

2Q14 Consolidated Earnings 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 a 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 and 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. Our Colombian Banking GAAP audited consolidated financial statements are not 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 (as defined below). 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 or “Colombian GAAP”, 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 20-F 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.

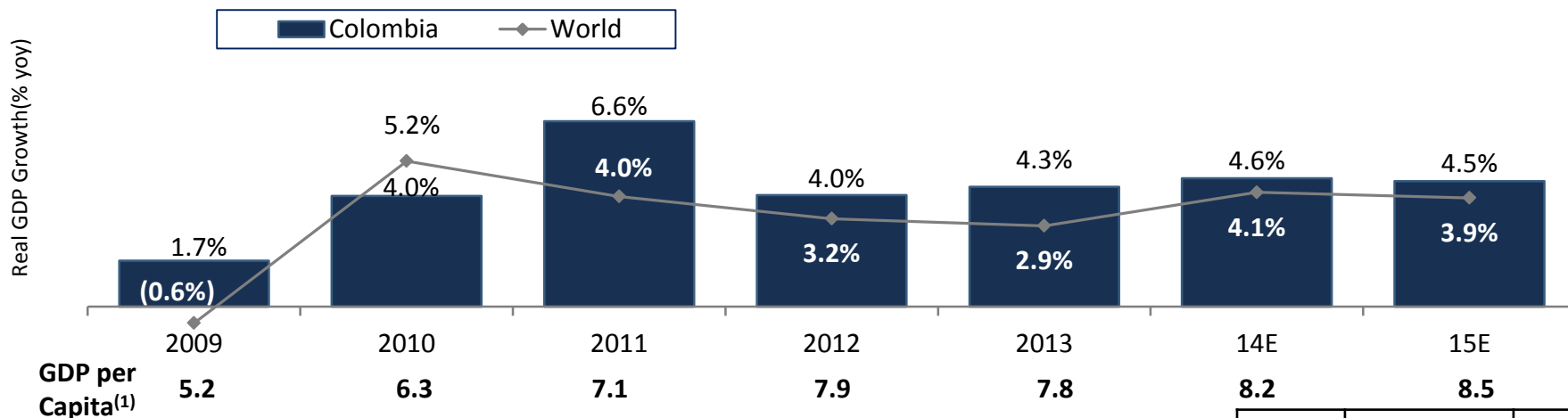
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Grupo Aval financials for 2Q14 show strong results of our banking operations with:

- ✓ Strong asset growth (16.8% yoy) and moderate quarterly growth reaching Ps 161.8 trillion supported by both organic and inorganic growth of our colombian and central american loan portfolios.
 - ✓ Stable quality of our loans portfolio with our 30 days past due loans ratio improving from 2.7% in 1Q14 to 2.6% in 2Q14 and new past due loans for the quarter decreasing to Ps 257.6 billion from Ps 646.4 billion in 1Q14.
 - ✓ Constant and low cost funding structure with deposits representing 78% of total funding and checking and saving accounts representing 67% of total deposits;
 - ✓ Improving tangible capital ratio up to 9.1% in June 30, 2014 from 8.0% in June 30, 2013.
 - ✓ Improving efficiency ratio measured as annualized operational expenses excluding depreciation and amortization to average total assets to 3.6% in 2Q14 from 3.7% in 1Q14 and 4.3% in 2Q13. Efficiency measured in a cost to income basis was 50.8% for the quarter.
 - ✓ Improving ROAA and ROAE for the quarter, with ROAA increasing to 1.6% and ROAE increasing to 15.4% from 1.5% and 11.7% in 1Q14 respectively.
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- ✓ Grupo Aval filed a Form F-1 Registration Statement with the SEC on August 1st, 2014.
 - ✓ BAC Credomatic's integration processes with Banco BAC de Panamá (previously BBVA Panamá) and Grupo Financiero Reformador have finalized.

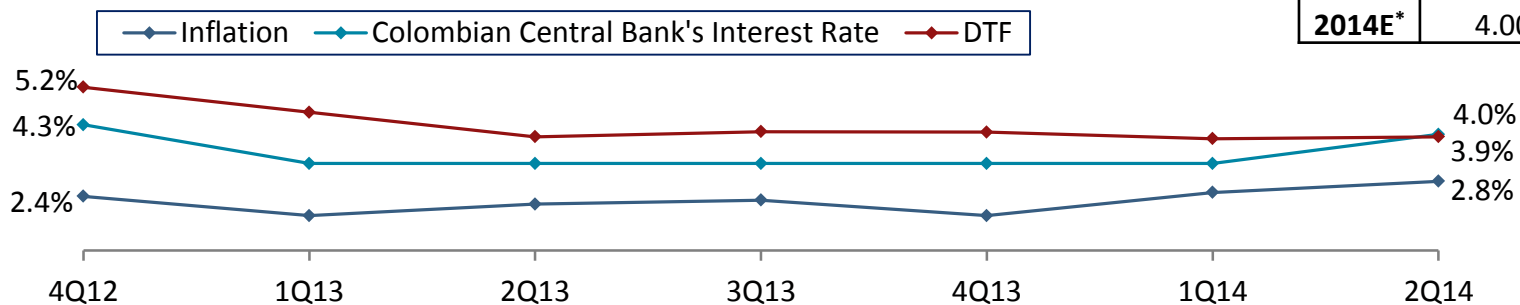
Strong GDP Growth



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

Average	Central Bank's int. Rate ⁽¹⁾	DTF ⁽²⁾
2Q13	3.25%	4.04%
1Q14	3.25%	3.96%
2Q14	3.67%	3.85.0%
2014E*	4.00%	4.30%

Inflation vs. Nominal Interest Rates



Fx (EoP)	1,768	1,832	1,929	1,915	1,927	1,965	1,881
% Δ QoQ	-1.8%	3.6%	5.3%	-0.7%	0.6%	2.0%	-4.3%

Source: Banco de la República de Colombia.* Source: ANIF

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

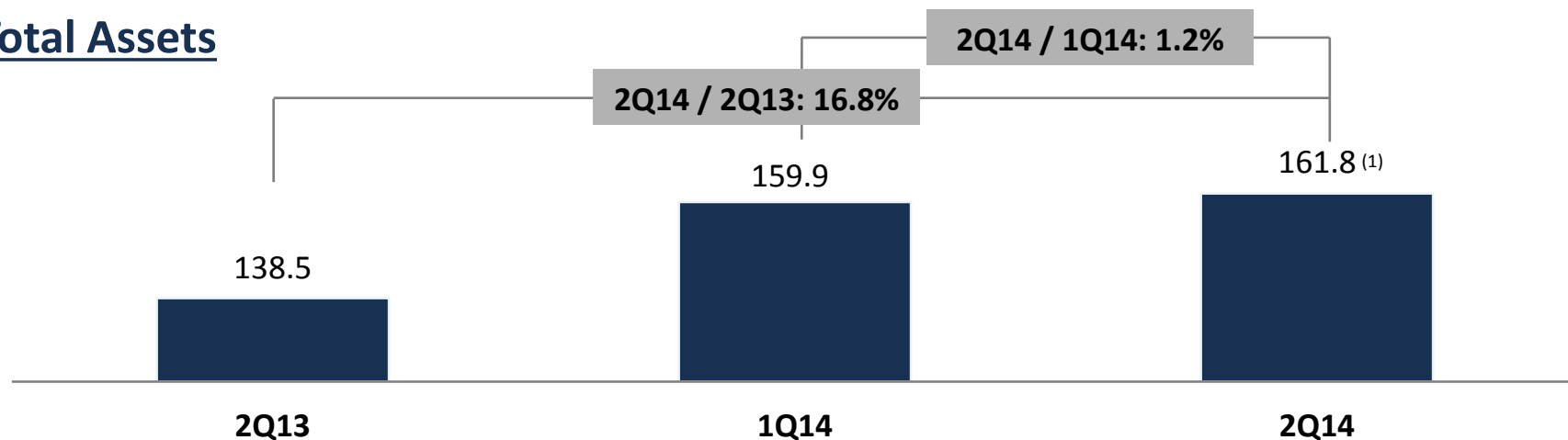
(2) Average of monthly average rates reported by Banco de la República for each month of each quarter.

Assets

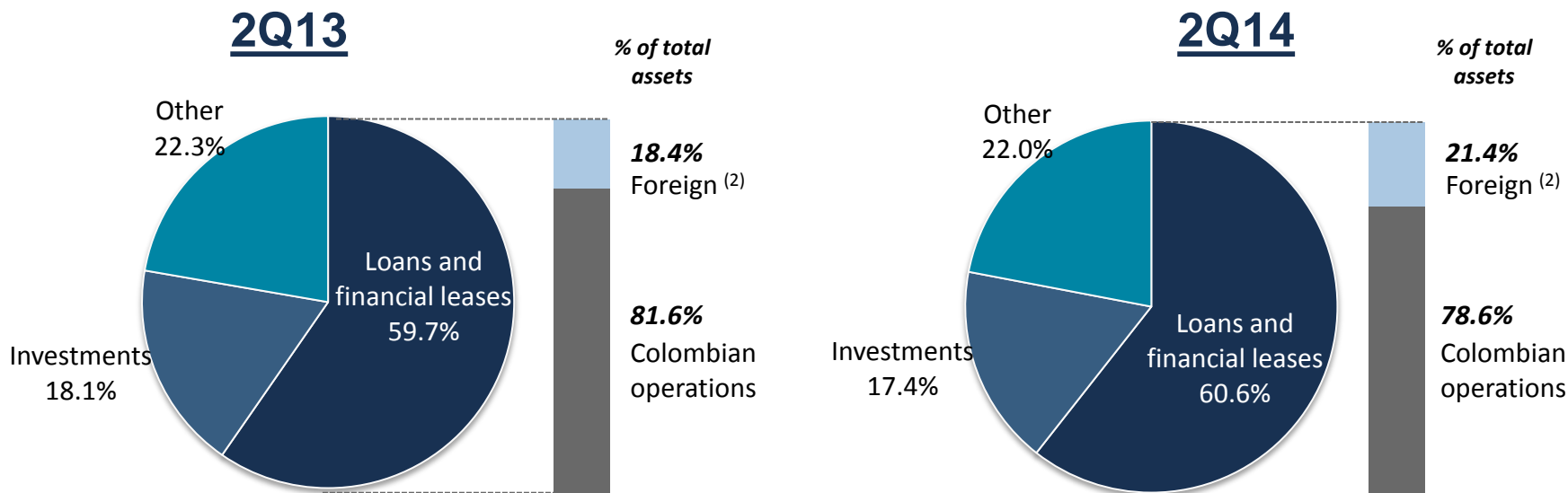
Figures in Ps. Trillions



Total Assets



Assets Breakdown



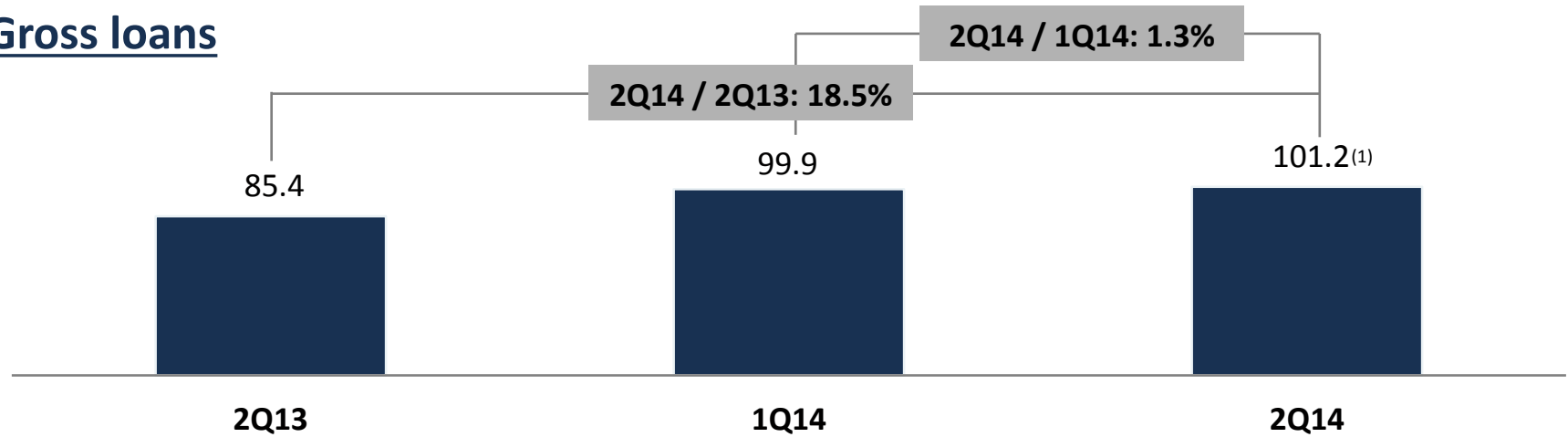
²⁽¹⁾ Includes Ps. 6.4 trillion of assets acquired in Central America. Growth excluding acquisitions would have been 12.2% vs. 2Q13. ⁽²⁾ Foreign operations reflect Central American operations.

Loans

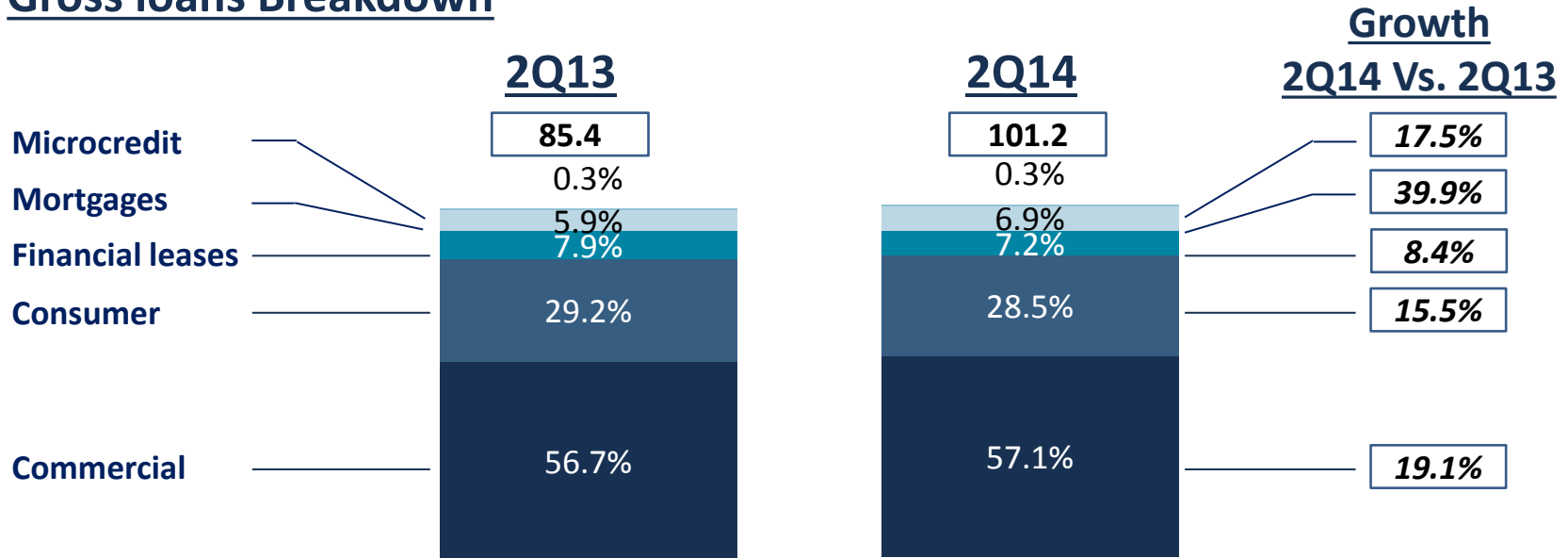


Figures in Ps. Trillions

Gross loans



Gross loans Breakdown



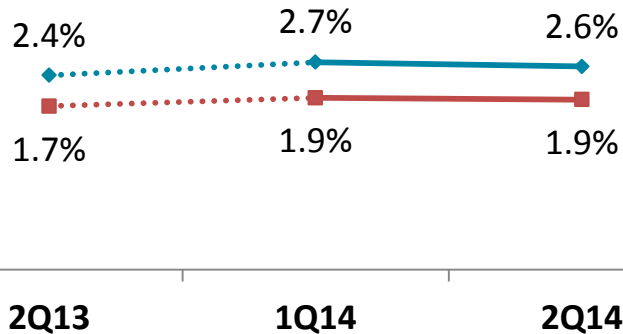
⁽¹⁾ Includes Ps. 4.3 trillion of loans acquired in Central America. Growth excluding acquisitions would have been 13.4% vs. 2Q13.

Loan portfolio quality

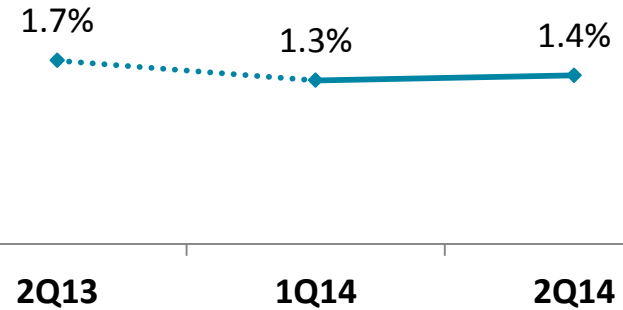


—◆— 30 days PDLs / Total⁽¹⁾ loans

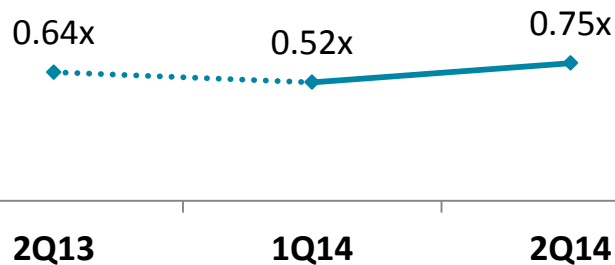
—■— NPLs / Total loans



Loan provision expense / Average Loans

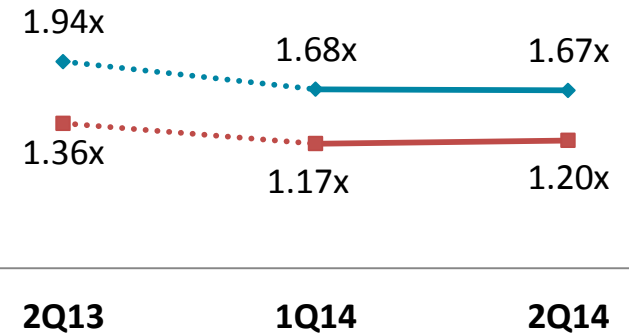


Charge offs / Average NPLs⁽¹⁾



—◆— Allowances / NPLs⁽¹⁾

—■— Allowances / 30+ PDLs



Allowances / Total loans

3.3%

3.2%

3.1%

(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.

Loans

	% / Total Loans		Past Due Loans ⁽¹⁾		
		2Q14	2Q13	1Q14	2Q14
Commercial		57.1%	1.3%	1.6%	1.6%
Consumer		28.5%	4.4%	4.4%	4.3%
Financial Leases		7.2%	2.6%	3.2%	3.4%
Mortgages		6.9%	3.0%	4.0%	2.9%
Microcredit		0.3%	10.5%	10.3%	10.0%
Total Loans		100.0%	2.4%	2.7%	2.6%

Asset Quality Evolution

<i>Ps. billions</i>	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
Initial PDLs	1,821.2	1,828.3	2,141.0	2,069.2	2,173.0	2,305.0	2,717.6
New PDLs	202.2	510.5	160.9	351.3	384.1	646.4	257.6
Charge-offs	(195.1)	(197.8)	(232.7)	(247.5)	(252.1)	(233.7)	(359.1)
Final PDLs	1,828.3	2,141.0	2,069.2	2,173.0	2,305.0	2,717.6	2,616.0

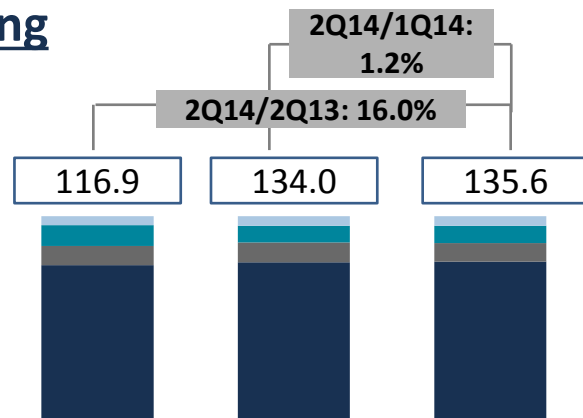
⁽¹⁾ Past Due Loans + 30 days / Total Loans.

Funding

Figures in Ps. Trillions

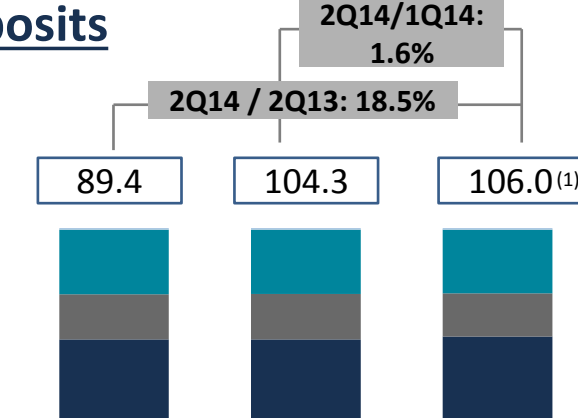


Total Funding



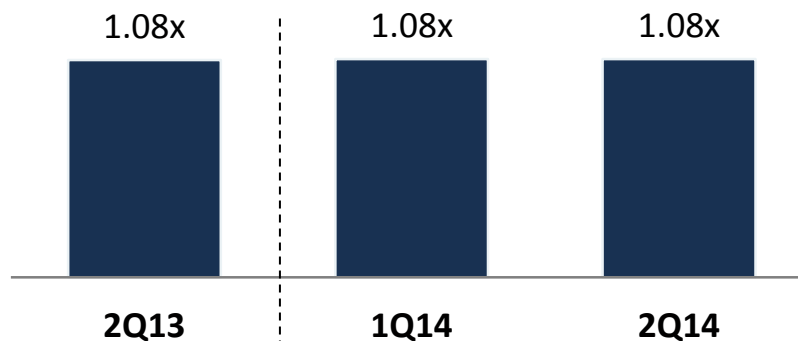
	2Q13	1Q14	2Q14
Interbank Borrowings	4.4%	4.6%	4.6%
Long-Term Bonds	9.9%	8.0%	8.3%
Banks and Others	9.2%	9.5%	8.9%
Deposits	76.5%	77.9%	78.1%

Total Deposits



	2Q13	1Q14	2Q14
Others	0.9%	0.8%	0.8%
Time deposits	33.7%	33.7%	33.7%
Checking accounts	23.6%	23.8%	22.8%
Savings deposits	41.8%	41.7%	43.7%

Deposits / Net Loans (%)



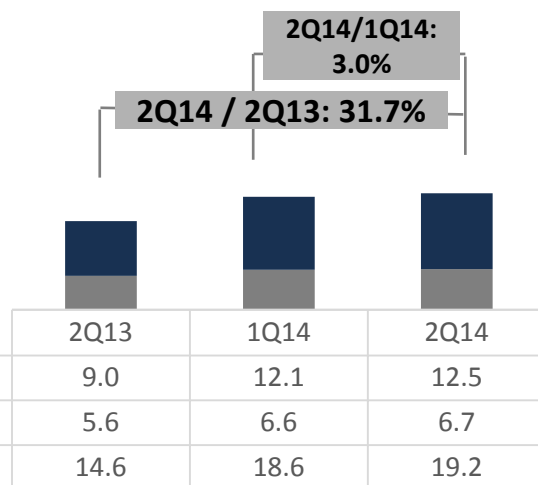
⁽¹⁾ Includes Ps. 4.9 trillion of total deposits acquired in Central America. Growth excluding acquisitions would have been 13.1% vs.2Q13

Capital

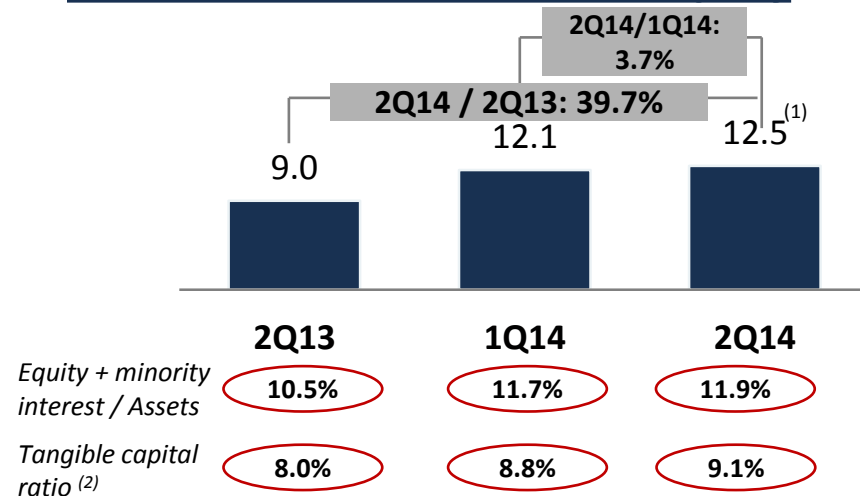
Figures in Ps. Trillions



Attributable Equity + Minority Interest



Attributable Shareholders Equity



Equity + minority interest / Assets

10.5%

11.7%

11.9%

Tangible capital ratio ⁽²⁾

8.0%

8.8%

9.1%

Consolidated Capital Adequacy of our Banks (%)



	Banco de Bogotá			Banco de Occidente			Banco Popular			Banco AV Villas		
	2Q13 ⁽³⁾	1Q14 ⁽⁴⁾	2Q14 ⁽⁴⁾	2Q13 ⁽³⁾	1Q14 ⁽⁴⁾	2Q14 ⁽⁴⁾	2Q13 ⁽³⁾	1Q14 ⁽⁴⁾	2Q14 ⁽⁴⁾	2Q13 ⁽³⁾	1Q14 ⁽⁴⁾	2Q14 ⁽⁴⁾
Primary capital (Tier 1)	12.3	7.4	7.5	7.6	9.3	8.9	10.1	9.8	10.0	12.0	10.8	10.5
Solvency Ratio	14.5	11.0	11.2	10.2	12.8	12.2	12.0	11.5	11.9	13.7	12.1	11.5
Tangible Capital Ratio ⁽²⁾	9.8	9.4	9.9	12.5	13.0	12.6	14.3	14.4	14.9	11.7	12.0	11.8

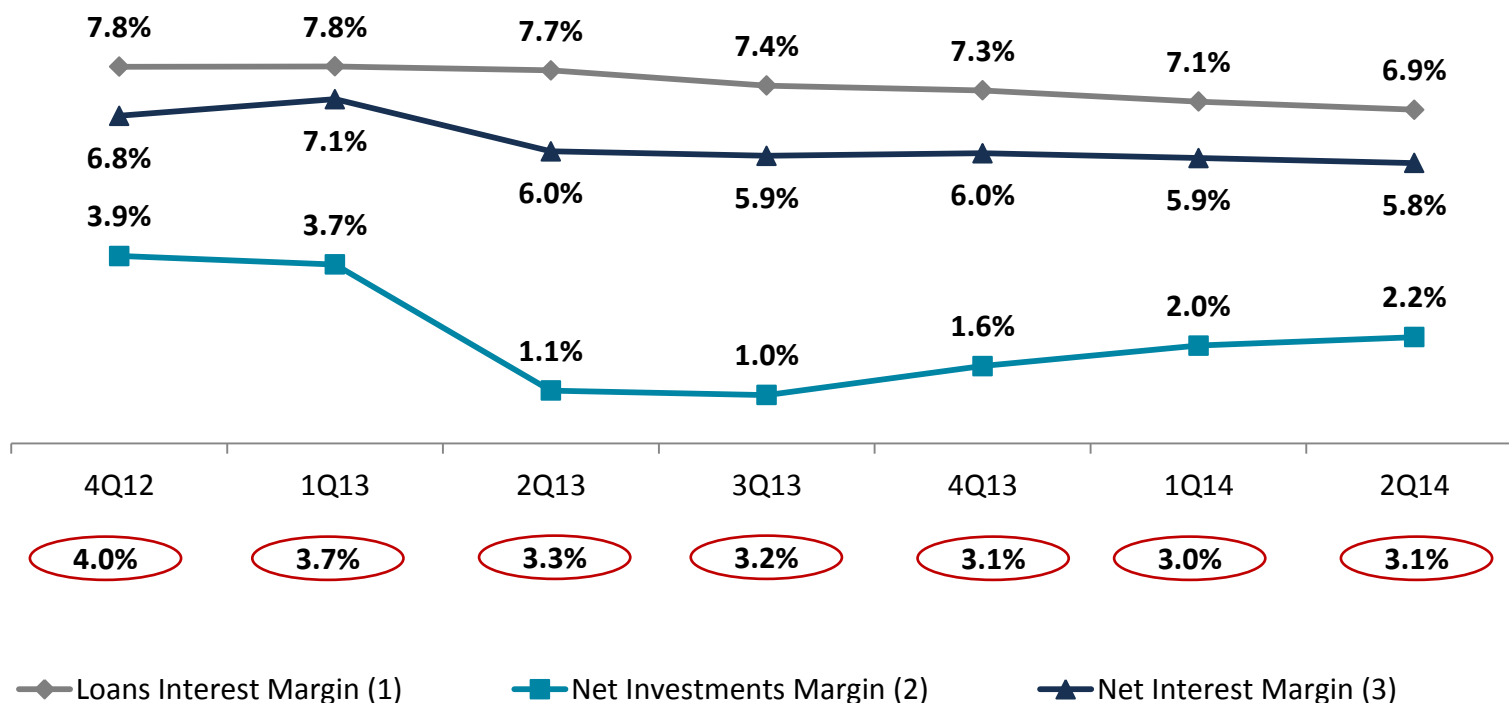
⁽¹⁾ Includes Ps. 2.4 trillion of capital raised in December 2013 and January 2014 through a common share rights offering. ⁽²⁾ Tangible Capital Ratio is calculated as Shareholders Equity plus Minority Interest minus Goodwill divided by Total Assets minus Goodwill. ⁽³⁾ Reported based on Decree 2555 of 2010. ⁽⁴⁾ Reported based on Decree 1771 of 2012, effective since August 2013.

NIM – Net Interest Margin



Net interest income (trillions)

2Q13	1Q14	2Q14	2Q14/ 2Q13	2Q14/ 1Q14
1.64	1.86	1.86	13.1%	-0.3%



(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.

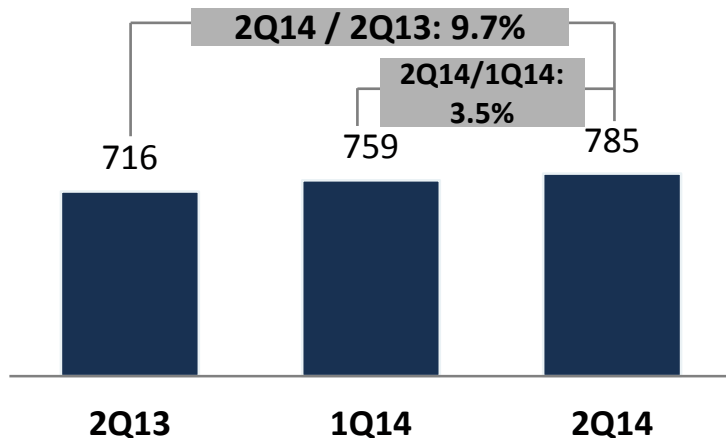
(3) Net Interest Margin: Net interest income divided by total average interest-earning assets.

Net Fees and other operating income

Figures in Ps. Billions

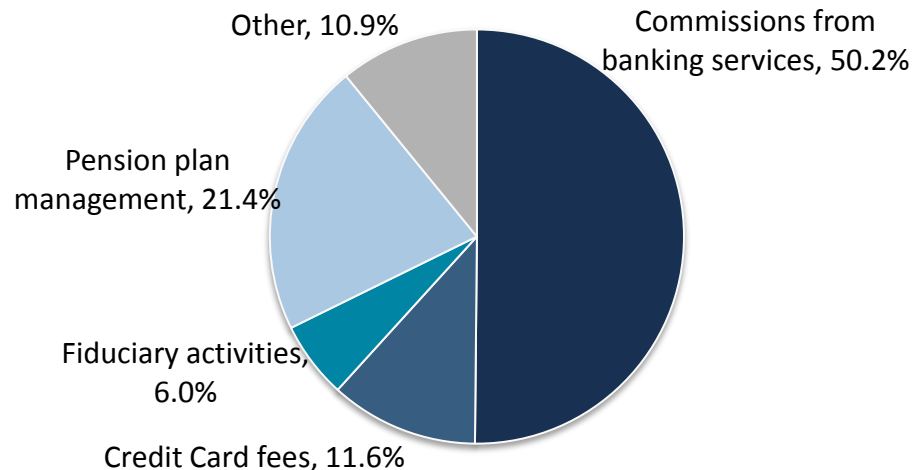


Net Fees⁽¹⁾

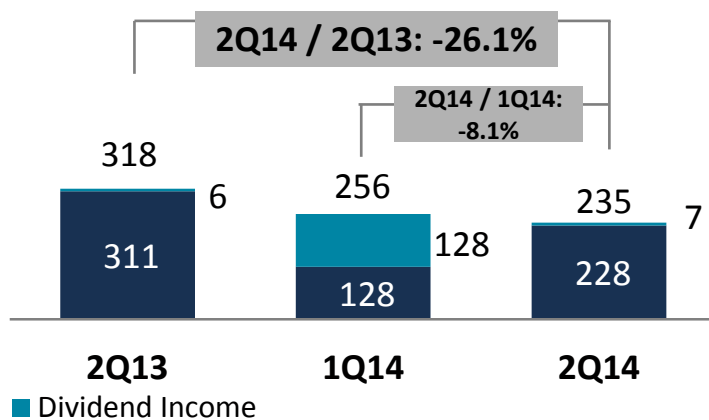


⁽¹⁾ Total fees and other service income minus fees and other services expenses.

Fee Income 2Q14



Other operating income



Other operating income

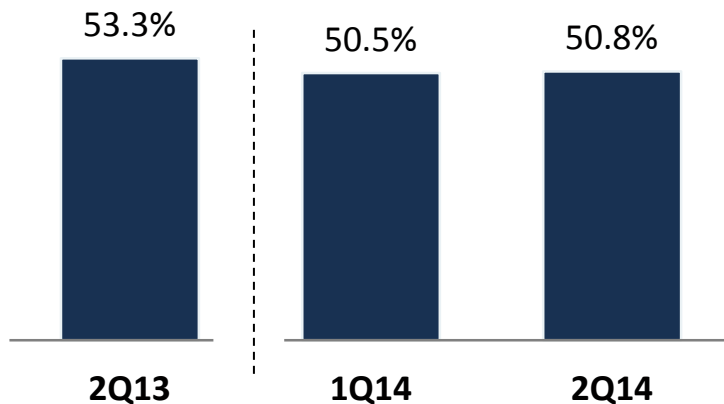
	2Q13	1Q14	2Q14
Dividend Income	6	128	7
Foreign exchange (losses) gains, net	82	(10) ⁽¹⁾	120
Income from non-financial sector, net	103	78	56
Other	126	60	53
Total other operating income	318	256	235

⁽¹⁾ Includes a non recurrent exchange loss of Ps. 84 billion for 1Q14

Efficiency and non operating income, net

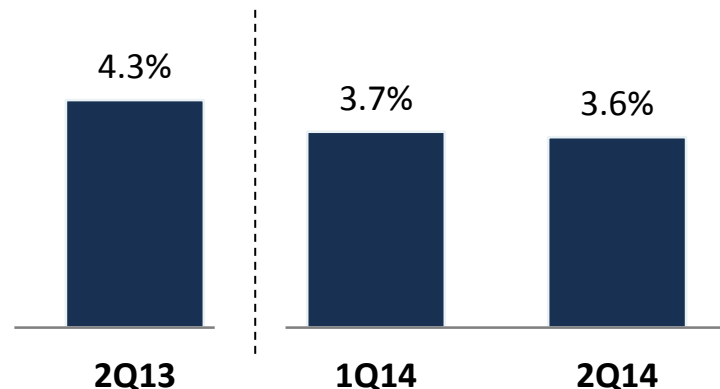


Operating expenses / Operating Income



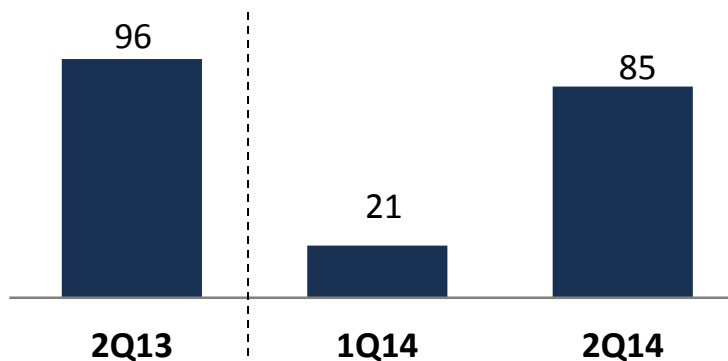
Efficiency Ratio is calculated as Operating Expenses before D&A divided by Operating Income before net provisions.

Operating expenses / Average Assets



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

Non operating income, net

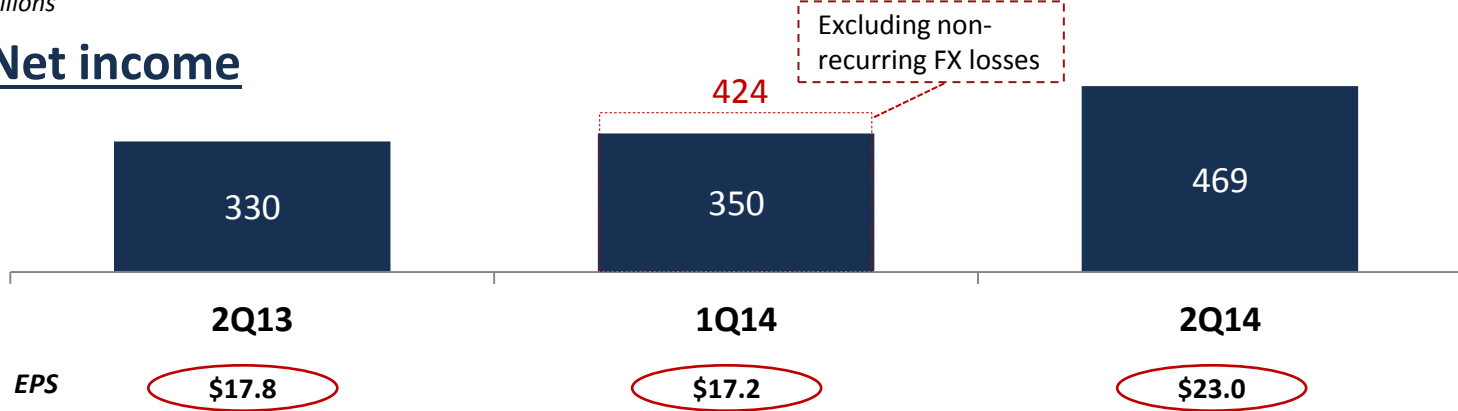


Profitability

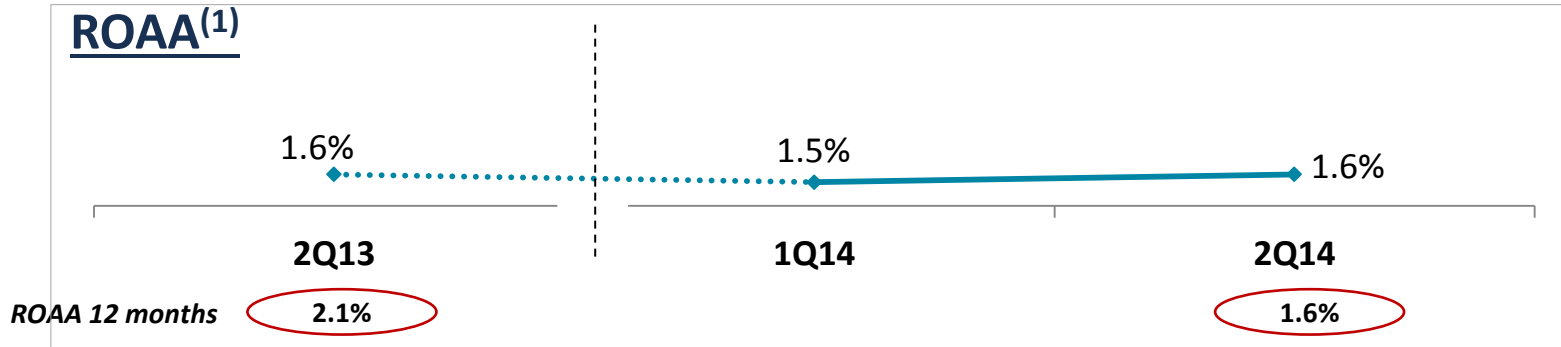
Figures in Ps. Billions



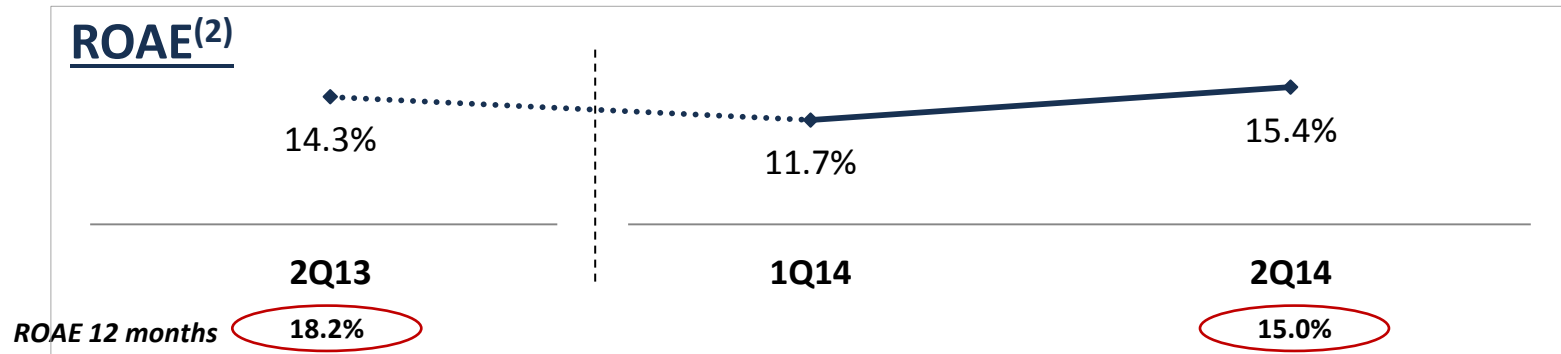
Net income



ROAA⁽¹⁾



ROAE⁽²⁾



⁽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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