

# Report of 2Q 2013 consolidated results

Information reported in Ps. billions<sup>(1)</sup> and under  
Colombian Banking GAAP

(1) We refer to billions as thousands of millions.





# Disclaimer

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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. For annualized calculations we use the income or expense amount for each quarter and multiply it by four.

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 Superintendencia de Sociedades) and former Superintendencia of Securities (Superintendencia de Valores), currently the Superintendencia 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 Superintendencia 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 Superintendencia 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.

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**Bogotá, September 27th, 2013. GRUPO AVAL ACCIONES Y VALORES S.A. (“Grupo Aval”) reports a consolidated net income result of Ps. 329.6 billion or \$17.8 pesos/share for 2Q13 and a consolidated net income result of Ps. 834.9 billion or \$45.0 pesos/share for 1H2013. As of 2Q13 total assets of Grupo Aval totaled Ps. 138,478.7 billion, total liabilities excluding Minority Interest totaled Ps. 123,912.1 billion and total shareholders equity plus minority interest totaled Ps. 14,566.6 billion.**

#### **Highlights of 2Q13 financial results:**

- Total assets grew by 16.4% to Ps. 138,478.7 billion as of June 30, 2013 versus June 30, 2012 and 7.9% versus March 31, 2013.
- Net Interest Income grew by 7.3% versus 2Q12 and decreased by 12.4% versus 1Q13. This decrease is mainly due to a contraction in the average yield of the fixed income portfolio, partially offset by a decrease in the average cost of funds.
- NIM for 2Q13 was 6.0% versus 6.5% for 2Q12. NIM for 1H13 was 6.6% versus 6.5% for 1H2012.
- The ratio of PDL (+ 30 days) to Total Loans decreased from 2.6% in 1Q13 to 2.4% in 2Q13. The ratio of CDE Loans to Total Loans remained stable at 3.5% between 1Q13 and 2Q13.
- 2Q13 results for Grupo Aval include AFP Horizonte’s results.
- Grupo Aval increased its direct ownership in Banco de Bogotá from 64.44% as of 1Q13 to 66.47% as of 2Q13, and in Banco de Occidente from 68.24% as of 1Q13 to 72.05% as of 2Q13.
- ROAA<sup>(1)</sup> and ROAE<sup>(2)</sup> for 2Q13 were 1.6% and 14.3% respectively versus 1.8% and 16.4% for 2Q12. ROAA and ROAE for 1H13 were 2.2% and 18.1% respectively versus 2.1% y 17.4% for 1H12.

#### **Relevant events since 1Q13:**

- June, 2013: (a) Horizonte and Porvenir filed a petition for merger at the Superintendency of Finance through which Porvenir will absorb Horizonte; (b) Credomatic International Corporation, fully owned subsidiary of Banco de Bogotá signed a Sales and purchase agreement (SPA) to acquire 100% of Grupo Financiero Reformador (Guatemala) for USD 411 million.
- July, 2013: (a) Leasing Bogotá Panamá S.A., fully owned subsidiary of Banco de Bogotá signed a SPA to acquire 100% of BBVA’s direct and indirect stake in Banco Bilbao Vizcaya Argentaria (Panamá), S.A. for USD 490 million; (b) Grupo Aval’s Board of Directors approved a capitalization of Banco de Bogotá for a minimum of USD 500 million.

(1) ROAA is calculated as annualized Income before Minority Interest divided by average total assets for each quarter.

(2) ROAE is calculated as annualized Net Income divided by average total shareholders’ equity for each quarter.

Grupo Aval Acciones y Valores S.A.  
Financial Statements in Colombian Banking GAAP  
Quarterly Consolidated Balance Sheet  
Information in Ps. Billions

Balance Sheet	2Q2012	1Q2013	2Q2013	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
Cash and cash equivalents	13,190.0	13,448.3	14,922.0	11.0%	13.1%
Investment Securities, net	20,285.8	22,497.4	25,003.3	11.1%	23.3%
Loans and financial lease losses, net	71,638.9	78,335.7	82,605.5	5.5%	15.3%
Goodwill, net	2,899.5	2,881.6	3,790.7	31.5%	30.7%
Other assets, net	8,454.2	8,697.6	9,371.4	7.7%	10.8%
Reappraisal of assets	2,460.0	2,492.7	2,785.8	11.8%	13.2%
<b>Total Assets</b>	<b>118,928.4</b>	<b>128,353.2</b>	<b>138,478.7</b>	<b>7.9%</b>	<b>16.4%</b>
Total Deposits	74,578.7	81,326.8	89,390.0	9.9%	19.9%
Other Funding	24,575.7	25,318.5	27,489.9	8.6%	11.9%
Derivatives	195.7	196.6	451.4	129.6%	130.7%
Other liabilities	5,760.2	6,664.6	6,580.8	-1.3%	14.2%
<b>Total Liabilities excl. Minority Interest</b>	<b>105,110.3</b>	<b>113,506.5</b>	<b>123,912.1</b>	<b>9.2%</b>	<b>17.9%</b>
Minority Interest	5,276.4	5,673.3	5,613.5	-1.1%	6.4%
Shareholders' Equity	8,541.7	9,173.4	8,953.0	-2.4%	4.8%
<b>Total Liabilities, shareholders' equity and minority interest</b>	<b>118,928.4</b>	<b>128,353.2</b>	<b>138,478.7</b>	<b>7.9%</b>	<b>16.4%</b>

**INCOME STATEMENT**

Total Interest Income	2,481.5	2,858.5	2,568.6	-10.1%	3.5%
Interest expense	(949.6)	(982.2)	(925.2)	-5.8%	-2.6%
<b>Net Interest Income</b>	<b>1,531.9</b>	<b>1,876.2</b>	<b>1,643.4</b>	<b>-12.4%</b>	<b>7.3%</b>
Total provisions, net	(208.2)	(323.5)	(347.5)	7.4%	66.9%
Fees and other services income, net	592.4	619.9	715.7	15.5%	20.8%
Other operating income	226.0	412.0	317.6	-22.9%	40.5%
Operating expenses	(1,271.0)	(1,372.3)	(1,533.5)	11.7%	20.6%
Non-operating income/(expense), net	6.9	62.4	95.8	53.6%	N.A.
<b>Income before income tax expense and non- controlling interest</b>	<b>878.1</b>	<b>1,274.7</b>	<b>891.7</b>	<b>-30.1%</b>	<b>1.5%</b>
Income tax expense	(351.2)	(411.9)	(346.2)	-16.0%	-1.4%
<b>Net Income before Minority interest</b>	<b>526.9</b>	<b>862.8</b>	<b>545.5</b>	<b>-36.8%</b>	<b>3.5%</b>
Income attributable to Minority Interest	(185.5)	(357.5)	(215.9)	-39.6%	16.4%
<b>Net Income attributable to Grupo Aval shareholders</b>	<b>341.4</b>	<b>505.3</b>	<b>329.6</b>	<b>-34.8%</b>	<b>-3.4%</b>

**Key ratios**

	2Q2012	1Q2013	2Q2013	YTD June 2012	YTD June 2013
NIM (1)	6.5%	7.1%	6.0%	6.5%	6.6%
Efficiency Ratio (2)	49.9%	43.8%	53.3%	50.0%	48.3%
ROAA (3)	1.8%	2.7%	1.6%	2.1%	2.2%
ROAE (4)	16.4%	22.0%	14.3%	17.4%	18.1%
30 days PDL / Total Loans	2.3%	2.6%	2.4%	2.3%	2.4%
Provision Expense / Average Loans (5)	1.2%	1.6%	1.7%	1.2%	1.7%
Allowance / PDL	141.5%	124.9%	136.2%	141.5%	136.2%
Allowance / Total Loans	3.2%	3.3%	3.3%	3.2%	3.3%
Charge Offs / Average Loans (5)	0.8%	1.0%	1.1%	0.9%	1.1%
Total Loans, net / Total assets	60.2%	61.0%	59.7%	60.2%	59.7%
Deposits / Total Loans, net	104.1%	103.8%	108.2%	104.1%	108.2%
Equity + Min. Interest / Assets	11.6%	11.6%	10.5%	11.6%	10.5%
Tangible Equity Ratio (6)	9.4%	9.5%	8.0%	9.4%	8.0%
Shares Outstanding (EoP)	18,551,766,453	18,551,766,453	18,551,766,453	18,551,766,453	18,551,766,453
Shares Outstanding (Average)	18,551,545,870	18,551,766,453	18,551,766,453	18,551,545,870	18,551,766,453
Common share price (EoP)	1,140	1,265	1,355	1,140	1,355
Preferred share price (EoP)	1,145	1,290	1,375	1,145	1,375
BV/ EoP shares in Ps.	460.4	494.5	482.6	460.4	482.6
EPS	18.4	27.2	17.8	38.9	45.0
P/E (7)	15.6	11.8	19.3	14.7	15.3
P/BV (7)	2.5	2.6	2.8	2.5	2.8

(1) NIM is calculated as Net Interest Income divided by the average of Interest Earning Assets; (2) Efficiency Ratio calculated as operating expenses minus D&A divided by operating income before provision expense, net; (3) ROAA is calculated as Income before Minority Interest divided by the average of total assets for each quarter; (4) ROAE is calculated as Net Income attributable to Grupo Aval's shareholders divided by the average of shareholders' equity for each quarter; (5) Refers to average gross loans for the period; (6) Tangible Equity Ratio is calculated as Total Equity plus Minority Interest minus Goodwill divided by Total Assets minus Goodwill; (7) Based on Preferred share prices.

## Balance Sheet Analysis

### 1. Assets

Total assets as of June 30, 2013 totaled Ps. 138,478.7 billion showing an increase of 16.4% versus June 30, 2012 and 7.9% versus March 31, 2012. Growth in assets was mainly driven by a 15.4% last twelve months growth in Gross Loans and Financial Leases to Ps. 85,423.0 billion and a 23.3% last twelve months growth in Investment Securities, Net to Ps. 25,003.3 billion.

#### 1.1 Loans and Financial Leases

Total Gross loans and financial leases increased by 15.4% between June 30, 2012 and June 30, 2013 to Ps. 85,423.0 billion driven by a 17.7% growth in Consumer loans to Ps. 24,927.4 billion, a 13.9% growth in Financial Leases to Ps. 6,718.8 billion, and a 13.8% increase in Commercial loans to Ps. 48,467.8 billion.

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<b>Commercial</b>					
General purpose loans	29,547.0	33,084.2	35,798.4	8.2%	21.2%
Loans funded by development banks	1,805.1	1,560.2	1,540.1	-1.3%	-14.7%
Working capital loans	10,458.7	10,155.8	10,539.8	3.8%	0.8%
Credit cards	219.5	267.8	269.9	0.8%	22.9%
Overdrafts	568.5	374.9	319.5	-14.8%	-43.8%
<b>Total commercial</b>	<b>42,598.9</b>	<b>45,443.0</b>	<b>48,467.8</b>	<b>6.7%</b>	<b>13.8%</b>
<b>Consumer</b>					
Credit cards	4,536.4	5,740.4	6,112.9	6.5%	34.8%
Personal loans	13,746.9	15,230.9	15,559.0	2.2%	13.2%
Automobile and vehicle loans	2,647.0	2,914.8	3,018.0	3.5%	14.0%
Other	243.3	246.6	237.5	-3.7%	-2.4%
<b>Total consumer</b>	<b>21,173.5</b>	<b>24,132.7</b>	<b>24,927.4</b>	<b>3.3%</b>	<b>17.7%</b>
Microcredit	281.2	290.8	297.8	2.4%	5.9%
Financial leases	5,896.8	6,536.9	6,718.8	2.8%	13.9%
Mortgages	4,086.2	4,605.8	5,011.3	8.8%	22.6%
<b>Total loans, Gross</b>	<b>74,036.6</b>	<b>81,009.2</b>	<b>85,423.0</b>	<b>5.4%</b>	<b>15.4%</b>
Allowance for loan losses	(2,397.7)	(2,673.5)	(2,817.6)	5.4%	17.5%
<b>Total loans, Net</b>	<b>71,638.9</b>	<b>78,335.7</b>	<b>82,605.5</b>	<b>5.5%</b>	<b>15.3%</b>

Between June 30, 2012 and June 30, 2013, general purpose commercial loans grew the most in absolute terms while credit cards, both consumer and commercial, grew the most in relative terms.

As of June 30, 2013, and in line with previous results, 58.0% of the net loan portfolio was generated at Banco de Bogotá, 21.2% at Banco de Occidente, 13.6% at Banco Popular and 7.3% at Banco AV Villas.

<u>Gross Loans / Bank (\$)</u>	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
Banco de Bogotá	41,745.4	46,459.3	49,543.7	6.6%	18.7%
<i>Local</i>	30,296.1	33,081.9	35,071.2	6.0%	15.8%
<i>BAC</i>	11,449.3	13,377.4	14,472.5	8.2%	26.4%
Banco de Occidente	15,645.3	17,234.1	18,082.2	4.9%	15.6%
Banco Popular	11,148.1	11,432.2	11,584.9	1.3%	3.9%
Banco AV Villas	5,552.0	5,919.4	6,251.9	5.6%	12.6%
Eliminations	(54.2)	(35.9)	(39.6)	10.4%	-27.0%
<b>Total Grupo Aval</b>	<b>74,036.6</b>	<b>81,009.2</b>	<b>85,423.0</b>	<b>5.4%</b>	<b>15.4%</b>

<u>Gross Loans / Bank (%)</u>	2Q12	1Q13	2Q13
<i>Local</i>	40.9%	40.8%	41.1%
<i>BAC</i>	15.5%	16.5%	16.9%
Banco de Occidente	21.1%	21.3%	21.2%
Banco Popular	15.1%	14.1%	13.6%
Banco AV Villas	7.5%	7.3%	7.3%
Eliminations	-0.1%	0.0%	0.0%
<b>Total Grupo Aval</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

As detailed below, of total of Grupo Aval's loans, 83% are domestic and 17% are foreign (which reflects BAC results). Between 2Q12 and 2Q13, growth in foreign loans was 26.4% while growth in domestic loans was 13.4%.

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<b>Domestic</b>					
Commercial	38,773.9	40,848.1	43,499.3	6.5%	12.2%
Consumer	16,967.9	19,081.0	19,438.1	1.9%	14.6%
Microcredit	281.2	290.8	297.8	2.4%	5.9%
Financial Leases	5,653.1	6,234.5	6,379.7	2.3%	12.9%
Mortgages	911.1	1,177.4	1,335.7	13.4%	46.6%
<b>Total Domestic Loans</b>	<b>62,587.3</b>	<b>67,631.8</b>	<b>70,950.6</b>	<b>4.9%</b>	<b>13.4%</b>
<b>Foreign</b>					
Commercial	3,825.0	4,594.9	4,968.5	8.1%	29.9%
Consumer	4,205.6	5,051.7	5,489.2	8.7%	30.5%
Microcredit	-	-	-	-	-
Financial Leases	243.7	302.4	339.1	12.1%	39.2%
Mortgages	3,175.0	3,428.4	3,675.6	7.2%	15.8%
<b>Total Foreign Loans</b>	<b>11,449.3</b>	<b>13,377.4</b>	<b>14,472.5</b>	<b>8.2%</b>	<b>26.4%</b>
<b>Total Loans, Gross</b>	<b>74,036.6</b>	<b>81,009.2</b>	<b>85,423.0</b>	<b>5.4%</b>	<b>15.4%</b>

CDE Loans to Total Loans as of June 30, 2013 were 3.5%, 30 days PDL to Total Loans were 2.4% and NPL to Total Loans were 1.7% versus 3.5%, 2.6% and 1.8% as of June 30, 2012, respectively. Grupo Aval showed sufficient coverage of its non-performing loans and financial leases with a coverage ratio of Allowance to CDE Loans of 0.9x and Allowance to 30 days PDL of 1.4x. Loans and Financial Leases provision expense, net of reversals to average total loans was slightly higher in 2Q13 at 1.7% versus 1Q13 at 1.6%. Finally, charge offs to average total loans closed at 1.1% in 2Q13 versus 1.0% in 1Q13.

	2Q2012	1Q2013	2Q2013	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
"A" normal risk	69,491.6	75,742.7	80,117.2	5.8%	15.3%
"B" acceptable risk	2,141.0	2,411.9	2,273.8	-5.7%	6.2%
"C" appreciable risk	1,072.2	1,399.9	1,515.1	8.2%	41.3%
"D" significant risk	869.4	974.7	1,003.3	2.9%	15.4%
"E" unrecoverable	462.4	480.1	513.7	7.0%	11.1%
<b>Total Loans</b>	<b>74,036.6</b>	<b>81,009.2</b>	<b>85,423.1</b>	<b>5.4%</b>	<b>15.4%</b>
CDE Loans	2,404.0	2,854.6	3,032.0		
30 Days Past Due Loans	1,694.9	2,141.0	2,069.2		
Non Performing Loans <sup>(1)</sup>	1,203.6	1,431.8	1,452.3		
CDE Loans / Total Loans	3.2%	3.5%	3.5%		
30 days PDL/Total Loans	2.3%	2.6%	2.4%		
NPL <sup>(1)</sup> / Total Loans	1.6%	1.8%	1.7%		
Allowance/ CDE Loans	1.0	0.9	0.9		
Allowance/ PDL	1.4	1.2	1.4		
Allowance/ NPL <sup>(1)</sup>	2.0	1.9	1.9		
Allowance/ Total Loans	3.2%	3.3%	3.3%		
Provision Expense, net / CDE Loans	0.4	0.4	0.5		
Provision Expense, net / PDL	0.5	0.6	0.7		
Provision Expense, net / NPL <sup>(1)</sup>	0.7	0.9	1.0		
Provision Expense, net / Average total loans	1.2%	1.6%	1.7%		
Charge Off / Average total loans	0.8%	1.0%	1.1%		

(1) NPL defined as microcredit loans more than 30 days past due, consumer, mortgage and financial leases more than 60 days past due and commercial loans more than 90 days past due.

## 1.2 Investment Securities

Investment securities, net grew by 23.3% to Ps. 25,003.3 billion between June 30, 2012 and June 30, 2013. Ps. 21,465.4 billion of such amount was invested in fixed income securities, which grew by 22.2% between June 30, 2012 and June 30, 2013. Ps. 3,544.7 billion of total investment securities, net was invested in equity securities, which grew by 29.8% between June 30, 2012 and June 30, 2013. Increase in equity securities was mainly driven by an increase in Corficolombiana's direct ownership of Promigas S.A. E.S.P. (Corficolombiana's investment totaled Ps. 667 billion)

	2Q2012	1Q2013	2Q2013	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<i>Investment Securities</i>					
Trading	2,819.7	4,887.5	5,756.7	17.8%	104.2%
Available for Sale	11,325.3	10,608.9	11,692.1	10.2%	3.2%
Held to maturity	3,419.2	3,235.8	4,016.7	24.1%	17.5%
<b>Total Debt Securities</b>	<b>17,564.2</b>	<b>18,732.2</b>	<b>21,465.4</b>	<b>14.6%</b>	<b>22.2%</b>
Trading	1,295.1	1,625.0	1,366.5	-15.9%	5.5%
Available for Sale	1,434.8	2,147.3	2,178.2	1.4%	51.8%
<b>Total Equity Securities</b>	<b>2,729.9</b>	<b>3,772.3</b>	<b>3,544.7</b>	<b>-6.0%</b>	<b>29.8%</b>
<i>Allowance for investment securities</i>	(8.3)	(7.1)	(6.8)	-4.6%	-18.8%
<b>Investment Securities, net</b>	<b>20,285.8</b>	<b>22,497.4</b>	<b>25,003.3</b>	<b>11.1%</b>	<b>23.3%</b>

	1 year or less	1 - 5 years	5- 10 years	10 years or more	Total
<b>2Q2012</b>					
<i>Fixed Income securities, net:</i>					
COP denominated	3,416.7	5,178.6	5,169.0	628.3	14,392.5
USD denominated	1,486.8	1,497.6	183.6	0.0	3,168.1
<b>Total Fixed Income securities, net</b>	<b>4,903.5</b>	<b>6,676.2</b>	<b>5,352.6</b>	<b>628.3</b>	<b>17,560.6</b>
(% of Total Fixed Income Sec.)	27.9%	38.0%	30.5%	3.6%	
<b>Equity securities, net</b>					<b>2,725.2</b>
<b>Total Investment Securities</b>					<b>20,285.8</b>

	1 year or less	1 - 5 years	5- 10 years	10 years or more	Total
<b>1Q2013</b>					
<i>Fixed Income securities, net:</i>					
COP denominated	2,941.4	4,673.8	4,576.6	1,265.0	13,456.8
USD denominated	1,729.5	1,645.1	1,889.1	8.9	5,272.6
<b>Total Fixed Income securities, net</b>	<b>4,670.8</b>	<b>6,319.0</b>	<b>6,465.7</b>	<b>1,274.0</b>	<b>18,729.5</b>
(% of Total Fixed Income Sec.)	24.9%	33.7%	34.5%	6.8%	
<b>Equity securities, net</b>					<b>3,767.9</b>
<b>Total Investment Securities</b>					<b>22,497.4</b>

	1 year or less	1 - 5 years	5- 10 years	10 years or more	Total
<b>2Q2013</b>					
<i>Fixed Income securities, net:</i>					
COP denominated	3,296.1	6,704.7	4,602.0	935.6	15,538.5
USD denominated	1,933.6	2,086.5	1,904.0	0.0	5,924.1
<b>Total Fixed Income securities, net</b>	<b>5,229.7</b>	<b>8,791.2</b>	<b>6,506.0</b>	<b>935.6</b>	<b>21,462.6</b>
(% of Total Fixed Income Sec.)	24.4%	41.0%	30.3%	4.4%	
<b>Equity securities, net</b>					<b>3,540.7</b>
<b>Total Investment Securities</b>					<b>25,003.3</b>



### 1.3 Cash and Cash Equivalents

As of June 30, 2013, cash and cash equivalents balance of Ps. 14,922.0 billion increased by 13.1% versus June 30, 2012.

### 1.4 Goodwill

Goodwill as of June 30, 2013 was Ps. 3,790.7 billion, increasing by 30.7% versus June 30, 2012. This increase was attributable to the goodwill generated by the acquisition of AFP Horizonte Pensiones y Cesantías, and by the acquisition of minority interests of Banco de Bogotá and Banco de Occidente.

<u>Goodwill</u>	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
Megabanco acquisition	500.3	483.5	477.9	-1.2%	-4.5%
Banco Popular and Banco AV Villas acquisitions	411.0	402.4	397.6	-1.2%	-3.3%
Banco Aliadas and Banco Unión acquisitions	30.0	23.9	23.5	-1.7%	-21.7%
Intrex acquisition (recorded into Banco de Bogotá S.A. through Corficolombiana)	122.6	127.2	126.4	-0.6%	3.1%
Proyectos de Infraestructura and Hoteles Estelar's acquisitions	7.6	7.6	7.5	-1.3%	-1.3%
BAC Credomatic GEFC Inc. acquisition	1,828.0	1,837.0	1,919.6	4.5%	N.A.
Related to the purchase of minority stake in Banco de Bogotá and in Banco de Occidente			292.8	N.A.	N.A.
AFP Horizonte Pensiones y Cesantías S.A. acquisition			545.4	N.A.	N.A.
<b>Total Goodwill, net</b>	<b>2,899.5</b>	<b>2,881.6</b>	<b>3,790.7</b>	<b>31.5%</b>	<b>30.7%</b>

## 2. Liabilities excl. Minority Interest

As of June 30, 2013, funding represented 94% of total liabilities excluding minority interest and accounts payable and other liabilities represented 6%. This composition remained stable between 2Q12 and 2Q13.

### 2.1 Funding

Total Funding which includes (i) Deposits, (ii) Interbank borrowings and overnight funds, (iii) Borrowings from banks and other, (iv) Bonds, and (v) Bank acceptances had a balance of Ps. 116,879.9 billion as of June 30, 2013 showing an increase of 17.9% versus June 30, 2012. Within total funding, and as of June 30, 2013, total deposits represented 76% of total funding.

#### 2.1.1 Deposits

Total Deposits grew by 19.9% to Ps. 89,390.0 billion between June 30, 2012 and June 30, 2013. As of June 30, 2013, interest bearing deposits contributed with 86% of the total deposits, and grew by 21.5% versus June 30, 2012, while non-interest bearing deposits contributed with 14% of total deposits and grew by 10.8% versus June 30, 2012.

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<b>Deposits:</b>					
Checking accounts	10,737.1	10,923.4	11,954.0	9.4%	11.3%
Other	799.3	719.3	831.0	15.5%	4.0%
<b>Non-interest bearing</b>	<b>11,536.4</b>	<b>11,642.7</b>	<b>12,785.0</b>	<b>9.8%</b>	<b>10.8%</b>
Checking accounts	8,643.0	8,281.4	9,170.7	10.7%	6.1%
Time deposits	26,082.5	27,994.1	30,080.9	7.5%	15.3%
Saving deposits	28,316.8	33,408.6	37,353.4	11.8%	31.9%
<b>Interest bearing</b>	<b>63,042.3</b>	<b>69,684.1</b>	<b>76,605.0</b>	<b>9.9%</b>	<b>21.5%</b>
<b>Total Deposits</b>	<b>74,578.7</b>	<b>81,326.8</b>	<b>89,390.0</b>	<b>9.9%</b>	<b>19.9%</b>

Of our total deposits as of June 30, 2013, checking accounts represented 23.6%, time deposits 33.7%, saving accounts 41.8% and other deposits 0.9% versus 26.0%, 35.0%, 38.0% and 1.1% as of June 30, 2012, respectively.

As of June 30, 2013, deposits contributed by Banco de Bogotá represented 61.6% of total deposits, by Banco de Occidente 20.0%, by Banco Popular 11.7%, and by Banco AV Villas 8.0%. Eliminations accounted for 1.2% of Total Deposits. Local Deposits accounted for 83% and International Deposits accounted for 17%.

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<b>Deposits / Bank (\$)</b>					
Banco de Bogotá	46,508.8	50,032.1	55,091.5	10.1%	18.5%
<i>Local</i>	34,193.8	36,387.6	40,385.5	11.0%	18.1%
<i>BAC</i>	12,315.0	13,644.5	14,706.0	7.8%	19.4%
Banco de Occidente	14,462.3	16,344.8	17,863.5	9.3%	23.5%
Banco Popular	9,607.9	10,186.8	10,418.7	2.3%	8.4%
Banco AV Villas	6,291.6	6,844.1	7,109.9	3.9%	13.0%
Eliminations	(2,292.0)	(2,081.0)	(1,093.5)	-47.5%	-52.3%
<b>Total Grupo Aval</b>	<b>74,578.7</b>	<b>81,326.8</b>	<b>89,390.0</b>	<b>9.9%</b>	<b>19.9%</b>
<b>Deposits / Bank (%)</b>					
Banco de Bogotá	62.4%	61.5%	61.6%		
<i>Local</i>	45.8%	44.7%	45.2%		
<i>BAC</i>	16.5%	16.8%	16.5%		
Banco de Occidente	19.4%	20.1%	20.0%		
Banco Popular	12.9%	12.5%	11.7%		
Banco AV Villas	8.4%	8.4%	8.0%		
Eliminations	-3.1%	-2.6%	-1.2%		
<b>Total Grupo Aval</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		

## 2.1.2 Borrowings from Banks and Other

As of June 30, 2013, borrowings from banks and other totaled Ps. 10,566.7 billion, showing an increase of 9.7% versus June 30, 2012 results.

## 2.1.3 Bonds

Total bonds as of June 30, 2013 totaled Ps. 11,547.9 billion showing an increase of 53.3% versus June 30, 2012. The main drivers of this increase were: (i) a USD 1.0 billion 10 year senior bond issuance by Grupo Aval Limited under Reg S- Rule 144A in 3Q12, and (ii) a USD 500 million 10 year subordinated bond issuance by Banco de Bogotá under Reg S- Rule 144A in 1Q13.

## 3. Minority Interest

Minority interest in Grupo Aval reflects: (i) the minority stakes that third party shareholders hold in each of its direct consolidated subsidiaries (Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas), and (ii) the minority stakes that third party shareholders hold in the consolidated subsidiaries at the bank level (mainly Corficolombiana and Porvenir). As of June 30, 2013 minority interest was Ps. 5,613.5 billion which increased by 6.4% versus June 30, 2012. Total minority interest was 38.5% of Total Equity plus Minority Interest for June 30, 2013 and 38.2% for June 30, 2012. Total minority interest derives from the sum of the combined minority interests of our banks and of Grupo Aval, and applying eliminations associated with the consolidation process of Grupo Aval.

## 4. Attributable Shareholders' Equity

Attributable shareholders' equity as of June 30, 2013 was Ps. 8,953.0 billion showing an increase of 4.8% versus June 30, 2012 and a decrease of 2.4% versus March 31, 2013.

The decrease in attributable shareholders' equity was the result of an increase in retained earnings and a decrease in equity surplus which reflected changes in unrealized gains of available for sale securities related to changes in market conditions and in equity inflation adjustments.

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
Shareholders' Equity	8,541.7	9,173.4	8,953.0	-2.4%	4.8%
Subscribed and paid in capital					
Common and preferred shares	18.6	18.6	18.6	0.0%	0.0%
Additional paid in capital	3,671.7	3,672.7	3,671.7	0.0%	0.0%
Retained Earnings	3,356.6	3,754.1	4,083.6	8.8%	21.7%
Equity surplus	1,494.9	1,728.1	1,179.2	-31.8%	-21.1%

## Income Statement Analysis

Our net income attributable to shareholders for 2Q13 of Ps. 329.6 billion decreased by 3.4% versus 2Q12 results and by 34.8% versus 1Q13 results. The decrease in attributable net income versus 1Q13 is the result of a lower average yield in our security portfolio associated with local movements in the fixed income market (TES 2024 average yield, reference for long term sovereign debt in Colombia, increased by 176 pbs. between March 31, 2013 and June 30, 2013).

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
Total Interest Income	2,481.5	2,858.5	2,568.6	-10.1%	3.5%
Interest expense	(949.6)	(982.2)	(925.2)	-5.8%	-2.6%
<b>Net Interest Income</b>	<b>1,531.9</b>	<b>1,876.2</b>	<b>1,643.4</b>	<b>-12.4%</b>	<b>7.3%</b>
Total provisions, net	(208.2)	(323.5)	(347.5)	7.4%	66.9%
Fees and other services income, net	592.4	619.9	715.7	15.5%	20.8%
Other operating income	226.0	412.0	317.6	-22.9%	40.5%
Operating expenses	(1,271.0)	(1,372.3)	(1,533.5)	11.7%	20.6%
Non-operating income/(expense), net	6.9	62.4	95.8	53.6%	N.A.
<b>Income before income tax expense and non- controlling interest</b>	<b>878.1</b>	<b>1,274.7</b>	<b>891.7</b>	<b>-30.1%</b>	<b>1.5%</b>
Income tax expense	(351.2)	(411.9)	(346.2)	-16.0%	-1.4%
<b>Net Income before Minority interest</b>	<b>526.9</b>	<b>862.8</b>	<b>545.5</b>	<b>-36.8%</b>	<b>3.5%</b>
Income attributable to Minority Interest	(185.5)	(357.5)	(215.9)	-39.6%	16.4%
<b>Net Income attributable to Grupo Aval shareholders</b>	<b>341.4</b>	<b>505.3</b>	<b>329.6</b>	<b>-34.8%</b>	<b>-3.4%</b>

### 1. Net Interest Income

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<i>Interest Income:</i>					
Interest on loans	1,967.2	2,125.7	2,124.5	-0.1%	8.0%
Interest on investment securities	309.2	500.4	223.3	-55.4%	-27.8%
Interbank and overnight funds	45.1	54.0	51.1	-5.4%	13.3%
Financial leases	160.1	178.4	169.7	-4.9%	6.0%
<b>Total Interest income</b>	<b>2,481.5</b>	<b>2,858.5</b>	<b>2,568.6</b>	<b>-10.1%</b>	<b>3.5%</b>
<i>Interest expense:</i>					
Checking accounts	(40.6)	(39.7)	(34.4)	-13.4%	-15.3%
Time deposits	(346.1)	(370.4)	(355.6)	-4.0%	2.7%
Saving deposits	(258.9)	(277.8)	(245.5)	-11.6%	-5.2%
<b>Total interest expense on deposits</b>	<b>(645.7)</b>	<b>(687.9)</b>	<b>(635.5)</b>	<b>-7.6%</b>	<b>-1.6%</b>
Interbank and overnight funds (expenses)	(56.0)	(39.7)	(37.5)	-5.6%	-33.1%
Borrowings from banks and others	(116.4)	(103.9)	(92.6)	-10.9%	-20.5%
Bonds	(131.5)	(150.7)	(159.6)	5.9%	21.4%
<b>Total Interest Expense</b>	<b>(949.6)</b>	<b>(982.2)</b>	<b>(925.2)</b>	<b>-5.8%</b>	<b>-2.6%</b>
<b>Net Interest Income</b>	<b>1,531.9</b>	<b>1,876.2</b>	<b>1,643.4</b>	<b>-12.4%</b>	<b>7.3%</b>

Our net interest income increased by 7.3% to Ps. 1,643.4 billion for 2Q13 versus 2Q12 and decreased by 12.4% versus 1Q13. The main reasons for the increase versus 2Q12 were:

- A 7.8% increase in interest income from loans and financial leases reaching Ps. 2,294.2 billion in 2Q13 versus 2Q12 associated with a 14.5% increase in the average interest earning loan and financial lease portfolio to Ps. 81,717.3 billion in 2Q13 and despite a contraction in the average yield of loans and financial leases from 11.9% in 2Q12 to 11.2% in 2Q13. The decrease in the average yield of loans and financial leases was associated with a contraction in the average DTF rate from 5.5% in 2Q12 to 4.0% to 2Q13.
- A 2.6% decrease in total interest expense to Ps. 925.2 due to a contraction in the average cost of funds from 4.0% in 2Q12 to 3.3% in 2Q13. As in the case of the loan portfolio, the decrease in the average cost of funds was associated with a decrease in the average DTF rate.

Our NIM for 2Q13 was 6.0% versus 6.5% for 2Q12 and our NIM for 1H 2013 was 6.6% versus 6.5% for 1H2012.

## 2. Provision expense, net

Our total net provisions increased by 66.9% to Ps. 347.5 billion for 2Q13 versus 2Q12. This increase was mainly attributable to higher net provisions for loan and financial lease losses, accrued interest and other receivables. This increase is attributable to higher growth in the consumer loan portfolio than in the commercial loan portfolio. 2Q13 showed an improvement in the quality of loan portfolio with a 30 days PDL / Total Loan ratio of 2.4% versus 2.6% in 1Q13. and a NPL / Total Loan ratio of 1.7% versus 1.8% in 1Q13.

Our ratio of annualized net provision expense to average loans was 1.7% for 2Q13 versus 1.6% in 1Q13 and 1.2% in 2Q12.

	2Q2012	1Q2013	2Q2013	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
Provisions for loan and financial lease losses, accrued interest and other receivables, net	(237.5)	(347.6)	(387.2)	11.4%	63.1%
Recovery of charged-off assets	31.1	29.7	43.3	45.8%	39.4%
Provision for investment securities, foreclosed assets and other assets	(8.0)	(9.1)	(13.2)	44.8%	66.0%
Recovery of provisions for investments securities, foreclosed assets and other assets	6.2	3.5	9.6	178.4%	56.3%
<b>Total provisions, net</b>	<b>(208.2)</b>	<b>(323.5)</b>	<b>(347.5)</b>	<b>7.4%</b>	<b>66.9%</b>

### 3. Fee Income and Other Operating income, net

Total fees and other operating income, net increased by 26.3% to Ps. 1,033.3 billion for 2Q13 versus 2Q12. Total fees and other services income, net increased by 20.8% Ps. 715.7 billion while total other operating income increased by 40.5%, to Ps. 317.6 billion for 2Q13 driven by the consolidation of AFP Horizonte's results and by an increase in income from derivatives and foreign exchange gains and from the sale of equity securities.

	2Q2012	1Q2013	2Q2013	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<b>Fees and other services income:</b>					
Commissions from banking services	346.1	354.3	374.4	5.7%	8.2%
Branch network services	6.2	7.0	7.1	0.0%	13.2%
Credit card merchant fees	83.3	85.2	99.1	16.4%	19.0%
Checking fees	18.4	15.8	17.1	7.7%	-7.1%
Warehouse services	<b>38.6</b>	<b>41.9</b>	<b>42.6</b>	1.8%	10.4%
Fiduciary activities	43.9	53.4	54.4	1.8%	23.8%
Pension plan management	128.2	135.8	224.6	65.4%	75.2%
Other	40.7	46.8	47.8	2.2%	17.4%
<b>Total fees and other services income</b>	<b>705.3</b>	<b>740.2</b>	<b>866.9</b>	<b>17.1%</b>	<b>22.9%</b>
Fees and other services expenses	(112.9)	(120.3)	(151.2)	25.7%	33.9%
<b>Fees and other services income, net</b>	<b>592.4</b>	<b>619.9</b>	<b>715.7</b>	<b>15.5%</b>	<b>20.8%</b>
<b>Other operating income:</b>					
Foreign exchange (losses) gains, net	26.2	116.4	168.6	44.8%	542.8%
Gains (losses) on derivative operations, net	21.7	(38.8)	(86.2)	122.4%	-497.7%
Gains on sales of investments in equity securities, net	0.3	0.7	85.3	N.A.	N.A.
Dividend income	27.1	180.7	6.4	-96.5%	-76.5%
Other	53.7	43.5	41.0	-5.6%	-23.6%
Income from non-financial sector, net	97.1	109.6	102.5	-6.4%	5.6%
<b>Total Other Operating income</b>	<b>226.0</b>	<b>412.0</b>	<b>317.6</b>	<b>-22.9%</b>	<b>40.5%</b>
<b>Total Fee Income and Other Op. Income, net</b>	<b>818.4</b>	<b>1,031.9</b>	<b>1,033.3</b>	<b>0.1%</b>	<b>26.3%</b>

### 4. Operating Expenses

Total operating expenses for 2Q13 of Ps. 1,533.5 billion increased by 20.6% versus 2Q12. Most of this increase is associated with the consolidation of AFP Horizonte and expenses derived from its acquisition. Our efficiency ratio (cost to income) was 53.3% in 2Q13 versus 49.9% in 2Q12 due to a combination of increase in expense and a contraction in the operating income. The ratio of annualized operating expenses before depreciation and amortization as a percentage of average total assets was 4.3% in 2Q13 versus 4.1% in 2Q12 and 4.0% in 1Q13.

### 5. Minority Interest

Minority interest in Grupo Aval reflects: (i) the minority stakes that third party shareholders hold in each of its direct consolidated subsidiaries (Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas), and (ii) the minority stakes that third party shareholders hold in the consolidated subsidiaries at the bank level (mainly Corficolombiana and Porvenir). For 2Q13, minority interest in the income statement was Ps. 215.9 billion, increasing 16.4% versus 2Q12. The ratio of minority interest to Income before minority interest was 39.6% in 2Q13 versus 41.4% in 1Q13.

**ABOUT GRUPO AVAL**

Grupo Aval is Colombia's largest banking group and a leading banking group in Central America. We provide a comprehensive range of financial services and products across the Colombian and Central American markets, ranging from traditional banking services, such as making loans and taking deposits, to pension and severance fund management. Grupo Aval comprises, among other companies, Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, Porvenir, Horizonte and Corficolombiana in Colombia, and BAC Credomatic in Central America.

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Grupo Aval Acciones y Valores S.A.  
Financial Statements in Colombian Banking GAAP  
Consolidated Balance Sheet in Col. Bking GAAP  
Information in Ps. Billions

	2Q12	1Q13	2Q13	Change	
				2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<i>Cash and cash equivalents:</i>					
Cash and due from banks	10,952.1	10,712.9	11,776.4	9.9%	7.5%
Interbank and overnight funds	2,237.9	2,735.3	3,145.6	15.0%	40.6%
<b>Cash and cash equivalents</b>	<b>13,190.0</b>	<b>13,448.3</b>	<b>14,922.0</b>	<b>11.0%</b>	<b>13.1%</b>
<i>Investment Securities</i>					
Trading	2,819.7	4,887.5	5,756.7	17.8%	104.2%
Available for Sale	11,325.3	10,608.9	11,692.1	10.2%	3.2%
Held to maturity	3,419.2	3,235.8	4,016.7	24.1%	17.5%
<b>Total Debt Securities</b>	<b>17,564.2</b>	<b>18,732.2</b>	<b>21,465.4</b>	<b>14.6%</b>	<b>22.2%</b>
Trading	1,295.1	1,625.0	1,366.5	-15.9%	5.5%
Available for Sale	1,434.8	2,147.3	2,178.2	1.4%	51.8%
<b>Total Equity Securities</b>	<b>2,729.9</b>	<b>3,772.3</b>	<b>3,544.7</b>	<b>-6.0%</b>	<b>29.8%</b>
<i>Allowance for investment securities</i>	(8.3)	(7.1)	(6.8)	-4.6%	-18.8%
<b>Investment Securities, net</b>	<b>20,285.8</b>	<b>22,497.4</b>	<b>25,003.3</b>	<b>11.1%</b>	<b>23.3%</b>
<i>Loans and financial leases:</i>					
Commercial loans	42,598.9	45,443.0	48,467.8	6.7%	13.8%
Consumer loans	21,173.5	24,132.7	24,927.4	3.3%	17.7%
Microcredit loans	281.2	290.8	297.8	2.4%	5.9%
Mortgage loans	4,086.2	4,605.8	5,011.3	8.8%	22.6%
Financial leases	5,896.8	6,536.9	6,718.8	2.8%	13.9%
<i>Allowance for loans and financial lease losses</i>	(2,397.7)	(2,673.5)	(2,817.6)	5.4%	17.5%
<b>Loans and financial lease losses, net</b>	<b>71,638.9</b>	<b>78,335.7</b>	<b>82,605.5</b>	<b>5.5%</b>	<b>15.3%</b>
Interest accrued on loans and financial leases	737.4	863.1	813.3	-5.8%	10.3%
<i>Allowance on Interest accrued on loans and financial leases</i>	(73.1)	(85.1)	(83.4)	-2.0%	14.1%
<b>Interest accrued on loans and financial leases, net</b>	<b>664.3</b>	<b>778.0</b>	<b>729.8</b>	<b>-6.2%</b>	<b>9.9%</b>
Bankers' acceptances, spot transactions and derivatives	345.3	242.2	488.2	101.6%	41.4%
Accounts receivable, net	1,609.3	2,000.1	1,849.3	-7.5%	14.9%
Property, plant and equipment, net	1,817.7	1,841.1	1,891.4	2.7%	4.1%
Operating leases, net	364.6	363.7	373.2	2.6%	2.3%
Foreclosed assets, net	88.4	85.6	83.7	-2.2%	-5.3%
Prepaid expenses and deferred charges	1,883.6	2,019.0	2,115.2	4.8%	12.3%
Goodwill, net	2,899.5	2,881.6	3,790.7	31.5%	30.7%
Other assets, net	1,681.0	1,367.8	1,840.6	34.6%	9.5%
Reappraisal of assets	2,460.0	2,492.7	2,785.8	11.8%	13.2%
<b>Total Assets</b>	<b>118,928.4</b>	<b>128,353.2</b>	<b>138,478.7</b>	<b>7.9%</b>	<b>16.4%</b>
<i>Deposits:</i>					
Checking accounts	10,737.1	10,923.4	11,954.0	9.4%	11.3%
Other	799.3	719.3	831.0	15.5%	4.0%
<b>Non-interest bearing</b>	<b>11,536.4</b>	<b>11,642.7</b>	<b>12,785.0</b>	<b>9.8%</b>	<b>10.8%</b>
Checking accounts	8,643.0	8,281.4	9,170.7	10.7%	6.1%
Time deposits	26,082.5	27,994.1	30,080.9	7.5%	15.3%
Saving deposits	28,316.8	33,408.6	37,353.4	11.8%	31.9%
<b>Interest bearing</b>	<b>63,042.3</b>	<b>69,684.1</b>	<b>76,605.0</b>	<b>9.9%</b>	<b>21.5%</b>
<b>Total Deposits</b>	<b>74,578.7</b>	<b>81,326.8</b>	<b>89,390.0</b>	<b>9.9%</b>	<b>19.9%</b>
Bankers' acceptances, spot transactions and derivatives	282.7	267.4	631.7	136.3%	123.4%
Interbank borrowings and overnight funds	7,324.8	4,948.7	5,195.1	5.0%	-29.1%
Borrowings from banks and other	9,629.7	9,221.9	10,566.7	14.6%	9.7%
Accrued interest payable	2,912.7	3,450.2	3,186.2	-7.7%	9.4%
Other accounts payable	395.0	445.7	510.2	14.5%	29.2%
Bonds	7,534.2	11,077.2	11,547.9	4.2%	53.3%
Estimates Liabilities	1,440.7	1,591.1	1,796.6	12.9%	24.7%
Other liabilities	1,011.8	1,177.6	1,087.9	-7.6%	7.5%
<b>Total Liabilities excl. Minority Interest</b>	<b>105,110.3</b>	<b>113,506.5</b>	<b>123,912.1</b>	<b>9.2%</b>	<b>17.9%</b>
Minority Interest	5,276.4	5,673.3	5,613.5	-1.1%	6.4%
Shareholders' Equity	8,541.7	9,173.4	8,953.0	-2.4%	4.8%
Subscribed and paid in capital	3,690.2	3,691.2	3,690.2	0.0%	0.0%
Retained Earnings	3,356.6	3,754.1	4,083.6	8.8%	21.7%
Equity surplus	1,494.9	1,728.1	1,179.2	-31.8%	-21.1%
<b>Total Shareholders Equity and Minority Interest</b>	<b>13,818.0</b>	<b>14,846.8</b>	<b>14,566.6</b>	<b>-1.9%</b>	<b>5.4%</b>
<b>Total Liabilities, Shareholders Equity and Minority Interest</b>	<b>118,928.4</b>	<b>128,353.2</b>	<b>138,478.7</b>	<b>7.9%</b>	<b>16.4%</b>



Grupo Aval Acciones y Valores S.A.  
Financial Statements in Colombian Banking GAAP  
Consolidated Income Statement in Col. Bking GAAP

Information in Ps. Billions

	YTD June 12	YTD June 13	Change YTD June 13 / YTD June 12	2Q12	1Q13	2Q13	Change 2Q 13 vs. 1Q 13	2Q 13 vs. 2Q 12
<b>Interest Income:</b>								
Interest on loans	3,845.3	4,250.2	10.5%	1,967.2	2,125.7	2,124.5	-0.1%	8.0%
Interest on investment securities	645.6	723.7	12.1%	309.2	500.4	223.3	-55.4%	-27.8%
Interbank and overnight funds	98.5	105.1	6.8%	45.1	54.0	51.1	-5.4%	13.3%
Financial leases	307.7	348.1	13.1%	160.1	178.4	169.7	-4.9%	6.0%
<b>Total Interest Income</b>	<b>4,897.1</b>	<b>5,427.1</b>	<b>10.8%</b>	<b>2,481.5</b>	<b>2,858.5</b>	<b>2,568.6</b>	<b>-10.1%</b>	<b>3.5%</b>
<b>Interest expense:</b>								
Checking accounts	(72.9)	(74.1)	1.7%	(40.6)	(39.7)	(34.4)	-13.4%	-15.3%
Time deposits	(649.0)	(726.0)	11.9%	(346.1)	(370.4)	(355.6)	-4.0%	2.7%
Saving deposits	(518.1)	(523.3)	1.0%	(258.9)	(277.8)	(245.5)	-11.6%	-5.2%
<b>Total interest expense on deposits</b>	<b>(1,240.0)</b>	<b>(1,323.4)</b>	<b>6.7%</b>	<b>(645.7)</b>	<b>(687.9)</b>	<b>(635.5)</b>	<b>-7.6%</b>	<b>-1.6%</b>
Borrowings from banks and others	(240.2)	(196.5)	-18.2%	(116.4)	(103.9)	(92.6)	-10.9%	-20.5%
Interbank and overnight funds (expenses)	(100.0)	(77.2)	-22.8%	(56.0)	(39.7)	(37.5)	-5.6%	-33.1%
Bonds	(260.4)	(310.3)	19.1%	(131.5)	(150.7)	(159.6)	5.9%	21.4%
<b>Interest expense</b>	<b>(1,840.6)</b>	<b>(1,907.4)</b>	<b>3.6%</b>	<b>(949.6)</b>	<b>(982.2)</b>	<b>(925.2)</b>	<b>-5.8%</b>	<b>-2.6%</b>
<b>Net Interest Income</b>	<b>3,056.5</b>	<b>3,519.7</b>	<b>15.2%</b>	<b>1,531.9</b>	<b>1,876.2</b>	<b>1,643.4</b>	<b>-12.4%</b>	<b>7.3%</b>
Provisions for loan and financial lease losses, accrued interest and other receivables, net	(462.5)	(734.8)	58.9%	(237.5)	(347.6)	(387.2)	11.4%	63.1%
Recovery of charged-off assets	65.3	73.1	11.9%	31.1	29.7	43.3	45.8%	39.4%
Provision for investment securities, foreclosed assets and other	(22.5)	(22.4)	-0.4%	(8.0)	(9.1)	(13.2)	44.8%	66.0%
Recovery of provisions for investments securities, foreclosed assets and other assets	8.9	13.1	47.5%	6.2	3.5	9.6	178.4%	56.3%
<b>Total provisions, net</b>	<b>(410.8)</b>	<b>(671.0)</b>	<b>63.3%</b>	<b>(208.2)</b>	<b>(323.5)</b>	<b>(347.5)</b>	<b>7.4%</b>	<b>66.9%</b>
<b>Net interest income after provisions</b>	<b>2,645.7</b>	<b>2,848.7</b>	<b>7.7%</b>	<b>1,323.8</b>	<b>1,552.7</b>	<b>1,296.0</b>	<b>-16.5%</b>	<b>-2.1%</b>
<b>Fees and other services income:</b>								
Commissions from banking services	671.3	728.7	8.6%	346.1	354.3	374.4	5.7%	8.2%
Branch network services	13.9	14.1	1.1%	6.2	7.0	7.1	0.0%	13.2%
Credit card merchant fees	165.1	184.3	11.6%	83.3	85.2	99.1	16.4%	19.0%
Checking fees	36.7	32.9	-10.3%	18.4	15.8	17.1	7.7%	-7.1%
Warehouse services	83.0	84.5	1.8%	38.6	41.9	42.6	1.8%	10.4%
Fiduciary activities	86.7	107.8	24.3%	43.9	53.4	54.4	1.8%	23.8%
Pension plan management	240.9	360.4	49.6%	128.2	135.8	224.6	65.4%	75.2%
Other	82.1	94.5	15.1%	40.7	46.8	47.8	2.2%	17.4%
<b>Total fees and other services income</b>	<b>1,379.9</b>	<b>1,607.2</b>	<b>16.5%</b>	<b>705.3</b>	<b>740.2</b>	<b>866.9</b>	<b>17.1%</b>	<b>22.9%</b>
Fees and other services expenses	(219.4)	(271.6)	23.8%	(112.9)	(120.3)	(151.2)	25.7%	33.9%
<b>Fees and other services income, net</b>	<b>1,160.5</b>	<b>1,335.6</b>	<b>15.1%</b>	<b>592.4</b>	<b>619.9</b>	<b>715.7</b>	<b>15.5%</b>	<b>20.8%</b>
<b>Other operating income:</b>								
Foreign exchange (losses) gains, net	(106.6)	285.0	-367.4%	26.2	116.4	168.6	44.8%	542.8%
Gains (losses) on derivative operations, net	173.0	(125.0)	-172.2%	21.7	(38.8)	(86.2)	122.4%	-497.7%
Gains on sales of investments in equity securities, net	10.0	86.0	N.A.	0.3	0.7	85.3	N.A.	N.A.
Dividend income	89.8	187.0	108.2%	27.1	180.7	6.4	-96.5%	-76.5%
Other	102.4	84.5	-17.5%	53.7	43.5	41.0	-5.6%	-23.6%
Income from non-financial sector, net	197.9	212.1	7.2%	97.1	109.6	102.5	-6.4%	5.6%
<b>Other operating income</b>	<b>466.4</b>	<b>729.6</b>	<b>56.4%</b>	<b>226.0</b>	<b>412.0</b>	<b>317.6</b>	<b>-22.9%</b>	<b>40.5%</b>
<b>Total operating income</b>	<b>4,272.6</b>	<b>4,913.9</b>	<b>15.0%</b>	<b>2,142.2</b>	<b>2,584.6</b>	<b>2,329.3</b>	<b>-9.9%</b>	<b>8.7%</b>
<b>Operating expenses:</b>								
Salaries and employee benefits	938.5	1,057.3	12.7%	477.7	507.5	549.8	8.3%	15.1%
Bonus plan payments	53.6	64.8	20.9%	25.5	28.6	36.1	26.1%	41.5%
Termination payments	10.3	9.7	-5.3%	5.0	5.0	4.7	-4.5%	-4.6%
Administrative and other expenses	1,243.5	1,461.0	17.5%	614.3	680.1	780.9	14.8%	27.1%
Insurance on deposit, net	91.4	103.4	13.2%	46.3	50.5	52.9	4.6%	14.2%
Charitable and other donation expenses	5.0	3.3	-33.9%	3.7	1.0	2.3	118.4%	-38.1%
Depreciation	143.1	152.5	6.6%	72.4	74.2	78.3	5.6%	8.2%
Goodwill amortization	47.2	53.7	13.8%	26.1	25.3	28.4	12.3%	8.9%
<b>Operating expenses</b>	<b>2,532.6</b>	<b>2,905.7</b>	<b>14.7%</b>	<b>1,271.0</b>	<b>1,372.3</b>	<b>1,533.5</b>	<b>11.7%</b>	<b>20.6%</b>
<b>Net operating income</b>	<b>1,740.1</b>	<b>2,008.2</b>	<b>15.4%</b>	<b>871.2</b>	<b>1,212.3</b>	<b>795.8</b>	<b>-34.4%</b>	<b>-8.7%</b>
<b>Non-operating income (expense):</b>								
Other income	209.5	275.2	31.4%	17.2	104.7	170.5	62.8%	890.4%
Other expense	(88.2)	(117.0)	32.6%	(10.3)	(42.3)	(74.7)	76.4%	623.6%
<b>Non-operating income/(expense), net</b>	<b>121.3</b>	<b>158.2</b>	<b>30.4%</b>	<b>6.9</b>	<b>62.4</b>	<b>95.8</b>	<b>53.6%</b>	<b>N.A.</b>
<b>Income before income tax expense and non-controlling interest</b>	<b>1,861.4</b>	<b>2,166.4</b>	<b>16.4%</b>	<b>878.1</b>	<b>1,274.7</b>	<b>891.7</b>	<b>-30.1%</b>	<b>1.5%</b>
Income tax expense	(680.0)	(758.1)	11.5%	(351.2)	(411.9)	(346.2)	-16.0%	-1.4%
<b>Net Income before Minority interest</b>	<b>1,181.3</b>	<b>1,408.3</b>	<b>19.2%</b>	<b>526.9</b>	<b>862.8</b>	<b>545.5</b>	<b>-36.8%</b>	<b>3.5%</b>
Income attributable to Minority Interest	459.9	573.4	24.7%	185.5	357.5	215.9	-39.6%	16.4%
<b>Net Income attributable to Grupo Aval shareholders</b>	<b>721.5</b>	<b>834.9</b>	<b>15.7%</b>	<b>341.4</b>	<b>505.3</b>	<b>329.6</b>	<b>-34.8%</b>	<b>-3.4%</b>