2Q19 Consolidated Earnings Results

IFRS

Disclaimer

Grupo Aval Acciones y Valores S.A. ("Grupo Aval") is an issuer of securities in Colombia and in the United States, registered with Colombia's National Registry of Shares and Issuers (Registro Nacional de Valores y Emisores) and the United States Securities and Exchange Commission ("SEC"). As such, it is subject to compliance with securities regulation in Colombia and applicable U.S. securities regulation.

All of our banking subsidiaries (Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas), Porvenir and Corficolombiana, are subject to inspection and supervision as financial institutions by the Superintendency of Finance. Grupo Aval is now also subject to the inspection and supervision of the Superintendency of Finance as a result of Law 1870 of 2017, also known as Law of Financial Conglomerates, which came in effect on February 6, 2019. Grupo Aval, as the holding company of its financial conglomerate is responsible for the compliance with capital adequacy requirements, corporate governance standards, risk management and internal control and criteria for identifying, managing and revealing conflicts of interest, applicable to its financial conglomerate.

The consolidated financial information included in this document is presented in accordance with IFRS as currently issued by the IASB. Details of the calculations of non-GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

Grupo Aval has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening Condensed Consolidated Statement of Financial Position on January 1, 2019. Consequently, quarterly results for 2019 are not fully comparable to previous periods.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, Grupo Aval, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these and other comparable words. Actual results and events may differ materially from those anticipated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risk described from time to time in our filings with the Registro Nacional de Valores y Emisores and the SEC.

Recipients of this document are responsible for the assessment and use of the information provided herein. Matters described in this presentation and our knowledge of them may change extensively and materially over time but we expressly disclaim any obligation to review, update or correct the information provided in this report, including any forward looking statements, and do not intend to provide any update for such material developments prior to our next earnings report.

The content of this document and the figures included herein are intended to provide a summary of the subjects discussed rather than a comprehensive description.

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

Consolidated key results for the quarter

	COP $tn	2Q18	1Q19	2Q19	2Q19 vs 2Q18	2Q19 vs 1Q19
Balance Sheet	Gross Loans	$ 160.3	$ 168.4	$ 170.7	6.5%	1.3%
	Deposits	$ 152.0	$ 163.3	$ 166.0	9.2%	1.7%
	Deposits/Net Loans	0.96 x	0.99 x	1.00 x	0.04 x	0.01 x
	Tangible Equity Ratio	7.7%	8.3%	8.7%	96 bps	37 bps
Loan Quality	90 days PDLs / Total loans	3.1%	3.1%	3.2%	12 bps	16 bps
	Cost of risk	1.9%	2.0%	2.2%	29 bps	20 bps
Profitability	Net interest margin	5.8%	5.7%	5.9%	6 bps	14 bps
	Fee income Ratio	26.5%	25.0%	26.0%	(49) bps	95 bps
	Efficiency Ratio	49.0%	44.7%	45.4%	(356) bps	66 bps
	Attributable net income	$ 0.68	$ 0.76	$ 0.81	19.3%	6.6%
	ROAA	2.0%	2.1%	2.1%	19 bps	5 bps
	ROAE	17.7%	17.4%	18.3%	53 bps	88 bps

- Attributable net income for 2Q19 increased 19% versus 2Q18 and 23% between 1H19 and 1H18.
- Return on average equity for the quarter rose to 18.3%.
- Loan portfolio growth of 7% yoy (and 1.3% in the quarter) with faster growth in our retail portfolio than in our commercial portfolio
- Maintained focus on profitable growth
- Strong Net Interest Margin of 5.9% in the quarter and 5.8% for the semester as a result of 6.6% NIM on loans and 2.3% NIM on investments in the quarter
- Cost of Risk of 2.2% for the quarter and 2.1% for the first half of the year, mainly as a result of an improvement in our Colombian retail portfolio's Cost of Risk
- Net fee income increased by 11% when comparing 1H19 versus 1H18 and by 7% in the quarter, due mainly to strong banking and pension fund fees
- Sustained contribution from our Non-Financial Sector investments during the quarter mainly driven by Corficolombiana's equity investments
- Other expenses grew by 5.7% between 1H18 and 1H19 and personnel expenses increased by only 4% in the same period; in contrast, minimum wage increased by 6%
- The Deposit/Loan ratio at 1.00x, the Liquidity ratio at 18% and the Tangible Equity ratio at 8.7%, as of June 30, 2019, complements the balance sheet´s strength
- DALE, Aval's Fintech, will launch in the next couple of months; we expect to create an ecosystem that will allow P2P, P2C and C2P money transfers at cero cost in one click. We hope to stimulate non-cash transactions and banking penetration

Gross loans excludes interbank and overnight funds. **Tangible Capital Ratio** is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles. **PDLs 90+** defined as loans more than 90 days past due. **Net Interest Margin** includes net interest income plus net trading income from debt and equity investments at FVTPL divided by total average interest-earning assets. **Fee income ratio** is calculated as net income from commissions and fees divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income (excluding others). **Efficiency Ratio** is calculated as total other expenses divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **ROAA** is calculated as annualized Net Income divided by average of total assets. **ROAE** is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity. **NS** refers to non-significant figures.

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Key results per region for the quarter

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		Colombia (71% of Assets)					Central America(1) (29% of Assets)				
		2Q18	1Q19	2Q19	2Q19 vs 2Q18	2Q19 vs 1Q19	2Q18	1Q19	2Q19	2Q19 vs 2Q18	2Q19 vs 1Q19
Balance Sheet	Gross Loans	$ 114.0	$ 117.4	$ 119.1	4.5%	1.4%	$ 46.3	$ 51.0	$ 51.6	11.3%	1.0%
	Deposits	$ 107.1	$ 113.7	$ 115.1	7.4%	1.2%	$ 44.8	$ 49.6	$ 51.0	13.6%	2.7%
	Deposits/Net Loans	0.97 x	1.01 x	1.00 x	0.04 x	NS	0.95 x	0.96 x	0.99 x	0.04 x	0.03 x
	Tangible Equity Ratio	6.8%	7.3%	7.6%	83 bps	30 bps	10.1%	10.8%	11.4%	129 bps	61 bps
Loan Quality	90 days PDLs / Total loans	3.8%	3.7%	3.9%	8 bps	17 bps	1.3%	1.5%	1.6%	32 bps	14 bps
	Cost of risk	1.9%	1.9%	2.2%	34 bps	26 bps	2.1%	2.2%	2.3%	16 bps	6 bps
Profitability	Net interest margin	5.6%	5.4%	5.4%	(17) bps	3 bps	6.3%	6.4%	6.9%	56 bps	42 bps
	Fee income Ratio	22.2%	20.2%	21.4%	(89) bps	120 bps	35.5%	35.7%	35.8%	34 bps	9 bps
	Efficiency Ratio	45.6%	39.6%	40.3%	(528) bps	67 bps	56.3%	56.0%	56.5%	24 bps	47 bps
	Attributable net income (2)	$ 0.49	$ 0.56	$ 0.60	23.4%	7.5%	$ 0.19	$ 0.20	$ 0.21	9.1%	4.1%
	ROAA	2.1%	2.3%	2.4%	31 bps	3 bps	1.7%	1.5%	1.6%	(9) bps	7 bps
	ROAE	24.5%	25.6%	27.4%	295 bps	183 bps	10.5%	9.2%	9.4%	(110) bps	13 bps

(1) Central America refers to Leasing Bogotá Panamá (LBP) operation expressed in Colombian Pesos, at the exchange rate of each period. **(2)** Attributable net income for Grupo Aval of Ps 813.2 bn for 2Q19 corresponds to the Ps 600.8 bn of our Colombian operation plus Ps 309.0 bn of our Central American operation multiplied by 68.7%, our stake in Banco de Bogotá. **Gross loans** excludes interbank and overnight funds. **Tangible Capital Ratio** is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles. **PDLs 90+** defined as loans more than 90 days past due. **Net Interest Margin** includes net interest income plus net trading income from investment securities held for trading through profit or loss divided by total average interest-earning assets. **Fee income ratio** is calculated as net income from commissions and fees divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income (excluding others). **Efficiency Ratio** is calculated as total other expenses divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income. **ROAA** is calculated as annualized Net Income divided by average of total assets. **ROAE** is calculated as Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity. **NS** refers to non-significant figures. Equity for Central America is calculated as LBP multiplied by our 68.7% stake in the company. Equity for Colombia is calculated as the difference between our consolidated attributable equity and the equity in Central America.

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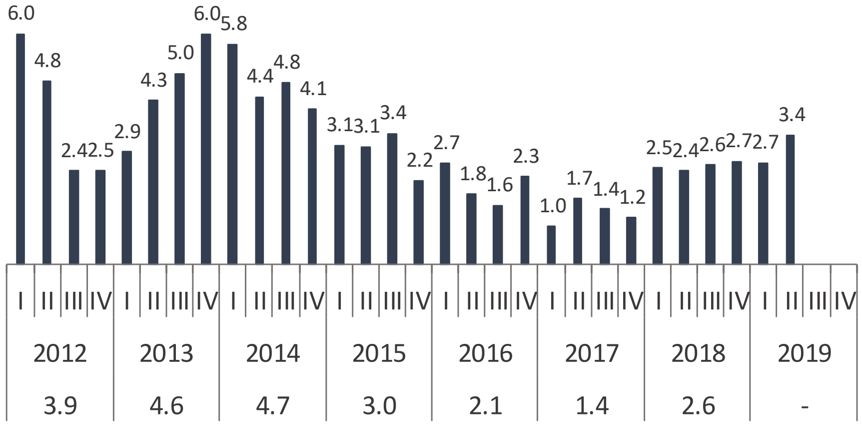
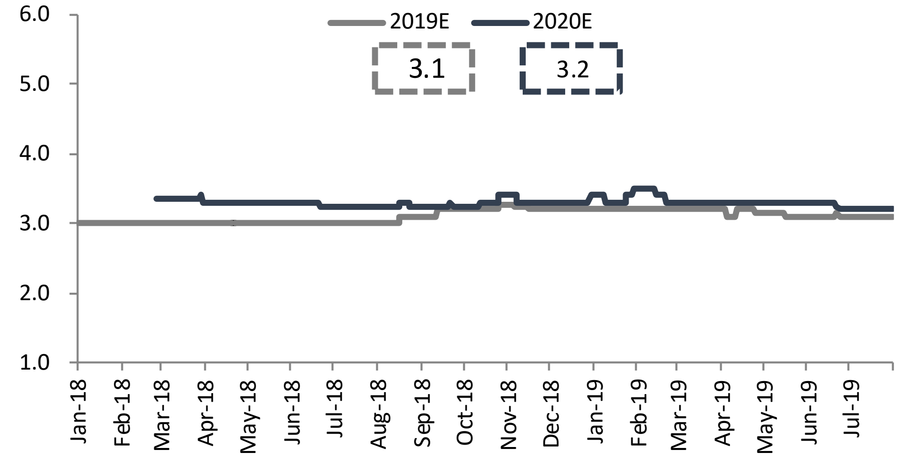
Macroeconomic context – Colombia (1/3)

GDP Growth (%)



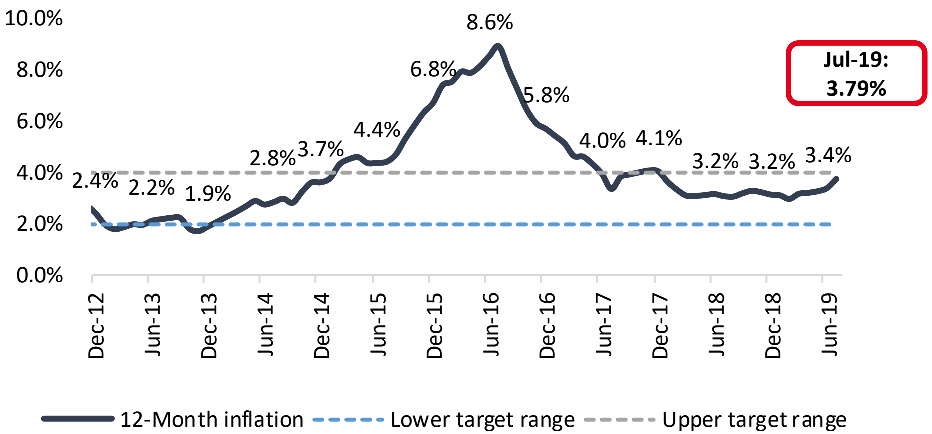
Source: DANE. Seasonally-adjusted , constant prices (2015) GDP.

GDP Growth Expectations (%)



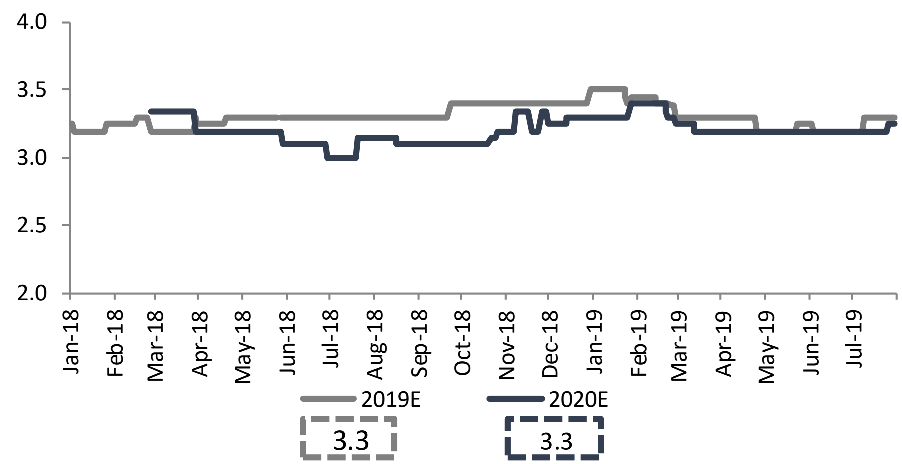
Source: Bloomberg Consensus

Inflation (%)



Source: Banco de la República de Colombia

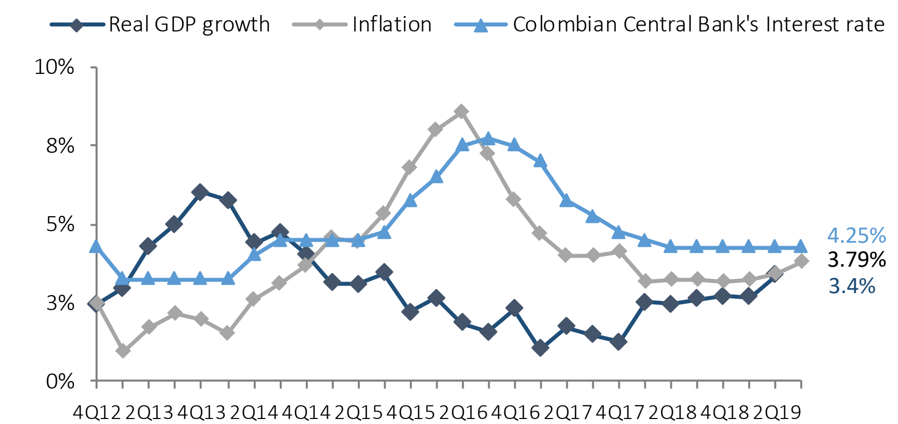
Inflation Expectations (%)



Source: Bloomberg Consensus

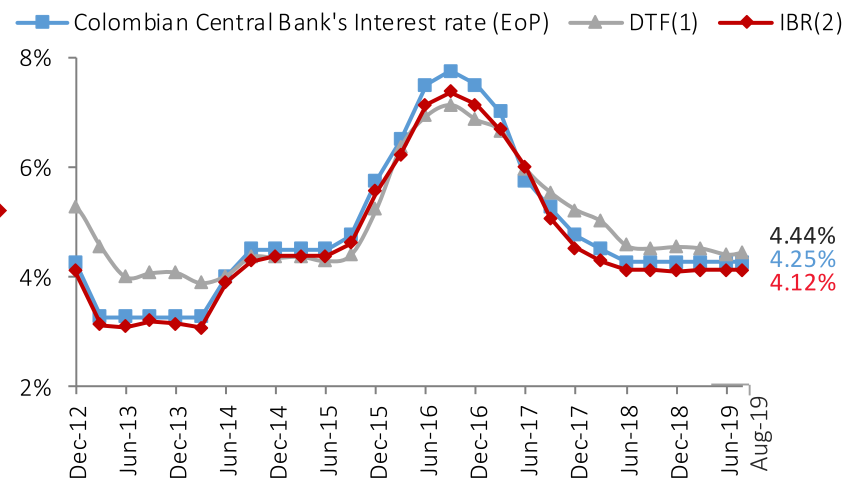
Macroeconomic context – Colombia (2/3)

Central Bank's Monetary Policy



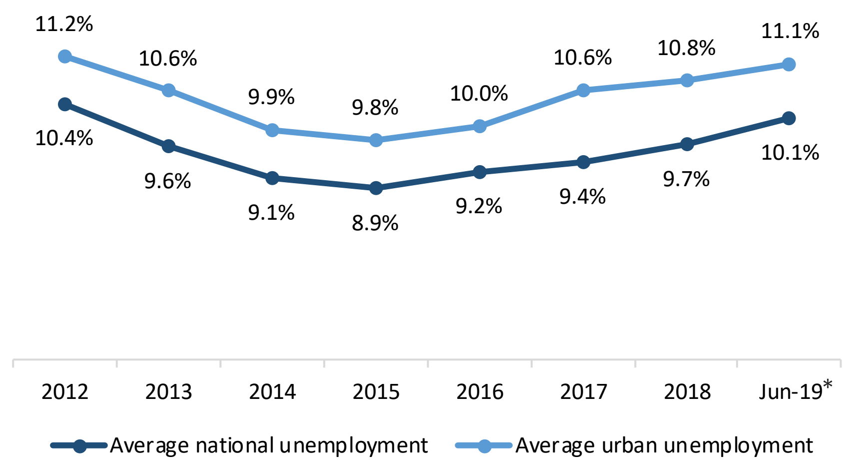
FY GDP	2012: 3.9%	2013: 4.6%	2014: 4.7%	2015: 3.0%	2016: 2.1%	2017: 1.4%	2018: 2.6%

Source: Banco de la República de Colombia and DANE. GDP as of December 2018. GDP Seasonally-adjusted, constant prices (2015 basis)



Source: Banco de la República de Colombia. [(1)]End of period DTF rate [(2)] End of period 3-month interbank (IBR) rate

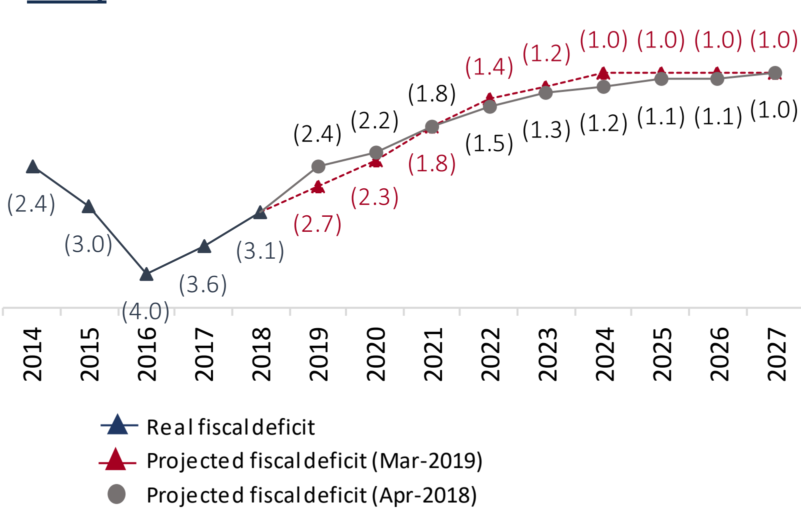
Unemployment (%)



Source: Banco de la República de Colombia. Urban unemployment defined as unemployment of 13 cities and their metropolitan areas *Last twelve month average from July 2018 to June 2019

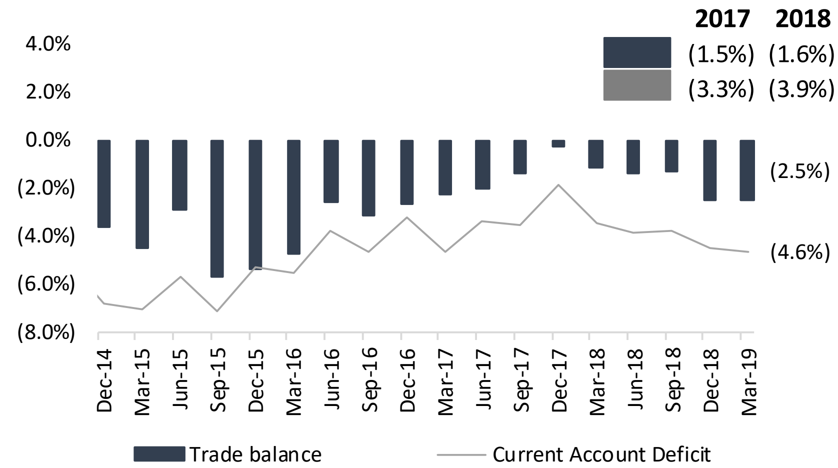
Macroeconomic context – Colombia (3/3)

Real and Projected Fiscal Deficit - Fiscal Rule (% of GDP)



Source: Ministry of Finance. Projections start in 2019.

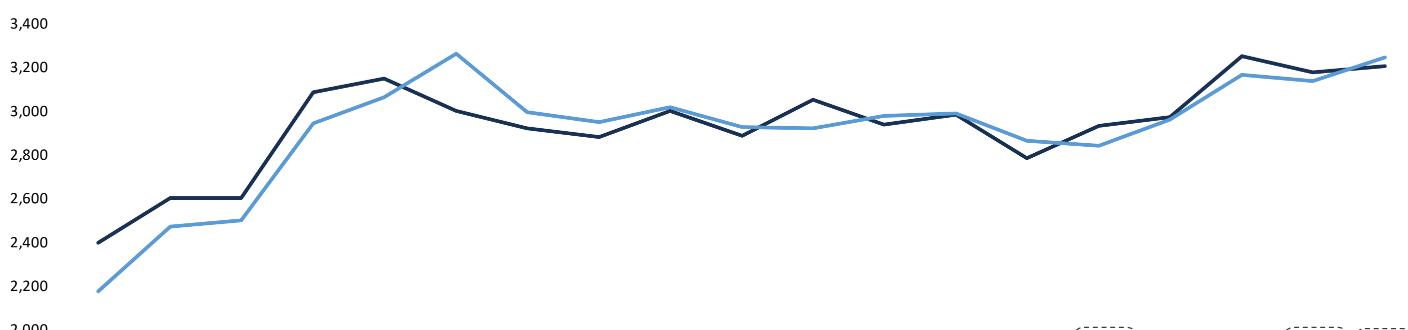
Current Account (% GDP, quarterly)



Oil Exports/Total Exports

2014: 52.8% | 2015: 40.4% | 2016: 34.0% | 2017: 34.8% | 2018: 40.1%

Colombian Peso Exchange Rate



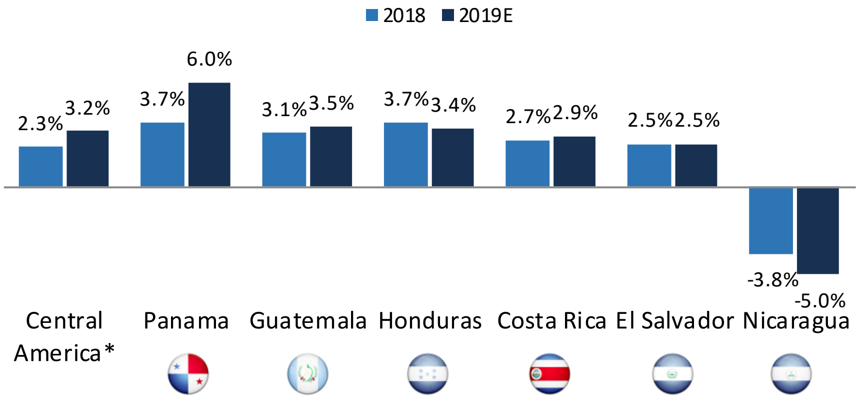
	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
End of Period	2,392.5	2,598.4	2,598.7	3,086.8	3,149.5	3,000.6	2,919.0	2,880.1	3,000.7	2,885.6	3,050.4	2,936.7	2,984.0	2,780.5	2,930.8	2,972.2	3,249.8	3,174.8	3,205.7
Quarter Average	2,173.0	2,470.2	2,496.4	2,938.9	3,061.7	3,263.5	2,993.0	2,949.0	3,016.1	2,924.3	2,920.3	2,974.6	2,985.9	2,860.3	2,839.0	2,961.0	3,161.0	3,134.6	3,242.4
Yearly Average	2,000.7	2,746.47				3,053.42				2,951.15				2,956.55				3,188.04	

2Q19 vs. 2Q18	2Q19 vs. 1Q19
9.4%	1.0%
14.2%	3.4%

Source: Banco de la República de Colombia.

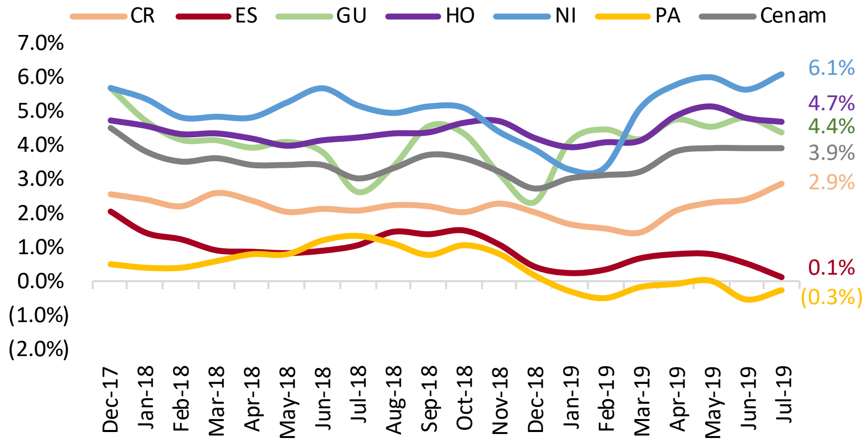
Macroeconomic context – Central America

Growth Outlook – Real GDP



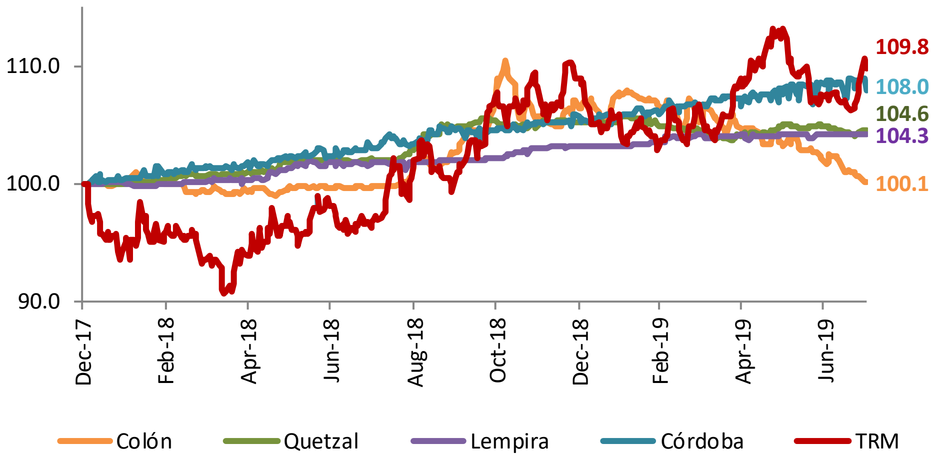
Source: For year 2018, Central Banks, INEC Panamá, US Bureau of Economic Analysis. For expected year 2019, IMF WEO Apr-19; (*) Aggregate growth of all the Central American countries

Inflation per Country



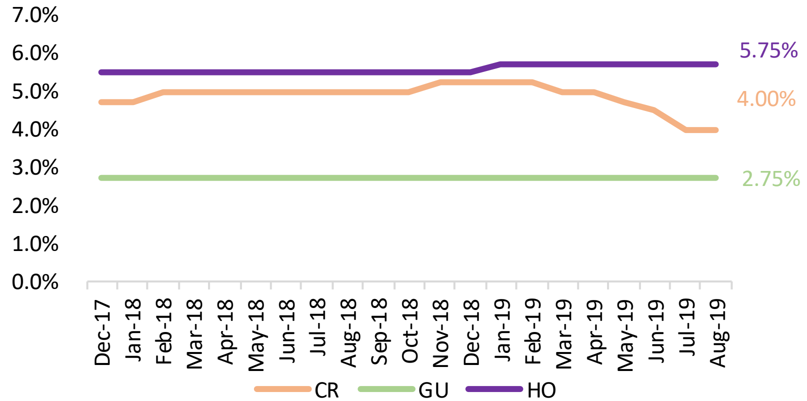
Source: SECMCA. CR: Costa Rica, ES: El Salvador, GU: Guatemala, HO: Honduras, NI: Nicaragua, PA: Panama. Central America's inflation as of June 2019.

Regional Exchange rates



Source: Bloomberg CR: Costa Rica, ES: El Salvador, GU: Guatemala, HO: Honduras, NI: Nicaragua, PA: Panamá

Central Banks' Interest Rates



Source: SECMCA

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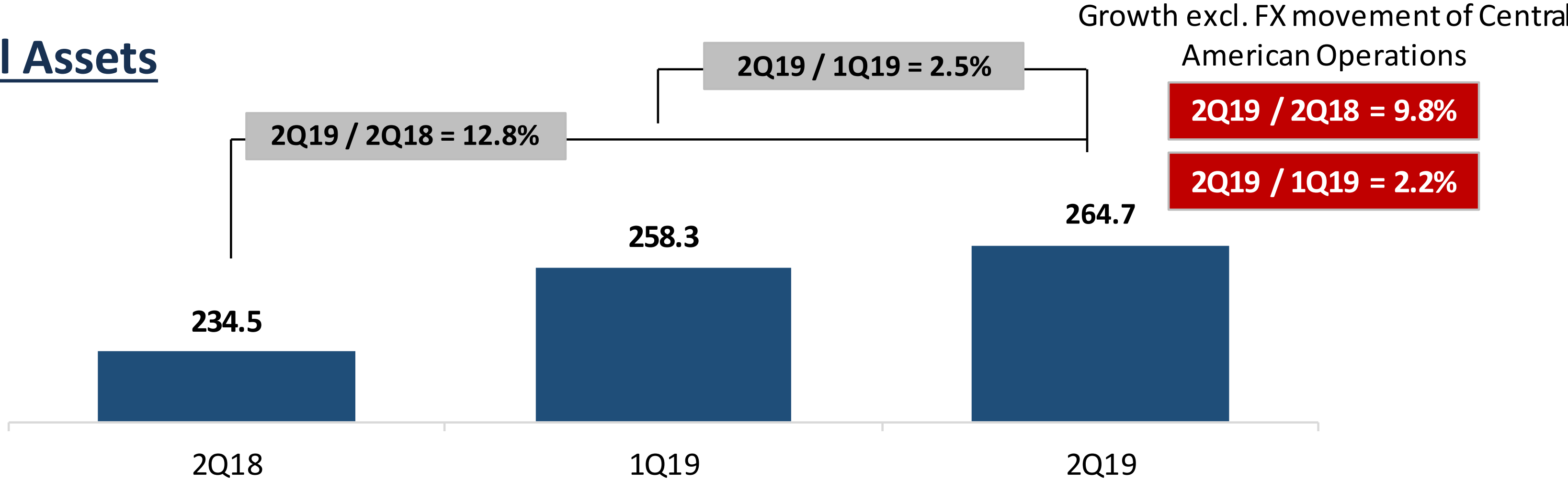
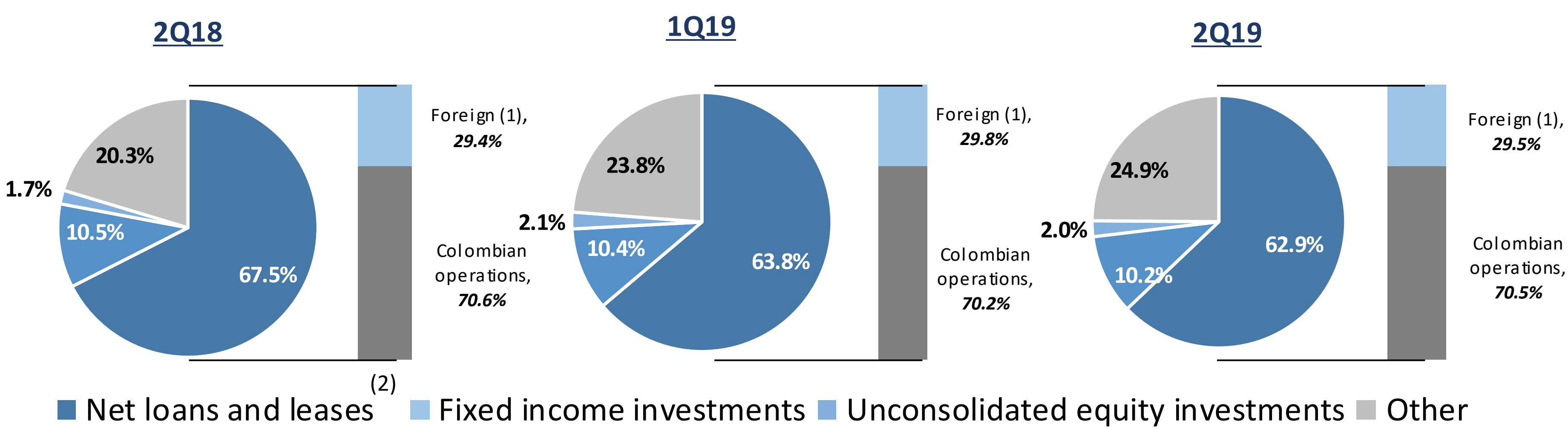
Assets

Figures in Ps. Trillions

Total Assets



Assets Breakdown

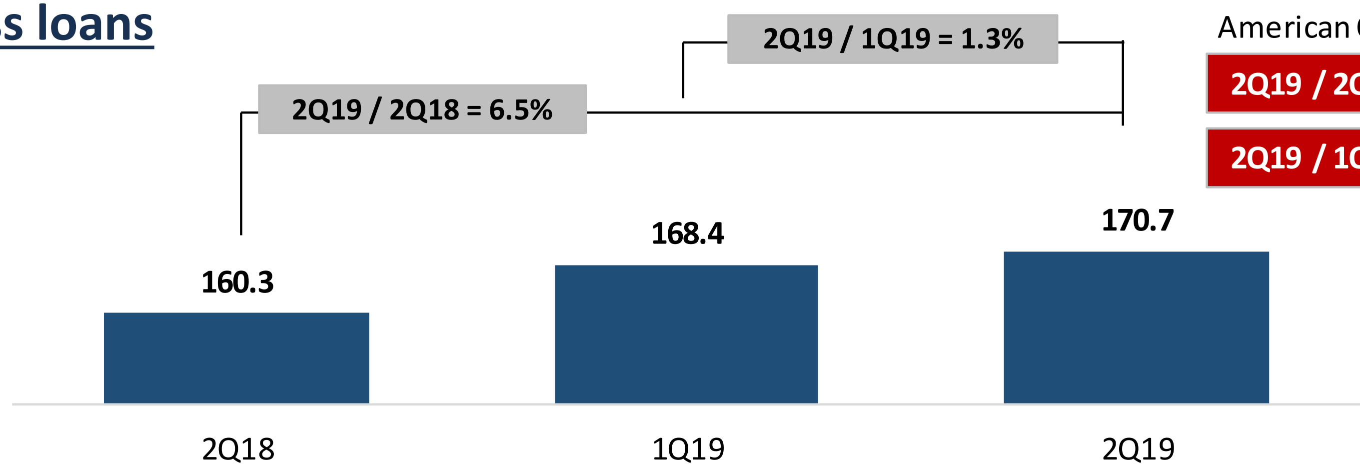


(1) Foreign operations reflect Central American operations. (2) Net loans and leases include interbank and overnight funds.

Loans and receivables

Figures in Ps. Trillions – Excluding interbank and overnight funds

Gross loans

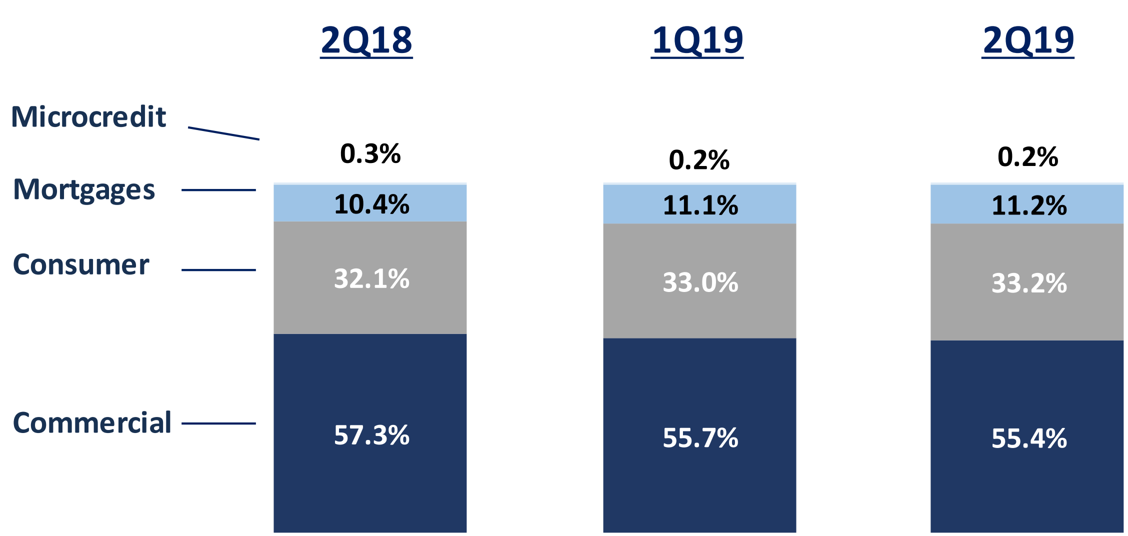


Growth excl. FX movement of Central American Operations

2Q19 / 2Q18 = 3.7%

2Q19 / 1Q19 = 1.0%

Gross loans Breakdown

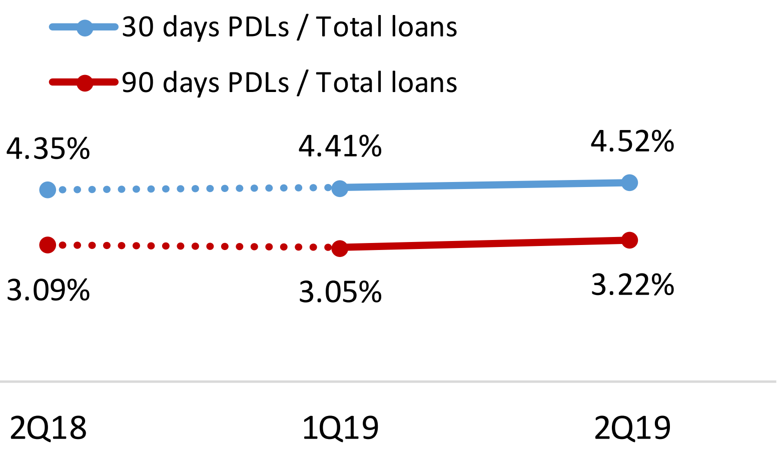


	2Q19 / 2Q18		2Q19 / 1Q19	
Microcredit	*-1.6%*	*-1.6%*	*-0.4%*	*-0.4%*
Mortgages	*13.9%*	*8.2%*	*2.4%*	*1.8%*
Consumer	*10.4%*	*7.0%*	*2.0%*	*1.6%*
Commercial	*2.9%*	*0.9%*	*0.7%*	*0.5%*

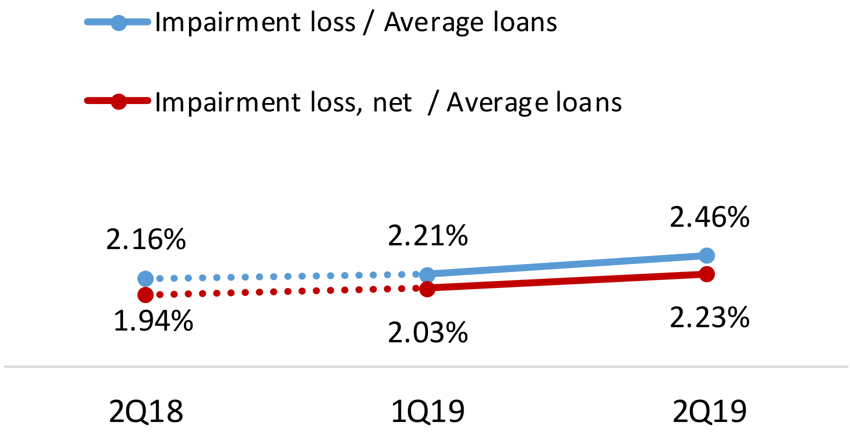
% Growth excluding FX movement of Central American Operations

Loan portfolio quality

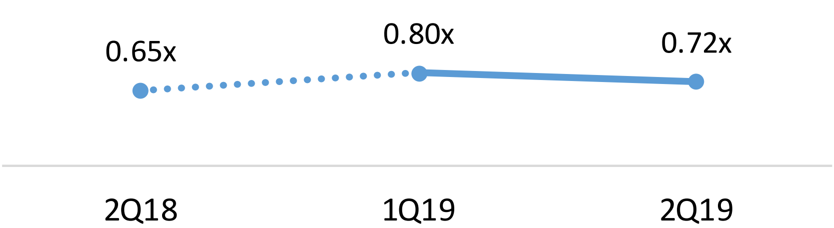
Quality



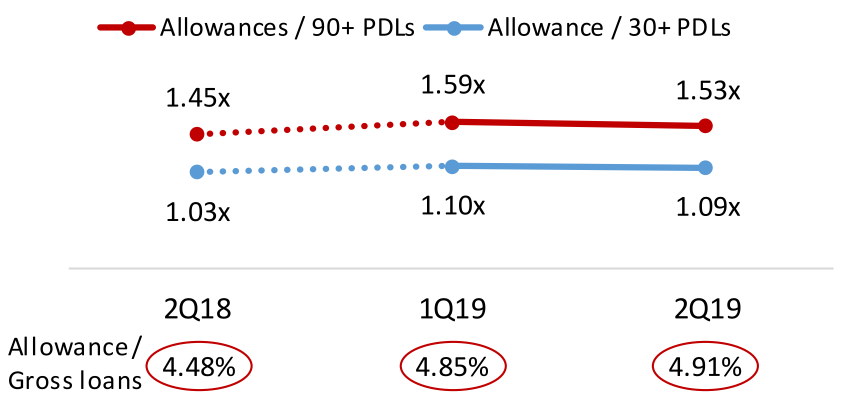
Cost of Risk



Charge offs / Average 90+ PDLs



Coverage



Loan portfolio quality

Figures in Ps. Billions

30 days past due loans (1)

	2Q18	1Q19	2Q19
Commercial	3.81%	4.04%	4.20%
Consumer	5.35%	4.89%	4.94%
Mortgages	3.98%	4.58%	4.60%
Microcredit	15.05%	16.16%	16.93%
Total loans	**4.35%**	**4.41%**	**4.52%**

90 days past due loans (2)

	2Q18	1Q19	2Q19
Commercial	3.28%	3.41%	3.62%
Consumer	3.00%	2.60%	2.69%
Mortgages	2.16%	2.44%	2.61%
Microcredit	11.04%	11.89%	12.42%
Total loans	**3.09%**	**3.05%**	**3.22%**

30 days past due formation

	2Q18	3Q18	4Q18	1Q19	2Q19
Initial PDLs	6,675	6,975	7,229	7,195	7,426
New PDLs	1,067	1,005	872	1,264	1,252
Charge-offs	(767)	(751)	(905)	(1,034)	(961)
Final PDLs	**6,975**	**7,229**	**7,195**	**7,426**	**7,716**

90 days past due formation

	2Q18	3Q18	4Q18	1Q19	2Q19
Initial PDLs	4,491	4,960	5,166	5,188	5,143
New PDLs	1,236	957	927	988	1,309
Charge-offs	(767)	(751)	(905)	(1,034)	(961)
Final PDLs	**4,960**	**5,166**	**5,188**	**5,143**	**5,491**

(1) Past Due Loans + 30 / Total Loans including interest accounts receivable

(2) Past Due Loans + 90 / Total Loans including interest accounts receivable. PDLs 90+ defined as loans more than 90 days past due.

Funding

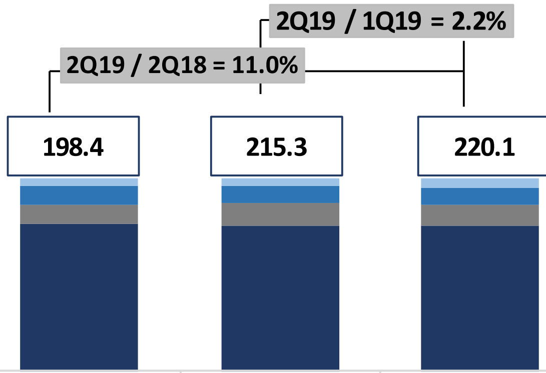
Figures in Ps. Trillions

Total funding

Growth excl. FX movement of Central American Operations

2Q19 / 2Q18 = 8.1%

2Q19 / 1Q19 = 1.9%



Funding composition

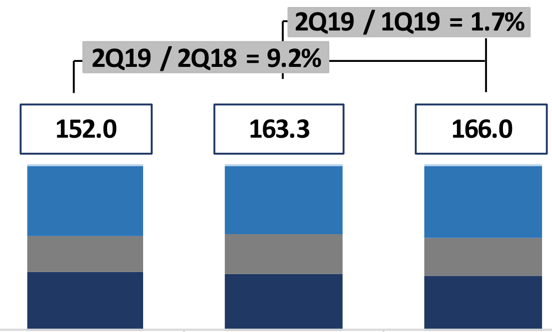
	2Q18	1Q19	2Q19
Interbank borrowings	3.6%	3.4%	4.7%
Bonds issued	9.8%	9.3%	9.1%
Banks and others	10.0%	11.5%	10.7%
Deposits	76.6%	75.8%	75.4%

Total deposits

Growth excl. FX movement of Central American Operations

2Q19 / 2Q18 = 6.3%

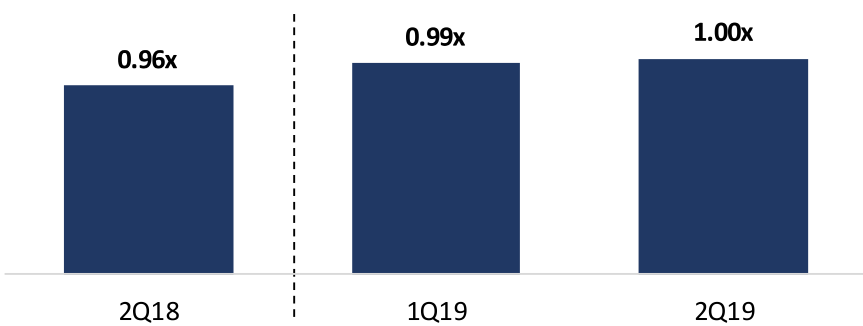
2Q19 / 1Q19 = 1.4%



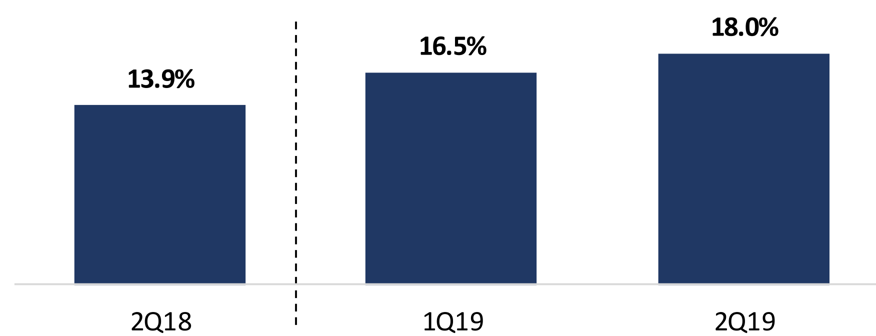
Deposit composition

	2Q18	1Q19	2Q19
Others	0.3%	0.3%	0.3%
Time deposits	42.0%	41.9%	43.2%
Checking accounts	22.4%	23.1%	23.1%
Savings accounts	35.3%	34.7%	33.4%

Deposits / Net loans (%)



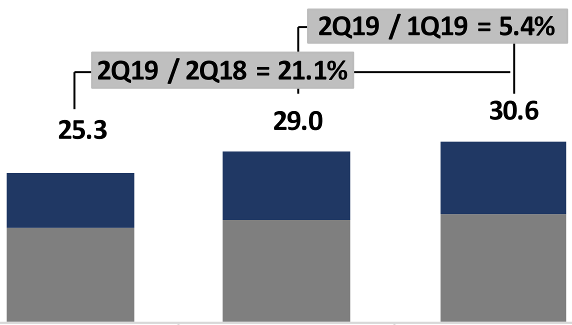
Cash / Deposits (%)



Capital

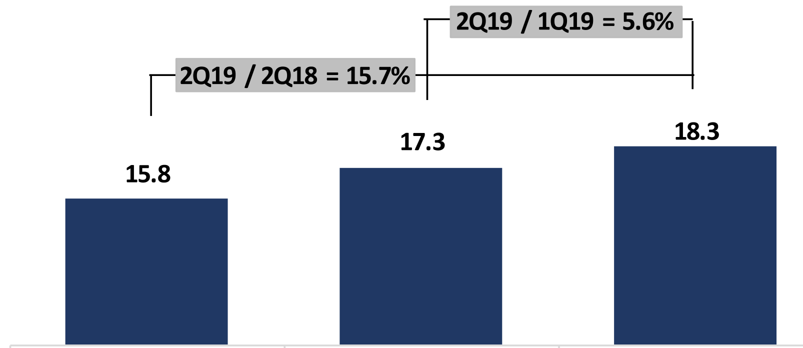
Figures in Ps. Trillions

Attributable Equity + Minority Interest



	2Q18	1Q19	2Q19
Minority interest	9.4	11.7	12.3
Attributable equity	15.8	17.3	18.3

Attributable Shareholders Equity



	2Q18	1Q19	2Q19
Total equity / Assets	10.8%	11.2%	11.6%
Tangible capital ratio (1)	7.7%	8.3%	8.7%

Consolidated Capital Adequacy of our Banks (%)

	Banco de Bogotá 2Q18	1Q19	2Q19	Banco de Occidente 2Q18	1Q19	2Q19	banco popular 2Q18	1Q19	2Q19	Banco AV Villas 2Q18	1Q19	2Q19
Primary capital (Tier 1)	9.1	9.6	9.5	10.5	10.3	10.4	8.3	9.8	8.7	10.6	9.8	10.1
Solvency Ratio	13.3	13.0	13.2	13.0	12.5	12.7	10.0	11.2	10.5	11.8	10.0	10.7

(1) Tangible Capital Ratio is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles.

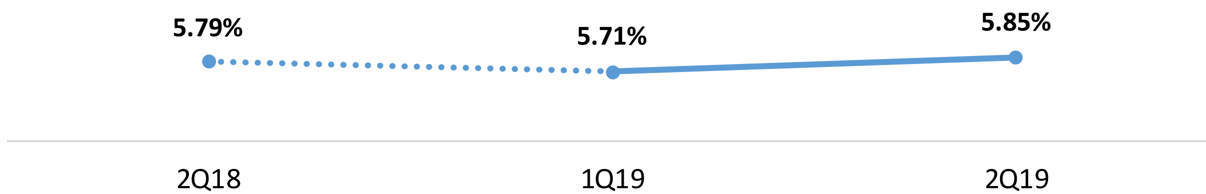
Grupo AVAL

NIM – Net Interest Margin

Net interest income(1) (trillions)

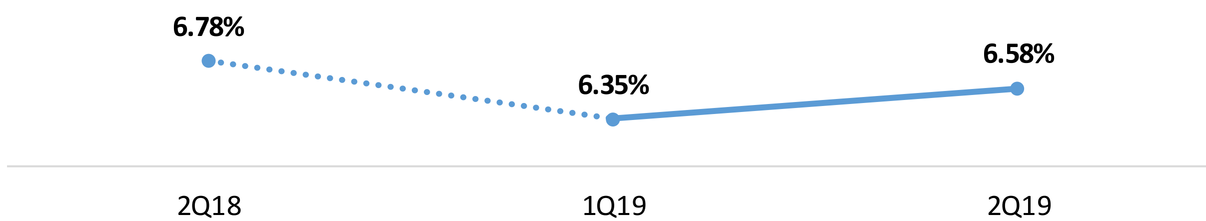
2Q18	1Q19	2Q19	2Q19 / 2Q18	2Q19 / 1Q19
2.8	2.9	3.0	7.9%	2.4%

Net Interest Margin[1]



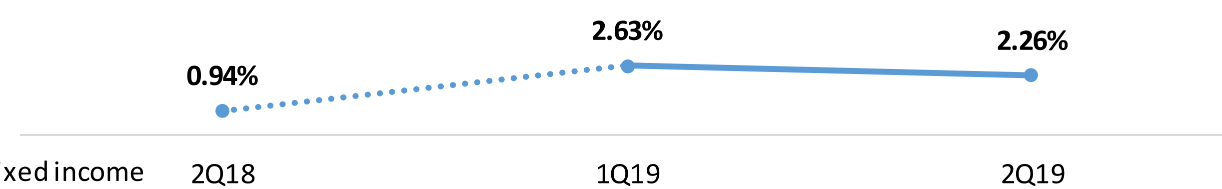
Cost of funds 3.74% 3.61% 3.78%

Loans Interest Margin[2]



Avg. Yield on loans 10.64% 10.15% 10.61%

Net Investments Margin[3]



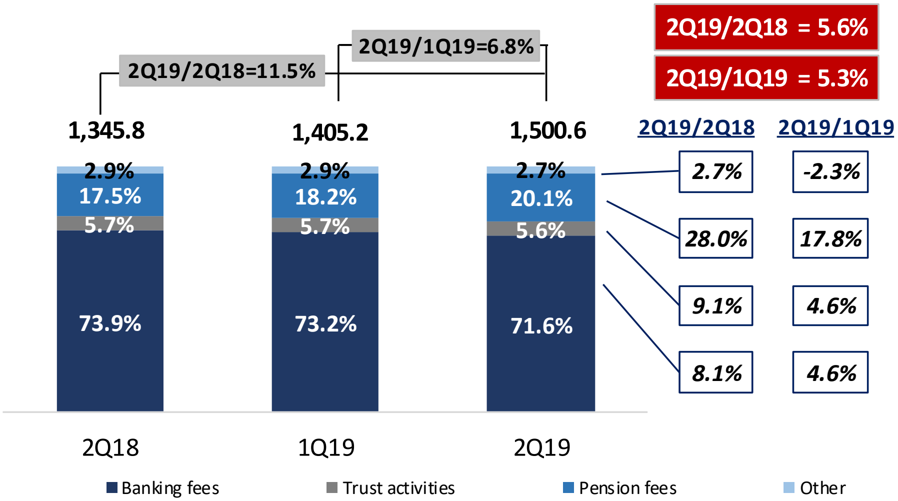
Avg. Yield on fixed income and interbank & overnight funds 4.80% 6.43% 6.29%

(1) Net Interest Income and Net Interest Margin: Includes net interest income plus net trading income from investment securities held for trading through profit or loss divided by total average interest-earning assets. NIM without income from investment securities held for trading through profit or loss was 5.7% for 2Q19, 5.5% for 1Q19 and 5.8% for 2Q18.
(2) Loans Interest Margin: Net Interest Income on Loans to Average loans and financial leases.
(3) Net Investments Margin: Net Interest income on fixed income securities, net trading income from equity and fixed income investment securities held for trading through profit and on interbank and overnight funds to Average securities and Interbank and overnight funds.

Fees and other operating income

Figures in Ps. Billions

Gross fee income



Growth excluding FX movement of Central American Operations

Non-financial sector(1)

	2Q18	1Q19	2Q19
Energy & gas	146	140	189
Infrastructure	209	504	494
Hotels	1	9	6
Agribusiness	1	1	0
Other (2)	-97	-79	-89
Total	**259**	**575**	**600**

(1) Net income from sales of goods and services
(2) Reflects net NFS from Nexa BPO, Megalinea and Gestión y Contacto call-centers and other subsidiaries

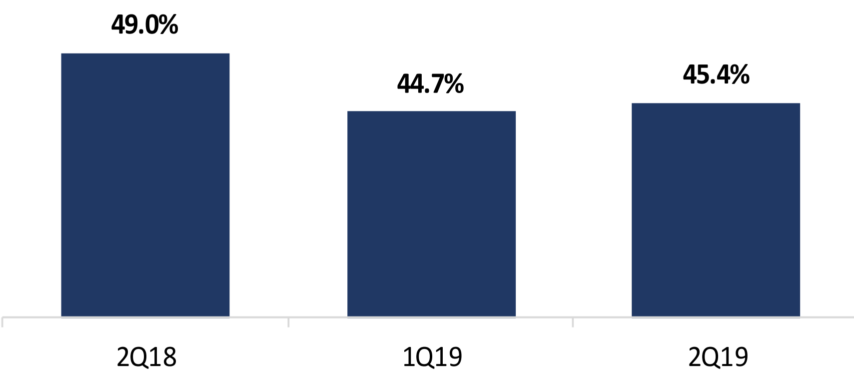
Other operating income

	2Q18	1Q19	2Q19
Foreign exchange gains (losses), net	-24	166	17
Net income (loss) on financial derivatives	139	-82	31
Other trading income on derivatives	41	7	25
Derivatives and foreign exchange gains (losses), net (1)	156	91	73
Gains on valuation of assets	0	5	-7
Net income from other financial instruments mandatory at FVTPL	75	54	53
Net gain on sale of investments and OCI realization	24	6	65
Gain on the sale of non-current assets held for sale	4	6	7
Income from non-consolidated investments (2)	50	123	66
Other income from operations	81	80	119
Total other income from operations	**390**	**365**	**376**

(1) Includes income from trading and hedging derivatives reflected as part of the net trading income on the Statement of Profit or Loss.
(2) Includes share of profit of equity accounted investees, net of tax, and dividend income.

Efficiency ratios

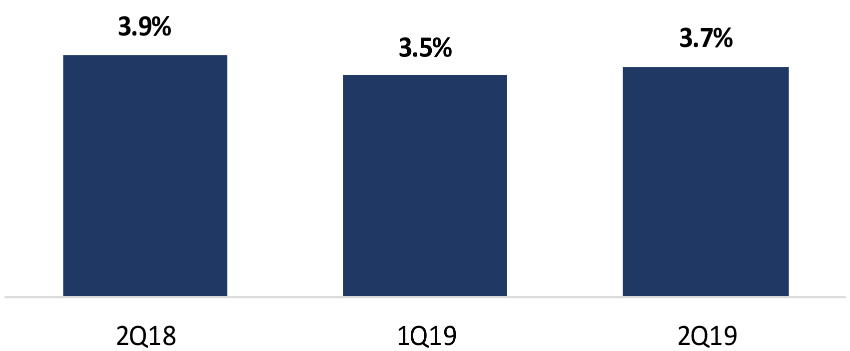
Cost to income[1]



Cost to income efficiency ratio is calculated as total other expenses divided by net interest income plus net income from commissions and fees, net income from sales of goods and services, net trading income, net income from other financial instruments mandatory at FVTPL and total other income.

[1] Cost to income as previously reported would have been 46.1%, 40.8% and 41.4% for 2Q18, 1Q19 and 2Q19, respectively.

Cost to assets[2]



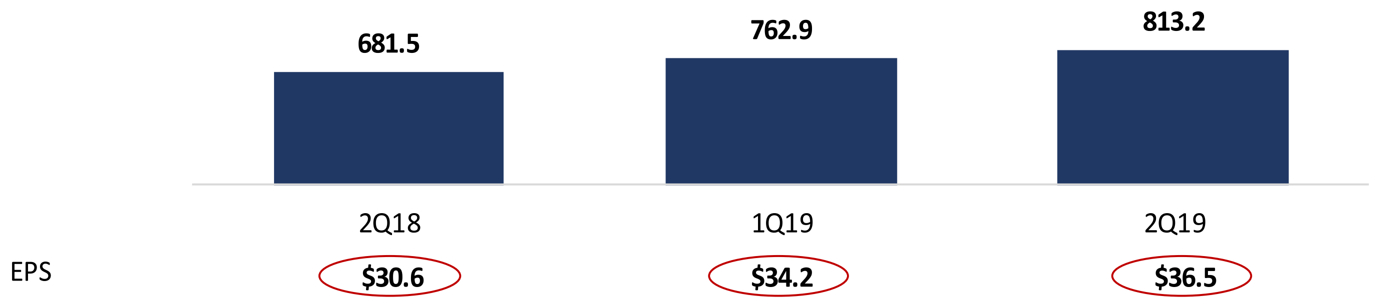
Cost to assets efficiency ratio is calculated as annualized total other expenses divided by average total assets.

[2] Cost to assets as previously reported would have been 3.6%, 3.2% and 3.3% for 2Q18, 1Q19 and 2Q19, respectively.

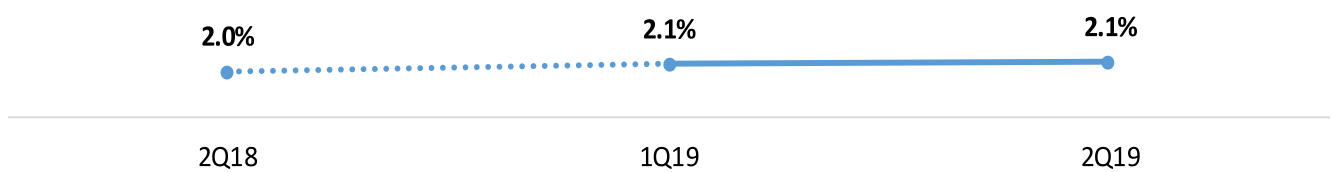
Profitability

Figures in Ps. Billions

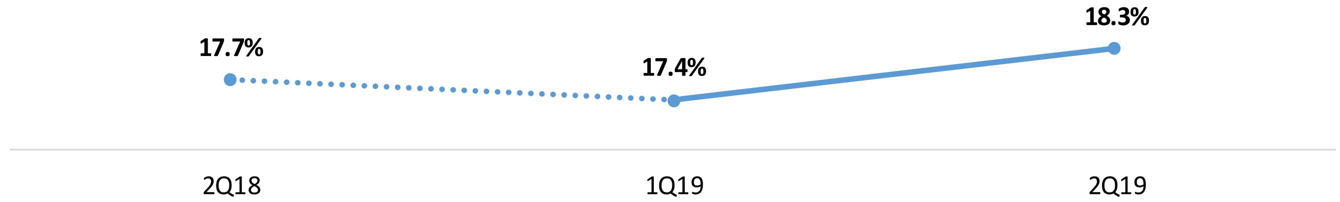
Net income attributable to controlling interest



ROAA (1)



ROAE (2)



(1) ROAA for each quarter is calculated as annualized Net Income divided by average of total assets.
(2) ROAE for each quarter is calculated as annualized Net Income attributable to Aval's shareholders divided by average attributable shareholders' equity.

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