November 2013

Grupo AVAL

3Q13 Consolidated Earnings Results

Colombian Banking GAAP

Disclaimer

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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.

Highlights

- ✓ Net income in 3Q13 was Ps. 403.2 billion, a 27.2% increase versus Ps. 317 billion in 3Q12.
- ✓ ROAE(1) for 3Q13 and for the nine-month period ended September 30, 2013 were 18%
- ✓ ROAA(2) for 3Q13 was 1.9% versus 1.4% for 3Q12 and 2.1% when annualizing the nine-month period.
- ✓ Total net loans and financial leases grew by 14.2% to Ps. 85.2 trillion in 3Q13 versus 3Q12.
- ✓ The ratio of provision expense to average loans improved to 1.4% in 3Q13 from 1.7% in 2Q13.
- ✓ Allowances for non-performing loans improved slightly to 195% at the end of 3Q13 versus 194% in 3Q12.
- ✓ PDL's (30 days and older) remained stable at 2.5%, 10 bp higher than in 3Q12.
- ✓ Our loan portfolio remains funded in its entirety (104%) by deposits, including checking, savings and time deposit accounts.
- ✓ Aval's Tangible Common Ratio increased to 8.3% in 3Q13 from 8.0% in 2Q13.
- ✓ Efficiency ratio improved to 51.1% in 3Q13 from 53.3% in 2Q13.

(1) ROAE is calculated as annualized Net Income divided by average total shareholders' equity for each quarter.
(2) ROAA is calculated as annualized Income before Minority Interest divided by average total assets for each quarter.

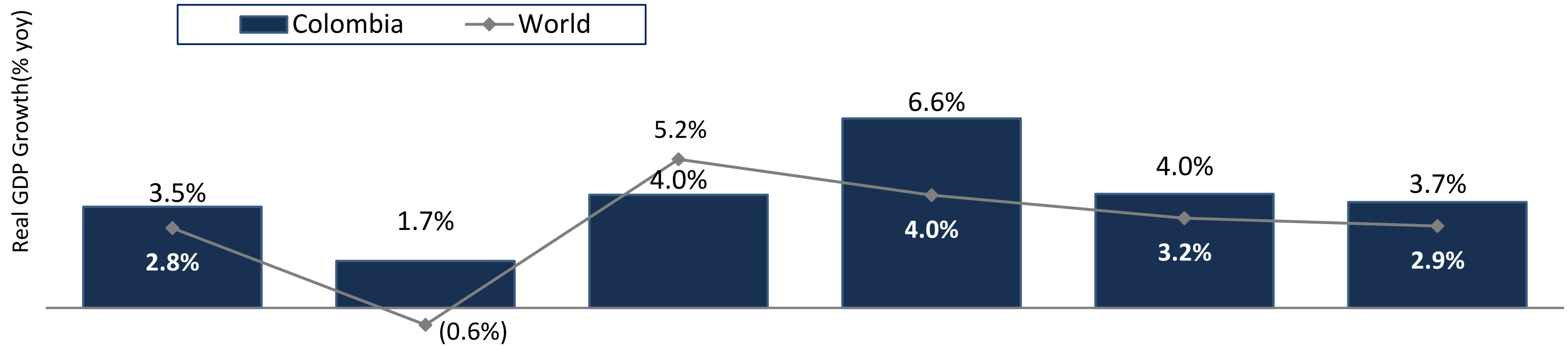
Highlights

Other relevant Information:

- ✓ Banco de Bogotá is expected to complete an equity offering for approximately US$500 million before year end 2013. Aval will subscribe all its rights in this offering.
- ✓ Grupo Aval has requested authorization from the Colombian Superintendency of Finance to launch a US$ 1.3 billion equity offering directed at its ordinary shareholders, intended to: a) strengthen its capital structure, b) retire about US$ 800 million in local debt outstanding, and c) replenish the liquidity that it will use to capitalize Banco de Bogotá.
- ✓ Approvals for Grupo Financiero Reformador and BBVA Panama's acquisitions have continued without delays and both are expected to close before year end 2013.
- ✓ The merger between Porvenir and Horizonte is expected to be effective as of January 1, 2014.

Macroeconomic fundamentals

Strong GDP Growth

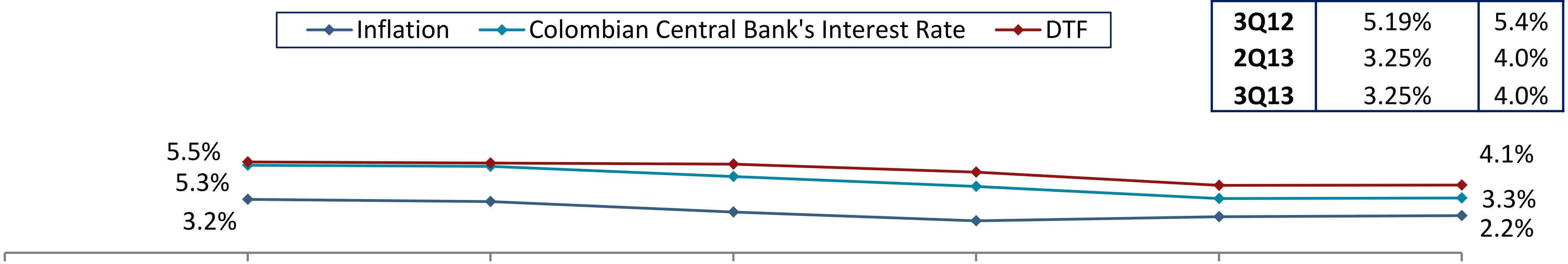


GDP per Capita[(*)]	2008	2009	2010	2011	2012	13E
	5.3	**5.1**	**6.3**	**7.1**	**7.9**	**7.8**

Source: IMF(Projections) and DANE. [(*)] Colombia nominal GDP per capita in thousands of USD, IMF.

Inflation vs. Nominal Interest Rates

Average	Central Bank's int. Rate [(1)]	DTF [(2)]
3Q12	5.19%	5.4%
2Q13	3.25%	4.0%
3Q13	3.25%	4.0%



	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13
Fx (EoP)	1,785	1,801	1,768	1,832	1,929	1,915
% Δ QoQ	-0.4%	0.9%	-1.8%	3.6%	5.3%	-0.7%

Source: Banco de la República de Colombia.

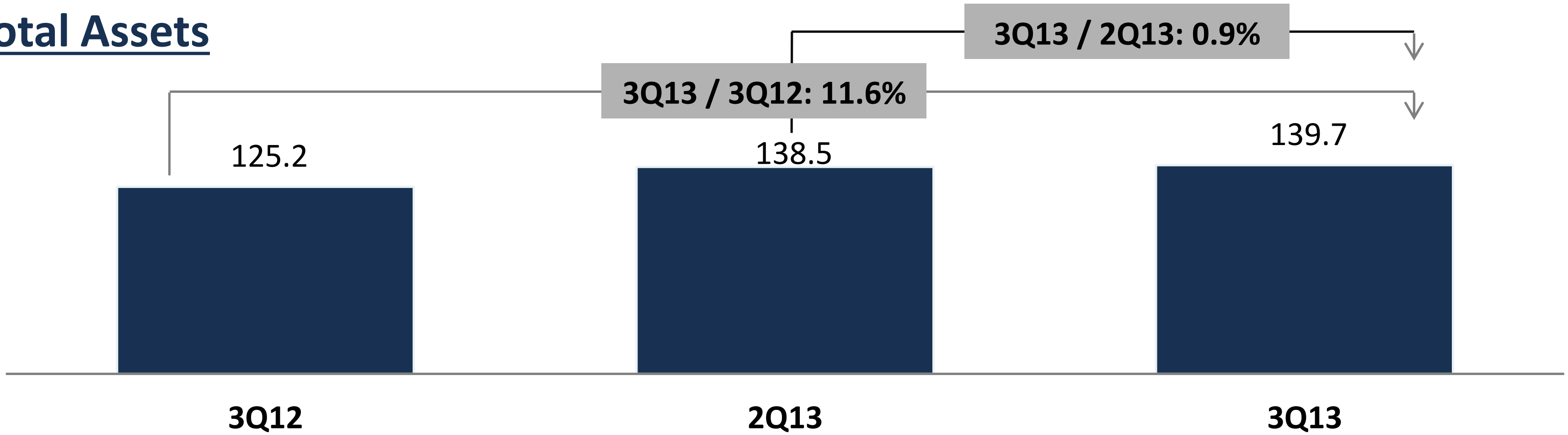
(1) Average of daily rates for each quarter as per reported by Banco de la República.

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

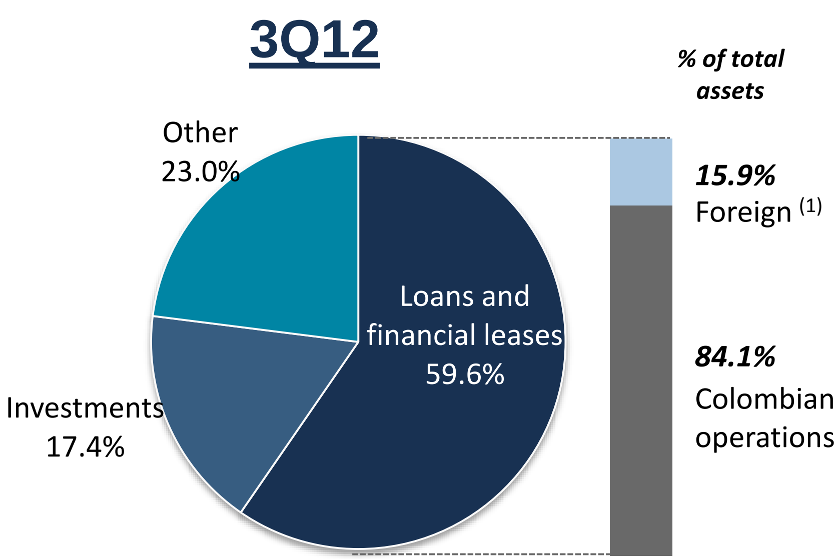
Assets

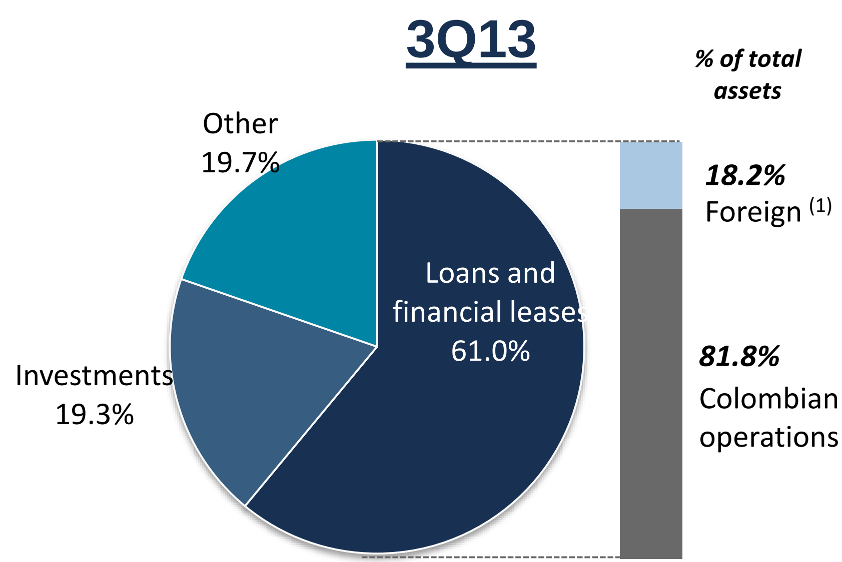
Figures in Ps. Trillions

Total Assets



Assets Breakdown



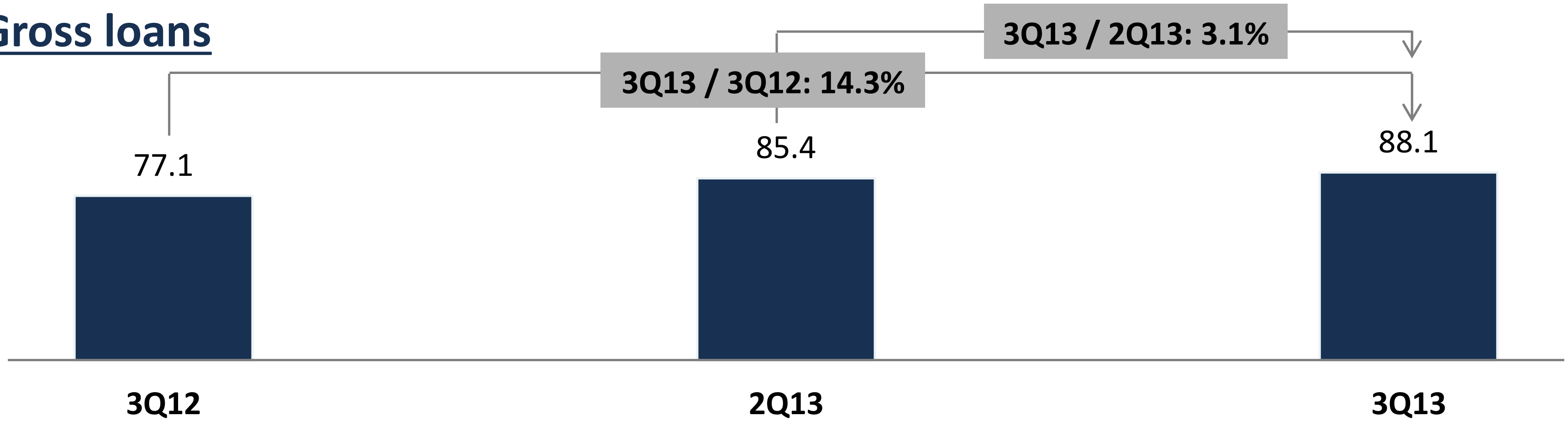


(1) Foreign operations reflect Central American operations.

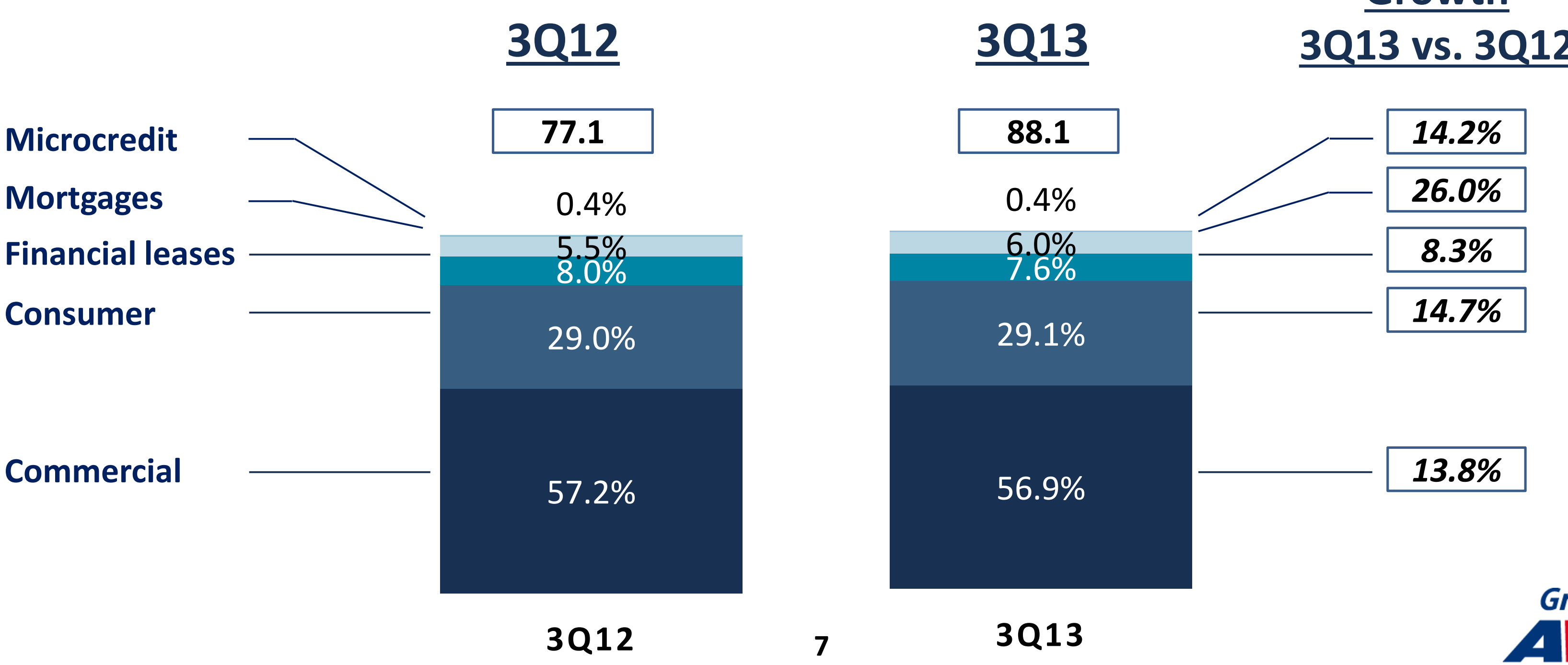
Loans

Figures in Ps. Trillions

Gross loans



Gross loans Breakdown



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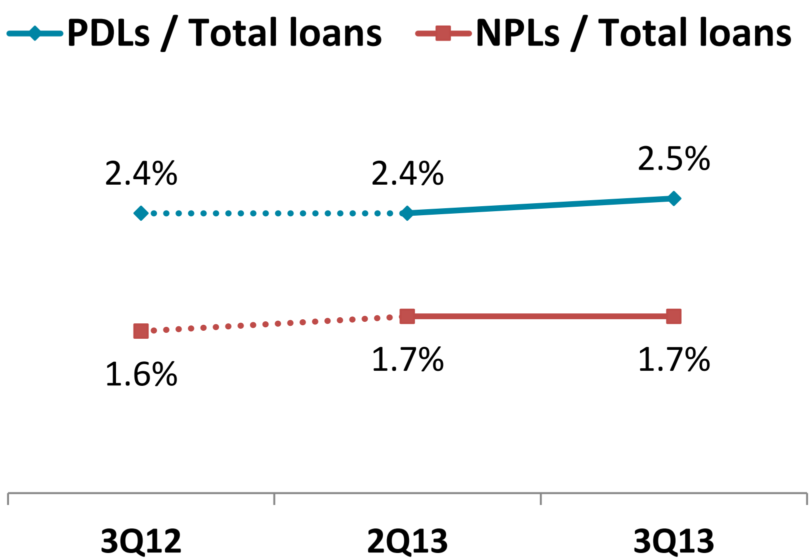
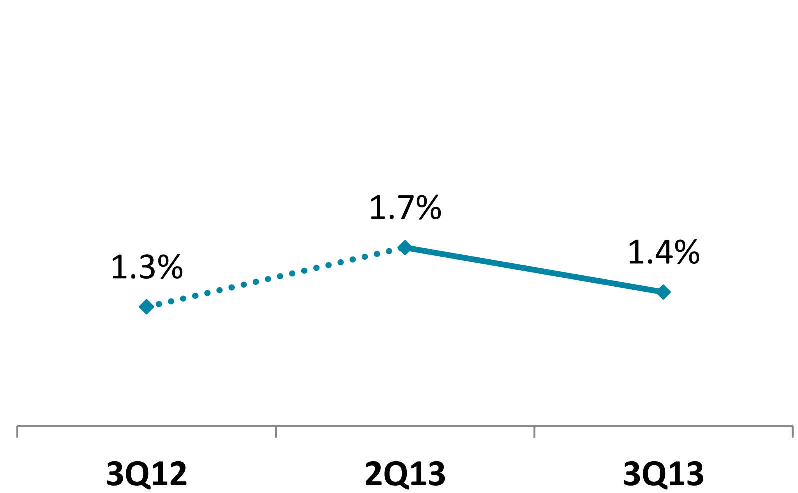
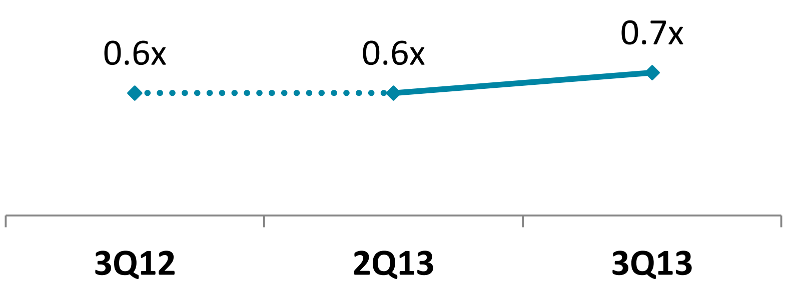
Loan portfolio quality

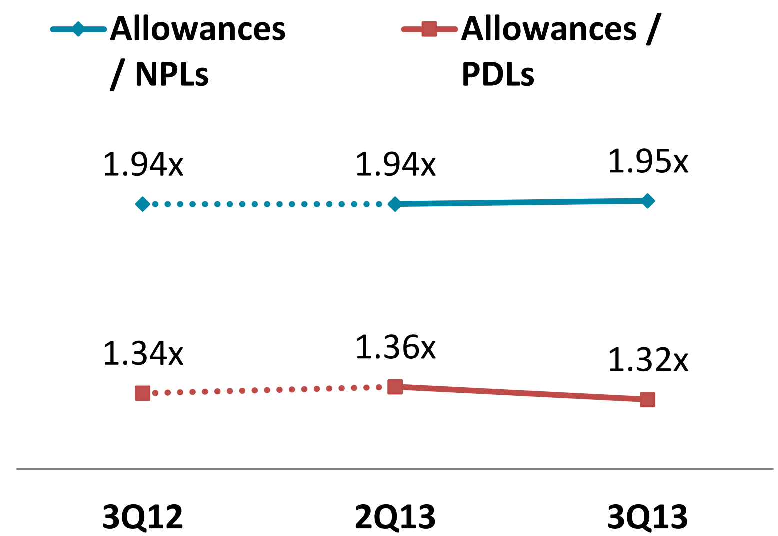


Loan provision expense / Average Loans



Charge offs / Average NPLs





	3Q12	2Q13	3Q13
Allowances / Total loans	3.2%	3.3%	3.3%

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Loan portfolio quality – GRUPO AVAL

PDLs per Loan Category

	% / Total Loans	Past Due Loans [1]		
	3Q13	3Q12	2Q13	3Q13
Commercial	56.9%	1.3%	1.3%	1.4%
Consumer	29.1%	3.7%	4.4%	4.2%
Financial leases	7.6%	3.4%	2.6%	3.7%
Mortgages	6.0%	3.6%	3.0%	2.8%
Microcredit	0.4%	11.1%	10.5%	10.0%
Total Loans	100.0%	2.4%	2.4%	2.5%

Asset Quality Evolution

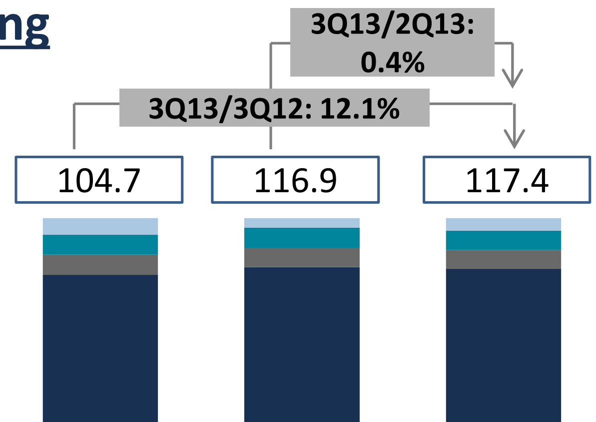
Ps. billions	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13
Initial PDLs	1,537.3	1,648.1	1,694.9	1,821.2	1,828.3	2,141.0	2,069.2
New PDLs	286.0	186.9	329.2	202.2	510.5	160.9	351.3
Charge-offs	(175.1)	(140.1)	(202.8)	(195.1)	(197.8)	(232.7)	(247.5)
Final PDLs	1,648.1	1,694.9	1,821.2	1,828.3	2,141.0	2,069.2	2,173.0

[1] Past Due Loans + 30 days / Total Loans.

Funding

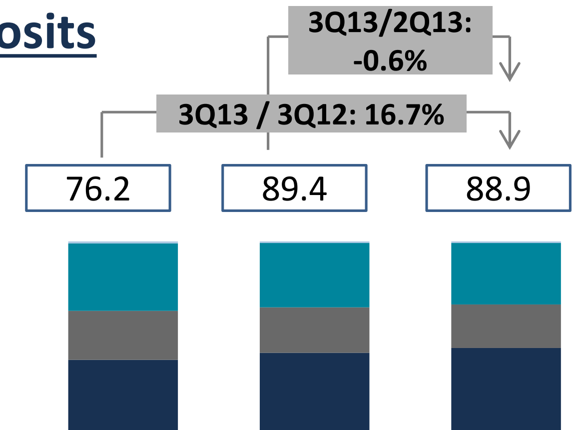
Figures in Ps. Trillions

Total Funding



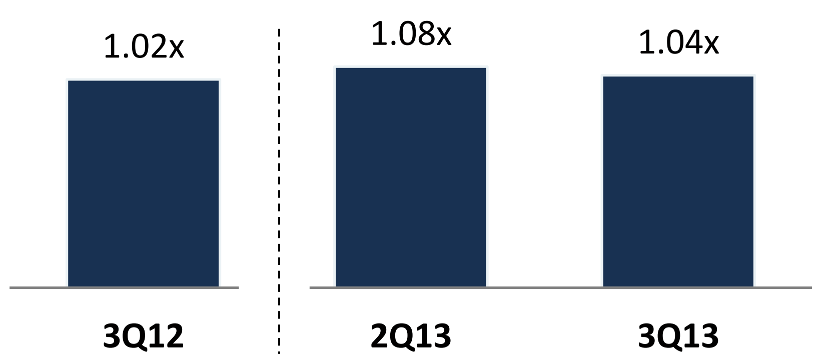
	3Q12	2Q13	3Q13
Deposits	72.8%	76.5%	75.7%
Bank and Others	9.6%	9.0%	8.9%
Long-Term Bonds	9.6%	9.9%	9.4%
Interbanks	8.0%	4.6%	6.0%

Total Deposits



	3Q12	2Q13	3Q13
Saving Deposits	38.1%	41.8%	44.2%
Time Deposits	35.2%	33.7%	32.2%
Checking accounts	25.6%	23.6%	22.8%
Others	1.1%	0.9%	0.9%

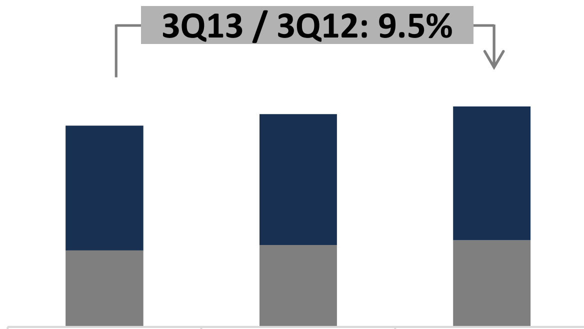
Deposits / Net Loans (%)



Capital

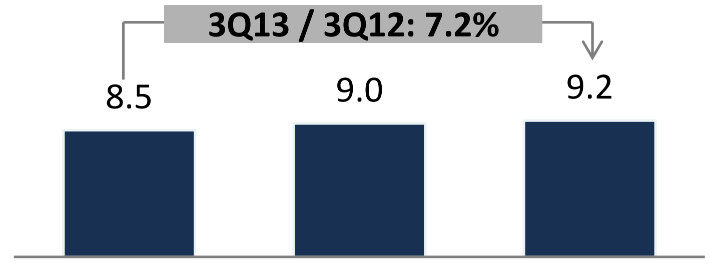
Figures in Ps. Trillions

Attributable Equity + Minority Interest



	3Q12	2Q13	3Q13
Total Equity	13.8	14.6	15.1
Attributable Shareholders Equity	8.5	9.0	9.2
Minority interest	5.2	5.6	5.9

Attributable Shareholders Equity



	3Q12	2Q13	3Q13
Equity + minority interest / Assets	11.0%	10.5%	10.8%
Tangible capital ratio (1)	8.9%	8.0%	8.3%

Consolidated Capital Adequacy of our Banks (%)

	Banco de Bogotá 3Q12	Banco de Bogotá 2Q13	Banco de Bogotá 3Q13	Banco de Occidente 3Q12	Banco de Occidente 2Q13	Banco de Occidente 3Q13	Banco Popular 3Q12	Banco Popular 2Q13	Banco Popular 3Q13	Banco AV Villas 3Q12	Banco AV Villas 2Q13	Banco AV Villas 3Q13
Primary capital (Tier 1)	12.2	12.3	8.1	8.6	7.6	9.5	9.0	10.1	10.1	11.7	12.0	10.6
Solvency Ratio	13.4	14.5	11.4	10.8	10.2	13.3	11.1	12.0	11.7	13.4	13.7	11.7
Tangible Capital Ratio	9.8	9.8	10.4	13.8	12.5	13.1	13.0	14.3	14.4	11.9	11.7	11.9

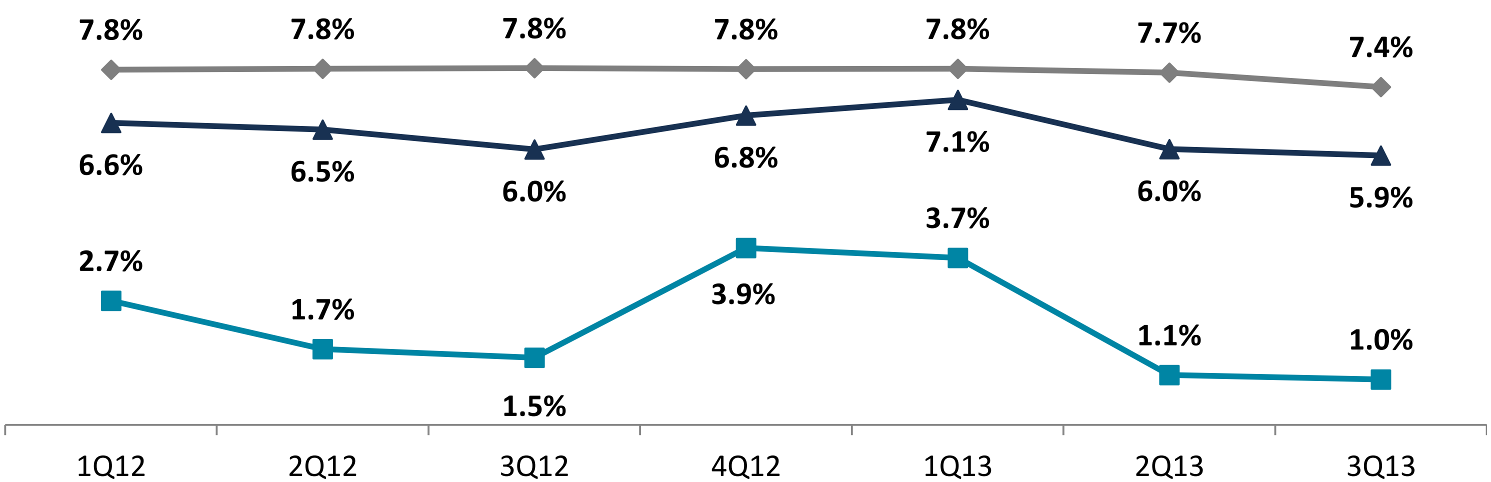
(1) Tangible Capital Ratio is calculated as Shareholders Equity plus Minority Interest minus Goodwill divided by Total Assets minus Goodwill.

NIM – Net Interest Margin

Banco de Bogotá | Banco de Occidente | banco popular | Banco AV Villas

Net interest income *(trillions)*

3Q12	3Q13	3Q13/ 3Q12
1.5	1.7	13.0%



Avg. cost of funds / Total Int. and non Int. funding	3.8%	4.0%	4.1%	4.0%	3.7%	3.3%	3.2%

Loans Interest Margin (1) | Net Investments Margin (2) | Net Interest Margin (3)

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

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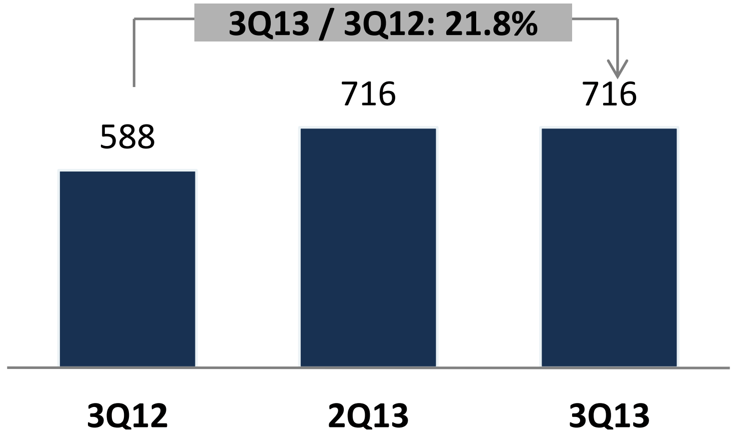
Net Fees and other operating income

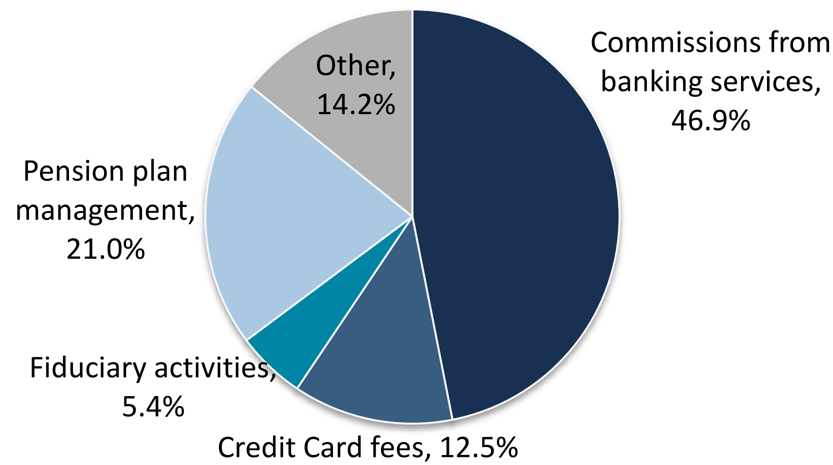
Figures in Ps. Billions

Net Fees[1]

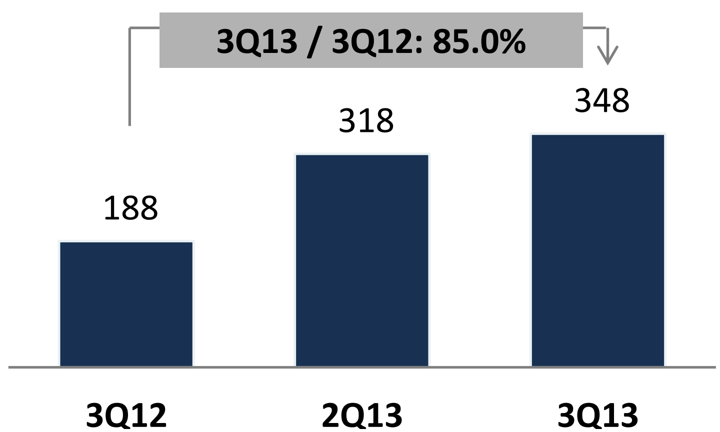


[1] Total fees and other service income minus fees and other services expenses.

Fee Income 3Q13



Other operating income



Other operating income 3Q13

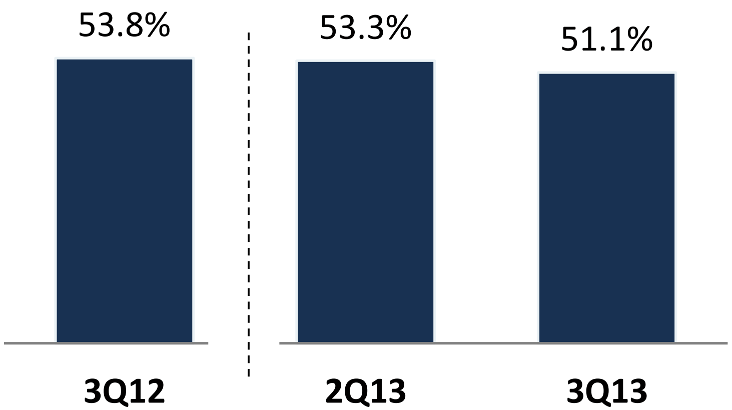
	3Q12	2Q13	3Q13
Dividend Income	4	6	128
Foreign exchange (losses) gains, net	41	82	72
Income from non-financial sector, net	84	103	105
Other	59	126	43
Total other operating income	**188**	**318**	**348**

Efficiency

Operating Expenses (billions)

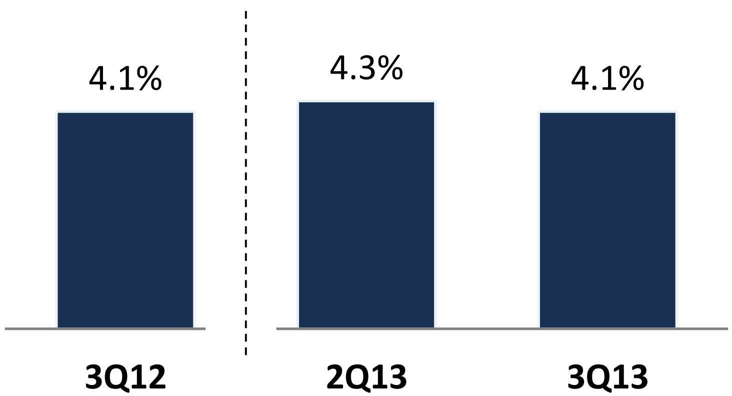
3Q12	3Q13	3Q13/ 3Q12
1,321	1,525	15.5%

Operating expenses / Operating Income



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

Operating expenses / Average Assets

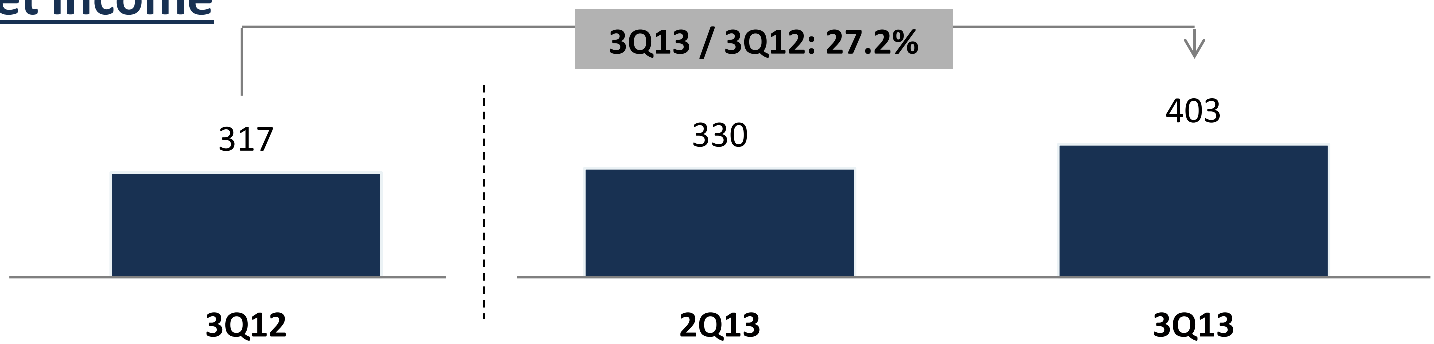


Efficiency Ratio is calculated as annualized Operating Expenses before D&A divided by average of total assets.

Profitability

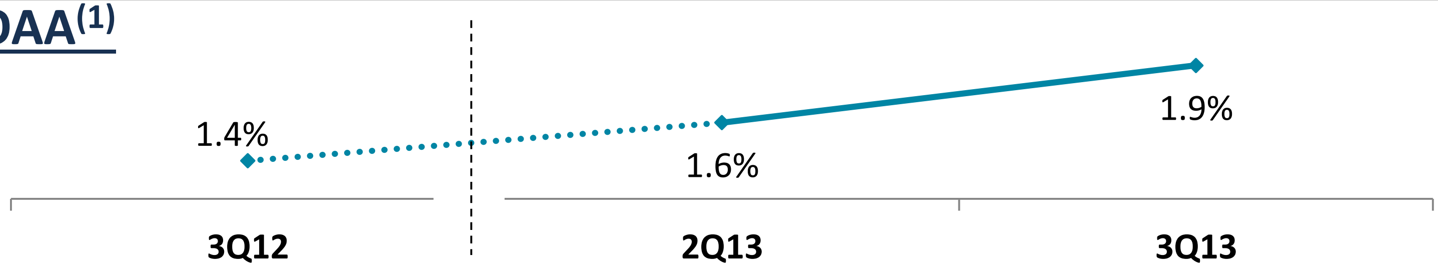
Figures in Ps. Billions

Net income



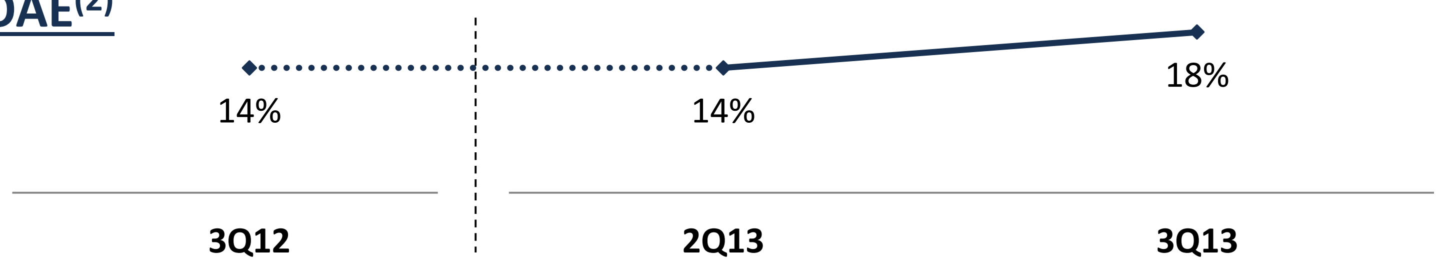
EPS $17.1 $17.8 $21.7

ROAA[1]



ROAA 9 months 1.9% 2.1%

ROAE[2]



ROAE 9 months 16% 18%

[1] ROAA for each quarter is calculated as annualized Net Income before Minority Interest divided by average of total assets.[2] ROAE for each quarter is calculated as annualized Net Income attributable for Aval's shareholders divided by average shareholders' equity.

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