

# 2Q2013 Consolidated Earning Results

*Colombian Banking GAAP*



Grupo Aval Acciones y Valores S.A. (“Grupo Aval”) is an issuer in Colombia of securities registered with the National Registry of Shares and Issuers (Registro Nacional de Valores y Emisores), and in this capacity, it is subject to the control of the Superintendency of Finance. Grupo Aval is not a financial institution and is not supervised or regulated as a financial institution in Colombia.

As an issuer of securities in Colombia, Grupo Aval is required to comply with periodic reporting requirements and corporate governance, however, it is not regulated as a financial institution or as a holding company of banking subsidiaries and, thus, is not required to comply with capital adequacy regulations applicable to banks and other financial institutions.

All of our banking subsidiaries, Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, and their respective Colombian financial subsidiaries, including Porvenir and Corficolombiana, are subject to inspection and surveillance as financial institutions by the Superintendency of Finance.

Quarterly information included herein has not been audited but has been prepared in accordance with the regulations of the Superintendency of Finance for financial institutions (Resolution 3600 of 1988 and External Circular 100 of 1995) and, on issues not addressed by these regulations, generally accepted accounting principles prescribed by the Superintendency of Finance for banks to operate in Colombia, consistently applied, together with such regulations, on the filing date, “Colombian Banking GAAP.” Details of the calculations of non-GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

Although we are not a financial institution, we present our consolidated financial statements under Colombian Banking GAAP in this quarterly report because we believe that presentation on that basis most appropriately reflects our activities as a holding company of a group of banks and other financial institutions. The audited consolidated financial statements have not been reviewed or approved by the Superintendency of Finance; however, consolidated financial statements for each semester, prepared on the basis of Colombian Banking GAAP for each of our subsidiaries are remitted to the Superintendency of Finance for their review. The Colombian Banking GAAP consolidated financial statements included in this annual report differ from the consolidated financial statements published by Grupo Aval in Colombia, which are prepared under Colombian GAAP. Because we are not regulated as a financial institution in Colombia, we are required to prepare our consolidated financial statements for publication in Colombia under Colombian GAAP for companies other than financial institutions (Decree 2649 of 1993 and Circular No. 100-000006 of the Superintendency of Companies (Superintendencia de Sociedades) and former Superintendency of Securities (Superintendencia de Valores), currently the Superintendency of Finance) No. 011 of 2005, which differs in certain respects from Colombian Banking GAAP. These Colombian GAAP financial statements are presented biannually to our shareholders for approval, are reviewed and published by the Superintendency of Finance and are available in Spanish to the general public on Grupo Aval’s web page. We do not file consolidated financial statements prepared on the basis of Colombian Banking GAAP with the Superintendency of Finance; however, because we have filed 20F annual reports with the SEC, we may from time to time publish semi-annual or quarterly financial data for subsequent periods on a Colombian Banking GAAP basis.

Colombian Banking GAAP differs in certain significant respects from generally accepted accounting principles in the United States, or U.S. GAAP. Our yearly audited consolidated financial statements included in our Form 20-F reports filed to the SEC provide a description of the principal differences between Colombian Banking GAAP and U.S. GAAP as they relate to our audited consolidated financial statements and provides a reconciliation of net income and shareholders’ equity for the years and at the dates indicated therein. Unless otherwise indicated, all financial information of our company included in this report is stated on a consolidated basis prepared under Colombian Banking GAAP.

Recipients of this document are responsible for the assessment and use of the information provided herein. Grupo Aval shall not be responsible for any decision taken by investors in connection with this document. The content of this document is not intended to provide full disclosure on Grupo Aval or its affiliates.

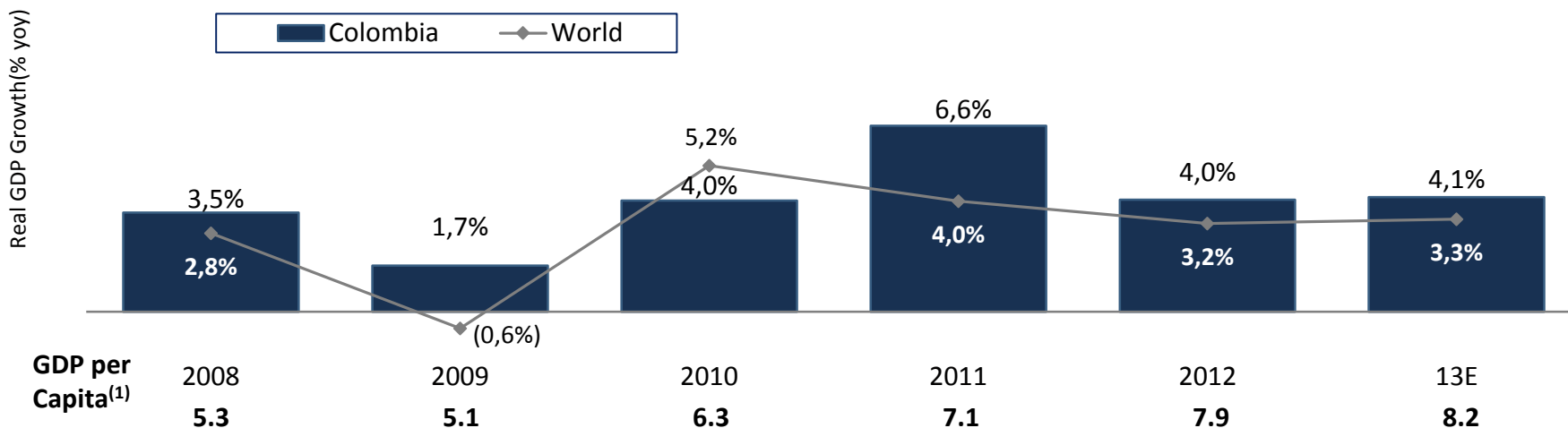


- ✓ During 2Q2013, Aval purchased additional participations in Banco de Bogotá, from 64.44% to 66.47%, and in Banco de Occidente, from 68.24% to 72.05%.
- ✓ On April 18th, 2013, Grupo Aval closed the acquisition of AFP Horizonte.
- ✓ Total assets grew by 16.4% to Ps. 138.5 trillion in the twelve-month period ended June 30, 2013.
- ✓ Ratio of past due loans (+30 days) / total loans improved from 2.6% in 1Q2013 to 2.4% in 2Q2013.
- ✓ As of June 30, 2013, the ratio of deposits to net loans increased to 108%.
- ✓ Net Interest Margin for 2Q2013 was 6.0% and 6.6% for 1H2013.
- ✓ ROAA and ROAE for the six-month period ended June 30, 2013 were 2.2% and 18.1% respectively versus 2.1% and 17.4% for the six-month period ended June 30, 2012.

## Other relevant Information:

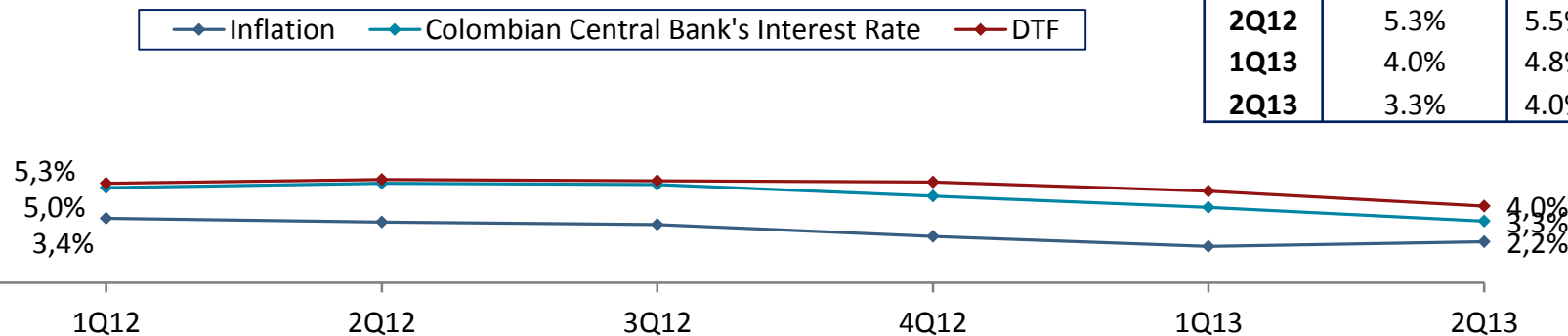
- ✓ On June 20<sup>th</sup>, 2013 Porvenir and Horizonte jointly filed with the Colombian Superintendency of Finance a request to merge in which Porvenir would act as the absorbing entity.
- ✓ On June 26<sup>th</sup>, 2013 Grupo Aval announced the signing of an agreement to acquire 100% of Grupo Financiero Reformador in Guatemala.
- ✓ On July 19<sup>th</sup>, 2013 Grupo Aval announced the signing of an agreement to acquire 100% of BBVA's direct and indirect ownership in Banco Bilbao Vizcaya Argentaria (Panamá).
- ✓ On July 24<sup>th</sup>, 2013 the Board of Directors of Grupo Aval authorized the Company to present a proposal at Banco de Bogotá's Shareholders' Meeting, to capitalize such entity in the amount of \$500 million dollars.

## Strong GDP Growth



Source: IMF(Projections) and DANE. <sup>(1)</sup> Colombia nominal GDP per capita in thousands of USD, IMF.

## Inflation vs. Nominal Interest Rates



Average	Central Bank's int. Rate <sup>(1)</sup>	DTF <sup>(2)</sup>
2Q12	5.3%	5.5%
1Q13	4.0%	4.8%
2Q13	3.3%	4.0%

<b>Fx (EoP)</b>	1,792	1,785	1,801	1,768	1,832	1,929
<b>% Δ QoQ</b>	-7.8%	-0.4%	0.9%	-1.8%	3.6%	5.3%

Source: Banco de la República de Colombia.

(1) Average of daily rates for each quarter as per reported by Banco de la República.

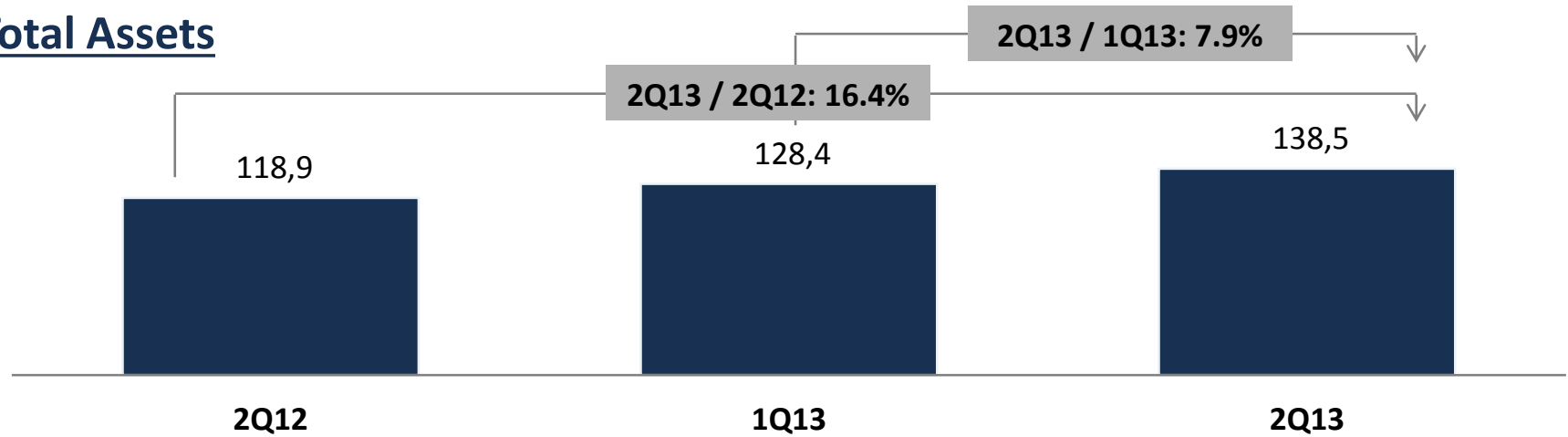
(2) Average of monthly average rates reported by Banco de la República for each month of each quarter.

# Assets

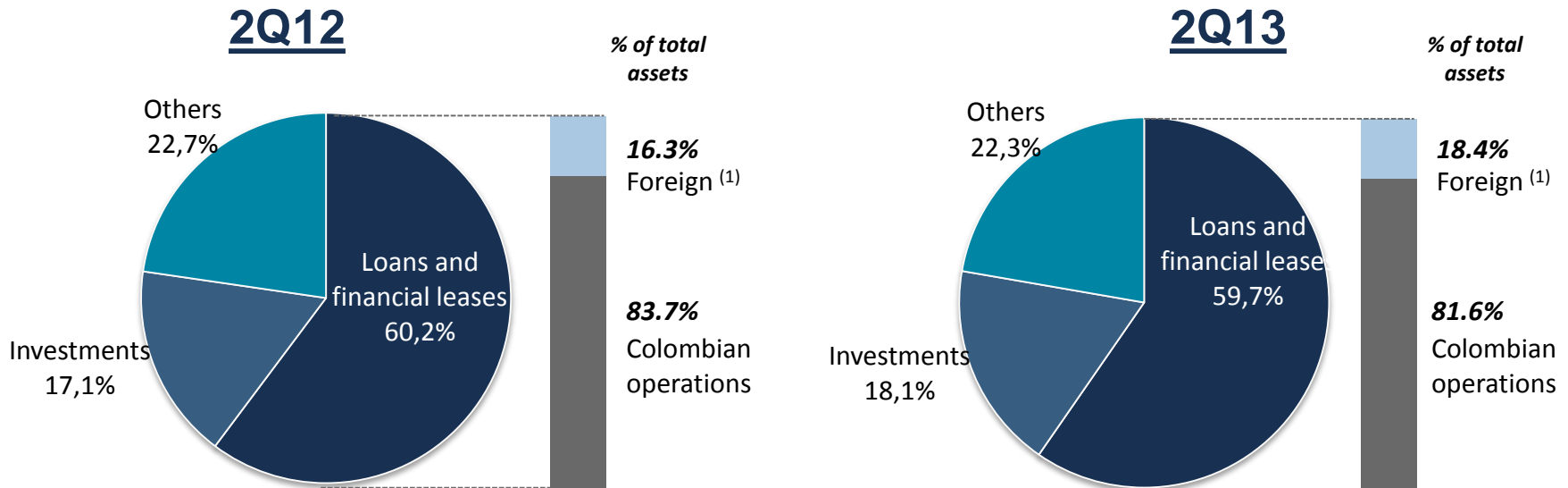
Figures in Ps. Trillions



## Total Assets



## Assets Breakdown



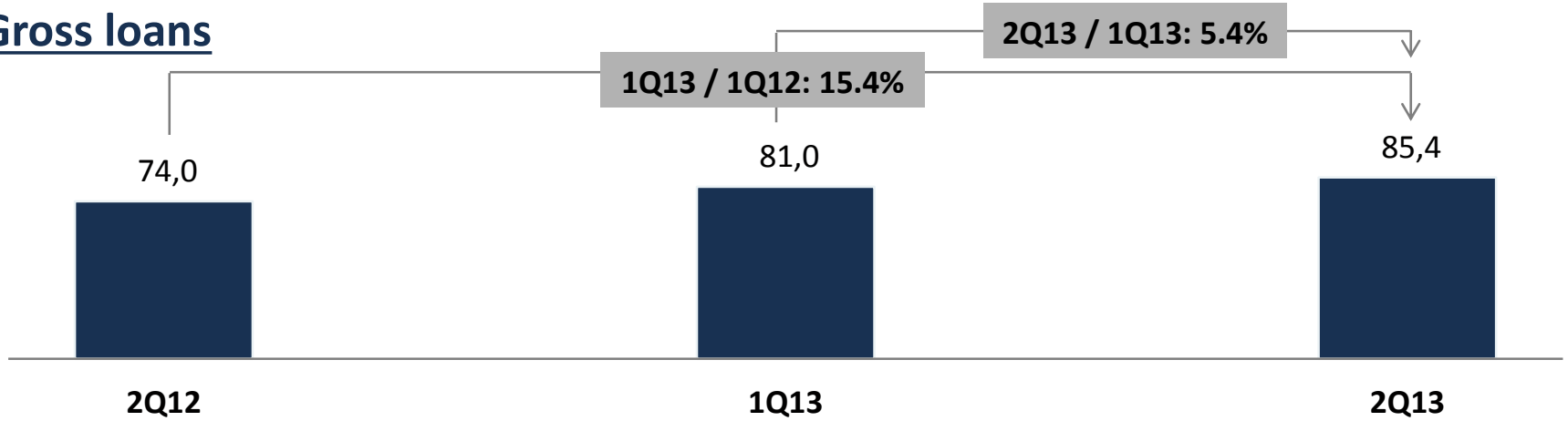
<sup>(1)</sup> Foreign operations reflect Central American operations.

# Loans

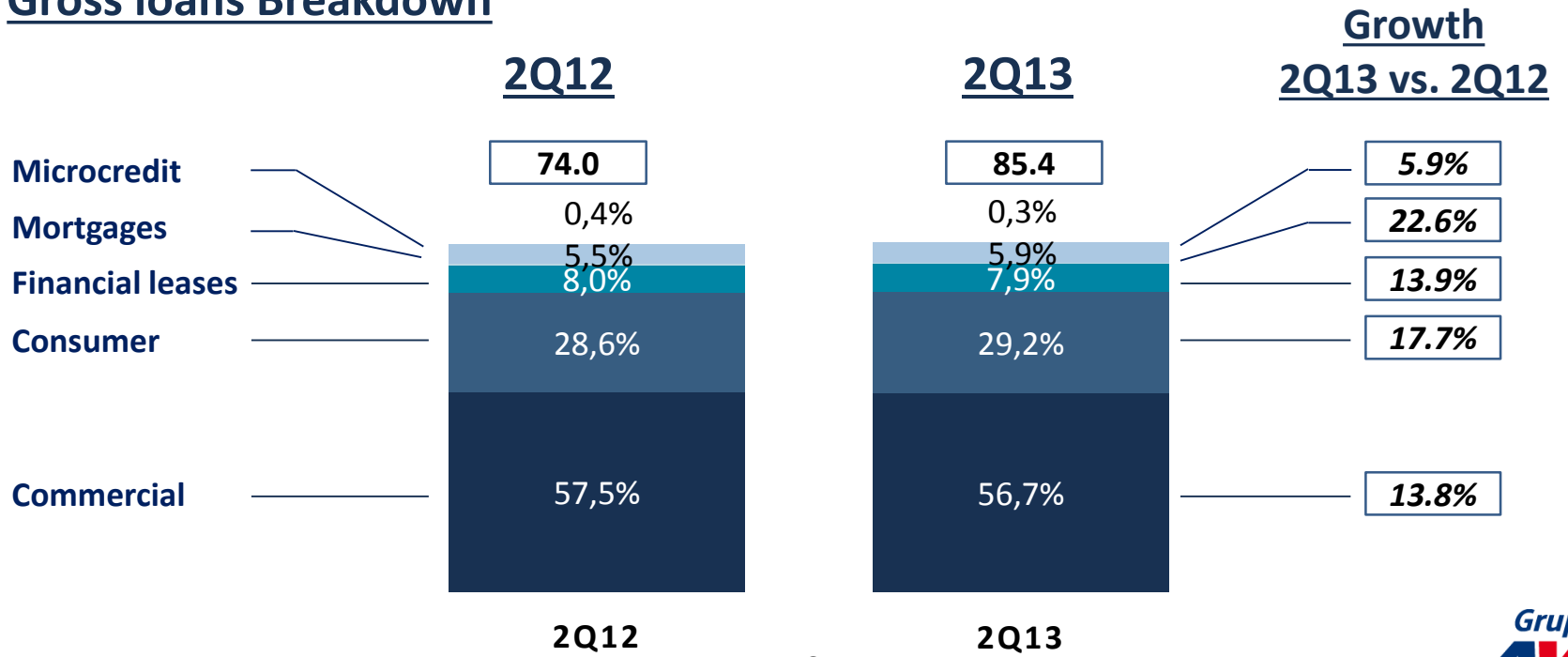


Figures in Ps. Trillions

## Gross loans



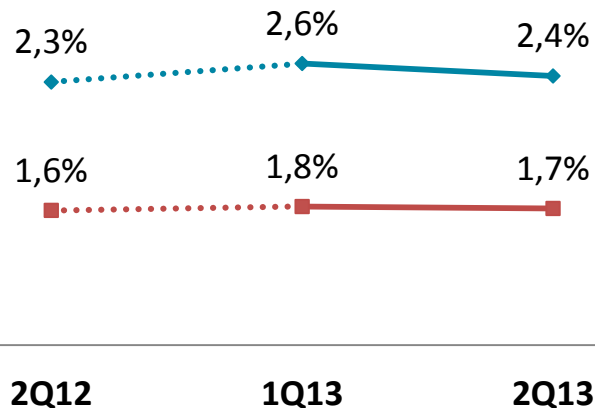
## Gross loans Breakdown



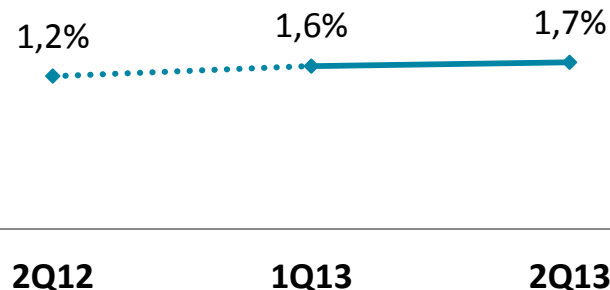
# Loan portfolio quality (1/2)



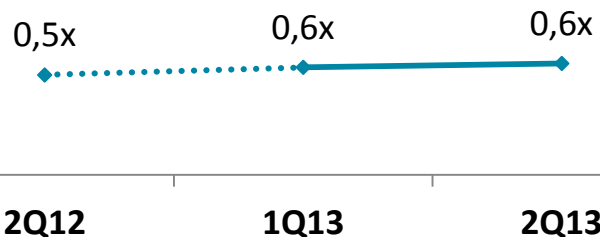
—■ NPLs / Total loans    —◆ PDLs / Total loans



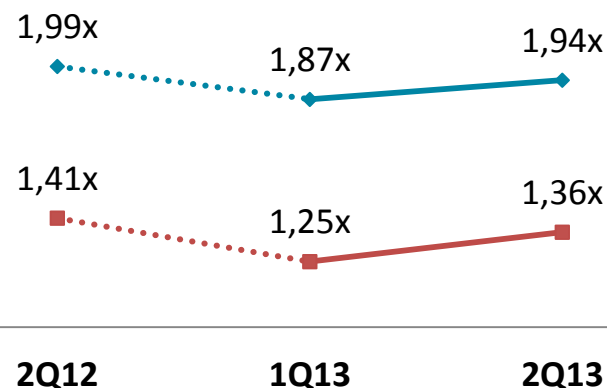
Loan provision expense / Average Loans



Charge offs / Average NPLs



—◆ Allowances / NPLs    —■ Allowances / PDLs



Allowances / Total loans

3.2%

3.3%

3.3%

## PDLs per Loan Category

	% / Total Loans	Past Due Loans <sup>(1)</sup>		
	2Q13	2Q12	1Q13	2Q13
Commercial	56.7%	1.3%	1.5%	1.3%
Consumer	29.2%	3.7%	4.3%	4.4%
Financial leases	7.9%	2.8%	3.6%	2.6%
Mortgages	5.9%	3.8%	3.2%	3.0%
Microcredit	0.3%	8.6%	11.2%	10.5%

## Asset Quality Evolution

<i>Ps. billions</i>	2Q12	1Q13	2Q13
Initial PDLs	1,648.1	1,828.3	2,141.0
New PDLs	186.9	510.5	160.9
Charge-offs	(140.1)	(197.8)	(232.7)
Final PDLs	<b>1,694.9</b>	<b>2,141.0</b>	<b>2,069.2</b>

<sup>(1)</sup> Past Due Loans + 30 days / Total Loans.

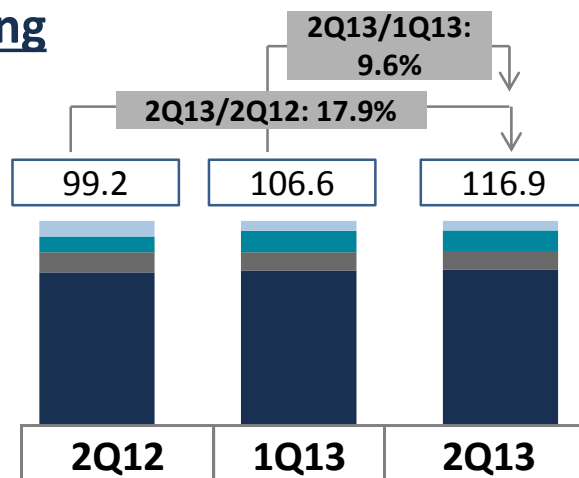


# Funding

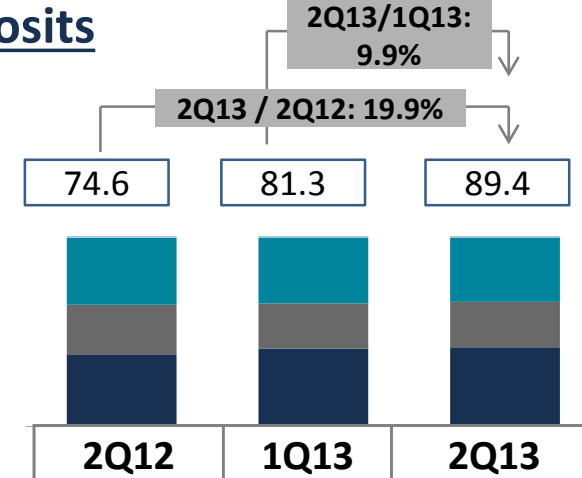
Figures in Ps. Trillions



## Total Funding



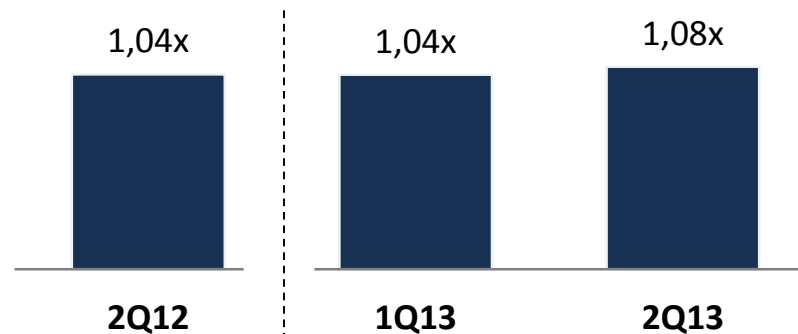
## Total Deposits



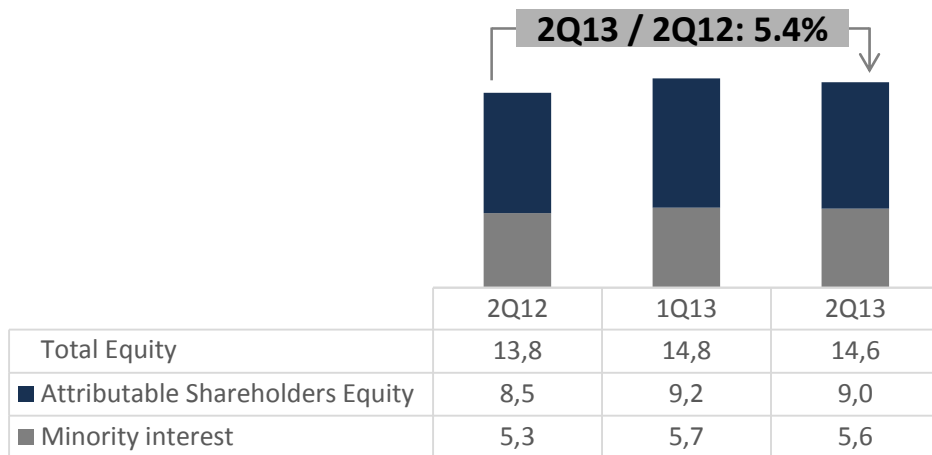
	2Q12	1Q13	2Q13
Deposits	75.2%	76.3%	76.5%
Bank and Others	9.7%	8.6%	9.0%
Long-Term Bonds	7.6%	10.4%	9.9%
Interbanks	7.5%	4.7%	4.6%

	2Q12	1Q13	2Q13
Saving Deposits	38.0%	41.1%	41.8%
Time Deposits	35.0%	34.4%	33.7%
Checking accounts	26.0%	23.6%	23.6%
Others	1.1%	0.9%	0.9%

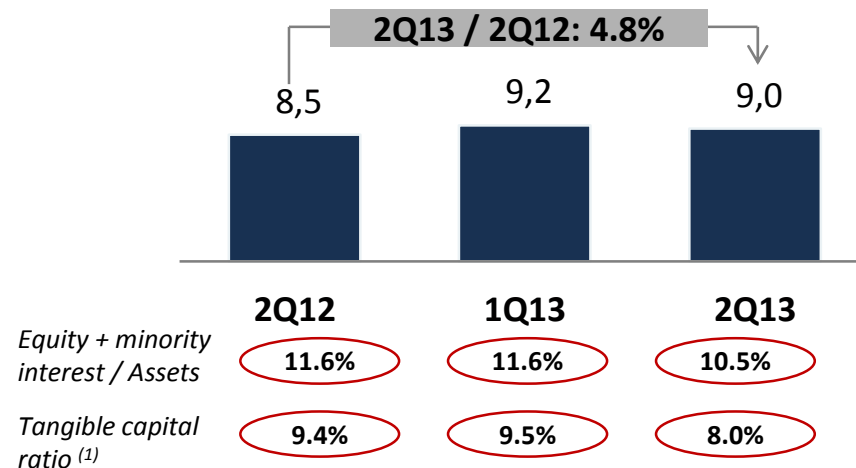
## Deposits / Net Loans (%)



## Attributable Equity + Minority Interest



## Attributable Shareholders Equity



## Consolidated Capital Adequacy of our Banks (%)



	2Q12	1Q13	2Q13	2Q12	1Q13	2Q13	2Q12	1Q13	2Q13	2Q12	1Q13	2Q13
Primary capital (Tier 1)	12.1	12.7	12.3	8.8	8.7	7.6	9.1	9.4	10.1	11.8	11.8	12.0
Solvency Ratio	13.3	15.2	14.5	11.1	11.6	10.2	11.6	11.7	12.0	13.4	13.9	13.7

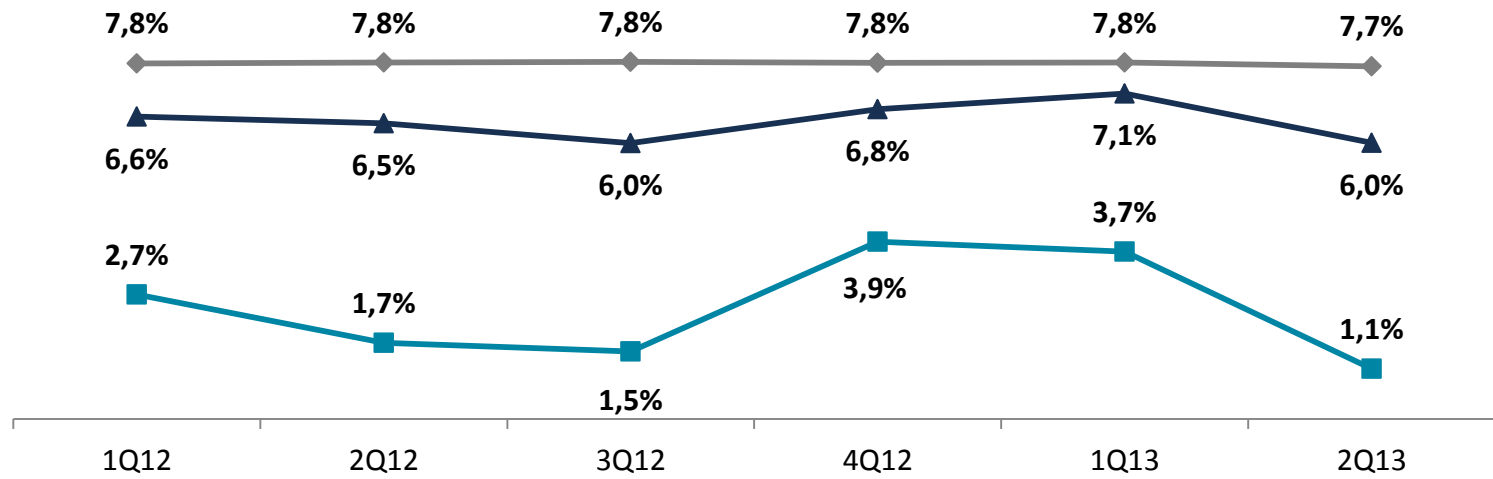
<sup>(1)</sup>Tangible Capital Ratio is calculated as Shareholders Equity plus Minority Interest minus Goodwill divided by Total Assets minus Goodwill.

# NIM – Net Interest Margin



Net interest income (trillions)

2Q12	2Q13	2Q13/ 2Q12
1.5	1.6	7.3%



Avg cost of funds / Total Int. and non Int. bearing liabilities



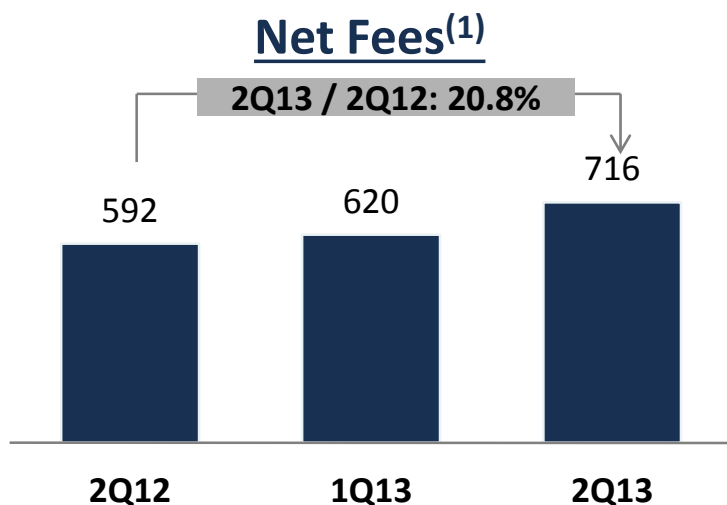
◆ Loans Interest Margin (1)    ■ Net Investments Margin (2)    ▲ Net Interest Margin (3)

- (1) Loans Interest Margin: Net Interest Income on Loans divided by Average loans and financial leases.
- (2) Net Investment Margin: Net Interest income on Debt securities and on Interbank and Overnight funds divided by Average debt securities and Interbank and overnight funds.
- (3) Net Interest Margin: Net interest income divided by total average interest-earning assets.

# Net Fees and other operating income

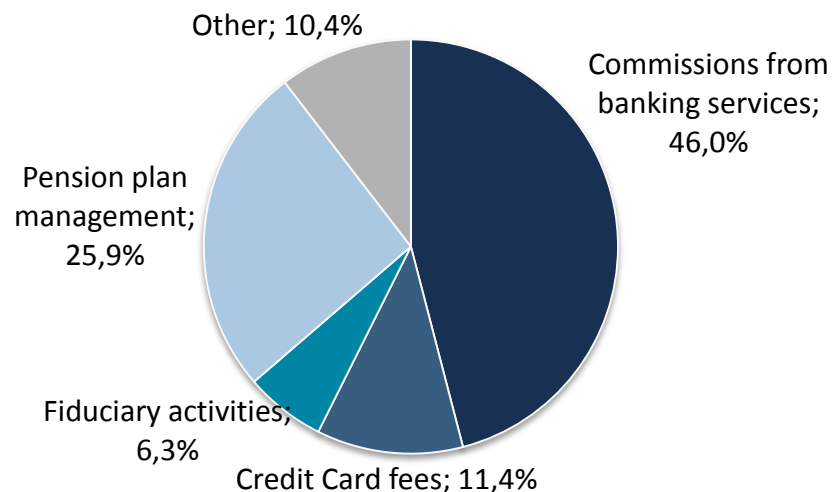


Figures in Ps. Billions

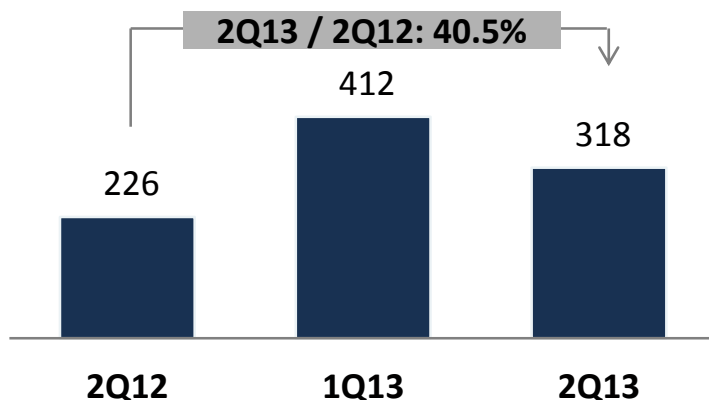


<sup>(1)</sup> Total fees and other service income minus fees and other services expenses.

### Fee Income 2Q13



### Other operating income



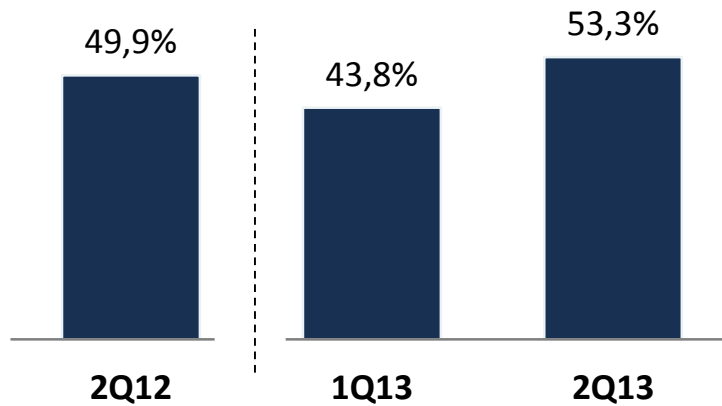
### Other operating income 2Q13

	2Q12	1Q13	2Q13
Dividend Income	27	181	6
Foreign exchange (losses) gains, net	48	78	82
Income from non-financial sector, net	97	110	103
Other	54	44	126
<b>Total other operating income</b>	<b>226</b>	<b>412</b>	<b>318</b>

## Operating Expenses (billions)

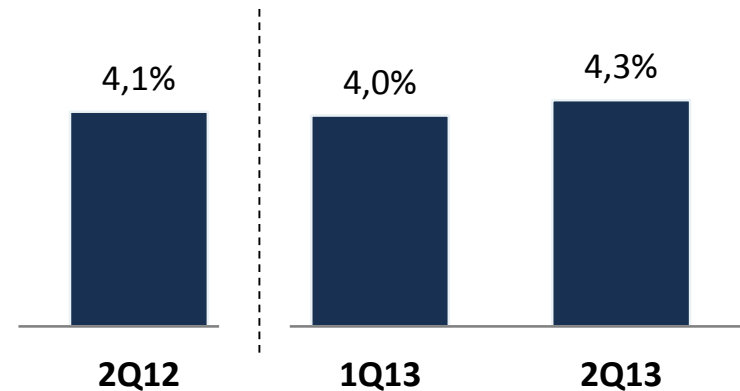
2Q12	2Q13	2Q13/ 2Q12
1,271	1,533	20.6%

### Operating expenses / Operating Income



Efficiency Ratio is calculated as Operating Expenses minus D&A divided by Operating Income before net provisions.

### Operating expenses / Average Assets



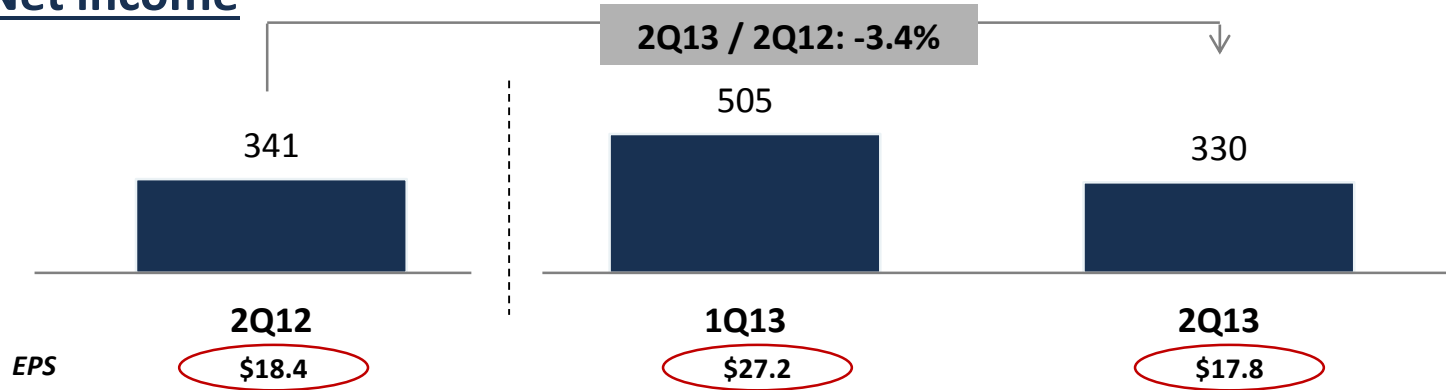
Efficiency Ratio is calculated as annualized Operating Expenses minus D&A divided by average of total assets.

# Profitability

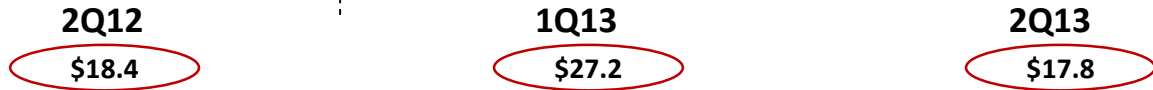


Figures in Ps. Billions

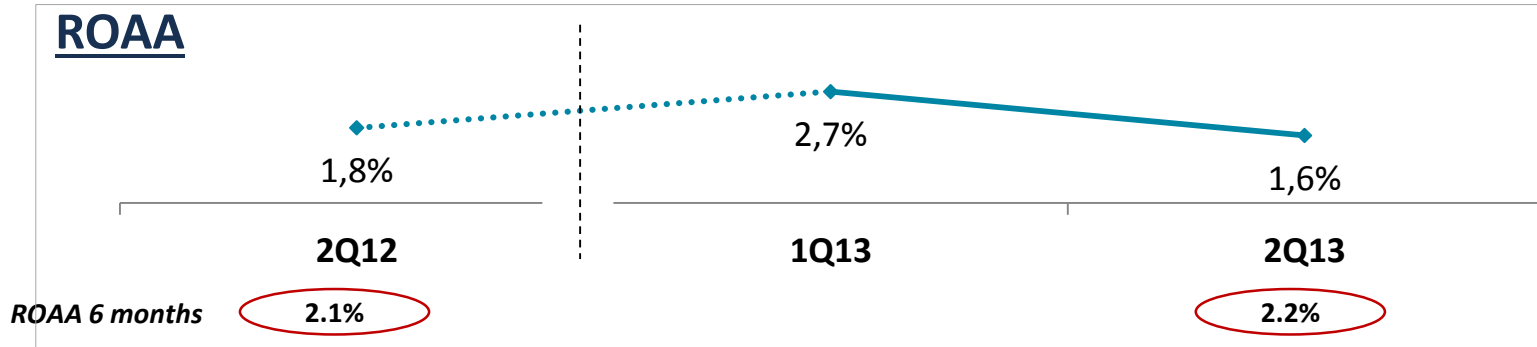
## Net income



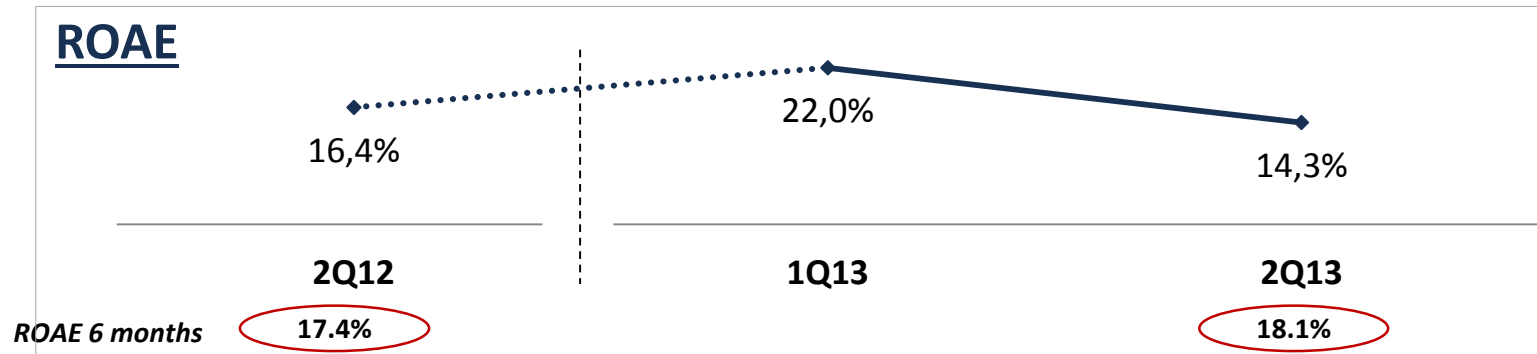
EPS



## ROAA



## ROAE



<sup>(1)</sup> ROAE for each quarter is calculated as annualized Net Income attributable for Aval's shareholders divided by average shareholders' equity. <sup>(2)</sup> ROAA for each quarter is calculated as annualized Net Income before Minority Interest divided by average of total assets.

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