

2013 Full year report of Consolidated Results

Colombian Banking GAAP



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 oversight by the Superintendency of Finance. Grupo Aval is not a financial institution and is not supervised or regulated as a financial institution in Colombia. Grupo Aval is required to comply with corporate governance and periodic reporting requirements to which all issuers are subject, but 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 entities under the comprehensive supervision of, and subject to inspection and surveillance as financial institutions by, the Superintendency of Finance.

Our consolidated financial statements at December 31, 2012, 2011, 2010, 2009 and 2008 and for each of the years ended 2012, 2011, 2010, 2009 and 2008 have been audited, as stated in the report appearing in our 20F filings. Our consolidated financial statements at December 31, 2013 and for the year ended December 31, 2013 presented herein are unaudited. Audited financial statements at December 31, 2013 and for the year ended December 31, 2013 will appear in our 20F filing on April, 2014.

We have prepared these financial statements and other financial data included herein 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." Detail 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 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. Our Colombian Banking GAAP financial statements will be available on Grupo Aval's webpage only to the extent that they are included in documents filed with, or furnished to, the SEC.

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 20F 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.

When applicable, in this report we refer to billions as thousands of millions.



- ✓ After obtaining all regulatory approvals, Grupo Aval closed Grupo Financiero Reformador and BBVA Panamá acquisitions in Central America. Both acquisitions had a combined impact of Ps. 6.7 trillion of assets (USD 3.6 billion) and Ps. 6.0 trillion of liabilities (USD 3.2 billion) in Grupo Aval's balance sheet. The acquisitions did not have an impact on the income statement in 2013.
- ✓ Grupo Aval raised Ps. 2.4 Trillion (USD 1.2 billion) of capital between December 2013 and January 2014. This capital raise was achieved through an issuance of ordinary shares at a price per share of \$1,300 pesos. Use of proceeds of this capitalization included prepayment of peso denominated financial obligations for approximately \$700 million dollars and approximately \$500 million dollars to replenish available liquidity previously used to capitalize Banco de Bogotá.
- ✓ Porvenir successfully merged its operations with AFP Horizonte.

Solid financial results:

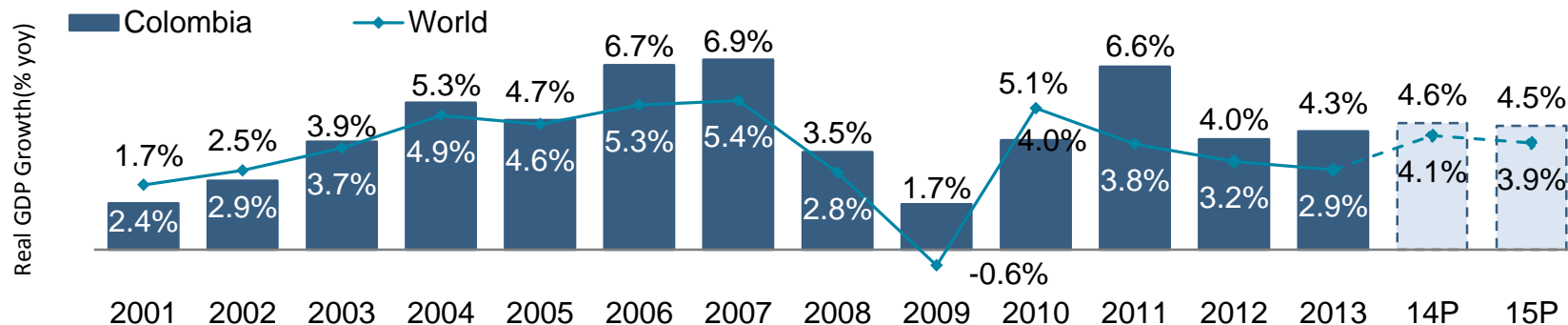
- ✓ Strong results for the year ended December 31, 2013 with Grupo Aval's consolidated net income growing by 5% versus 2012 up to Ps 1.6 trillion, our NIM closing the year at 6.2%, our ROAA at 1.9% and our ROAE⁽¹⁾ at 17.3%.
- ✓ Solid balance sheet growth with assets increasing by 20.9% yoy and loans growing by 20.6% yoy with past due loans finishing the year at 2.4%.
- ✓ Deposits grew by 24.2% yoy with checking accounts increasing their weight in the mix of total deposits to 25%.
- ✓ Total Attributable Equity grew by 29.1% yoy largely supported on Grupo Aval's capitalization.

(1) ROAE is calculated as annualized Net Income attributable for Aval's shareholders divided by average shareholders' equity. ROAE is calculated excluding Ps. 2,114.5 billions in capital raised in Dec, 2013.

Macroeconomic fundamentals



GDP Growth

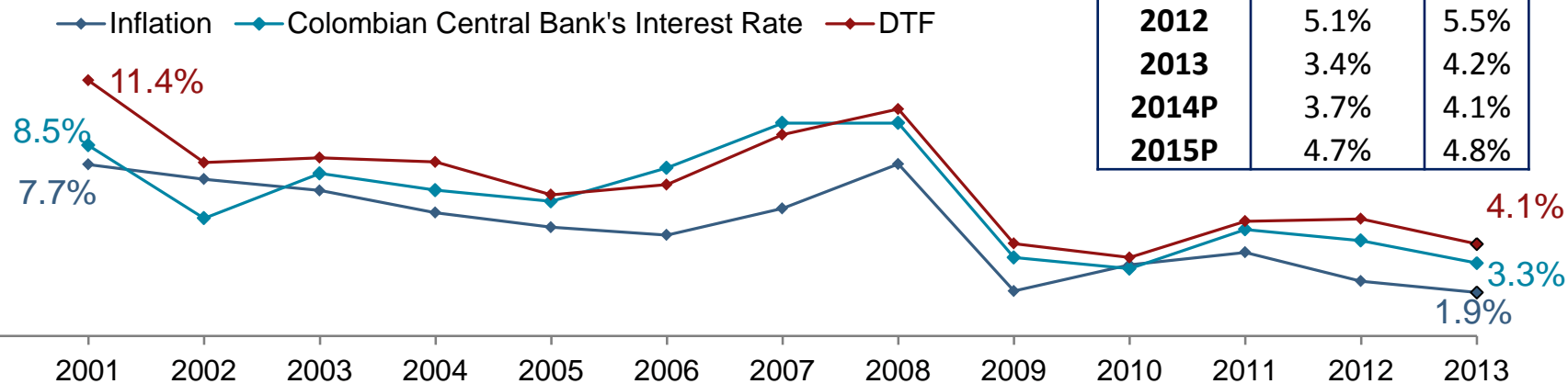


GDP per Capita⁽¹⁾

2001	2.4	2002	2.3	2003	2.3	2004	2.8	2005	3.4	2006	3.7	2007	5.8	2008	5.3	2009	5.2	2010	6.3	2011	7.1	2012	7.9	2013	7.8	14P	8.2	15P	8.5
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Source: IMF(Projections) DANE and ANIF. ⁽¹⁾ Colombia nominal GDP per capita in thousands of USD, IMF.

Inflation vs. Nominal Interest Rates

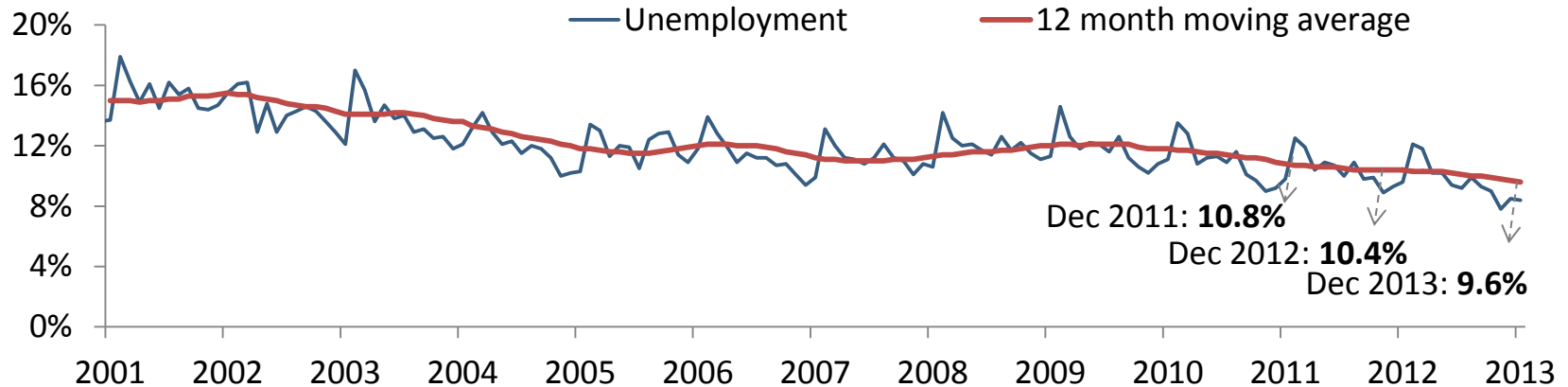


Average	Central Bank's int. Rate ⁽¹⁾	DTF ⁽²⁾
2011	4.0%	4.2%
2012	5.1%	5.5%
2013	3.4%	4.2%
2014P	3.7%	4.1%
2015P	4.7%	4.8%

Fx (EoP)	2,291	2,865	2,778	2,390	2,284	2,239	2,015	2,244	2,044	1,914	1,943	1,768	1,927
% Δ YoY	2.8%	25.0%	-3.0%	-14.0%	-4.4%	-2.0%	-10.0%	11.4%	-8.9%	-6.4%	1.5%	-9.0%	9.0%

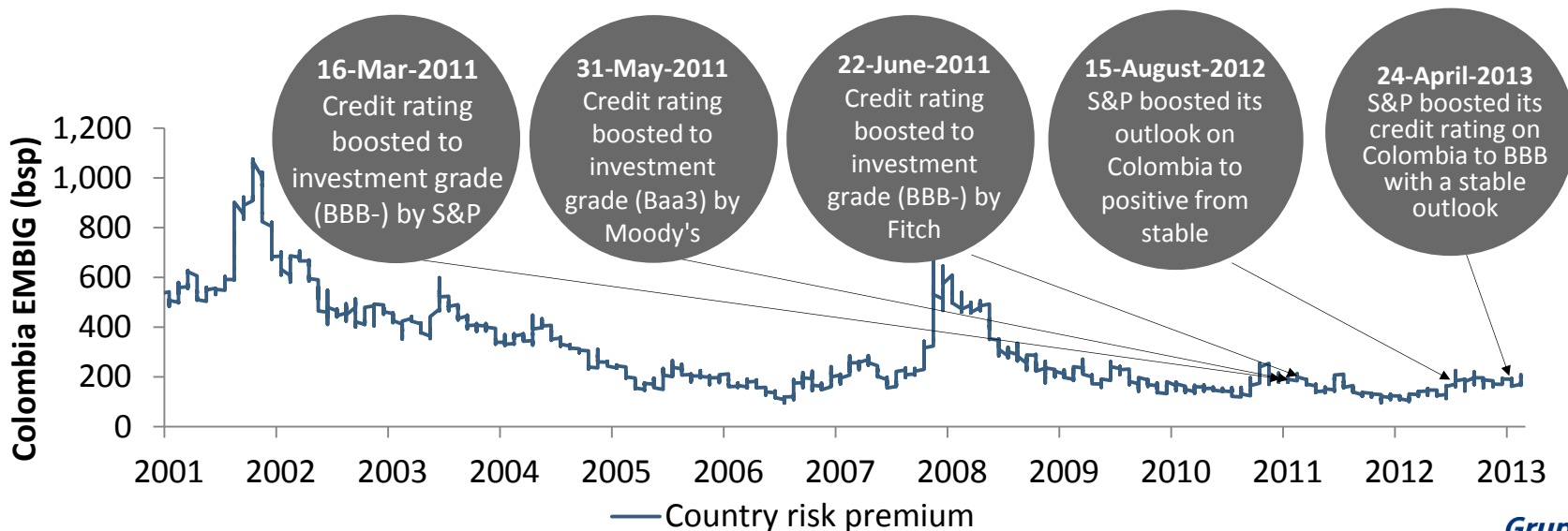
Source: Banco de la República de Colombia. ⁽¹⁾ Average of daily rates reported by Banco de la República. ⁽²⁾ Average of monthly average rates reported by Banco de la República.

Unemployment



Source: Dane, ANIF.

Significant reduction in country risk premium



Source: Bloomberg.

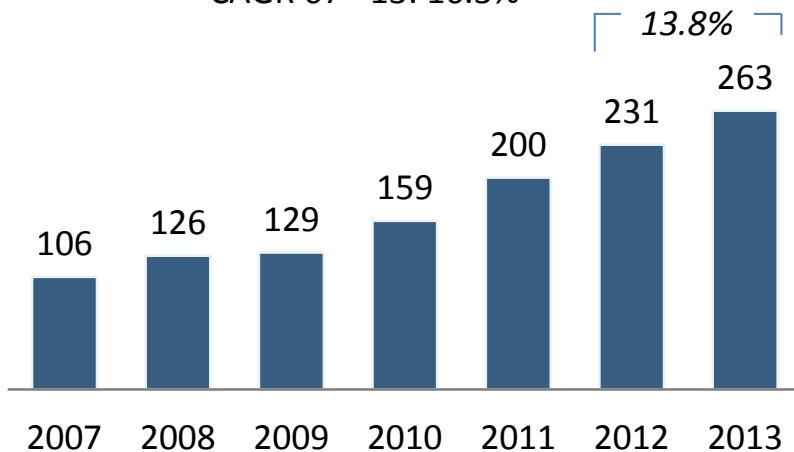
Colombian Financial System

Figures in COP trillions



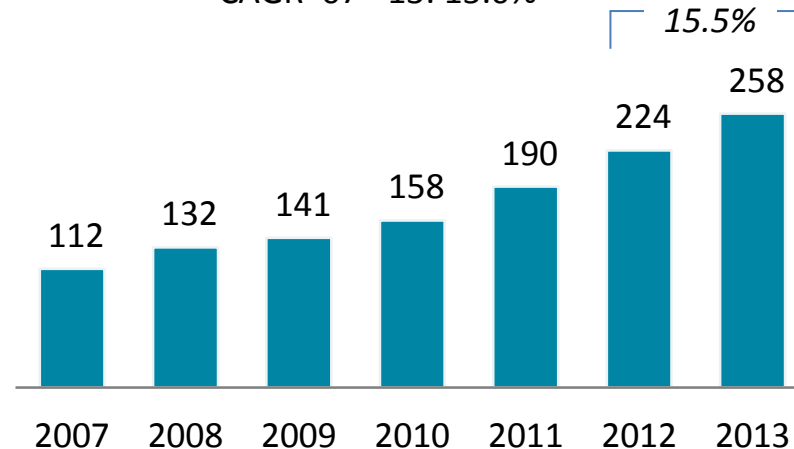
Gross loans

CAGR '07-'13: 16.3%



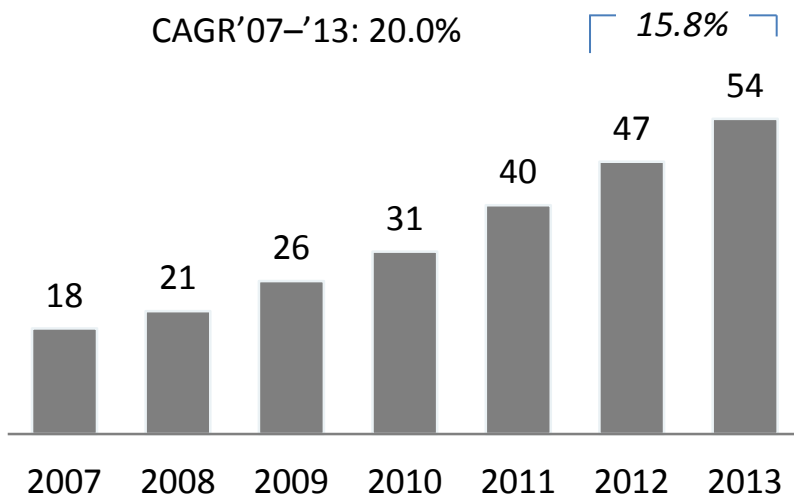
Deposits

CAGR '07-'13: 15.0%



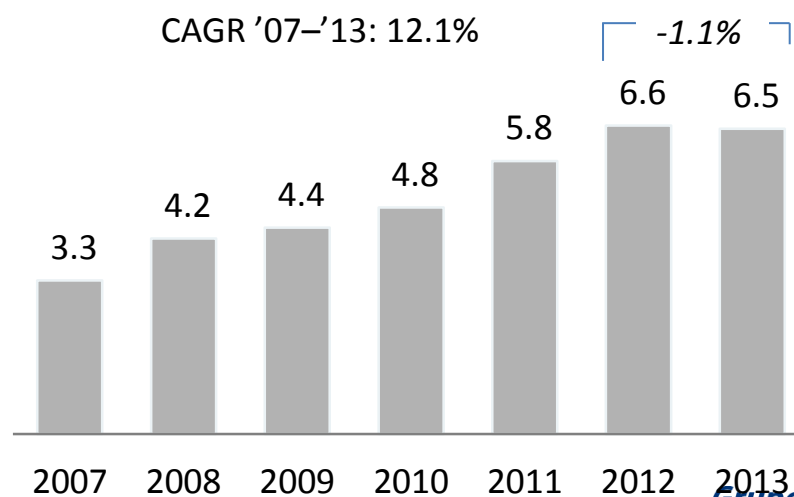
Equity

CAGR '07-'13: 20.0%



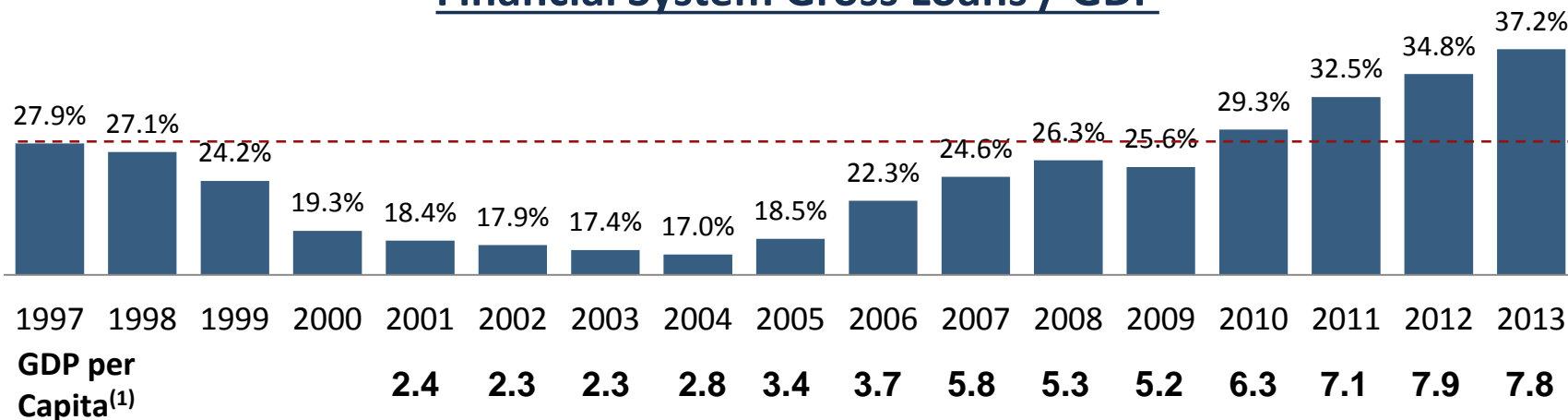
Net income

CAGR '07-'13: 12.1%



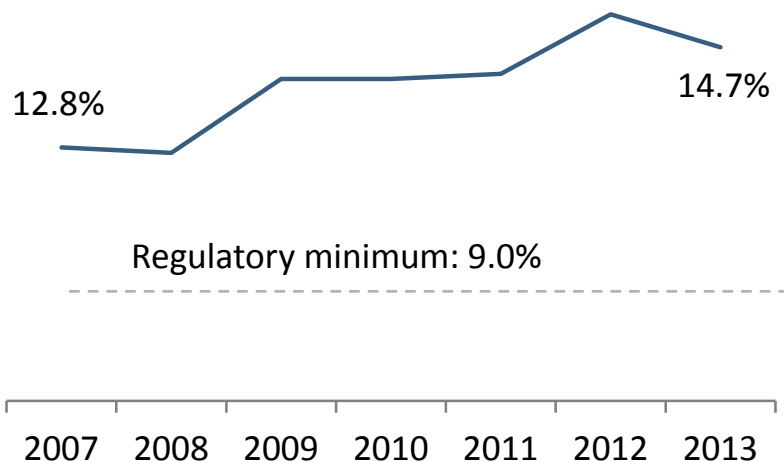
Source: Superintendency of Finance. System as total banks.

Financial System Gross Loans / GDP

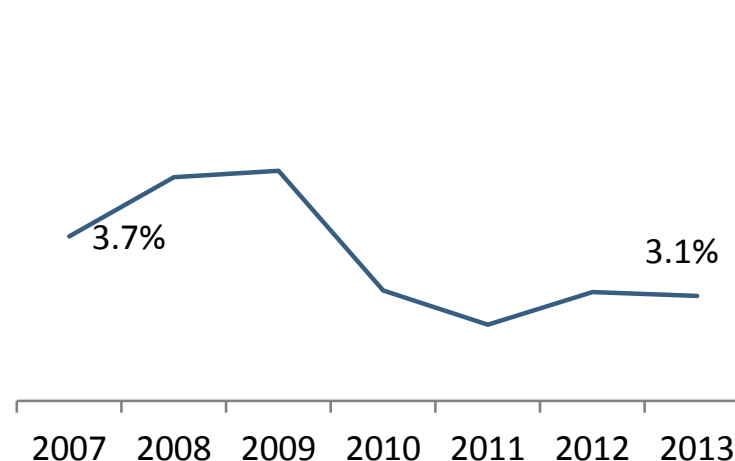


Source: DANE, Superintendency of Finance, and IMF. ⁽¹⁾ Colombia nominal GDP per capita in thousands of USD, IMF.

System Solvency



30 days PDLs / Gross Loans



Source: Superintendency of Finance.

Balance Sheet



Figures in COP billions

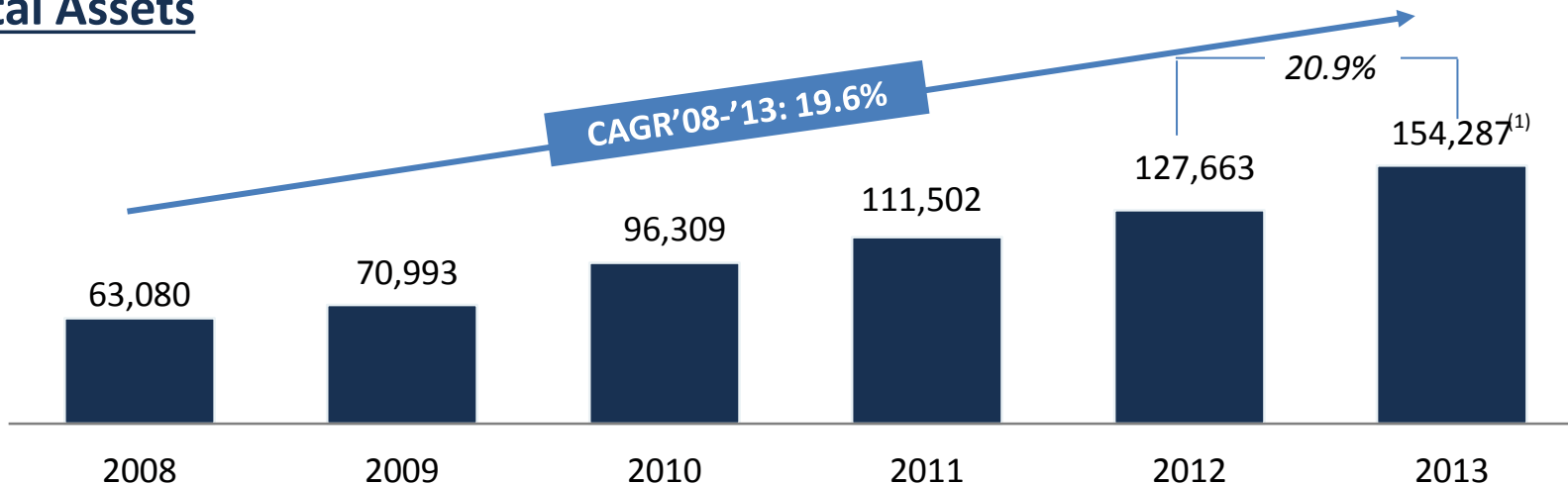
	2011	2012	2013	12 vs 11	13 vs 12
Cash	11,699	13,399	16,097	14.5%	20.1%
Investments	18,975	23,296	27,299	22.8%	17.2%
Net Loans	67,641	77,484	93,441	14.6%	20.6%
Other Assets	13,187	13,485	17,451	2.3%	29.4%
Total Assets	111,502	127,663	154,287	14.5%	20.9%
<hr/>					
Deposits	71,008	81,463	101,190	14.7%	24.2%
Other Funding	21,352	25,393	28,479	18.9%	12.2%
Other Liabilities	10,983	11,723	12,890	6.7%	10.0%
Total Liabilities	103,343	118,580	142,559	14.7%	20.2%
Equity	8,159	9,083	11,728	11.3%	29.1%

Assets

Figures in COP billions

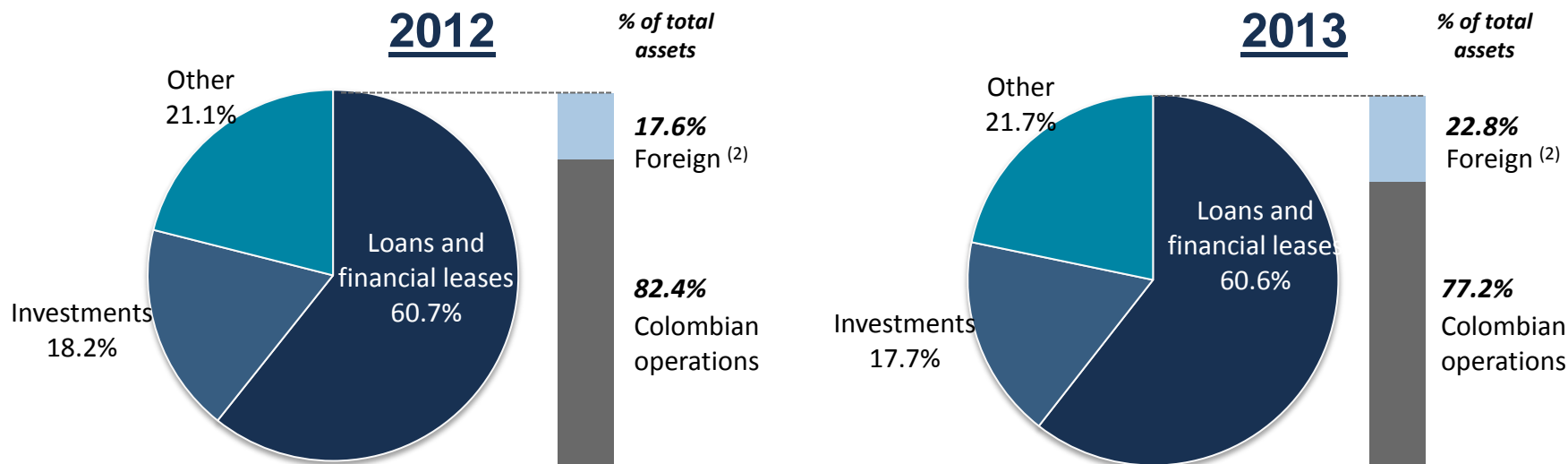


Total Assets



Source: Company Filings. Consolidated figures.

Assets Breakdown



⁽¹⁾ Includes Ps. 6.7 trillion of assets acquired in Dec, 2013 in Central America. Growth excluding acquisitions would have been 15.6% vs. 2012.

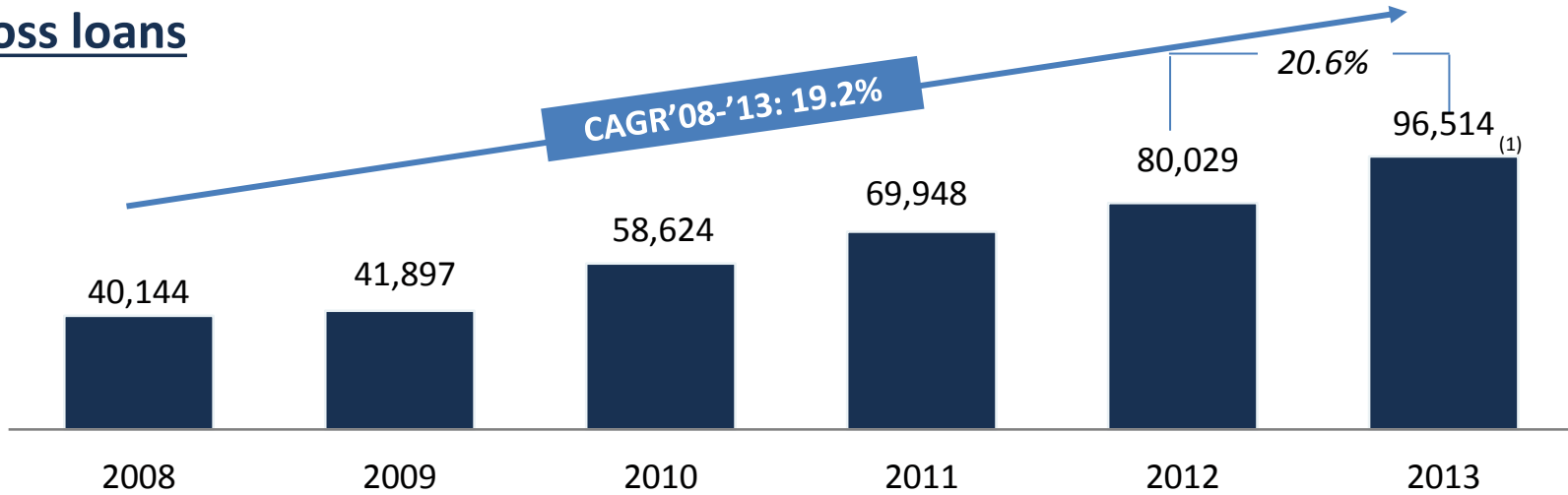
⁽²⁾ Foreign operations reflect Central American operations.

Loans

Figures in COP billions

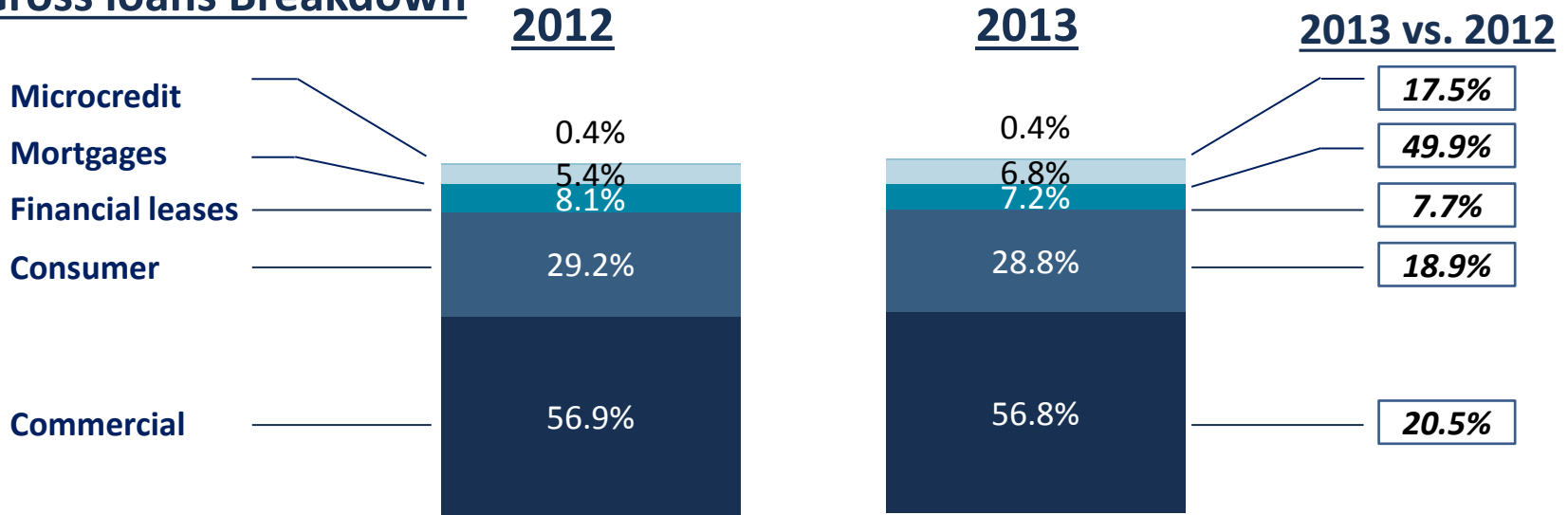


Gross loans



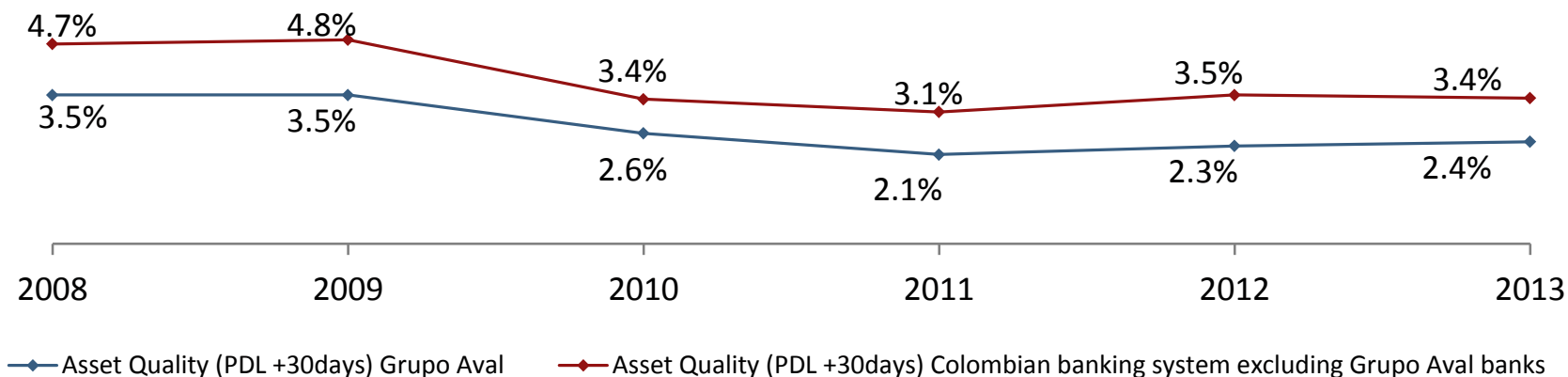
Source: Company Filings. Consolidated figures.

Gross loans Breakdown



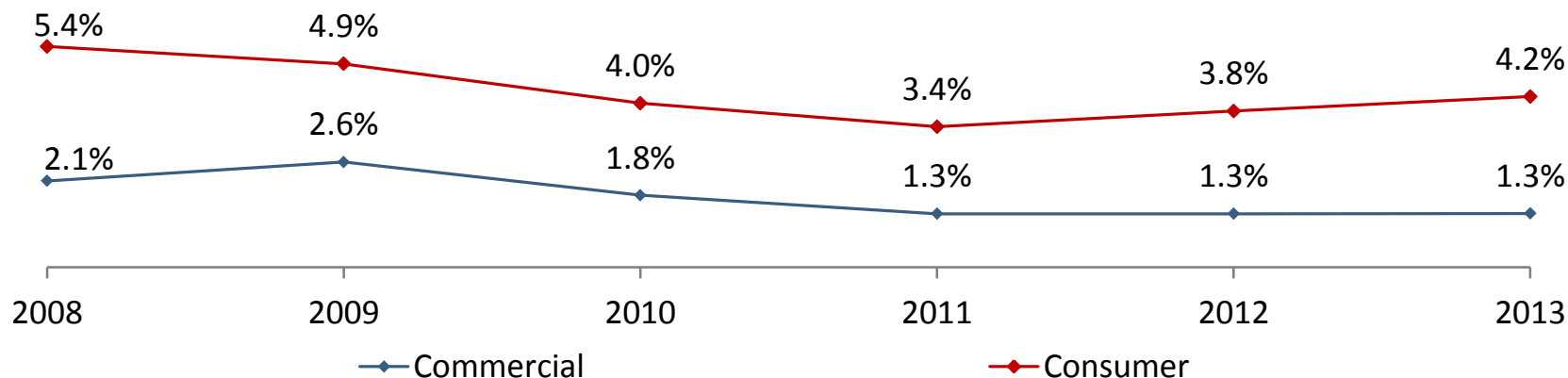
⁽¹⁾ Includes Ps. 4.8 trillion of loans acquired in Dec, 2013 in Central America. Growth excluding acquisitions would have been 14.7% vs. 2012.

Asset quality – Colombia



Source: Company Filings. Grupo Aval is calculated as the sum of its banks.

30 Day Past Due Loans / Total Loans (%)



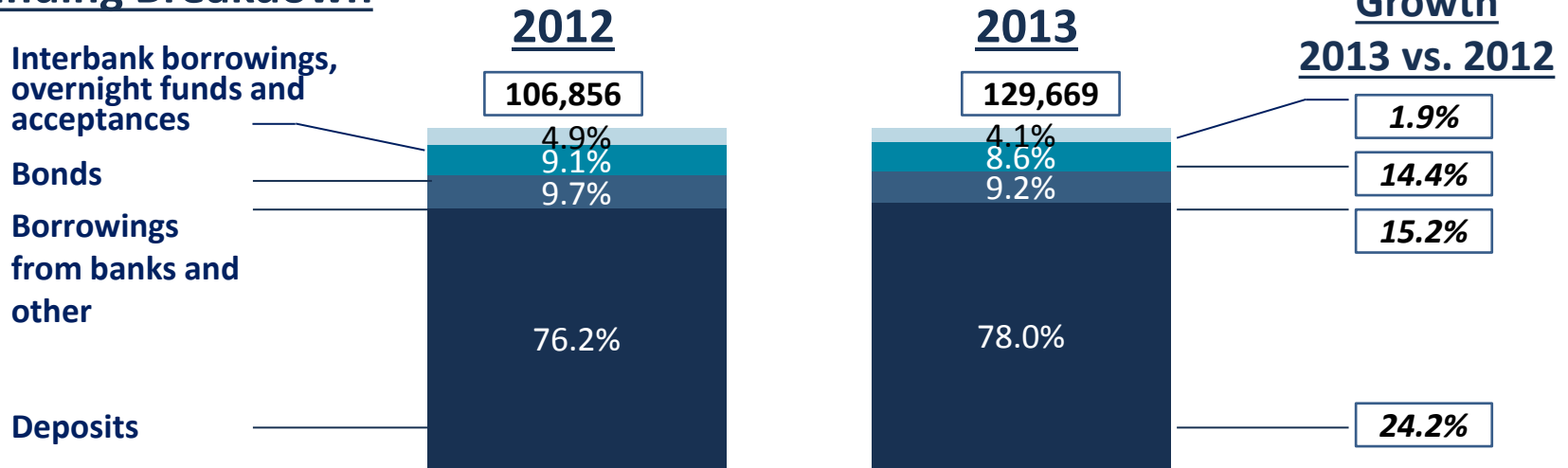
Source: Company Filings. Consolidated figures.

Funding

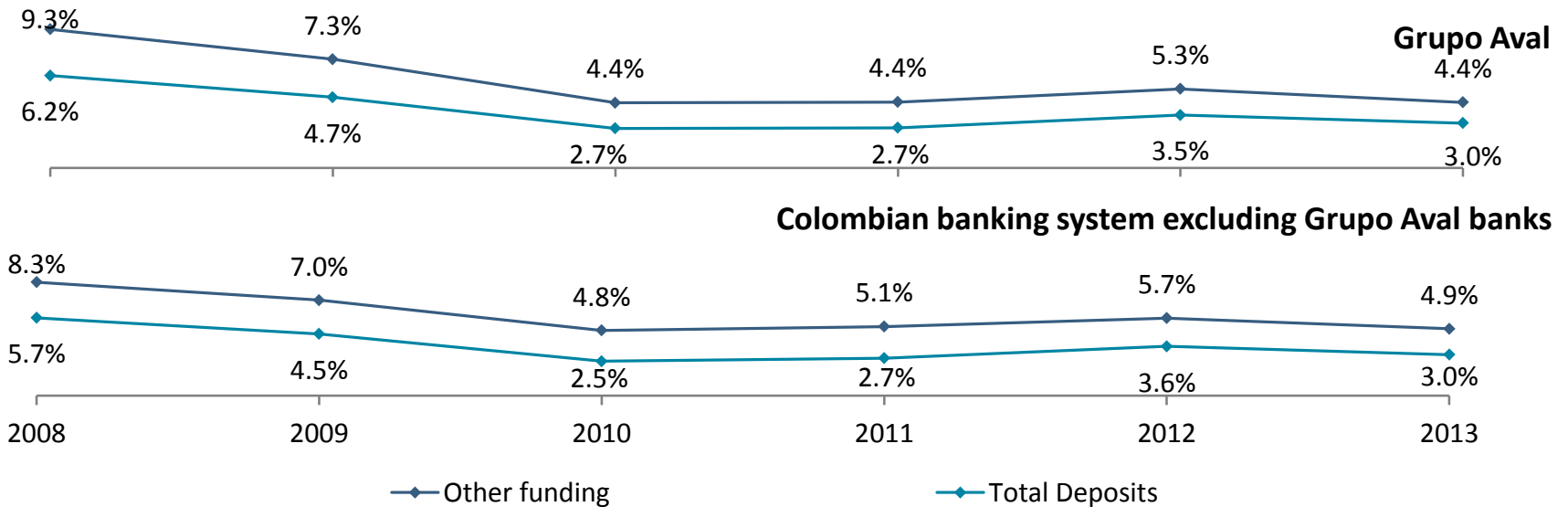
Figures in COP billions



Funding Breakdown



Cost of Funding



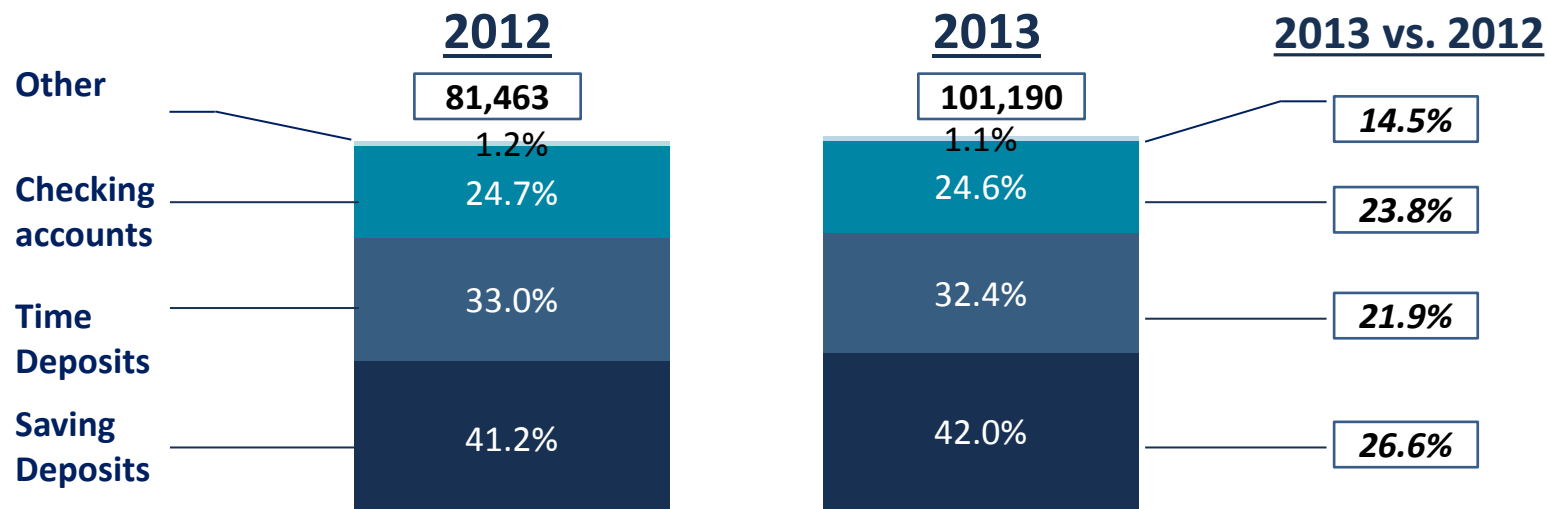
Source: Company Filings. Consolidated figures. Superintendency of Finance.

Deposits

Figures in COP billions

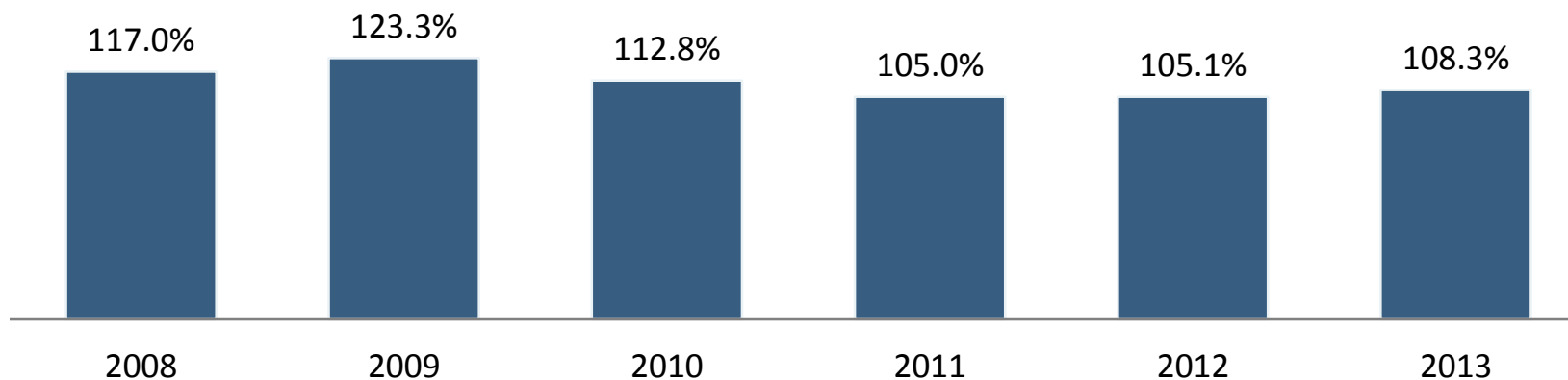


Deposits Breakdown



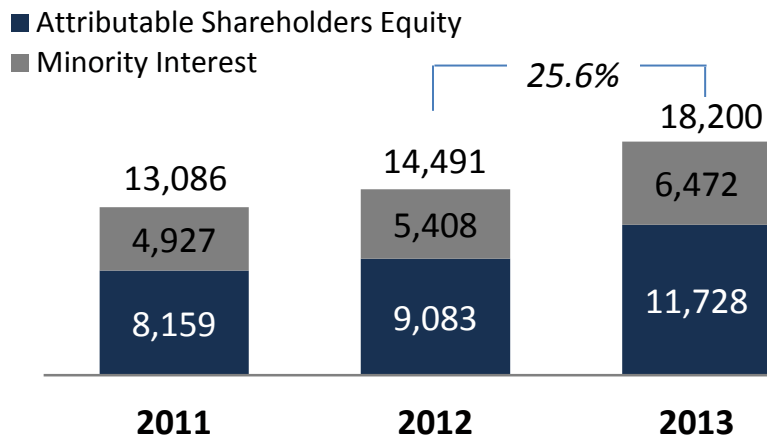
Source: Company Filings. Consolidated figures.

Deposits / Net Loans (%)

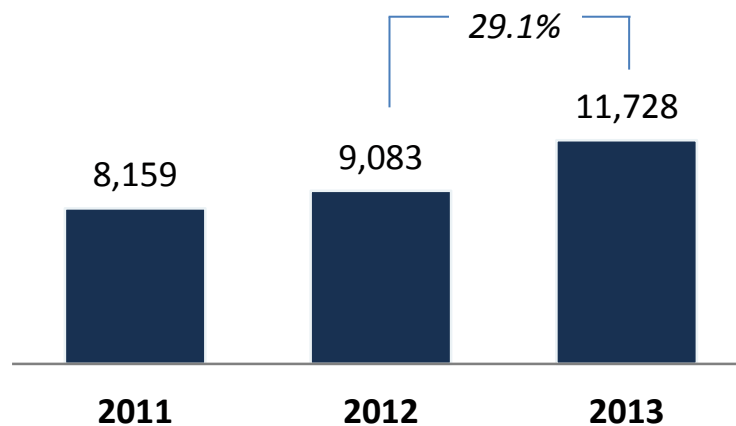


Source: Company Filings. Consolidated figures.

Attributable Equity + Minority Interest



Attributable Shareholders Equity



Source: Company Filings. Consolidated figures.

Consolidated Capital Adequacy of our Banks (%)



	Banco de Bogotá		Banco de Occidente		banco popular		Banco AV Villas		Grupo AVAL Combined	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Tier 1	11.9	7.5	8.5	9.1	9.3	9.5	11.5	10.7	10.9	8.2
Solvency Ratio	13.1	11.2	10.5	12.9	11.5	10.8	13.7	11.8	12.5	11.5

Source: Grupo Aval Banks. Consolidated figures.

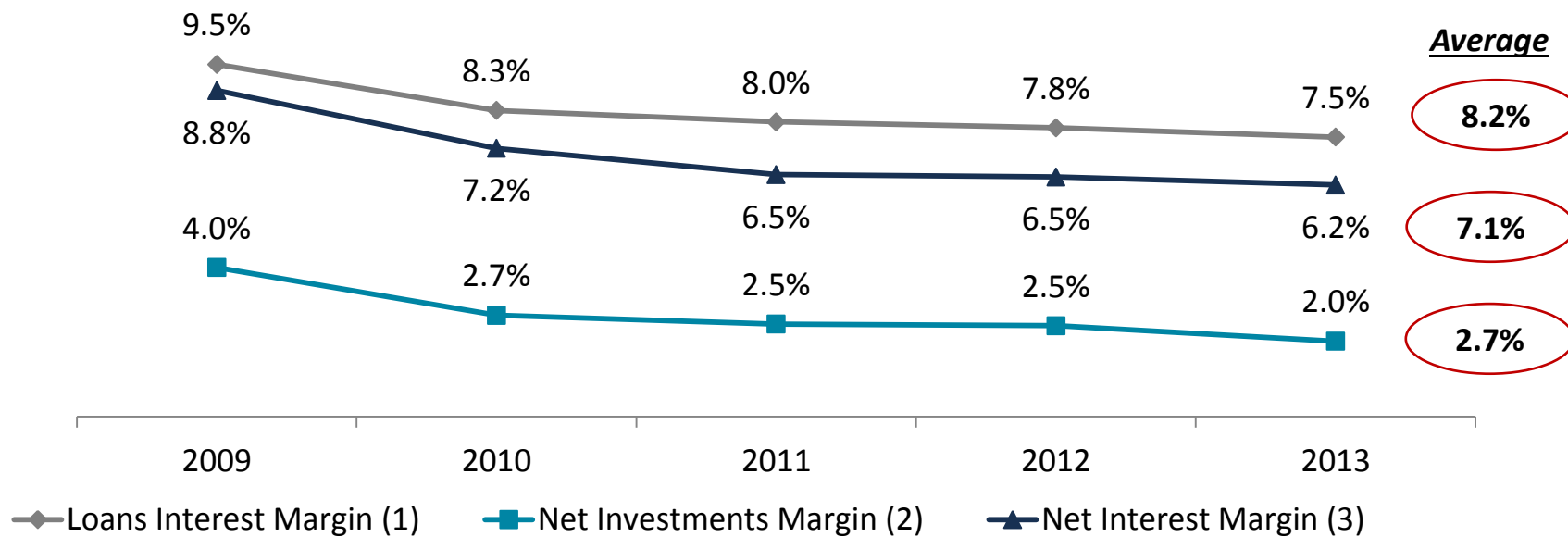
NIM – Net Interest Margin

Figures in COP billions



Net interest income

2012	2013	Var. 13/12
6,310	6,981	10.6%



Avg. cost of funds / Total Int. and non Int. funding

5.2%

3.0%

3.1%

4.0%

3.3%

Source: Company Filings. Consolidated figures.

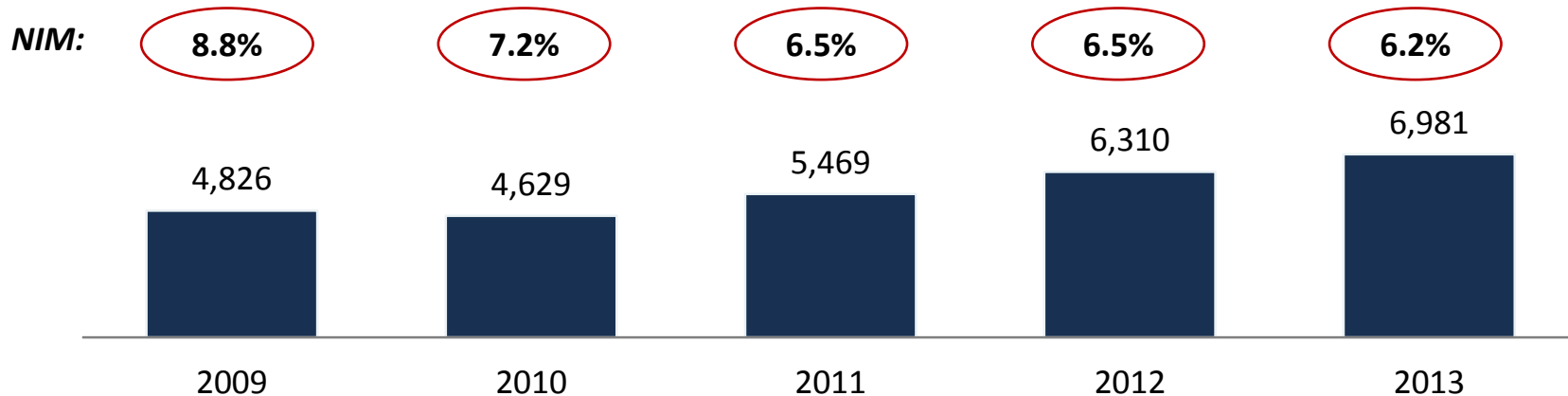
- (1) Loans Interest Margin: Net Interest Income on Loans to Average loans and financial leases.
- (2) Net Investment Margin: Net Interest income on Fixed Income securities and on Interbank and Overnight funds to Average Fixed Income securities and Interbank and overnight funds.
- (3) Net Interest Margin: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

Key indicators



Figures in COP billions

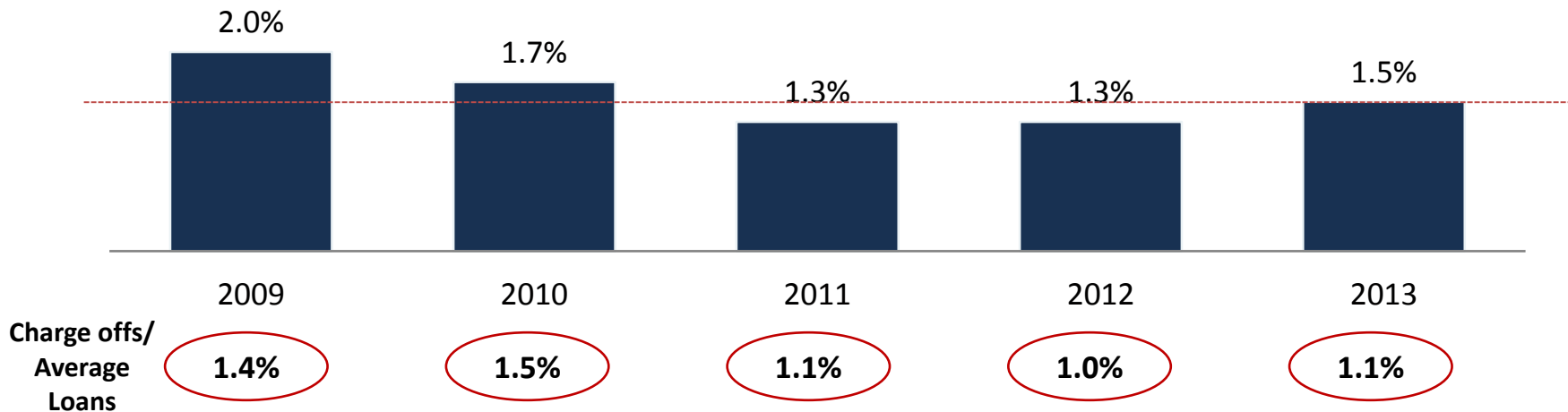
Net interest Income / Average Interest Earning Assets



Source: Company Filings. Consolidated figures.

Provision expense / Average Loans

Average '09-'13: 1.6%



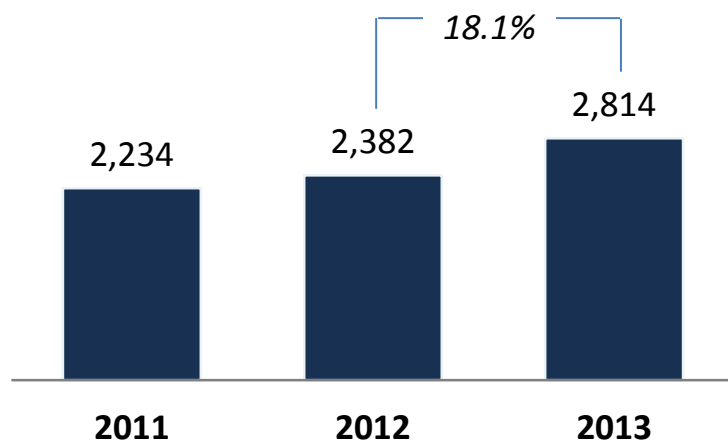
Source: Company Filings. Consolidated figures.

Net Fees and other operating income



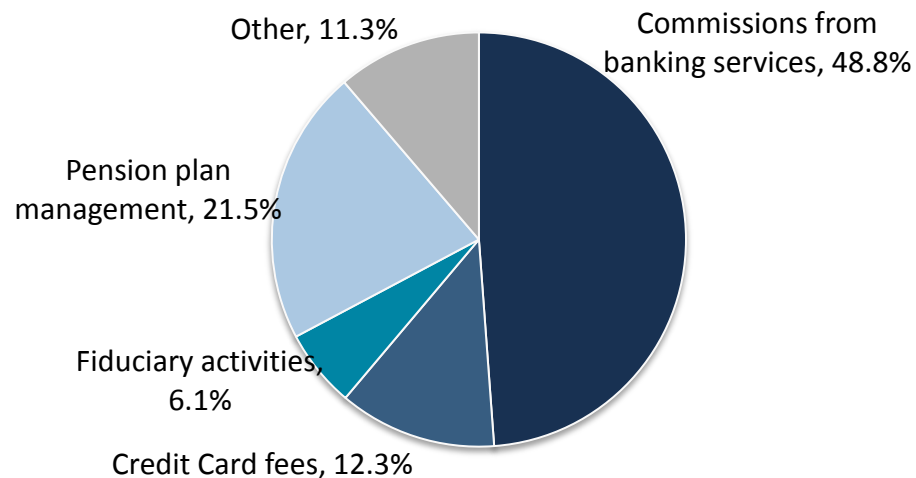
Figures in COP billions

Net Fees⁽¹⁾

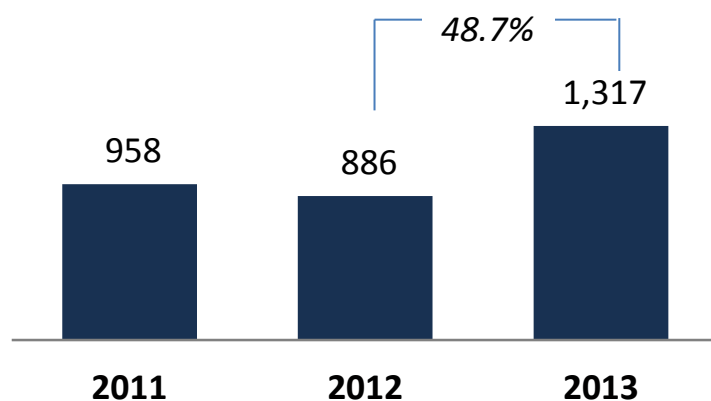


⁽¹⁾ Total fees and other service income minus fees and other services expenses.

Fee Income 2013



Other operating income

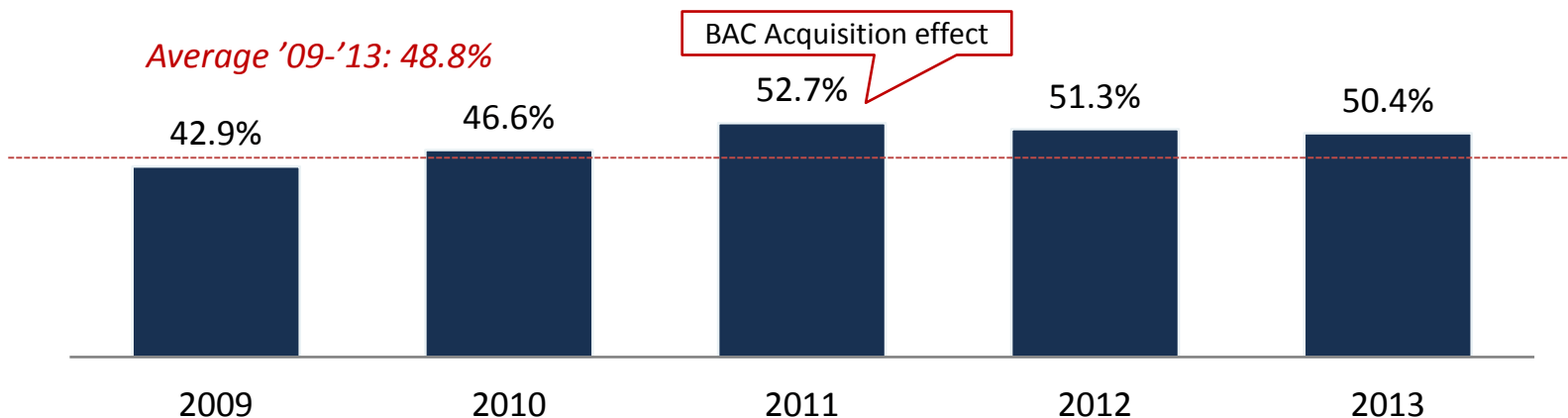


Source: Company Filings. Consolidated figures.

Other operating income

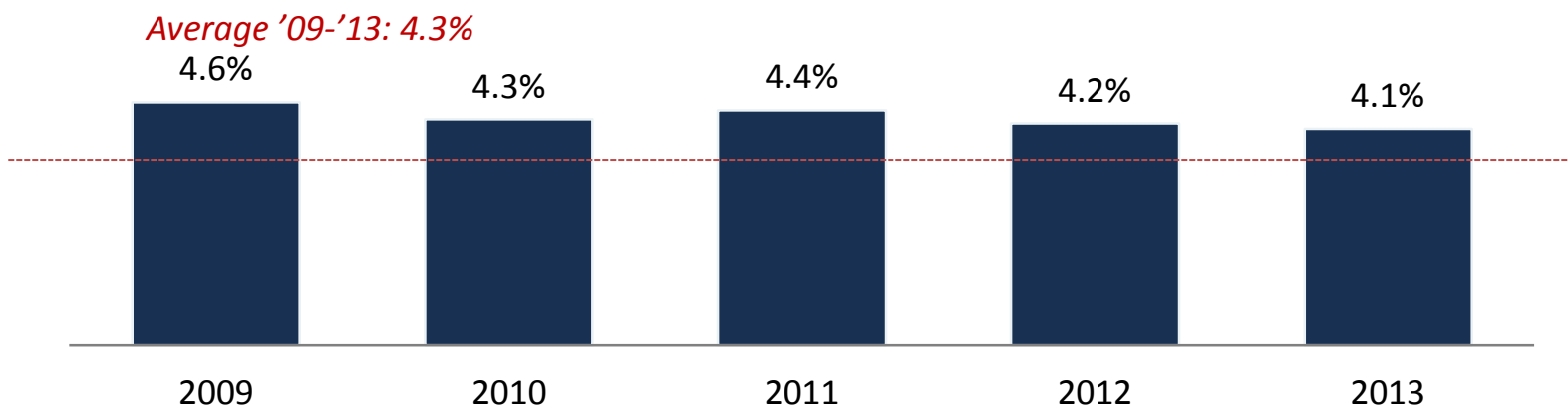
	2011	2012	2013
Dividend Income	79	99	326
Foreign exchange (losses) gains, net	188	180	305
Income from non-financial sector, net	442	386	441
Other	250	221	245
Total other operating income	958	886	1,317

Operating expenses / Operating Income



Source: Company Filings. Consolidated figures. Efficiency Ratio is calculated as Operating Expenses before D&A divided by Operating Income before net provisions.

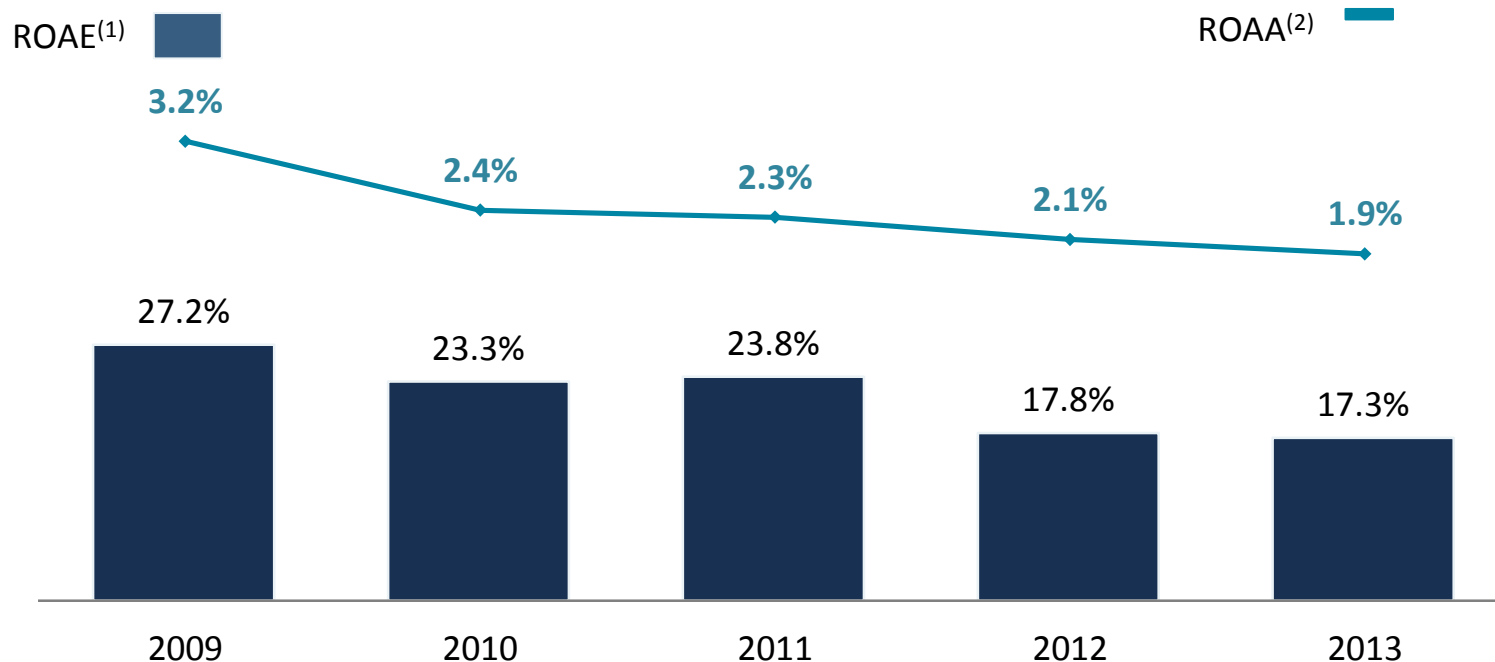
Operating expenses / Average Assets



Source: Company Filings. Consolidated figures. Efficiency Ratio is calculated as annualized Operating Expenses before D&A divided by average of total assets.

Average '09-'13: 21.9%

Average '09-'13: 2.4%



Source: Company Filings. Consolidated figures. ⁽¹⁾ ROAE is calculated as Net Income divided by the thirteen-month average of shareholders' equity for each year ended at Dec. 31st. For 2013, ROAE is calculated excluding Ps. 2,114.5 billions in capital raised in Dec, 2013. ⁽²⁾ ROAA is calculated as Income before non-controlling interest divided by the thirteen-month average of total assets for each year ended at Dec. 31st.