment	Net balance of credit portfolio
Commercial	Ps. 111,830,650	Ps. 4,599,522	Ps. 107,231,128	Ps. 98,936,699	Ps. 4,188,388	Ps. 94,748,311
Consumer	65,205,606	3,783,484	61,422,122	59,840,451	3,555,040	56,285,411
Mortgage	23,228,350	406,490	22,821,860	20,221,683	351,558	19,870,125
Microcredit	403,377	92,082	311,295	410,320	89,825	320,495
Interbank and overnight funds	3,282,225	2,305	3,279,920	2,718,961	986	2,717,975
<b>Total</b>	<b>Ps. 203,950,208</b>	<b>Ps. 8,883,883</b>	<b>Ps. 195,066,325</b>	<b>Ps. 182,128,114</b>	<b>Ps. 8,185,797</b>	<b>Ps. 173,942,317</b>

For presentation purposes as of March 2020, the loan portfolio is presented as follows: Interbank and overnight funds and the portfolio with clients detailed according to modality: Commercial and its corresponding leasing, consumer and its corresponding leasing, mortgage and residential leasing, and microcredit, until December 2019, operations with repos and interbank funds operations were included as part of the commercial portfolio and financial leasing operations were shown separately.

The following table details the financial leasing portfolio by modality and the Interbank and overnight funds for March 31, 2020 and December 31, 2019.

**March 31, 2020**

Portfolio segment	Loan Portfolio without financial leasing	Financial Leasing	Loan Portfolio with financial leasing
<b>Commercial</b>	<b>Ps. 104,274,640</b>	<b>Ps. 10,838,235</b>	<b>Ps. 115,112,875</b>
Interbank and overnight funds	3,282,225	-	3,282,225
Client portfolio	100,992,415	10,838,235	111,830,650
Consumer	64,903,297	302,309	65,205,606
Residential mortgage	21,602,742	1,625,608	23,228,350
Microcredit	403,377	-	403,377
<b>Total portfolio</b>	<b>Ps. 191,184,056</b>	<b>Ps. 12,766,152</b>	<b>Ps. 203,950,208</b>

**December 31, 2019**

Portfolio segment	Loan Portfolio without financial leasing	Financial Leasing	Loan Portfolio with financial leasing
<b>Commercial</b>	<b>Ps. 91,306,719</b>	<b>Ps. 10,348,941</b>	<b>Ps. 101,655,660</b>
Interbank and overnight funds	2,718,961	-	2,718,961
Client portfolio	88,587,758	10,348,941	98,936,699
Consumer	59,587,929	252,522	59,840,451
Residential mortgage	18,661,389	1,560,294	20,221,683
Microcredit	410,320	-	410,320
<b>Total portfolio</b>	<b>Ps. 169,966,357</b>	<b>Ps. 12,161,757</b>	<b>Ps. 182,128,114</b>

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**(1) Loan portfolio by economic sector**

Below is the gross balance of the loan portfolio distribution of Grupo Aval by economic activity as of March 31, 2020 and December 31, 2019:

Sector	March 31, 2020		%	December 31, 2019		%
Consumer services	Ps.	93,990,153	46%	Ps.	84,790,144	47%
Commercial services		45,276,555	22%		37,925,996	21%
Construction		10,979,773	5%		11,550,042	6%
Food, beverage and tobacco		10,653,272	5%		8,941,375	5%
Transportation and communications		6,518,735	3%		6,504,746	4%
Public services		5,961,713	4%		5,470,918	3%
Chemical production		7,310,729	4%		5,847,362	3%
Other industrial and manufacturing products		6,361,316	3%		5,309,003	3%
Agricultural		4,854,976	2%		4,563,455	2%
Government		5,034,804	2%		4,905,685	3%
Trade and tourism		2,945,444	1%		2,475,550	1%
Mining products and oil		971,866	1%		1,520,420	1%
Other		3,090,872	2%		2,323,418	1%
<b>Total of each economic sector</b>	<b>Ps.</b>	<b>203,950,208</b>	<b>100%</b>	<b>Ps.</b>	<b>182,128,114</b>	<b>100%</b>

**(2) Portfolio credit by risk level rating**

As of March 31, 2020, and December 31, 2019, the following is a summary of the portfolio credit by risk level rating:

March 31, 2020							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	176,218,871	Ps.	1,718,721	Ps.	266	Ps. 177,937,858
7.5% - 15%		6,292,437		1,229,334		19	7,521,790
15% - 22.5%		663,886		879,033		8	1,542,927
22.5% - 30%		129,591		706,011		109	835,711
30% - 45%		205,816		1,771,199		549	1,977,564
45% - 60%		10,348		1,597,866		216,545	1,824,759
60% - 90%		4,255		1,308,882		253,842	1,566,979
> 90%		25		57,004		10,685,591	10,742,620
<b>TOTAL</b>	<b>Ps.</b>	<b>183,525,229</b>	<b>Ps.</b>	<b>9,268,050</b>	<b>Ps.</b>	<b>11,156,929</b>	<b>Ps. 203,950,208</b>

December 31, 2019							
Total Exposure							
PD Range	Stage 1		Stage 2		Stage 3		Total
0% - 7.5%	Ps.	154,874,024	Ps.	1,105,785	Ps.	-	Ps. 155,979,809
7.5% - 15%		7,701,361		944,475		-	8,645,836
15% - 22.5%		561,274		781,685		-	1,342,959
22.5% - 30%		192,483		615,152		-	807,635
30% - 45%		437,563		1,948,824		-	2,386,387
45% - 60%		13,803		1,322,428		146,626	1,482,857
60% - 90%		424,490		1,260,617		210,585	1,895,692
> 90%		1,690		77,841		9,507,408	9,586,939
<b>TOTAL</b>	<b>Ps.</b>	<b>164,206,688</b>	<b>Ps.</b>	<b>8,056,807</b>	<b>Ps.</b>	<b>9,864,619</b>	<b>Ps. 182,128,114</b>

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The following tables show the balance of the loan portfolio by class as of March 31, 2020.

**Repos, interbank loans portfolio**

PD Range	March 31, 2020			
	Total Exposure			
	Stage 1	Stage 2	Stage 3	Total
0% - 7.5%	Ps. 3,281,014	Ps. -	Ps. -	Ps. 3,281,014
7.5% - 15%	92	1	-	93
15% - 22.5%	-	-	-	-
22.5% - 30%	-	2	-	2
30% - 45%	-	-	-	-
45% - 60%	-	125	-	125
60% - 90%	-	-	-	-
> 90%	-	-	991	991
<b>TOTAL</b>	<b>Ps. 3,281,106</b>	<b>Ps. 128</b>	<b>Ps. 991</b>	<b>Ps. 3,282,225</b>

**Commercial loan and leasing portfolio**

PD Range	March 31, 2020			
	Total Exposure			
	Stage 1	Stage 2	Stage 3	Total
0% - 7.5%	Ps. 99,730,371	Ps. 764,204	Ps. 25	Ps. 100,494,600
7.5% - 15%	1,033,871	591,414	14	1,625,299
15% - 22.5%	54,719	209,459	-	264,178
22.5% - 30%	27,026	185,767	4	212,797
30% - 45%	29,954	726,368	2	756,324
45% - 60%	1,450	506,804	37	508,291
60% - 90%	3,638	75,727	109	79,474
> 90%	-	2,853	7,886,834	7,889,687
<b>TOTAL</b>	<b>Ps. 100,881,029</b>	<b>Ps. 3,062,596</b>	<b>Ps. 7,887,025</b>	<b>Ps. 111,830,650</b>

**Consumer loan and leasing portfolio**

PD Range	March 31, 2020			
	Total Exposure			
	Stage 1	Stage 2	Stage 3	Total
0% - 7.5%	Ps. 52,662,486	Ps. 712,635	Ps. 238	Ps. 53,375,359
7.5% - 15%	4,704,246	339,759	4	5,044,009
15% - 22.5%	533,910	414,045	4	947,959
22.5% - 30%	100,487	387,124	105	487,716
30% - 45%	137,349	743,917	529	881,795
45% - 60%	2,010	848,410	216,501	1,066,921
60% - 90%	490	1,051,449	253,723	1,305,662
> 90%	25	50,147	2,046,013	2,096,185
<b>TOTAL</b>	<b>Ps. 58,141,003</b>	<b>Ps. 4,547,486</b>	<b>Ps. 2,517,117</b>	<b>Ps. 65,205,606</b>

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**Mortgage loan and leasing portfolio**

March 31, 2020								
Total Exposure								
PD Range	Stage 1		Stage 2		Stage 3	Total		
0% - 7.5%	Ps.	20,445,129	Ps.	241,866	Ps.	3	Ps.	20,686,998
7.5% - 15%		411,326		298,114		1		709,441
15% - 22.5%		30,640		255,522		4		286,166
22.5% - 30%		2,076		132,668		-		134,744
30% - 45%		7,241		300,345		18		307,604
45% - 60%		-		241,146		7		241,153
60% - 90%		-		164,452		10		164,462
> 90%		-		4,004		693,778		697,782
<b>TOTAL</b>	<b>Ps.</b>	<b>20,896,412</b>	<b>Ps.</b>	<b>1,638,117</b>	<b>Ps.</b>	<b>693,821</b>	<b>Ps.</b>	<b>23,228,350</b>

**Microcredit loan portfolio**

March 31, 2020								
Total Exposure								
PD Range	Stage 1		Stage 2		Stage 3	Total		
0% - 7.5%	Ps.	99,871	Ps.	16	Ps.	-	Ps.	99,887
7.5% - 15%		142,902		46		-		142,948
15% - 22.5%		44,617		7		-		44,624
22.5% - 30%		2		450		-		452
30% - 45%		31,272		569		-		31,841
45% - 60%		6,888		1,381		-		8,269
60% - 90%		127		17,254		-		17,381
> 90%		-		-		57,975		57,975
<b>TOTAL</b>	<b>Ps.</b>	<b>325,679</b>	<b>Ps.</b>	<b>19,723</b>	<b>Ps.</b>	<b>57,975</b>	<b>Ps.</b>	<b>403,377</b>

The following tables show the balance of the loan portfolio by class as of December 31, 2019:

**Commercial loan portfolio**

December 31, 2019								
Total Exposure								
PD Range	Stage 1		Stage 2		Stage 3	Total		
0% - 7.5%	Ps.	82,094,981	Ps.	310,595	Ps.	-	Ps.	82,405,576
7.5% - 15%		855,476		368,086		-		1,223,562
15% - 22.5%		44,548		178,046		-		222,594
22.5% - 30%		45,596		86,323		-		131,919
30% - 45%		30,026		928,098		-		958,124
45% - 60%		1,437		471,156		-		472,593
60% - 90%		1,495		47,979		-		49,474
> 90%		1,573		1,976		5,839,328		5,842,877
<b>TOTAL</b>	<b>Ps.</b>	<b>83,075,132</b>	<b>Ps.</b>	<b>2,392,259</b>	<b>Ps.</b>	<b>5,839,328</b>	<b>Ps.</b>	<b>91,306,719</b>

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**Consumer loan portfolio**

December 31, 2019					
Total Exposure					
PD Range	Stage 1	Stage 2	Stage 3	Total	
0% - 7.5%	Ps. 45,471,761	Ps. 541,845	Ps. -	Ps. 46,013,606	
7.5% - 15%	6,436,998	311,027	-	6,748,025	
15% - 22.5%	469,685	317,644	-	787,329	
22.5% - 30%	138,510	334,167	-	472,677	
30% - 45%	378,371	649,855	-	1,028,226	
45% - 60%	3,457	603,034	146,626	753,117	
60% - 90%	422,442	1,065,686	210,585	1,698,713	
> 90%	104	70,290	2,015,842	2,086,236	
<b>TOTAL</b>	<b>Ps. 53,321,328</b>	<b>Ps. 3,893,548</b>	<b>Ps. 2,373,053</b>	<b>Ps. 59,587,929</b>	

**Mortgage loan portfolio**

December 31, 2019					
Total Exposure					
PD Range	Stage 1	Stage 2	Stage 3	Total	
0% - 7.5%	Ps. 16,666,766	Ps. 155,866	Ps. -	Ps. 16,822,632	
7.5% - 15%	116,157	183,028	-	299,185	
15% - 22.5%	16,035	234,666	-	250,701	
22.5% - 30%	4,187	162,339	-	166,526	
30% - 45%	8,606	254,878	-	263,484	
45% - 60%	171	184,340	-	184,511	
60% - 90%	65	120,355	-	120,420	
> 90%	13	3,687	550,230	553,930	
<b>TOTAL</b>	<b>Ps. 16,812,000</b>	<b>Ps. 1,299,159</b>	<b>Ps. 550,230</b>	<b>Ps. 18,661,389</b>	

**Microcredit loan portfolio**

December 31, 2019					
Total Exposure					
PD Range	Stage 1	Stage 2	Stage 3	Total	
0% - 7.5%	Ps. 123,733	Ps. 17	Ps. -	Ps. 123,750	
7.5% - 15%	142,921	34	-	142,955	
15% - 22.5%	29,829	-	-	29,829	
22.5% - 30%	4,174	704	-	4,878	
30% - 45%	20,263	570	-	20,833	
45% - 60%	8,666	941	-	9,607	
60% - 90%	336	22,535	-	22,871	
> 90%	-	-	55,597	55,597	
<b>TOTAL</b>	<b>Ps. 329,922</b>	<b>Ps. 24,801</b>	<b>Ps. 55,597</b>	<b>Ps. 410,320</b>	

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**Leasing loan portfolio**

<b>December 31, 2019</b>							
<b>Total Exposure</b>							
<b>PD Range</b>	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>Total</b>
0% - 7.5%	Ps.	10,516,783	Ps.	97,462	Ps.	-	Ps. 10,614,245
7.5% - 15%		149,809		82,300		-	232,109
15% - 22.5%		1,177		51,329		-	52,506
22.5% - 30%		16		31,619		-	31,635
30% - 45%		297		115,423		-	115,720
45% - 60%		72		62,957		-	63,029
60% - 90%		152		4,062		-	4,214
> 90%		-		1,888		1,046,411	1,048,299
<b>TOTAL</b>	<b>Ps.</b>	<b>10,668,306</b>	<b>Ps.</b>	<b>447,040</b>	<b>Ps.</b>	<b>1,046,411</b>	<b>Ps. 12,161,757</b>

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

The table below shows the loss allowance balances as of March 31, 2020.

<b>March 31, 2020</b>							
	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>Total</b>
	<b>12-month ECL</b>		<b>Lifetime ECL not credit-impaired</b>		<b>Lifetime ECL credit-impaired</b>		<b>Simplified approach</b>
<b>Loan portfolio</b>							
Commercial loan portfolio	Ps.	745,883	Ps.	272,972	Ps.	3,580,667	Ps. 4,599,522
Consumer loan portfolio		1,164,382		939,718		1,679,384	3,783,484
Mortgage loan portfolio		72,151		100,874		233,465	406,490
Microcredit loan portfolio		27,806		8,861		55,415	92,082
Interbank and overnight funds		1,354		24		927	2,305
<b>Total loan portfolio</b>	<b>Ps.</b>	<b>2,011,576</b>	<b>Ps.</b>	<b>1,322,449</b>	<b>Ps.</b>	<b>5,549,858</b>	<b>Ps. 8,883,883</b>
Investments in debt securities at amortized cost		1,059		—		—	1,059
Other accounts receivable		13,829		13,748		93,314	185,340
<b>Total loss allowance financial assets at amortized cost</b>	<b>Ps.</b>	<b>2,026,464</b>	<b>Ps.</b>	<b>1,336,197</b>	<b>Ps.</b>	<b>5,643,172</b>	<b>Ps. 185,340</b>
Investments in debt securities at FVOCI		56,743		—		—	56,743
Loan commitments and financial guarantee contracts		50,454		5,274		1,838	57,566
<b>Total loss allowance</b>	<b>Ps.</b>	<b>2,133,661</b>	<b>Ps.</b>	<b>1,341,471</b>	<b>Ps.</b>	<b>5,645,010</b>	<b>Ps. 185,340</b>

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		December 31, 2019								
		Stage 1	Stage 2	Stage 3	Simplified	Total				
		12—month	Lifetime	Lifetime	approach					
		ECL	ECL not	ECL						
			credit—	credit—						
			impaired	impaired						
<b>Loan portfolio</b>										
Commercial loan portfolio	Ps.	642,839	Ps.	190,697	Ps.	2,905,794	Ps.	—	Ps.	3,739,330
Consumer loan portfolio		1,076,150		851,651		1,620,779		—		3,548,580
Mortgage loan portfolio		43,492		73,109		189,636		—		306,237
Microcredit loan portfolio		24,794		11,919		53,112		—		89,825
Financial leasing loan portfolio		65,863		31,356		404,606		—		501,825
<b>Total loan portfolio</b>	<b>Ps.</b>	<b>1,853,138</b>	<b>Ps.</b>	<b>1,158,732</b>	<b>Ps.</b>	<b>5,173,927</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>8,185,797</b>
Investments in debt securities at amortized cost		737		—		—		—		737
Other accounts receivable		13,353		13,006		86,797		173,307		286,463
<b>Total loss allowance financial assets at amortized cost</b>	<b>Ps.</b>	<b>1,867,228</b>	<b>Ps.</b>	<b>1,171,738</b>	<b>Ps.</b>	<b>5,260,724</b>	<b>Ps.</b>	<b>173,307</b>	<b>Ps.</b>	<b>8,472,997</b>
Investments in debt securities at FVOCI		34,080		—		—		—		34,080
Loan commitments and financial guarantee contracts		45,509		2,945		1,508		—		49,962
<b>Total loss allowance</b>	<b>Ps.</b>	<b>1,946,817</b>	<b>Ps.</b>	<b>1,174,683</b>	<b>Ps.</b>	<b>5,262,232</b>	<b>Ps.</b>	<b>173,307</b>	<b>Ps.</b>	<b>8,557,039</b>

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

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

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

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The following tables show the reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument as of March 31, 2020.

**Loan portfolio**

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
<b>Loss allowance as of 31 December 2019</b>	Ps.	<b>1,853,138</b>	Ps.	<b>1,158,732</b>	Ps.	<b>5,173,927</b>	Ps.	<b>8,185,797</b>
Transfers:								
Transfer from stage 1 to stage 2		(191,973)		191,973		—		—
Transfer from stage 1 to stage 3		(31,881)		—		31,881		—
Transfer from stage 2 to stage 3		—		(384,959)		384,959		—
Transfer from stage 3 to stage 2		—		91,978		(91,978)		—
Transfer from stage 2 to stage 1		210,701		(210,701)		—		—
Transfer from stage 3 to stage 1		38,351		—		(38,351)		—
Net remeasurement of loss allowance		34,860		285,240		739,930		1,060,030
New financial assets originated or purchased		321,875		208,049		135,312		665,236
Financial assets that have been derecognized		(334,482)		(154,199)		(143,393)		(632,074)
Unwind of discount <sup>(1)</sup>		(115)		129		128,175		128,189
FX and other movements		112,529		139,927		131,700		384,156
Write-offs		(1,427)		(3,720)		(902,304)		(907,451)
<b>Loss allowance as of March 31, 2020</b>	Ps.	<b>2,011,576</b>	Ps.	<b>1,322,449</b>	Ps.	<b>5,549,858</b>	Ps.	<b>8,883,883</b>

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

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

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
<b>Total portfolio as of December 31, 2019</b>	Ps.	<b>164,206,688</b>	Ps.	<b>8,056,807</b>	Ps.	<b>9,864,619</b>	Ps.	<b>182,128,114</b>
Transfers:								
Transfer from stage 1 to stage 2		(4,182,501)		4,182,501		—		—
Transfer from stage 1 to stage 3		(382,143)		—		382,143		—
Transfer from stage 2 to stage 3		—		(1,802,549)		1,802,549		—
Transfer from stage 2 to stage 1		2,037,153		(2,037,153)		—		—
Transfer from stage 3 to stage 2		—		259,854		(259,854)		—
Transfer from stage 3 to stage 1		130,327		—		(130,327)		—
Increase in loan portfolio and borrowing costs		41,369,325		725,889		352,567		42,447,781
Decrease in loan portfolio and borrowing costs		(35,046,558)		(926,892)		(507,643)		(36,481,093)
Increase-decrease in interest		112,702		100,163		129,281		342,146
Increase-decrease in other receivables associated with loans		(457)		1,554		2,816		3,913
Write-offs		(1,427)		(3,720)		(902,304)		(907,451)
FX and other movements <sup>(*)</sup>		15,282,120		711,596		423,082		16,416,798
<b>Total portfolio as of March 31, 2020</b>	Ps.	<b>183,525,229</b>	Ps.	<b>9,268,050</b>	Ps.	<b>11,156,929</b>	Ps.	<b>203,950,208</b>

<sup>(\*)</sup> For the quarter of March 2020, the TRM presented a variation of Ps.777.40 per dollar

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**Repos, interbank loans portfolio**

		Stage 1		Stage 2		Stage 3		Total
		12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired		
<b>Loss allowance as of 31 December 2019</b>	Ps.	<b>81 Ps.</b>		<b>— Ps.</b>		<b>905 Ps.</b>		<b>986</b>
Transfer from stage 3 to stage 1		1		—		(1)		—
Net remeasurement of loss allowance		53		19		41		113
New financial assets originated or purchased		1,257		—		16		1,273
Financial assets that have been derecognized		(39)		—		(5)		(44)
Unwind of discount <sup>(1)</sup>		1		5		—		6
FX and other movements		—		—		(29)		(29)
Write—offs		—		—		—		—
<b>Loss allowance as of March 31, 2020</b>	Ps.	<b>1,354 Ps.</b>		<b>24 Ps.</b>		<b>927 Ps.</b>		<b>2,305</b>

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

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

		Stage 1		Stage 2		Stage 3		Total
		12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired		
<b>Total portfolio as of December 31, 2019</b>	Ps.	<b>2,717,983</b>	Ps.	<b>2</b>	Ps.	<b>976</b>	Ps.	<b>2,718,961</b>
Transfers:								
Transfer from stage 1 to stage 2		(126)		126		—		—
Transfer from stage 1 to stage 3		(2)		—		2		—
Transfer from stage 3 to stage 1		1		—		(1)		—
Increase in loan portfolio and borrowing costs		1,441,915		—		—		1,441,915
Decrease in loan portfolio and borrowing costs		(1,610,947)		—		—		(1,610,947)
Increase-decrease in interest		8,385		—		—		8,385
Increase-decrease in other receivables associated with loans		(316)		—		14		(302)
FX and other movements		724,213		—		—		724,213
<b>Total portfolio as of March 31, 2020</b>	Ps.	<b>3,281,106</b>	Ps.	<b>128</b>	Ps.	<b>991</b>	Ps.	<b>3,282,225</b>

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**Commercial loan and leasing portfolio**

		Stage 1		Stage 2		Stage 3		Total
		12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired		
<b>Loss allowance as of 31 December 2019</b>	Ps.	<b>692,037</b>	Ps.	<b>213,103</b>	Ps.	<b>3,283,248</b>	Ps.	<b>4,188,388</b>
Transfers:								
Transfer from stage 1 to stage 2		(16,706)		16,706		—		—
Transfer from stage 1 to stage 3		(6,166)		—		6,166		—
Transfer from stage 2 to stage 3		—		(34,327)		34,327		—
Transfer from stage 3 to stage 2		—		10,410		(10,410)		—
Transfer from stage 2 to stage 1		19,722		(19,722)		—		—
Transfer from stage 3 to stage 1		6,099		—		(6,099)		—
Net remeasurement of loss allowance		(27,336)		65,866		318,686		357,216
New financial assets originated or purchased		155,771		29,293		40,169		225,233
Financial assets that have been derecognized		(111,790)		(29,734)		(58,083)		(199,607)
Unwind of discount <sup>(1)</sup>		(116)		121		94,052		94,057
FX and other movements		34,490		21,375		37,186		93,051
Write—offs		(122)		(119)		(158,575)		(158,816)
<b>Loss allowance as of March 31, 2020</b>	Ps.	<b>745,883</b>	Ps.	<b>272,972</b>	Ps.	<b>3,580,667</b>	Ps.	<b>4,599,522</b>

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

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

		Stage 1		Stage 2		Stage 3		Total
		12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired		
<b>Total portfolio as of December 31, 2019</b>	Ps.	<b>89,337,399</b>	Ps.	<b>2,767,147</b>	Ps.	<b>6,832,153</b>	Ps.	<b>98,936,699</b>
Transfers:								
Transfer from stage 1 to stage 2		(1,354,560)		1,354,560		—		—
Transfer from stage 1 to stage 3		(264,651)		—		264,651		—
Transfer from stage 2 to stage 3		—		(807,417)		807,417		—
Transfer from stage 2 to stage 1		489,317		(489,317)		—		—
Transfer from stage 3 to stage 2		—		59,511		(59,511)		—
Transfer from stage 3 to stage 1		38,419		—		(38,419)		—
Increase in loan portfolio and borrowing costs		24,987,197		340,518		159,490		25,487,205
Decrease in loan portfolio and borrowing costs		(20,445,459)		(463,052)		(290,731)		(21,199,242)
Increase-decrease in interest		3,587		65,363		124,469		193,419
Increase-decrease in other receivables associated with loans		(5,402)		343		1,943		(3,116)
Write-offs		(122)		(119)		(158,575)		(158,816)
FX and other movements		8,095,304		235,059		244,138		8,574,501
<b>Total portfolio as of March 31, 2020</b>	Ps.	<b>100,881,029</b>	Ps.	<b>3,062,596</b>	Ps.	<b>7,887,025</b>	Ps.	<b>111,830,650</b>

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**Consumer loan and leasing portfolio**

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
<b>Loss allowance as of 31 December 2019</b>	<b>Ps.</b>	<b>1,077,840</b>	<b>Ps.</b>	<b>853,414</b>	<b>Ps.</b>	<b>1,623,786</b>	<b>Ps.</b>	<b>3,555,040</b>
Transfers:								
Transfer from stage 1 to stage 2		(168,098)		168,098		—		—
Transfer from stage 1 to stage 3		(24,828)		—		24,828		—
Transfer from stage 2 to stage 3		—		(330,456)		330,456		—
Transfer from stage 3 to stage 2		—		72,187		(72,187)		—
Transfer from stage 2 to stage 1		174,798		(174,798)		—		—
Transfer from stage 3 to stage 1		20,556		—		(20,556)		—
Net remeasurement of loss allowance		57,438		188,366		372,179		617,983
New financial assets originated or purchased		157,505		177,639		93,178		428,322
Financial assets that have been derecognized		(203,307)		(115,616)		(73,019)		(391,942)
Unwind of discount <sup>(1)</sup>		—		3		28,644		28,647
FX and other movements		73,711		104,413		77,111		255,235
Write—offs		(1,233)		(3,532)		(705,036)		(709,801)
<b>Loss allowance as of March 31, 2020</b>	<b>Ps.</b>	<b>1,164,382</b>	<b>Ps.</b>	<b>939,718</b>	<b>Ps.</b>	<b>1,679,384</b>	<b>Ps.</b>	<b>3,783,484</b>

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

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

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
<b>Total portfolio as of December 31, 2019</b>	<b>Ps.</b>	<b>53,555,487</b>	<b>Ps.</b>	<b>3,907,448</b>	<b>Ps.</b>	<b>2,377,516</b>	<b>Ps.</b>	<b>59,840,451</b>
Transfers:								
Transfer from stage 1 to stage 2		(2,282,245)		2,282,245		—		—
Transfer from stage 1 to stage 3		(108,326)		—		108,326		—
Transfer from stage 2 to stage 3		—		(846,628)		846,628		—
Transfer from stage 2 to stage 1		1,166,912		(1,166,912)		—		—
Transfer from stage 3 to stage 2		—		160,957		(160,957)		—
Transfer from stage 3 to stage 1		56,323		—		(56,323)		—
Increase in loan portfolio and borrowing costs		13,688,493		357,622		125,984		14,172,099
Decrease in loan portfolio and borrowing costs		(12,214,319)		(422,068)		(165,924)		(12,802,311)
Increase-decrease in interest		78,939		30,237		2,001		111,177
Increase-decrease in other receivables associated with loans		4,670		1,115		682		6,467
Write-offs		(1,233)		(3,532)		(705,036)		(709,801)
FX and other movements		4,196,302		247,002		144,220		4,587,524
<b>Total portfolio as of March 31, 2020</b>	<b>Ps.</b>	<b>58,141,003</b>	<b>Ps.</b>	<b>4,547,486</b>	<b>Ps.</b>	<b>2,517,117</b>	<b>Ps.</b>	<b>65,205,606</b>

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**Mortgage loan and leasing portfolio**

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired		
<b>Loss allowance as of 31 December 2019</b>	Ps.	<b>58,386</b>	Ps.	<b>80,296</b>	Ps.	<b>212,876</b>	Ps. <b>351,558</b>
Transfers:							
Transfer from stage 1 to stage 2		(5,401)		5,401		—	—
Transfer from stage 1 to stage 3		(120)		—		120	—
Transfer from stage 2 to stage 3		—		(14,167)		14,167	—
Transfer from stage 3 to stage 2		—		8,993		(8,993)	—
Transfer from stage 2 to stage 1		15,464		(15,464)		—	—
Transfer from stage 3 to stage 1		11,600		—		(11,600)	—
Net remeasurement of loss allowance		2,654		29,238		44,631	76,523
New financial assets originated or purchased		3,144		1,110		1,947	6,201
Financial assets that have been derecognized		(17,846)		(8,632)		(12,193)	(38,671)
Unwind of discount <sup>(1)</sup>		—		—		2,517	2,517
FX and other movements		4,328		14,139		17,432	35,899
Write-offs		(58)		(40)		(27,439)	(27,537)
<b>Loss allowance as of March 31, 2020</b>	Ps.	<b>72,151</b>	Ps.	<b>100,874</b>	Ps.	<b>233,465</b>	Ps. <b>406,490</b>

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

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

	Stage 1		Stage 2		Stage 3		Total
	12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired		
<b>Total portfolio as of December 31, 2019</b>	Ps.	<b>18,265,897</b>	Ps.	<b>1,357,409</b>	Ps.	<b>598,377</b>	Ps. <b>20,221,683</b>
Transfers:							
Transfer from stage 1 to stage 2		(535,491)		535,491		—	—
Transfer from stage 1 to stage 3		(5,544)		—		5,544	—
Transfer from stage 2 to stage 3		—		(136,477)		136,477	—
Transfer from stage 2 to stage 1		377,532		(377,532)		—	—
Transfer from stage 3 to stage 2		—		38,317		(38,317)	—
Transfer from stage 3 to stage 1		35,170		—		(35,170)	—
Increase in loan portfolio and borrowing costs		1,185,261		27,334		57,132	1,269,727
Decrease in loan portfolio and borrowing costs		(713,285)		(40,160)		(40,273)	(793,718)
Increase-decrease in interest		20,038		4,144		2,589	26,771
Increase-decrease in other receivables associated with loans		591		96		177	864
Write-offs		(58)		(40)		(27,439)	(27,537)
FX and other movements		2,266,301		229,535		34,724	2,530,560
<b>Total portfolio as of March 31, 2020</b>	Ps.	<b>20,896,412</b>	Ps.	<b>1,638,117</b>	Ps.	<b>693,821</b>	Ps. <b>23,228,350</b>

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**Microcredit loan portfolio**

	Stage 1		Stage 2		Stage 3		
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total
<b>Loss allowance as of 31 December 2019</b>	Ps.	<b>24,794</b>	Ps.	<b>11,919</b>	Ps.	<b>53,112</b>	Ps. <b>89,825</b>
Transfers:							
Transfer from stage 1 to stage 2		(1,768)		1,768		—	—
Transfer from stage 1 to stage 3		(767)		—		767	—
Transfer from stage 2 to stage 3		—		(6,009)		6,009	—
Transfer from stage 3 to stage 2		—		388		(388)	—
Transfer from stage 2 to stage 1		717		(717)		—	—
Transfer from stage 3 to stage 1		95		—		(95)	—
Net remeasurement of loss allowance		2,051		1,751		4,393	8,195
New financial assets originated or purchased		4,198		7		2	4,207
Financial assets that have been derecognized		(1,500)		(217)		(93)	(1,810)
Unwind of discount <sup>(1)</sup>		—		—		2,962	2,962
FX and other movements		—		—		—	—
Write—offs		(14)		(29)		(11,254)	(11,297)
<b>Loss allowance as of March 31, 2020</b>	Ps.	<b>27,806</b>	Ps.	<b>8,861</b>	Ps.	<b>55,415</b>	Ps. <b>92,082</b>

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

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

	Stage 1		Stage 2		Stage 3		
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total
<b>Total portfolio as of December 31, 2019</b>	Ps.	<b>329,922</b>	Ps.	<b>24,801</b>	Ps.	<b>55,597</b>	Ps. <b>410,320</b>
Transfers:							
Transfer from stage 1 to stage 2		(10,079)		10,079		—	—
Transfer from stage 1 to stage 3		(3,620)		—		3,620	—
Transfer from stage 2 to stage 3		—		(12,027)		12,027	—
Transfer from stage 2 to stage 1		3,392		(3,392)		—	—
Transfer from stage 3 to stage 2		—		1,069		(1,069)	—
Transfer from stage 3 to stage 1		414		—		(414)	—
Increase in loan portfolio and borrowing costs		66,459		415		9,961	76,835
Decrease in loan portfolio and borrowing costs		(62,548)		(1,612)		(10,715)	(74,875)
Increase-decrease in interest		1,753		419		222	2,394
Increase-decrease in other receivables associated with loans		—		—		—	—
Write-offs		(14)		(29)		(11,254)	(11,297)
FX and other movements		—		—		—	—
<b>Total portfolio as of March 31, 2020</b>	Ps.	<b>325,679</b>	Ps.	<b>19,723</b>	Ps.	<b>57,975</b>	Ps. <b>403,377</b>

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**Investments in debt securities at FVOCI**

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired			
<b>Loss allowance as of 31 December 2019</b>	<b>Ps.</b>	<b>34,080</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>34,080</b>
Transfers:								
Transfer from stage 1 to stage 2		—		—		—		—
Net remeasurement of loss allowance		(1,190)		—		—		(1,190)
New financial assets originated or purchased		17,642		—		—		17,642
Financial assets that have been derecognized		(1,637)		—		—		(1,637)
Unwind of discount <sup>(1)</sup>		—		—		—		—
FX and other movements		7,848		—		—		7,848
<b>Loss allowance as of March 31, 2020</b>	<b>Ps.</b>	<b>56,743</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>56,743</b>

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

**Investments in debt securities at amortized cost**

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit- impaired		Lifetime ECL credit- impaired			
<b>Loss allowance as of 31 December 2019</b>	<b>Ps.</b>	<b>737</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>737</b>
Transfers:								
Transfer from stage 1 to stage 2		—		—		—		—
Net remeasurement of loss allowance		(295)		—		—		(295)
New financial assets originated or purchased		388		—		—		388
Financial assets that have been derecognized		(91)		—		—		(91)
Unwind of discount <sup>(1)</sup>		—		—		—		—
FX and other movements		320		—		—		320
<b>Loss allowance as of March 31, 2020</b>	<b>Ps.</b>	<b>1,059</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>—</b>	<b>Ps.</b>	<b>1,059</b>

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

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**Other accounts receivable**

	Stage 1		Stage 2		Stage 3		Simplified Approach	Total		
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired					
<b>Loss allowance as of 31 December 2019</b>	Ps.	<b>13,353</b>	Ps.	<b>13,006</b>	Ps.	<b>86,797</b>	Ps.	<b>173,307</b>	Ps.	<b>286,463</b>
Transfers stages		—		—		—		—		—
Net remeasurement of loss allowance		385		658		7,134		9,030		17,207
New financial assets originated or purchased		—		—		—		—		—
Financial assets that have been derecognized		—		—		—		—		—
Unwind of discount <sup>(1)</sup>		—		—		—		—		—
FX and other movements		122		84		241		3,901		4,348
Write—offs		(31)		—		(858)		(898)		(1,787)
<b>Loss allowance as of March 31, 2020</b>	Ps.	<b>13,829</b>	Ps.	<b>13,748</b>	Ps.	<b>93,314</b>	Ps.	<b>185,340</b>	Ps.	<b>306,231</b>

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

**Loan commitments and financial guarantee contracts**

	Stage 1		Stage 2		Stage 3		Total	
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired			
<b>Loss allowance as of 31 December 2019</b>	Ps.	<b>45,509</b>	Ps.	<b>2,945</b>	Ps.	<b>1,508</b>	Ps.	<b>49,962</b>
Transfers:								
Transfer from Stage 1 to Stage 2				(721)		721		—
Transfer from Stage 1 to Stage 3				(104)		—		104
Transfer from Stage 2 to Stage 3				—		(245)		245
Transfer from Stage 3 to Stage 2				—		2		(2)
Transfer from Stage 2 to Stage 1				863		(863)		—
Transfer from Stage 3 to Stage 1				1		—		(1)
Net remeasurement of loss allowance				(4,155)		2,033		(188)
New loan commitments and financial guarantees issued				8,757		673		16
FX and other movements				304		8		156
<b>Loss allowance as of March 31, 2020</b>	Ps.	<b>50,454</b>	Ps.	<b>5,274</b>	Ps.	<b>1,838</b>	Ps.	<b>57,566</b>

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The following tables show the reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument as of March 31, 2019.

**Loan portfolio**

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
<b>Loss allowance as of 31 December 2018</b>	Ps. <b>695,728</b>	Ps. <b>190,633</b>	Ps. <b>3,051,088</b>	Ps. <b>3,937,449</b>
Transfers:				
Transfer from stage 1 to stage 2	(13,381)	13,381	—	—
Transfer from stage 1 to stage 3	(10,739)	—	10,739	—
Transfer from stage 2 to stage 3	—	(36,151)	36,151	—
Transfer from stage 3 to stage 2	—	8,591	(8,591)	—
Transfer from stage 2 to stage 1	13,653	(13,653)	—	—
Transfer from stage 3 to stage 1	19,753	—	(19,753)	—
Net remeasurement of loss allowance	(61,221)	34,985	243,216	216,980
New financial assets originated or purchased	64,441	1,033	13,111	78,585
Financial assets that have been derecognized	(70,927)	(15,253)	(46,197)	(132,377)
Unwind of discount <sup>(1)</sup>	112	2,563	95,787	98,462
FX and other movements	(1,102)	—	(8,119)	(9,221)
Write—offs	(323)	(20)	(317,995)	(318,338)
<b>Loss allowance as of March 31, 2019</b>	Ps. <b>635,994</b>	Ps. <b>186,109</b>	Ps. <b>3,049,437</b>	Ps. <b>3,871,540</b>

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

**Commercial loan portfolio**

	Stage 1 12- month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
<b>Loss allowance as of 31 December 2018</b>	Ps. <b>695,728</b>	Ps. <b>190,633</b>	Ps. <b>3,051,088</b>	Ps. <b>3,937,449</b>
Transfers:				
Transfer from stage 1 to stage 2	(13,381)	13,381	—	—
Transfer from stage 1 to stage 3	(10,739)	—	10,739	—
Transfer from stage 2 to stage 3	—	(36,151)	36,151	—
Transfer from stage 3 to stage 2	—	8,591	(8,591)	—
Transfer from stage 2 to stage 1	13,653	(13,653)	—	—
Transfer from stage 3 to stage 1	19,753	—	(19,753)	—
Net remeasurement of loss allowance	(61,221)	34,985	243,216	216,980
New financial assets originated or purchased	64,441	1,033	13,111	78,585
Financial assets that have been derecognized	(70,927)	(15,253)	(46,197)	(132,377)
Unwind of discount <sup>(1)</sup>	112	2,563	95,787	98,462
FX and other movements	(1,102)	—	(8,119)	(9,221)
Write—offs	(323)	(20)	(317,995)	(318,338)
<b>Loss allowance as of March 31, 2019</b>	Ps. <b>635,994</b>	Ps. <b>186,109</b>	Ps. <b>3,049,437</b>	Ps. <b>3,871,540</b>

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

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**Consumer loan portfolio**

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
<b>Loss allowance as of 31 December 2018</b>	Ps. <b>998,390</b>	Ps. <b>890,556</b>	Ps. <b>1,553,365</b>	Ps. <b>3,442,311</b>
Transfers:				
Transfer from stage 1 to stage 2	(121,994)	121,994	—	—
Transfer from stage 1 to stage 3	(25,683)	—	25,683	—
Transfer from stage 2 to stage 3	—	(260,291)	260,291	—
Transfer from stage 3 to stage 2	—	46,842	(46,842)	—
Transfer from stage 2 to stage 1	127,139	(127,139)	—	—
Transfer from stage 3 to stage 1	50,374	—	(50,374)	—
Net remeasurement of loss allowance	(41,729)	263,148	503,649	725,068
New financial assets originated or purchased	50,825	9,984	13,952	74,761
Financial assets that have been derecognized	(34,973)	(18,907)	(45,767)	(99,647)
Unwind of discount <sup>(1)</sup>	566	475	9,796	10,837
FX and other movements	(1)	—	(19,033)	(19,034)
Write—offs	(890)	(1,025)	(657,680)	(659,595)
<b>Loss allowance as of March 31, 2019</b>	Ps. <b>1,002,024</b>	Ps. <b>925,637</b>	Ps. <b>1,547,040</b>	Ps. <b>3,474,701</b>

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

**Mortgage loan portfolio**

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
<b>Loss allowance as of 31 December 2018</b>	Ps. <b>35,187</b>	Ps. <b>73,461</b>	Ps. <b>148,595</b>	Ps. <b>257,243</b>
Transfers:				
Transfer from stage 1 to stage 2	(3,838)	3,838	—	—
Transfer from stage 1 to stage 3	(69)	—	69	—
Transfer from stage 2 to stage 3	—	(8,891)	8,891	—
Transfer from stage 3 to stage 2	—	4,174	(4,174)	—
Transfer from stage 2 to stage 1	7,598	(7,598)	—	—
Transfer from stage 3 to stage 1	2,012	—	(2,012)	—
Net remeasurement of loss allowance	(5,359)	13,489	23,168	31,298
New financial assets originated or purchased	1,413	49	—	1,462
Financial assets that have been derecognized	(431)	(981)	(1,317)	(2,729)
Unwind of discount <sup>(1)</sup>	—	—	1,027	1,027
FX and other movements	—	—	(3,595)	(3,595)
Write—offs	(192)	(12)	(12,952)	(13,156)
<b>Loss allowance as of March 31, 2019</b>	Ps. <b>36,321</b>	Ps. <b>77,529</b>	Ps. <b>157,700</b>	Ps. <b>271,550</b>

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

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**Microcredit loan portfolio**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>ECL</b>	<b>ECL not</b>	<b>ECL</b>	
		<b>credit-</b>	<b>credit-</b>	
		<b>impaired</b>	<b>impaired</b>	
<b>Loss allowance as of 31 December 2018</b>	<b>Ps. 23,348</b>	<b>Ps. 11,962</b>	<b>Ps. 52,867</b>	<b>Ps. 88,177</b>
Transfers:				
Transfer from stage 1 to stage 2	(2,164)	2,164	—	—
Transfer from stage 1 to stage 3	(775)	—	775	—
Transfer from stage 2 to stage 3	—	(6,077)	6,077	—
Transfer from stage 3 to stage 2	—	710	(710)	—
Transfer from stage 2 to stage 1	1,758	(1,758)	—	—
Transfer from stage 3 to stage 1	348	—	(348)	—
Net remeasurement of loss allowance	1,621	4,543	5,901	12,065
New financial assets originated or purchased	1	—	—	1
Financial assets that have been derecognized	(215)	(32)	(28)	(275)
Unwind of discount <sup>(1)</sup>	—	—	2,287	2,287
FX and other movements	—	—	—	—
Write—offs	(51)	(6)	(17,622)	(17,679)
<b>Loss allowance as of March 31, 2019</b>	<b>Ps. 23,871</b>	<b>Ps. 11,506</b>	<b>Ps. 49,199</b>	<b>Ps. 84,576</b>

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

**Leasing loan portfolio**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>ECL</b>	<b>ECL not</b>	<b>ECL</b>	
		<b>credit-</b>	<b>credit-</b>	
		<b>impaired</b>	<b>impaired</b>	
<b>Loss allowance as of 31 December 2018</b>	<b>Ps. 72,221</b>	<b>Ps. 30,434</b>	<b>Ps. 368,352</b>	<b>Ps. 471,007</b>
Transfers:				
Transfer from stage 1 to stage 2	(2,075)	2,075	—	—
Transfer from stage 1 to stage 3	(8,525)	—	8,525	—
Transfer from stage 2 to stage 3	—	(4,277)	4,277	—
Transfer from stage 3 to stage 2	—	2,330	(2,330)	—
Transfer from stage 2 to stage 1	4,674	(4,674)	—	—
Transfer from stage 3 to stage 1	7,290	—	(7,290)	—
Net remeasurement of loss allowance	(4,684)	10,970	34,541	40,827
New financial assets originated or purchased	5,893	262	554	6,709
Financial assets that have been derecognized	(2,114)	(1,739)	(28,886)	(32,739)
Unwind of discount <sup>(1)</sup>	—	—	6,679	6,679
FX and other movements	(21)	—	(510)	(531)
Write—offs	—	—	(25,270)	(25,270)
<b>Loss allowance as of March 31, 2019</b>	<b>Ps. 72,659</b>	<b>Ps. 35,381</b>	<b>Ps. 358,642</b>	<b>Ps. 466,682</b>

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

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**Investments in debt securities at FVOCI**

	Stage 1		Stage 2		Stage 3		
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total
<b>Loss allowance as of 31 December 2018</b>	Ps.	<b>20,757</b>	Ps.	<b>31,980</b>	Ps.	<b>46,280</b>	Ps. <b>99,017</b>
Transfers:							
Transfer from stage 1 to stage 2		—		—		—	—
Net remeasurement of loss allowance		(1,572)		(3,908)		(55)	(5,535)
New financial assets originated or purchased		9,765		—		—	9,765
Financial assets that have been derecognized		(519)		(445)		(25,102)	(26,066)
Unwind of discount <sup>(1)</sup>		—		—		—	—
FX and other movements		(909)		(744)		(1,414)	(3,067)
<b>Loss allowance as of March 31, 2019</b>	Ps.	<b>27,522</b>	Ps.	<b>26,883</b>	Ps.	<b>19,709</b>	Ps. <b>74,114</b>

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

**Investments in debt securities at amortized cost**

	Stage 1		Stage 2		Stage 3		
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total
<b>Loss allowance as of 31 December 2018</b>	Ps.	<b>71</b>	Ps.	<b>—</b>	Ps.	<b>—</b>	Ps. <b>71</b>
Transfers:							
Transfer from stage 1 to stage 2		—		—		—	—
Net remeasurement of loss allowance		(29)		—		—	(29)
New financial assets originated or purchased		22		—		—	22
Financial assets that have been derecognized		(5)		—		—	(5)
Unwind of discount <sup>(1)</sup>		—		—		—	—
FX and other movements		6		—		—	6
<b>Loss allowance as of March 31, 2019</b>	Ps.	<b>65</b>	Ps.	<b>—</b>	Ps.	<b>—</b>	Ps. <b>65</b>

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

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**Other accounts receivable**

		Stage 1 12-month ECL		Stage 2 Lifetime ECL not credit- impaired		Stage 3 Lifetime ECL credit- impaired		Simplified Approach		Total
<b>Loss allowance as of 31 December 2018</b>	Ps.	<b>19,700</b>	Ps.	<b>11,561</b>	Ps.	<b>66,327</b>	Ps.	<b>159,303</b>	Ps.	<b>256,891</b>
Transfers stages		(19,176)		(754)		19,930		—		—
Net remeasurement of loss allowance		816		455		5,360		13,461		20,092
New financial assets originated or purchased		—		—		—		—		—
Financial assets that have been derecognized		—		—		—		—		—
Unwind of discount (1)		—		—		—		—		—
FX and other movements		—		—		—		(390)		(390)
Approach change		8,996		(1,421)		(10,170)		2,595		—
Write—offs		(298)		—		(3,947)		(9,751)		(13,996)
<b>Loss allowance as of March 31, 2019</b>	Ps.	<b>10,038</b>	Ps.	<b>9,841</b>	Ps.	<b>77,500</b>	Ps.	<b>165,218</b>	Ps.	<b>262,597</b>

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

**Loan commitments and financial guarantee contracts**

		Stage 1 12- month ECL		Stage 2 Lifetime ECL not credit- impaired		Stage 3 Lifetime ECL credit- impaired		Total
<b>Loss allowance as of 31 December 2018</b>	Ps.	<b>40,715</b>	Ps.	<b>14,358</b>	Ps.	<b>4,355</b>	Ps.	<b>59,428</b>
Transfers:								
Transfer from Stage 1 to Stage 2		(616)		616		—		—
Transfer from Stage 1 to Stage 3		(109)		—		109		—
Transfer from Stage 2 to Stage 3		—		(284)		284		—
Transfer from Stage 3 to Stage 2		—		34		(34)		—
Transfer from Stage 2 to Stage 1		3,059		(3,059)		—		—
Transfer from Stage 3 to Stage 1		14		—		(14)		—
Net remeasurement of loss allowance		(4,927)		478		(534)		(4,983)
New loan commitments and financial guarantees issued		608		315		55		978
FX and other movements		(65)		—		8		(57)
<b>Loss allowance as of March 31, 2019</b>	Ps.	<b>38,679</b>	Ps.	<b>12,458</b>	Ps.	<b>4,229</b>	Ps.	<b>55,366</b>

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**g) Credit Commitments**

Following is the detail of the guarantees, letters of credit and credit commitments on non-used credit lines as of March 31, 2020 and December 31, 2019:

**Credit lines commitments not used**

	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
	<b>Notional amount</b>		<b>Notional amount</b>	
Guarantees	Ps.	3,783,053	Ps.	3,341,641
Unused letters of credit		2,450,109		1,133,385
Unused limits of overdrafts		53,812		67,126
Unused credit card limits		26,636,339		23,125,249
Other		4,762,469		4,487,203
<b>Total</b>	<b>Ps.</b>	<b>37,685,782</b>	<b>Ps.</b>	<b>32,154,604</b>

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

	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
Colombian Pesos	Ps.	15,836,944	Ps.	14,914,209
U.S. dollars		17,688,803		13,750,968
Euro		3,773,722		3,292,845
Other		386,313		196,582
<b>Total</b>	<b>Ps.</b>	<b>37,685,782</b>	<b>Ps.</b>	<b>32,154,604</b>

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**NOTE 5 – HEDGE ACCOUNTING**

In accordance with its risk management policies, Grupo Aval uses hedge accounting to manage foreign exchange risk relating to investments in foreign operations and in forecasted transactions of its subsidiary Promigas, as follows:

**Hedges of net investment in foreign operations**

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

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

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

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

Date	Value of USD 1	Three-month variation in pesos
March 31, 2020	4,054.54	777.40
December 31, 2019	3,277.14	102.35
March 31, 2019	3,174.79	190.79

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

Detail of investment	Translation adjustment of the investments	Exchange difference of financial liabilities	Exchange difference in forward contracts	Net OCI account
Leasing Bogotá Panamá	Ps. 3,520,718	Ps. (1,606,962)	Ps. (1,901,493)	Ps. 12,263
Other subsidiaries and branches Banco de Bogotá	109,362	—	(109,383)	(21)
Occidental Bank Barbados	19,904	(19,904)	—	—
Banco de Occidente (Panamá)	23,623	(23,623)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	84,966	(84,966)	—	—
Gases del Pacífico S.A.C.	656	5,238	—	5,894
Gas Natural de Lima y Callao S.A.C. – Calidda	37,043	(37,043)	—	—
Gases del Norte del Perú S.A.C.	563	(563)	—	—
<b>Total</b>	<b>Ps. 3,796,835</b>	<b>Ps. (1,767,823)</b>	<b>Ps. (2,010,876)</b>	<b>Ps. 18,136</b>

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

**March 31, 2020**

Detail of investment	Thousands of USD			Ps. millions			Net OCI account
	Investment amount	Amount of hedge by financial liabilities in foreign currency	Amount of hedge by forward contracts	Cumulative translation adjustment of the investments	Exchange difference of financial liabilities (1)	Exchange difference in forward contracts	
Leasing Bogotá Panamá	4,510,026	(2,067,100)	(2,443,374) Ps.	7,751,655 Ps.	(3,258,785) Ps.	(4,617,707) Ps.	(124,837)
Other subsidiaries and branches Banco de Bogotá (2)	126,367	—	(131,418)	238,978	—	(236,716)	2,262
Occidental Bank Barbados	23,895	(23,895)	—	45,652	(45,652)	—	—
Banco de Occidente (Panamá)	26,703	(26,703)	—	60,999	(60,999)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	26,214	(26,214)	—	94,298	(94,298)	—	—
Gases del Pacífico S.A.C.	2,500	(2,500)	—	2,958	1,748	—	4,706
Gas Natural de Lima y Callao S.A.C. – Calidda							
Gases del Norte del Perú S.A.C.	1,094	(1,094)	—	563	(563)	—	—
<b>Total</b>	<b>4,716,799</b>	<b>(2,147,506)</b>	<b>(2,574,792) Ps.</b>	<b>8,195,103 Ps.</b>	<b>(3,458,549) Ps.</b>	<b>(4,854,423) Ps.</b>	<b>(117,869)</b>

**December 31, 2019**

Detail of investment	Thousands of USD			Ps. millions			Net OCI account
	Investment amount	Amount of hedge by financial liabilities in foreign currency	Amount of hedge by forward contracts	Cumulative translation adjustment of the investments	Exchange difference of financial liabilities (1)	Exchange difference in forward contracts	
Leasing Bogotá Panamá	4,475,304	(2,067,100)	(2,391,651) Ps.	4,230,937 Ps.	(1,651,823) Ps.	(2,716,214) Ps.	(137,100)
Other subsidiaries and branches Banco de Bogotá (2)	139,662	—	(137,752)	129,616	—	(127,333)	2,283
Occidental Bank Barbados	31,027	(31,027)	—	25,748	(25,748)	—	—
Banco de Occidente (Panamá)	38,924	(38,924)	—	37,376	(37,376)	—	—
Sociedad Portuaria El Cayao S.A. E.S.P.	26,214	(26,214)	—	9,332	(9,332)	—	—
Gases del Pacífico S.A.C.	2,500	(2,500)	—	2,302	(3,490)	—	(1,188)
Gas Natural de Lima y Callao S.A.C. – Calidda	131,606	(131,606)	—	(3,977)	3,977	—	—
<b>Total</b>	<b>4,845,237</b>	<b>(2,297,371)</b>	<b>(2,529,403) Ps.</b>	<b>4,431,334 Ps.</b>	<b>(1,723,792) Ps.</b>	<b>(2,843,547) Ps.</b>	<b>(136,005)</b>

(1) Includes exchange difference hedged

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

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**a) Hedging of foreign exchange**

Banco de Bogotá designated financial liabilities as hedging instruments on December 21, 2015 these included an intra-group liability amounting to US\$ 500 million that Banco de Bogotá had as a hedging instrument of its investment in Leasing Bogotá Panamá. This operation was eliminated in the consolidation process of Grupo Aval and was excluded of the foreign investment hedge accounting. Starting May 1st and up to November 2nd, 2016 Grupo Aval designated financial assets in foreign debt securities amounting to US\$ 500 million as cash flow hedge, the foreign exchange differences of this intra-group liability were not eliminated in the consolidation process and recorded in Other Comprehensive Income in the amount of Ps. 73,708. This value would be realized in the future as income only when the investment in Leasing Bogotá Panamá is sold. On November 2nd, 2016 Banco de Bogotá cancelled the intragroup liability amounting to US\$ 500 million which was replaced in the foreign investment hedge accounting with other obligations in foreign currency with third parties.

**b) Hedging of forecasted transactions**

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

**c) Testing of hedge effectiveness**

Grupo Aval considers hedging as highly effective if at the beginning and in subsequent periods, the hedging is highly effective at offsetting changes in fair value or in cash flows attributable to the risk hedged during the period for which the hedging has been designated. The hedging is considered as such if the effectiveness of the hedging is in a range between 80% and 125%. Such effectiveness is assessed by Grupo Aval 's entities at least quarterly and at the end of each accounting period.

According to this, each hedging was effective at March 31, 2020 and December 31, 2019.

**NOTE 6 – TANGIBLE ASSETS**

The movement of the carrying value amounts of tangible assets for the years ended on March 31, 2020, and December 31, 2019 is as follows:

<b>Property, plant and equipment</b>		<b>March 31, 2020</b>	<b>December 31, 2019</b>
Properties, plant and equipment for own use	Ps.	5,886,337 Ps.	5,783,234
Right-of-use assets		2,379,772	2,125,558
Investment properties		909,283	928,566
Biological Assets		108,382	104,857
Properties, plant and equipment given in operating lease		11,679	8,196
<b>Total</b>	<b>Ps.</b>	<b>9,295,453 Ps.</b>	<b>8,950,411</b>

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**NOTE 7 – GOODWILL**

The following is the roll-forward of goodwill balances during the period ended March 31, 2020 and December 31, 2019:

		<u>March 31, 2020</u>		<u>December 31, 2019</u>
<b>Balance at the beginning of the period</b>	Ps.	7,348,587	Ps.	7,318,594
Impairment charge		—		(13,041)
Effect of movements in exchange rates		1,222,958		43,034
<b>Balance at the end of the period</b>	Ps.	<u>8,571,545</u>	Ps.	<u>7,348,587</u>

**NOTE 8 – CONCESSIONS**

The following are the balances for Grupo Aval for concession contracts for quarter ended March 31, 2020 and December 31, 2019:

		<u>Gas and energy</u>		<u>Infrastructure</u>		<u>Total</u>
<b>Cost</b>						
<b>At December 31, 2018</b>	Ps.	3,033,014	Ps.	3,732,759	Ps.	6,765,773
Additions		99,343		377,716		477,059
Reclassification to PPE		—		—		—
Withdrawals		(21)		—		(21)
Effect of movements in exchange rates		(9,612)		—		(9,612)
<b>At March 31, 2019</b>	Ps.	<u>3,122,724</u>	Ps.	<u>4,110,475</u>	Ps.	<u>7,233,199</u>
<b>Accumulated Amortization</b>						
<b>At December 31, 2018</b>	Ps.	<u>(501,737)</u>	Ps.	<u>(749,555)</u>	Ps.	<u>(1,251,292)</u>
Amortization of the period		(35,806)		(50,353)		(86,159)
Reclassification to PPE		—		—		—
Withdrawals		—		(21,884)		(21,884)
Effect of movements in exchange rates		466		—		466
<b>At March 31, 2019</b>	Ps.	<u>(537,077)</u>	Ps.	<u>(821,792)</u>	Ps.	<u>(1,358,869)</u>
<b>Total Intangible Assets</b>						
<b>At December 31, 2018</b>	Ps.	<u>2,531,277</u>	Ps.	<u>2,983,204</u>	Ps.	<u>5,514,481</u>
Cost		89,710		377,716		467,426
Amortization		(35,340)		(72,237)		(107,577)
<b>At March 31, 2019</b>	Ps.	<u>2,585,647</u>	Ps.	<u>3,288,683</u>	Ps.	<u>5,874,330</u>
<b>Cost</b>						
<b>At December 31, 2019</b>	Ps.	<u>3,785,538</u>	Ps.	<u>4,494,254</u>	Ps.	<u>8,279,792</u>
Additions		128,775		319,617		448,392
Reclassification to PPE		127		—		127
Traslate to non-current assets held for sale		(769)		—		(769)
Withdrawals		(554)		—		(554)
Effect of movements in exchange rates		153,796		—		153,796
<b>At March 31, 2020</b>	Ps.	<u>4,066,913</u>	Ps.	<u>4,813,871</u>	Ps.	<u>8,880,784</u>
<b>Accumulated Amortization</b>						
<b>At December 31, 2019</b>	Ps.	<u>(639,727)</u>	Ps.	<u>(116,545)</u>	Ps.	<u>(756,272)</u>
Amortization of the period		(41,671)		(3,666)		(45,337)
Reclassification to PPE		—		—		—

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	Gas and energy	Infrastructure	Total
Traslate to non-current assets held for sale	148	—	148
Withdrawals	52	—	52
Effect of movements in exchange rates	(8,825)	—	(8,825)
<b>At March 31, 2020</b>	<b>Ps. (690,023)</b>	<b>Ps. (120,211)</b>	<b>Ps. (810,234)</b>
<b>Impairment losses</b>			
<b>At December 31, 2019</b>	<b>Ps. —</b>	<b>Ps. (2,032)</b>	<b>Ps. (2,032)</b>
Impairment charge	—	(162)	(162)
<b>At March 31, 2020</b>	<b>Ps. —</b>	<b>Ps. (2,194)</b>	<b>Ps. (2,194)</b>
<b>Total Intangible Assets</b>			
<b>At December 31, 2019</b>	<b>Ps. 3,145,811</b>	<b>Ps. 4,375,677</b>	<b>Ps. 7,521,488</b>
Cost	281,375	319,617	600,992
Amortization	(50,296)	(3,666)	(53,962)
Impairment losses	—	(162)	(162)
<b>At March 31, 2020</b>	<b>Ps. 3,376,890</b>	<b>Ps. 4,691,466</b>	<b>Ps. 8,068,356</b>

#### NOTE 9 – INCOME TAX

Income tax expense, made up of current income tax and deferred income tax, is recognized based on the administration's best profit for the interim period.

The effective tax rate of the consolidated Grupo Aval, with respect to the continuous operations for the three-month period ended March 31, 2020 was 27.73%, and for the three-month period ended March 31, 2020 was 31.88%.

When comparing the effective rates at the end of March 2020 and 2020, the variation of the effective tax rate was of 4.15%, being lower during the first quarter of the year 2020, which is mainly explained by the following factors:

- The nominal tax rate decreased by 1% for the companies responsible for income tax in Colombia, going from 37% in 2020 to 36% in 2020 for entities classified as financial entities, and from 33 % in 2020 to 32% in 2020 for entities that are not classified as financial entities. It is important to note that the 37% rate of the year 2020 for financial institutions is composed of a 4% rent surcharge that was declared non-applicable in October 2020, but it is until the last quarter of 2020 that this effect is reflected in tax spending.
- During the first quarter of 2020, Banco de Occidente had a deferred tax income of Ps. 112.556, which is mainly explained by the effect of the difference in exchange for \$ 48.889, recognition of rights of use under IFRS 16 for Ps. 29.030 and valuation of fixed income instruments for Ps. 20.006.
- During the first quarter of 2020, Corficolombiana experienced a tax loss of Ps.71.535 on which no deferred asset tax is required, which ends up generating a decrease in the effective rate.

Likewise, in March 2020 the national government decreed a state of emergency by the COVID 19 health emergency, which has led to the enactment of a series of decrees that affect tax operations, mainly related to changes in the national and local tax calendar. In the same way, on the effects that are foreseen as a result of COVID 19 that may generate impacts on certain items of the financial statements will be analyzed in due course to determine whether it affects the calculation of deferred taxes.

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**NOTE 10 – EMPLOYEE BENEFITS**

The detail of the balance of liabilities for employee benefits as of March 31, 2020 and December 31, 2019 is as follows:

	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
Short term	Ps.	541,266	Ps.	480,489
Post-employment		607,975		590,914
Long term		175,466		186,333
<b>Total</b>	<b>Ps.</b>	<b>1,324,707</b>	<b>Ps.</b>	<b>1,257,736</b>
Plan Asset	Ps.	(29,044)	Ps.	(22,756)
<b>Net employee benefits</b>	<b>Ps.</b>	<b>1,295,663</b>	<b>Ps.</b>	<b>1,234,980</b>

**NOTE 11 – PROVISIONS**

Below are the balances for legal provisions and other provisions during the periods ended on March 31, 2020 and December 31, 2019:

	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
Legal Provisions	Ps.	196,641	Ps.	194,682
Other provisions		700,437		673,960
<b>Total</b>	<b>Ps.</b>	<b>897,078</b>	<b>Ps.</b>	<b>868,642</b>

**NOTE 12 – OTHER LIABILITIES**

Accounts payable and other liabilities comprised the following for the periods ended on March 31, 2020 and December 31, 2019:

<b>OTHERS</b>	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
Suppliers and services payable	Ps.	1,796,546	Ps.	1,877,694
Income received for third parties		1,423,257		1,338,265
Cashier checks		517,167		789,680
Dividends payable (1)		2,243,662		631,111
Transactions ACH and ATH		186,228		585,526
Contract liability related to concessions		542,100		539,584
Non-financial liabilities		449,011		507,513
Withholdings taxes and labor contributions		431,741		471,201
Commissions and fees		287,740		290,160
Collection service		256,981		282,184
Collection on behalf of third parties		155,553		250,769
Cash Surplus		104,383		235,840
Affiliate establishments		59,978		169,807
Customer loyalty programs		192,413		150,846
Tax levies		48,205		86,568
Checks drawn and not paid		54,002		46,220
Anticipated income		36,975		39,427
Canceled accounts		28,605		28,524
Contributions and affiliations		14,502		27,004

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OTHERS	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Insurance payables	28,765	26,767
Financial transactions tax	11,910	22,280
Promissory buyers	10,417	8,601
Leases	7,085	5,778
Compensation to customers	1,136	2,102
Deferred credits	1,091	1,075
Other liabilities	431,733	314,856
<b>Total</b>	<b>Ps. 9,321,186 Ps.</b>	<b>8,729,382</b>

(1) The increase of Ps. 1,612,551 corresponds to dividends payable that were approved at the shareholders meetings of the different entities of the Group held in March 2020

OTHERS	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Liabilities to be canceled within twelve months	Ps. 6,570,682 Ps.	5,946,523
Liabilities to be canceled after twelve months	2,750,504	2,782,859
<b>Total</b>	<b>Ps. 9,321,186 Ps.</b>	<b>8,729,382</b>

**NOTE 13 – EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT**

**Declared dividends**

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Profits of the immediately preceding period determined in the separate financial statements of Grupo Aval.	Ps. 3,031,238 Ps.	2,887,749
Occasional reserve release at the disposal of the General Meeting of Shareholders	7,816,338	6,265,450
<b>Total income available for disposal of the General Meeting of Shareholders</b>	<b>Ps. 10,847,576 Ps.</b>	<b>9,153,199</b>
	60 pesos per share payable in twelve installments of 5 pesos per share, from April 2020 to March 2021	48 pesos per share payable in twelve installments of 4 pesos per share, from April 2019 to March 2020
Total shares outstanding	22,281,017,159	22,281,017,159
<b>Total dividends decreed for controlling interests</b>	<b>1,336,861</b>	<b>1,336,861</b>
<b>To occasional reserve at the disposal of General Meeting of Shareholders</b>	<b>9,510,715</b>	<b>7,816,338</b>

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**Capital expenses commitments**

As of March 31, 2020, and December 31, 2019, Grupo Aval and its subsidiaries had contractual disbursement commitments of capital expenditures for Ps. 147,891 and Ps. 311,729, respectively.

**Contingencies**

As of March 31, 2020, and December 31, 2019, Grupo Aval and its subsidiaries attended administrative and legal proceedings as defendant; the claims of the proceedings were assessed based on analyses and opinion-s of responsible lawyers. The following legal contingencies were determined:

**Labor Proceedings**

As of March 31, 2020, and December 31, 2019, labor complaints had been recognized for Ps. 86,700 and Ps. 85,663 respectively. Historically, many of these proceedings have been resolved in favor of Grupo Aval and its subsidiaries.

**Civil Proceedings**

As of March 31, 2020, and December 31, 2019, the result of the assessment of the claims its of legal proceedings for civil suits, not including those with remote probability, reached an amount of Ps. 298,612 and Ps. 305,198 respectively.

**Administrative, Tax Proceedings and Other Proceedings**

Claims derived from administrative and judicial processes include those of fiscal responsibility over the concession contracts, tax proceedings and other, filed by national and local tax authorities. These authorities may establish, in some cases, sanctions in which Grupo Aval and its subsidiaries affiliates may incur as a result of: (i) the performance of their duty as a withholder or collector of national and local taxes, and/or (ii) the obligation to pay a higher tax amount in their condition of taxpayers. As of March 31, 2020, and December 31, 2019, the amount of the claims amounted to Ps. 59,079 and Ps. 64,077 respectively.

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**NOTE 15 – NET INCOME FROM COMMISSIONS AND FEE**

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

**Net income from commissions and fees:**

<b>Income from commissions and fees</b>		<b>For the three-month periods ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Commissions on banking services	Ps	767,974 Ps	697,952
Fees on credit cards		321,635	309,447
Pension and severance fund management		307,741	255,531
Trust activities		81,368	80,690
Storage services		36,704	41,010
Commissions on drafts, checks and checkbooks		10,901	12,261
Office network services		5,885	5,919
Other commissions		2,627	2,406
<b>Total</b>	<b>Ps.</b>	<b>1,534,835 Ps.</b>	<b>1,405,216</b>

<b>Commissions and fees expenses</b>		<b>For the three-month periods ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Banking services	Ps	(103,176)Ps	(71,003)
Affiliations to pension funds		(19,097)	(19,011)
Offices network services		(5,530)	(6,392)
Information processing services of operators		(5,170)	(4,665)
Collection Service of contributions to financial entities		(124)	(1,342)
Administration and intermediation services		(962)	(1,015)
Banking expenses		(447)	(160)
Sales commissions		(74)	(14)
Others		(54,422)	(42,631)
<b>Total</b>		<b>(189,002)</b>	<b>(146,233)</b>
<b>Net income from commissions and fees</b>	<b>Ps.</b>	<b>1,345,833 Ps.</b>	<b>1,258,983</b>

<b>Net income from sale of goods and services:</b>		<b>For the three-month periods ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Energy and gas E&G <sup>(1)</sup>		1,123,552	843,555
Infrastructure <sup>(2)</sup>		1,146,988	810,489
Hotels		83,282	91,196
Agribusiness		28,747	26,285
Others Services		33,601	60,953
Others operating income		47,428	91,011
<b>Total income</b>	<b>Ps.</b>	<b>2,463,598 Ps.</b>	<b>1,923,489</b>

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Net income from sale of goods and services:	For the three-month periods ended March 31	
	2020	2019
Cost of sales of companies from non-financial sector	Ps. (1,232,128)Ps	(906,047)
General and administrative expenses	(138,575)	(137,475)
Personnel expenses	(140,028)	(132,916)
Amortization	(51,165)	(90,199)
Commissions and fees expenses	(6,775)	(29,936)
Depreciation	(28,031)	(25,457)
Bonus payments	(11,582)	(10,512)
Allowance for impairment of loans and receivables	(9,027)	(6,906)
Donations expenses	(2,356)	(4,921)
Depreciation right of use assets	(9,180)	(3,761)
Labor severances	(1,050)	(811)
<b>Total costs for goods and services</b>	<b>Ps. (1,629,897)Ps.</b>	<b>(1,348,941)</b>
<b>Net, income from non-financial sector</b>	<b>Ps. 833,701 Ps.</b>	<b>574,548</b>

(1) The increase of Ps. 279,997 corresponds to income from energy and gas consumption of Ps. 124,000, mainly from Promigas Ps. 88,716, Gases del pacifico Ps. 33,955 and work progress of the concessions for Ps. 155,997, mainly from Gases de Occidente Ps. 67,224, Promigas Ps. 55,524, Gases del Pacifico Ps. 12,975 and Compañía Energia de Occidente Ps. 11,964.

(2) The increase of Ps. 336,499, corresponds to income from progress of works, mainly from Covipacifico PS. 203,303 and Covioriente Ps. 193,809, for its part, Coviandina presented a decrease in its revenues of Ps. 49,775.

#### NOTE 16 – NET TRADING INCOME

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

	For the three-month periods ended March 31	
	2020	2019
<b>Trading investment income <sup>(1)</sup></b>		
Fixed income securities	Ps. (103,323)	Ps. 85,798
Equities	(100,895)	97,450
<b>Total trading investment income</b>	<b>Ps. (204,218)</b>	<b>Ps. 183,248</b>
<b>Derivatives income</b>		
Net income (loss) on financial derivatives <sup>(2)</sup>	1,160,536	(82,272)
Other trading income <sup>(3)</sup>	144,837	7,188
<b>Total derivatives income</b>	<b>Ps. 1,305,373</b>	<b>Ps. (75,084)</b>
<b>Total net trading income</b>	<b>Ps. 1,101,155</b>	<b>Ps. 108,164</b>

(1) Includes net trading income from investment securities held for trading, which reflects the interest from investment in debt securities, gains/losses from mark-to-market valuation from investment in equity and debt securities and net income from trading activities.

(2) Includes net trading income from trading derivatives, which reflects the gains/losses from mark-to-market valuation on trading derivatives.

(3) Includes gains/losses from: (i) Net changes in the valuation of hedging derivatives from mark-to-market valuations from unhedged, (ii) the ineffective portion of the hedge, and (iii) Transfers of due hedging derivatives from OCI to the statement of income.

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**NOTE 17 – OTHER INCOME AND EXPENSE**

Below is the detail of the others income and expense:

<b>Other Income</b>	<b>For the three-month periods ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Foreign exchange gains (losses), net (1)	Ps. (1,147,834)	Ps. 166,053
Net gain on sale of debt and equity securities	94,253	5,948
Share of profit of equity accounted investees, net of tax	72,652	47,325
Dividends	75,505	75,887
Gain on the sale of non-current assets held for sale	28,596	5,997
Gain on sale of assets properties, plant and equipment	9,678	1,822
Net gain in assets valuation	3,345	4,563
Other income	59,472	78,316
<b>Total other income</b>	<b>Ps. (804,333)</b>	<b>Ps. 385,911</b>

<b>Other expense</b>	<b>For the three-month periods ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Personnel expenses	Ps. (1,086,971)	Ps. (965,199)
Taxes and fees	(245,122)	(195,672)
Affiliation contributions and transfers	(175,704)	(153,041)
Consultancy, audit and other fees	(162,058)	(136,568)
Maintenance and repairs	(109,441)	(98,310)
Depreciation of tangible assets	(105,254)	(93,646)
Insurance	(102,603)	(91,400)
Depreciation right of use assets	(77,011)	(70,367)
Warehouse services	(72,028)	(65,078)
Marketing	(53,564)	(64,470)
Amortization of intangible assets	(52,893)	(43,922)
Transportation services	(43,183)	(44,129)
Leases (Rent)	(38,791)	(39,570)
Cleaning and security services	(36,222)	(32,246)
Outsourcing services	(32,921)	(27,274)
Supplies and stationary	(21,774)	(21,423)
Data processing	(17,024)	(19,341)
Adaptation and installation	(13,925)	(11,249)
Travel expenses	(12,086)	(12,380)
Impairment losses other assets	(3,726)	(3,772)
Loss from sale of non-current assets held for sale	(1,840)	(1,565)
Others	(112,237)	(95,832)
<b>Total other expense</b>	<b>Ps. (2,576,378)</b>	<b>Ps. (2,286,454)</b>

(1) For the quarter of March 2020, the TRM presented a variation of Ps.777.40 per dollar.

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**NOTE 18 – ANALYSIS OF OPERATING SEGMENTS**

Following is the detail of the reportable financial information summarized for each segment as of March 31, 2020 and December 31, 2019:

**Statement of Financial Position**

**March 31, 2020**

	Banco de Bogotá S.A.	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Corficolombiana S.A.	<sup>(1)</sup> Other Segments	Eliminations	Total
<b>Assets</b>								
Trading assets	Ps. 5,357,021	Ps. 3,653,167	Ps. 382,993	Ps. 103,790	Ps. 2,075,775	Ps. 30	Ps. (93,863)	Ps. 11,478,913
Investment securities	17,094,453	4,844,014	2,803,914	1,525,892	3,501,318	—	(769,661)	28,999,930
Hedging derivatives assets	203,393	—	—	—	2,580	—	—	205,973
Investments in associates and joint ventures	4,859,724	1,323,364	502,348	2,892	767,808	366	(6,460,005)	996,497
Loans, net	130,892,386	31,770,354	19,746,216	11,942,494	2,359,908	—	(1,645,033)	195,066,325
Other Assets	48,963,846	5,724,663	3,292,353	1,646,387	26,139,728	9,797,751	(11,884,604)	83,680,124
<b>Total Assets</b>	<b>Ps. 207,370,823</b>	<b>Ps. 47,315,562</b>	<b>Ps. 26,727,824</b>	<b>Ps. 15,221,455</b>	<b>Ps. 34,847,117</b>	<b>Ps. 9,798,147</b>	<b>Ps. (20,853,166)</b>	<b>Ps. 320,427,762</b>
<b>Liabilities</b>								
Customer Deposits	Ps. 143,581,618	Ps. 31,476,627	Ps. 18,516,923	Ps. 12,694,242	Ps. 4,671,541	Ps. —	Ps. (7,719,491)	Ps. 203,221,460
Financial Obligations	34,190,731	8,661,665	4,029,272	338,816	13,588,651	9,247,907	(4,293,646)	65,763,396
Other Liabilities	7,824,557	2,583,962	1,207,127	471,295	6,304,545	1,504,644	(1,483,557)	18,412,573
<b>Total Liabilities</b>	<b>Ps. 185,596,906</b>	<b>Ps. 42,722,254</b>	<b>Ps. 23,753,322</b>	<b>Ps. 13,504,353</b>	<b>Ps. 24,564,737</b>	<b>Ps. 10,752,551</b>	<b>Ps. (13,496,694)</b>	<b>Ps. 287,397,429</b>

(1) Includes Grupo Aval Holding, Grupo Aval Limited, and ATH Negocio Conjunto.

**December 31, 2019**

	Banco de Bogotá S.A.	Banco de Occidente S.A.	Banco Popular S.A.	Banco AV Villas S.A.	Corficolombiana S.A.	<sup>(1)</sup> Other Segments	Eliminations	Total
<b>Assets</b>								
Trading assets	Ps. 4,199,830	Ps. 2,730,366	Ps. 284,790	Ps. 295,234	Ps. 1,729,563	Ps. 187	Ps. (126,302)	Ps. 7,204,312
Investment securities	14,721,063	4,487,707	2,556,181	1,675,897	3,316,757	—	(757,294)	23,030,159
Hedging derivatives assets	163,004	—	—	—	3,594	—	—	30,138
Investments in associates and joint ventures	4,752,358	1,434,246	486,524	3,027	752,060	405	(6,440,658)	982,743
Loans, net	113,110,128	29,374,122	19,260,152	11,671,190	2,115,859	—	(1,589,134)	168,685,654
Other Assets	38,073,197	4,551,257	2,529,930	1,562,189	23,891,745	4,129,975	(6,116,560)	59,742,147
<b>Total Assets</b>	<b>Ps. 163,302,510</b>	<b>Ps. 38,921,610</b>	<b>Ps. 24,648,668</b>	<b>Ps. 14,207,481</b>	<b>Ps. 26,240,636</b>	<b>Ps. 3,924,329</b>	<b>Ps. (11,570,081)</b>	<b>Ps. 259,675,153</b>
<b>Liabilities</b>								
Customer Deposits	Ps. 117,794,986	Ps. 28,726,381	Ps. 16,988,939	Ps. 11,851,426	Ps. 4,067,504	Ps. —	Ps. (3,937,815)	Ps. 164,359,451
Financial Obligations	29,359,125	7,195,231	3,955,801	1,078,588	12,152,007	4,484,293	(3,380,469)	51,211,990
Other Liabilities	6,005,467	1,787,008	1,102,857	482,383	5,622,013	519,887	(371,292)	14,549,364
<b>Total Liabilities</b>	<b>Ps. 143,634,735</b>	<b>Ps. 34,415,453</b>	<b>Ps. 21,757,734</b>	<b>Ps. 12,587,301</b>	<b>Ps. 18,121,948</b>	<b>Ps. 4,819,612</b>	<b>Ps. (5,215,978)</b>	<b>Ps. 230,120,805</b>

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(1) Includes Grupo Aval Holding, Grupo Aval Limited, and ATH Negocio Conjunto.

**Statement of Income for the quarter ended March 31, 2020**

	<u>Banco de Bogotá S.A.</u>	<u>Banco de Occidente S.A.</u>	<u>Banco Popular S.A.</u>	<u>Banco AV Villas S.A.</u>	<u>Corficolombiana S.A.</u>	<sup>(1)</sup> <u>Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
<b>External Income</b>								
Interest income	Ps. 3,278,050	Ps. 780,777	Ps. 569,262	Ps. 355,741	Ps. 113,631	Ps. 4	—	Ps. 5,097,465
Income from commissions and fees (2)	1,251,345	104,667	64,428	69,427	20,209	24,759	—	1,534,835
Income from sales of goods and services (2)	23,815	59,044	—	—	2,423,070	(42,331)	—	2,463,598
Share of profit of equity accounted investees, net of tax	2,374	465	1,192	233	68,427	(39)	—	72,652
Dividends	897	106	1,976	1,700	70,826	—	—	75,505
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	73,259	—	—	73,259
Net trading income	1,022,370	181,169	18,268	3,217	(123,886)	17	—	1,101,155
Other Income	(810,360)	(130,387)	10,326	12,296	(76,730)	42,365	—	(952,490)
	<b>Ps. 4,768,491</b>	<b>Ps. 995,841</b>	<b>Ps. 665,452</b>	<b>Ps. 442,614</b>	<b>Ps. 2,568,806</b>	<b>Ps. 24,775</b>	<b>—</b>	<b>Ps. 9,465,979</b>

	<u>Banco de Bogotá S.A.</u>	<u>Banco de Occidente S.A.</u>	<u>Banco Popular S.A.</u>	<u>Banco AV Villas S.A.</u>	<u>Corficolombiana S.A.</u>	<sup>(1)</sup> <u>Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
<b>Intersegment Income</b>								
Interest income	Ps. 26,473	Ps. 4,103	Ps. 4,033	Ps. 2,781	Ps. 17,390	Ps. 43	Ps. (54,823)	—
Income from commissions and fees	1,011	2,059	720	4,952	414	13,016	(22,172)	—
Income from sales of goods and services	681	—	—	—	1,393	(42,331)	40,257	—
Share of profit of equity accounted investees, net of tax	155,483	30,560	22,516	(369)	385	—	(208,575)	—
Dividends	6,192	2,067	3,601	2,195	1,623	—	(15,678)	—
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	—	—	—	—
Net trading income	(1,722)	243	337	—	112	—	1,030	—
Other Income	1,125	42,942	48	2	(545)	67,012	(110,584)	—
	<b>189,243</b>	<b>81,974</b>	<b>31,255</b>	<b>9,561</b>	<b>20,772</b>	<b>37,740</b>	<b>(370,545)</b>	<b>—</b>
<b>Total income</b>	<b>Ps. 4,957,734</b>	<b>Ps. 1,077,815</b>	<b>Ps. 696,707</b>	<b>Ps. 452,175</b>	<b>Ps. 2,589,578</b>	<b>Ps. 62,515</b>	<b>Ps. (370,545)</b>	<b>Ps. 9,465,979</b>

<b>Expenses</b>								
Interest expense	Ps. (1,295,822)	Ps. (314,987)	Ps. (227,199)	Ps. (106,020)	Ps. (237,385)	Ps. (89,913)	Ps. 99,374	Ps. (2,171,952)
Net impairment loss on financial assets	(669,271)	(230,227)	(50,164)	(85,005)	(2,190)	—	357	(1,036,500)
Depreciations and amortizations	(168,894)	(26,239)	(20,097)	(16,601)	(2,068)	(2,197)	938	(235,158)
Expenses from commissions and fees (2)	(124,518)	(25,059)	(14,468)	(37,877)	(3,449)	(945)	17,314	(189,002)
Costs and expenses of sales goods and services (2)	(58,574)	(78,787)	—	—	(1,496,678)	5,376	(1,234)	(1,629,897)
Administrative Expenses	(844,193)	(178,482)	(161,422)	(90,035)	(21,886)	(71,662)	146,033	(1,221,647)
Income tax expense	(276,086)	31,089	(39,312)	(12,637)	(202,785)	(15,742)	(952)	(516,425)
Other expense	(762,189)	(147,027)	(96,171)	(66,493)	(27,234)	92,838	(113,297)	(1,119,573)
<b>Total Expenses</b>	<b>(4,199,547)</b>	<b>(969,719)</b>	<b>(608,833)</b>	<b>(414,668)</b>	<b>(1,993,675)</b>	<b>(82,245)</b>	<b>148,533</b>	<b>(8,120,154)</b>
<b>Net income</b>	<b>Ps. 758,187</b>	<b>Ps. 108,096</b>	<b>Ps. 87,874</b>	<b>Ps. 37,507</b>	<b>Ps. 595,903</b>	<b>Ps. (19,730)</b>	<b>Ps. (222,012)</b>	<b>Ps. 1,345,825</b>

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	<u>Banco de Bogotá S.A.</u>	<u>Banco de Occidente S.A.</u>	<u>Banco Popular S.A.</u>	<u>Banco AV Villas S.A.</u>	<u>Corficolombiana S.A.</u>	<u><sup>(1)</sup> Other segments</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenue from contracts with customers (2)</b>	Ps. 1,276,636	Ps. 106,726	Ps. 65,148	Ps. 74,379	Ps. 2,279,919	Ps. 108,505	Ps. 87,120	Ps. 3,998,433
Timing of revenue recognition								
At a point in time	319,213	34,705	16,965	42,759	29,430	108,197	(87,102)	464,167
Over time	957,423	72,021	48,183	31,620	2,250,489	308	174,222	3,534,266

(1) Includes Grupo Aval Holding, Grupo Aval Limited, and ATH Negocio Conjunto

(2) Income from contracts with customer for commission and fee, see note 15

**Statement of Income for the nine-months periods ended on March 31, 2019**

	<u>Banco de Bogotá S.A.</u>	<u>Banco de Occidente S.A.</u>	<u>Banco Popular S.A.</u>	<u>Banco AV Villas S.A.</u>	<u>Corficolombiana S.A.</u>	<u><sup>(1)</sup> Other Segments</u>	<u>Eliminations</u>	<u>Total</u>
<b>External Income</b>								
Interest income	Ps. 2,932,317	Ps. 769,201	Ps. 576,146	Ps. 359,993	Ps. 31,467	Ps. 71	Ps. —	Ps. 4,669,195
Income from commissions and fees (2)	1,141,651	101,684	64,369	66,714	18,464	12,334	—	1,405,216
Income from sales of goods and services (2)	32,165	18,306	674	(873)	1,873,217	—	—	1,923,489
Share of profit of equity accounted investees, net of tax	2,741	915	1,242	721	41,706	—	—	47,325
Dividends	1,629	279	592	54	73,333	—	—	75,887
Net income from other financial instruments mandatory at fair value through profit or loss	—	—	—	—	53,697	—	—	—
Net trading income	30,164	38,488	4,648	5,657	29,194	13	—	108,164
Other Income	206,749	19,539	6,511	12,079	17,532	289	—	262,699
	Ps. <b>4,347,416</b>	Ps. <b>948,412</b>	Ps. <b>654,182</b>	Ps. <b>444,345</b>	Ps. <b>2,138,610</b>	Ps. <b>12,707</b>	Ps. <b>—</b>	Ps. <b>8,491,975</b>
<b>Intersegment Income</b>								
Interest income	Ps. 17,634	Ps. 2,937	Ps. 2,328	Ps. 666	Ps. 95,359	Ps. 27	Ps. (118,951)	Ps. —
Income from commissions and fees	1,351	2,069	912	3,329	306	26,063	(34,030)	—
Income from sales of goods and services	198	34,542	—	873	1,303	—	(36,916)	—
Share of profit of equity accounted investees, net of tax	141,940	70,258	20,462	(844)	546	—	(232,362)	—
Dividends	5,288	1,677	2,925	88	101	—	(10,079)	—
Net income from other financial instruments mandatory at fair value through profit or loss	26,005	516	52	363	(389)	12,483	(39,030)	—
Net trading income	—	—	—	—	—	—	—	—
Other Income	2,795	—	—	—	(1,265)	—	(1,530)	—
	<b>195,211</b>	<b>111,999</b>	<b>26,679</b>	<b>4,475</b>	<b>95,961</b>	<b>38,573</b>	<b>(472,898)</b>	<b>—</b>

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<b>Total income</b>	Ps.	<u>4,542,627</u>	Ps.	<u>1,060,411</u>	Ps.	<u>680,861</u>	Ps.	<u>448,820</u>	Ps.	<u>2,234,571</u>	Ps.	<u>51,280</u>	Ps.	<u>(472,898)</u>	Ps.	<u>8,491,975</u>
<b>Expenses</b>																
Interest expense	Ps.	(1,158,641)	Ps.	(288,217)	Ps.	(217,159)	Ps.	(100,364)	Ps.	(174,432)	Ps.	(57,524)	Ps.	56,633	Ps.	(1,939,704)
Net impairment loss on financial assets		(596,971)		(185,024)		(83,608)		(68,850)		71,935		—		29,394		(833,124)
Depreciations and amortizations		(142,002)		(27,926)		(18,126)		(16,095)		(2,355)		(2,323)		893		(207,934)
Expenses from commissions and fees (2)		(88,738)		(17,992)		(15,636)		(30,231)		(3,008)		(813)		10,185		(146,233)
Costs and expenses of sales goods and services (2)		(62,174)		(69,436)		(163)		—		(1,227,777)		1,870		8,739		(1,348,941)
Administrative Expenses		(754,506)		(158,885)		(140,039)		(91,859)		(29,331)		(54,981)		143,075		(1,086,526)
Income tax expense		(276,209)		(47,985)		(33,184)		(27,611)		(234,278)		(16,033)		727		(634,573)
Other expense		(677,061)		(112,003)		(98,398)		(61,137)		(114,040)		103,528		(32,883)		(991,994)
<b>Total Expenses</b>		<u>(3,756,302)</u>		<u>(907,468)</u>		<u>(606,313)</u>		<u>(396,147)</u>		<u>(1,713,286)</u>		<u>(26,276)</u>		<u>216,763</u>		<u>(7,189,029)</u>
<b>Net income</b>	Ps.	<u>786,325</u>	Ps.	<u>152,943</u>	Ps.	<u>74,548</u>	Ps.	<u>52,673</u>	Ps.	<u>521,285</u>	Ps.	<u>25,004</u>	Ps.	<u>(256,135)</u>	Ps.	<u>1,356,643</u>

	<u>Banco de Bogotá S.A.</u>	<u>Banco de Occidente S.A.</u>	<u>Banco Popular S.A.</u>	<u>Banco AV Villas S.A.</u>	<u>Corficolombiana S.A.</u>	<u><sup>(1)</sup> Other segments</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenue from contracts with customers (2)</b>	Ps. 1,175,205	Ps. 155,252	Ps. 65,281	Ps. 70,042	Ps. 1,800,225	Ps. 109,815	Ps. (47,115)	Ps. 3,328,705
Timing of revenue recognition								
At a point in time	303,837	34,187	15,910	40,611	36,590	109,721	(101,049)	439,807
Over time	871,368	121,065	49,371	29,431	1,763,635	94	53,934	2,888,898

(1) Includes Grupo Aval Holding, Grupo Aval Limited, Grupo Aval International Limited and ATH Negocio Conjunto

(2) Income from contracts with customer for commission and fee, see note 15

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

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

- Loans with financial obligations of entities mainly from non-financial sector.
- Investments in term deposits and outstanding bonds of in other segments.
- Investments in subordinate's elimination and record of non- controlling interests.
- Intercompany leasing's and commissions paid between Grupo Aval's entities.
- Expenses and incomes for commissions.

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**18.1 Analysis of Revenues by Products and Services**

Grupo Aval's revenues are analyzed by products and services, in the statement of income.

March 31, 2020	Country										Total income
	Colombia	Panamá	Costa Rica	Guatemala	Honduras	Nicaragua	El Salvador	Perú	Other countries		
<b>Interest income</b>	Ps. 3,285,630	Ps. 362,176	Ps. 561,833	Ps. 306,419	Ps. 277,741	Ps. 97,546	Ps. 186,265	Ps. 2,593	Ps. 17,262	Ps. 5,097,465	
<b>Income from commissions and fees</b>	<b>884,850</b>	<b>82,622</b>	<b>303,589</b>	<b>74,487</b>	<b>84,111</b>	<b>43,125</b>	<b>52,309</b>	—	<b>9,742</b>	<b>1,534,835</b>	
Storage services	36,704	—	—	—	—	—	—	—	—	36,704	
Trust activities	81,368	—	—	—	—	—	—	—	—	81,368	
Pension and severance fund management	296,885	—	7,617	—	3,239	—	—	—	—	307,741	
Fees on credit cards	147,719	5,957	99,151	12,984	22,462	13,313	14,313	—	5,736	321,635	
Office network services	5,885	—	—	—	—	—	—	—	—	5,885	
Commissions on drafts, checks and checkbooks	10,789	112	—	—	—	—	—	—	—	10,901	
Other commissions	2,627	—	—	—	—	—	—	—	—	2,627	
Commissions on banking services	302,873	76,553	196,821	61,503	58,410	29,812	37,996	—	4,006	767,974	
<b>Share of profit of equity accounted investees, net of tax</b>	<b>72,652</b>	—	—	—	—	—	—	—	—	<b>72,652</b>	
<b>Dividends</b>	<b>74,726</b>	<b>290</b>	—	—	<b>489</b>	—	—	—	—	<b>75,505</b>	
<b>Income from sales of goods and services</b>	<b>2,344,151</b>	<b>159</b>	—	—	—	—	—	<b>119,288</b>	—	<b>2,463,598</b>	
Energy and gas E&G	1,007,523	—	—	—	—	—	—	116,029	—	1,123,552	
Infrastructure	1,146,988	—	—	—	—	—	—	—	—	1,146,988	
Hotels	79,864	159	—	—	—	—	—	3,259	—	83,282	
Agribusiness	28,747	—	—	—	—	—	—	—	—	28,747	
Others Services	33,601	—	—	—	—	—	—	—	—	33,601	
Others operating income	47,428	—	—	—	—	—	—	—	—	47,428	
<b>Other income</b>	<b>5,349</b>	<b>(3,138)</b>	<b>138,916</b>	<b>36,928</b>	<b>16,244</b>	<b>22,711</b>	<b>3,506</b>	<b>(983)</b>	<b>2,391</b>	<b>221,924</b>	
<b>Total income</b>	<b>Ps. 6,667,358</b>	<b>Ps. 442,109</b>	<b>Ps. 1,004,338</b>	<b>Ps. 417,834</b>	<b>Ps. 378,585</b>	<b>Ps. 163,382</b>	<b>Ps. 242,080</b>	<b>Ps. 120,898</b>	<b>Ps. 29,395</b>	<b>Ps. 9,465,979</b>	

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March 31, 2019	Country										Total income
	Colombia	Panamá	Costa Rica	Guatemala	Honduras	Nicaragua	El Salvador	Perú	Other countries		
<b>Interest income</b>	Ps. 3,113,385	Ps. 345,612	Ps. 488,007	Ps. 245,850	Ps. 218,328	Ps. 96,946	Ps. 150,723	Ps. 675	Ps. 9,669	Ps. 4,669,195	
<b>Income from commissions and fees</b>	<b>818,574</b>	<b>80,883</b>	<b>275,993</b>	<b>61,343</b>	<b>75,941</b>	<b>36,449</b>	<b>49,359</b>	—	<b>6,674</b>	<b>1,405,216</b>	
Storage services	41,010	—	—	—	—	—	—	—	—	41,010	
Trust activities	80,690	—	—	—	—	—	—	—	—	80,690	
Pension and severance fund management	246,748	—	6,812	—	1,971	—	—	—	—	255,531	
Fees on credit cards	139,433	10,531	93,218	13,674	23,568	10,438	13,569	—	5,016	309,447	
Office network services	5,919	—	—	—	—	—	—	—	—	5,919	
Commissions on drafts, checks and checkbooks	12,157	104	—	—	—	—	—	—	—	12,261	
Other commissions	2,406	—	—	—	—	—	—	—	—	2,406	
Commissions on banking services	290,211	70,248	175,963	47,669	50,402	26,011	35,790	—	1,658	697,952	
<b>Share of profit of equity accounted investees, net of tax</b>	<b>47,325</b>	—	—	—	—	—	—	—	—	<b>47,325</b>	
<b>Dividends</b>	<b>74,869</b>	<b>22</b>	—	<b>672</b>	<b>324</b>	—	—	—	—	<b>75,887</b>	
<b>Income from sales of goods and services</b>	<b>1,847,771</b>	<b>247</b>	—	—	—	—	—	<b>75,471</b>	—	<b>1,923,489</b>	
Energy and gas E&G	772,354	—	—	—	—	—	—	71,201	—	843,555	
Infrastructure	810,489	—	—	—	—	—	—	—	—	810,489	
Hotels	86,679	247	—	—	—	—	—	4,270	—	91,196	
Agribusiness	26,285	—	—	—	—	—	—	—	—	26,285	
Others Services	60,953	—	—	—	—	—	—	—	—	60,953	
Others operating income	91,011	—	—	—	—	—	—	—	—	91,011	
<b>Other income</b>	<b>340,823</b>	<b>6,996</b>	<b>9,142</b>	<b>24,484</b>	<b>12,535</b>	<b>27,277</b>	<b>1,364</b>	<b>2,101</b>	<b>(162)</b>	<b>424,560</b>	
<b>Total income</b>	<b>Ps. 6,242,747</b>	<b>Ps. 433,760</b>	<b>Ps. 773,142</b>	<b>Ps. 332,349</b>	<b>Ps. 307,128</b>	<b>Ps. 160,672</b>	<b>Ps. 201,446</b>	<b>Ps. 78,247</b>	<b>Ps. 16,181</b>	<b>Ps. 8,545,672</b>	

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**NOTA 19 – TRANSFERS OF FINANCIAL ASSETS**

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

**A. Transferred financial assets not qualifying for full derecognition**

**i. Sale and repurchase agreements**

The debt securities of financial investments at fair value through profit or loss that are being used as guarantees in repurchase transactions amounted to Ps. 960,664 as of March 31, 2020 and Ps. 620,920 as of December 31, 2019; the financial assets at amortized cost that are being used as guarantees in repurchase transactions amounted to Ps. 85,166 as of March 31, 2020 and Ps. 323,954 as of December 31, 2019 and the debt securities of financial investments at fair value through OCI that are being used as guarantees in repurchase transactions amounted to Ps. 4,012,056 as of March 31, 2020 and Ps. 6,662,608 as of December 31, 2019.

**ii. Securities lending**

As of March 31, 2020, and as of December 31, 2019, Grupo Aval has not recorded securities lending.

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

**I. Securitizations**

As of March 31, 2020, and as of December 31, 2019, Grupo Aval has not transferred financial assets to special purpose vehicles.

**NOTE 20 – UNCONSOLIDATED STRUCTURED ENTITIES**

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

March 31, 2020	Securitizations	Grupo Aval's managed funds	Total
<b>Grupo Aval's interest-assets</b>			
Investments at fair value through profit or loss	Ps. 9,254	Ps. 3,663,237	Ps. 3,672,491
Other account receivables	—	32,920	32,920
<b>Total assets in relation to the Grupo Aval's interests in the unconsolidated structured entities</b>	<b>9,254</b>	<b>3,696,157</b>	<b>3,705,411</b>
<b>Grupo Aval's maximum exposure</b>	<b>Ps. 9,254</b>	<b>Ps. 3,696,157</b>	<b>Ps. 3,705,411</b>

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**NOTE 21 – RELATED PARTIES**

Balances as of March 31, 2020 and December 31, 2019 with related parties, are detailed in the following tables:

	March 31, 2020							
	Individuals		Entity		Associates and joint ventures		Entities with significant influence by individuals	
	Individuals with control over Grupo Aval	Key management personnel						
	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.
<b>Assets</b>								
Cash and equivalents	—	—	—	—	—	—	—	—
Financial assets in investments	—	—	1,018,553	—	—	—	—	—
Financial assets in credit operations	2,623	8,197	515,960	1,497,372	121,843	—	—	—
Accounts receivable	10	29	168,132	56,317	96	—	—	—
Other assets	—	111	5,819	4,961	—	—	—	—
<b>Liabilities</b>								
Deposits	314,096	27,410	78,039	1,375,346	6,578	—	—	—
Accounts payables	2,808	860	9,053	1,489,483	1	—	—	—
Financial obligations	11	30	58	—	—	—	—	—
Others liabilities	—	1	2,319	316	—	—	—	—

December 31, 2019

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	<b>Individuals</b>		<b>Entity</b>			
	<b>Individuals with control over Grupo Aval</b>	<b>Key management personnel</b>	<b>Associates and joint ventures</b>	<b>Entities controlled by individuals</b>	<b>Entities with significant influence by individuals</b>	
<b>Assets</b>						
Cash and equivalents	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —
Financial assets in investments	—	—	1,006,340	—	—	—
Financial assets in credit operations	2,936	7,775	1,148,522	1,513,287	—	122,964
Accounts receivable	9	14	12,243	2,958	—	241
Other assets	—	—	14,118	3,232	—	—
<b>Liabilities</b>						
Deposits	Ps. 273,224	Ps. 27,000	Ps. 97,097	Ps. 1,290,574	Ps. —	Ps. 7,032
Accounts payables	561	347	9,165	514,976	—	21
Financial obligations	3	15	72	30,000	—	—
Others liabilities	—	—	1,937	714	—	—

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For the three - months ended March 31, 2020

	Individuals		Entity		
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 54	Ps. 139	Ps. 7,590	Ps. 23,206	Ps. 2,085
Fee income and commissions	2	12	7,445	24,503	1
Leases	—	—	11	72	—
Other income	1	10	88,567	2,422	—
Financial expenses	(1,453)	(270)	(274)	(7,225)	(5)
Fee expenses and commissions	(1)	(321)	(5,282)	(591)	(40)
Operating expenses	—	(2,057)	—	(877)	—
Other expenses	(1)	(443)	(8,229)	(8,854)	—

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	For the three - months ended March 31, 2019				
	Individuals		Entity		
	Individuals with control over Grupo Aval	Key management personnel	Associates and joint ventures	Entities controlled by individuals	Entities with significant influence by individuals
Interest income	Ps. 50	Ps. 280	Ps. 7,251	Ps. 30,050	Ps. 1,956
Fee income and commissions	1	18	8,811	28,985	—
Leases	—	—	9	92	—
Other income	2	36	59,536	1,209	119
Financial expenses	(56)	(262)	(344)	(6,911)	(13)
Fee expenses and commissions	(1)	(401)	(4,965)	(568)	(30)
Operating expenses	—	(1,890)	—	(448)	—
Other expenses	(4)	(372)	(12,802)	(8,688)	—

#### Compensation of key management personnel

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

	Three-month ended in	
	March 31, 2020	March 31, 2019
Salaries	Ps. 9,018	Ps. 10,017
Short term benefits for employees	1,037	1,584
Long term benefits for employees	200	229
Fee	468	436
<b>Total</b>	<b>10,723</b>	<b>12,266</b>

## **NOTE 22 – SUBSEQUENT EVENTS**

### **COVID-19**

During the first months of 2020, the Coronavirus (COVID-19) outbreak has spread throughout the world, resulting in the closure of production and supply chains and disrupting international trade, which could lead to a global economic slowdown and affect various industries. Global authorities, including those in the countries where the Group operates, have adopted, among other measures, the temporary closure of establishments and the mandatory confinement of people in various areas, causing employees, suppliers and customers to be unable to carry out their activities normally. This situation could have adverse effects on the results of operations, the financial situation and the liquidity of the Group's entities. The aforementioned aspects are being periodically monitored by management in order to take all appropriate measures to minimize the negative impacts that may arise from this situation during the financial year 2020. As of March 31, 2020, except for some specific cases mentioned below, no relevant impacts to the Group's financial statements and operations were identified. However, during the period after the date of the financial statements and until the date of their issuance, management continues to monitor and analyse the effects that the situation is having on its operations and those of its clients.

The main impacts which could affect the Group's financial statements, based on the available information and analyses carried out to date, are described below:

#### **Impairment of financial instruments - Loan portfolio, other accounts receivable and others.**

Financial instruments that are within the scope of IFRS 9's expected credit loss (ECL) model (loans, trade and other receivables, debt instruments not measured at fair value through profit or loss, contract assets "including concession agreements under the financial asset model", lease receivables, financial guarantees and loan commitments), are being assessed to consider the impact of COVID-19 on ECL, taking into account the timing of the measures adopted by governments in each of the territories where the Group operates. Based on the foregoing, it is expected that impacts will take place in the Group entities fundamentally on both of the following two aspects:

- Measurement of the ECL at a 12-month horizon (stage 1) or for the entire duration of the instrument (stage 2 or 3, as appropriate). In cases where a significant increase in credit risk (risk of default) is identified for accounts receivable classified in stage 1, derived from the effects of COVID-19, these accounts will instead be classified in stage 2 or 3, as appropriate, and the ECL for that group of accounts receivable will then be measured for the entire duration of the instrument; and
- The estimate of ECL itself which includes:
  - The credit risk, for which behaviour could vary among the Group entities according to the structure of economic segments for their loan portfolios and how affected they are by the situation, eventually increasing the percentages of the ECL; even at the end of the first quarter of 2020.
  - The amount at risk (exposure at default), considering that in recent days some of the affected debtors have resorted to existing unused borrowing facilities or they, have stopped making discretionary payments; and
  - The estimated loss as a result of default (loss given default), which might increase taking into consideration that in some cases there could be a decrease in the fair value of the non-financial assets pledged as collateral.

In the following quarters, the expected credit loss estimate will incorporate updates deemed adequate based on projections arising from prospective information, reflecting the effects of public policy decisions implemented in connection with COVID-19, and taking into account the high level of uncertainty regarding the intensity and

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duration of the disruption in the economy. The updates will be based on the best available information obtained, considering the different geographical areas where the Group operates, and incorporating the effects on segments and loan portfolios of the entities, which are exposed to different risks and situations. When considering prospective information (including macroeconomic information), additional negative scenarios will be included along with those previously used in the Group entities models and the probabilities that had been assigned up to March 31, 2020 will be recalibrated. The prospective information has continued to be updated during the months of April and May, with effects reflected on the measurement of the PCE.

Currently, the Group continues to monitor information periodically with the aim of identifying possible impacts on the ECL in a timely manner.

Measurement of financial instruments – Loan reliefs for customers

Measures taken or suggested by the governments of the countries where the Group operates have promoted the granting of reliefs for companies or individuals in relation to their existing loans or loan agreements, which imply the renegotiation of their terms. Starting on April 1, 2020, the Group's banks have granted reliefs mainly the deferral of loan payments and payment holidays.

Measurement of financial instruments – Leases

Renegotiations of lease agreement terms have been carried out between lessors and lessees starting on April 2020, as a result of which lessors have granted lease concessions of some kind to lessees, in connection with the lease payments. The Group has considered the accounting of these concessions, both from the lessor and lessee perspectives, which in most cases do not result in modifications of the leases and have therefore implied the recognition of non-significant gains or losses in the income statement after March 31, 2020.

Impairment of assets - Goodwill, Property, plant and equipment and Intangibles (including concession arrangements of intangible asset model)

As of March 31, 2020, no impairment indicators were identified for the Group's businesses; during April and May 2020, the timing of the temporary halt in the operations of certain businesses continues to be assessed to establish whether any of these could be understood as an impairment indicator, which could result in the need to update the impairment assessments that had been carried out at the end of 2019 or to perform new assessments that had not been carried out before in the absence of impairment indicators. In the event that new assessments are performed, budgets, forecasts and other assumptions will have to be sensitized so that they reflect the economic conditions that are being observed, addressing where necessary the increase of risk and uncertainty. The set of factors used to determine discount rates will have to be revised as to reflect the impact of the measures taken by Government to control the virus spread (risk-free rate, country risk and asset risk).

Other matters

As of March 31, 2020, no impairment indicators were identified for other non-financial assets such as inventories or investments accounted for under the equity method, nor were circumstances identified that would have implied the emergence of present obligations originated in the effects of COVID-19 and which at that date had a high probability of resulting in a future outflow of resources.

**Multi Financial Group, (“MFG”)**

On May 11, 2020, Leasing Bogotá S.A. Panama, a subsidiary of Banco de Bogotá, signed the contract from the Panamanian bank Multibank. The contract was modified by agreement between the parties after it was not timely fulfilling the conditions required for the closing of the transaction, scheduled for the month of April 2020. This agreement does not imply material changes to the structure of the transaction beyond one reduction in the purchase price of MFG shares and the closing date of the operation, which is extended until May 29, 2020.