

1Q14 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 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 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.

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.

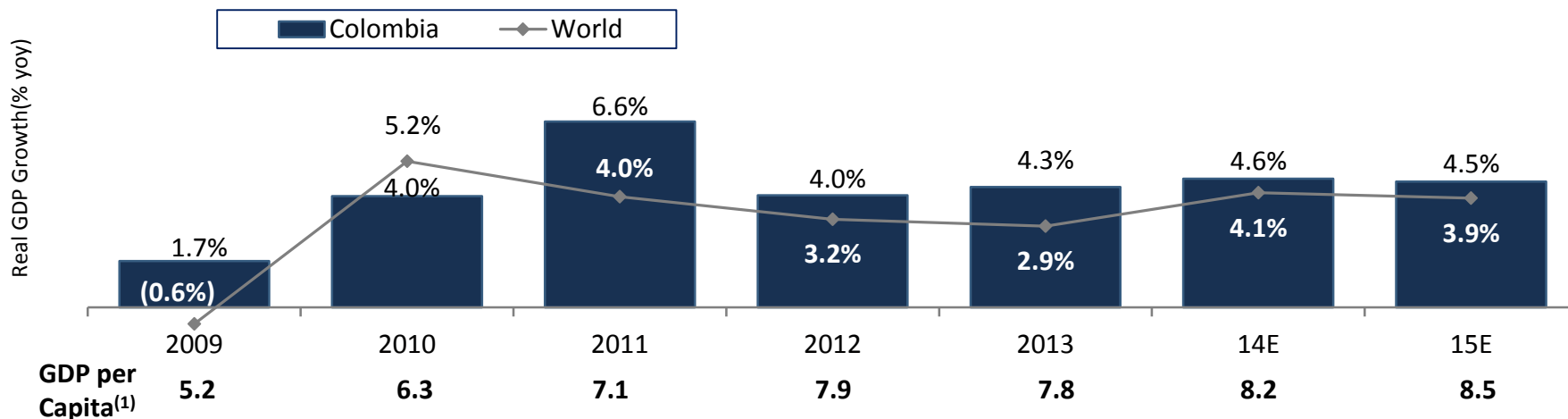
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Grupo Aval shows strong results of its banking operations in 1Q14:

- Total assets reached Ps. 160 trillion after growing by 24.6% versus 1Q13 and by 3.6% versus 4Q13;
- Gross loans reached Ps. 100 trillion after growing by 23.4% versus 1Q13 and by 3.5% versus 4Q13;
- Deposits reached Ps. 104 trillion after growing by 28.3% in the year and by 3.1% versus 4Q13;
- Constant and low cost of funding structure. Deposits represented 78% of total funding and checking and saving accounts represented 66% of total deposits;
- Strong capital position with a Tangible Capital Ratio of 8.8%;
- Stable Net Interest Margin at 5.9%;
- Improvement in the cost of risk to 1.3% despite a slight deterioration in the delinquency ratio;
- Improvement in the efficiency ratio to 50.5% in 1Q14 from 53.7% in 4Q13.
- Excluding non-recurring events associated with the volatility of the exchange rate, the ROAA and ROAE for the quarter would have been 1.7% and 14.2%.⁽¹⁾

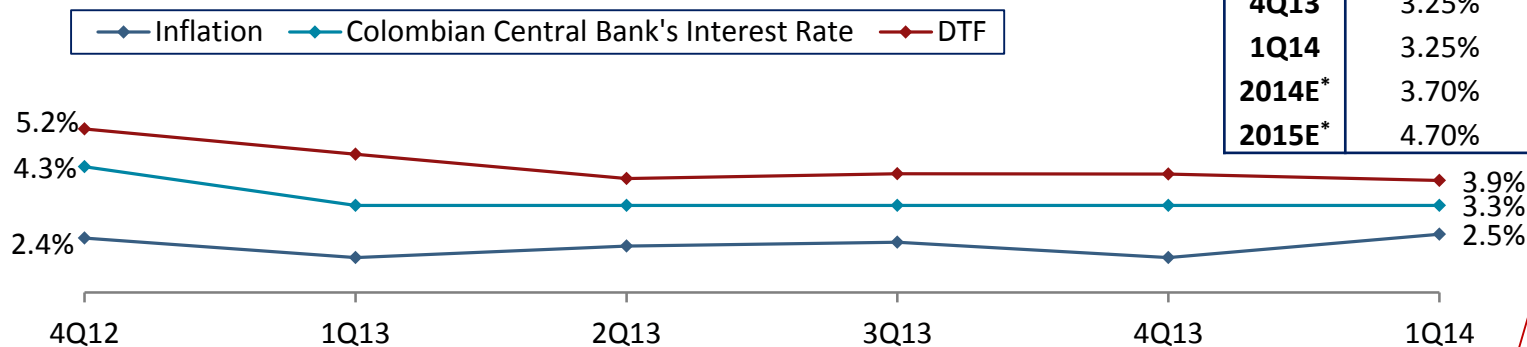
⁽¹⁾Including non-recurring events, the ROAA and ROAE were 1.5% and 11.7%.

Strong GDP Growth



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⁾
1Q13	3.98%	4.84%
4Q13	3.25%	4.04%
1Q14	3.25%	3.96%
2014E*	3.70%	4.10%
2015E*	4.70%	4.80%

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

TRM 1Q14
Max: 2,055
Min: 1,925
Avg: 2,004

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.

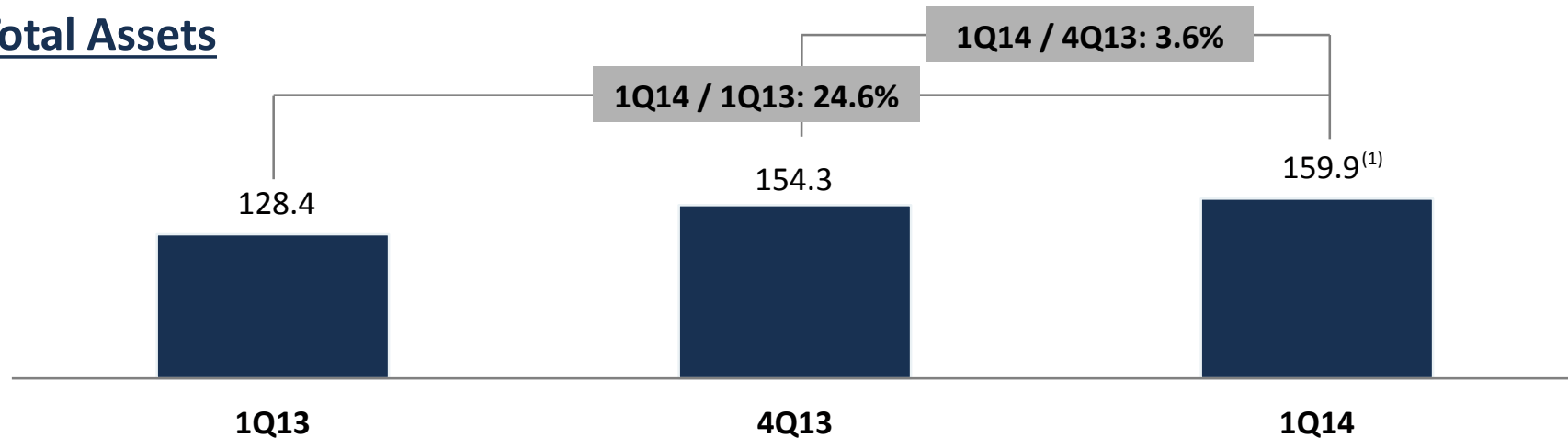
(2) Average of monthly average rates reported by Banco de la República for each month of each quarter.

Assets

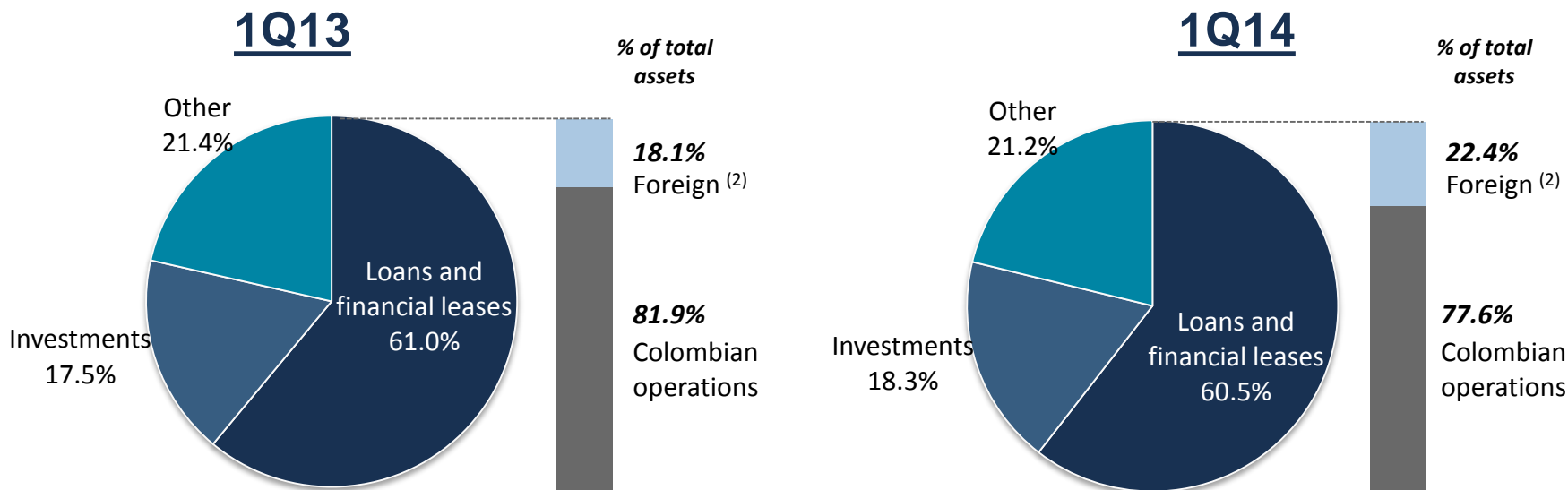
Figures in Ps. Trillions



Total Assets



Assets Breakdown



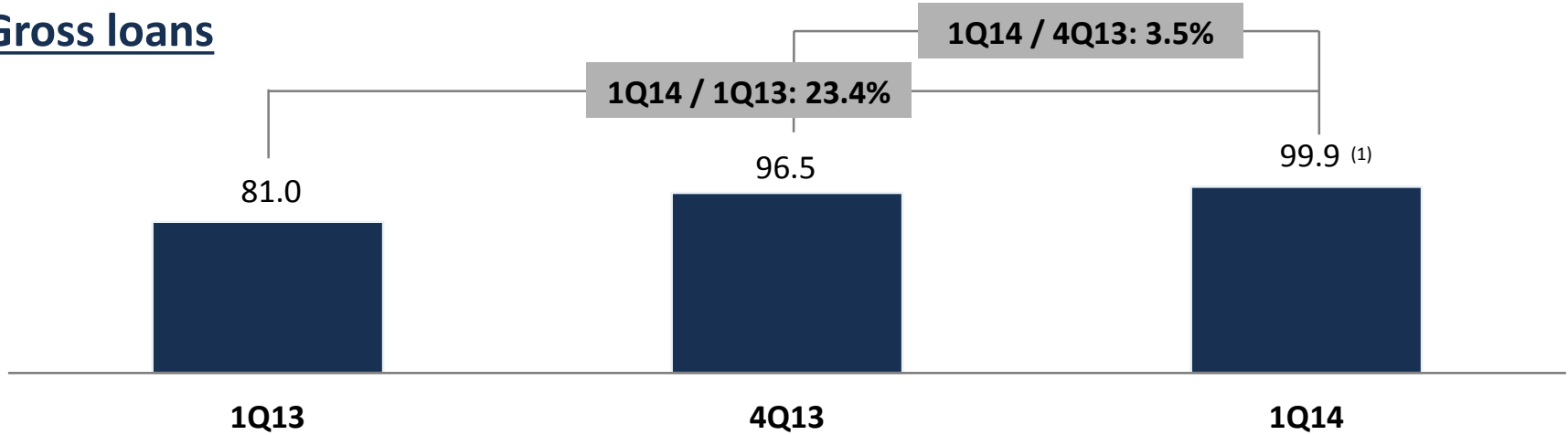
⁽¹⁾ Includes Ps. 6.8 trillion of assets acquired in Central America. Growth excluding acquisitions would have been 19.2% vs. 1Q13. ⁽²⁾ Foreign operations reflect Central American operations.

Loans

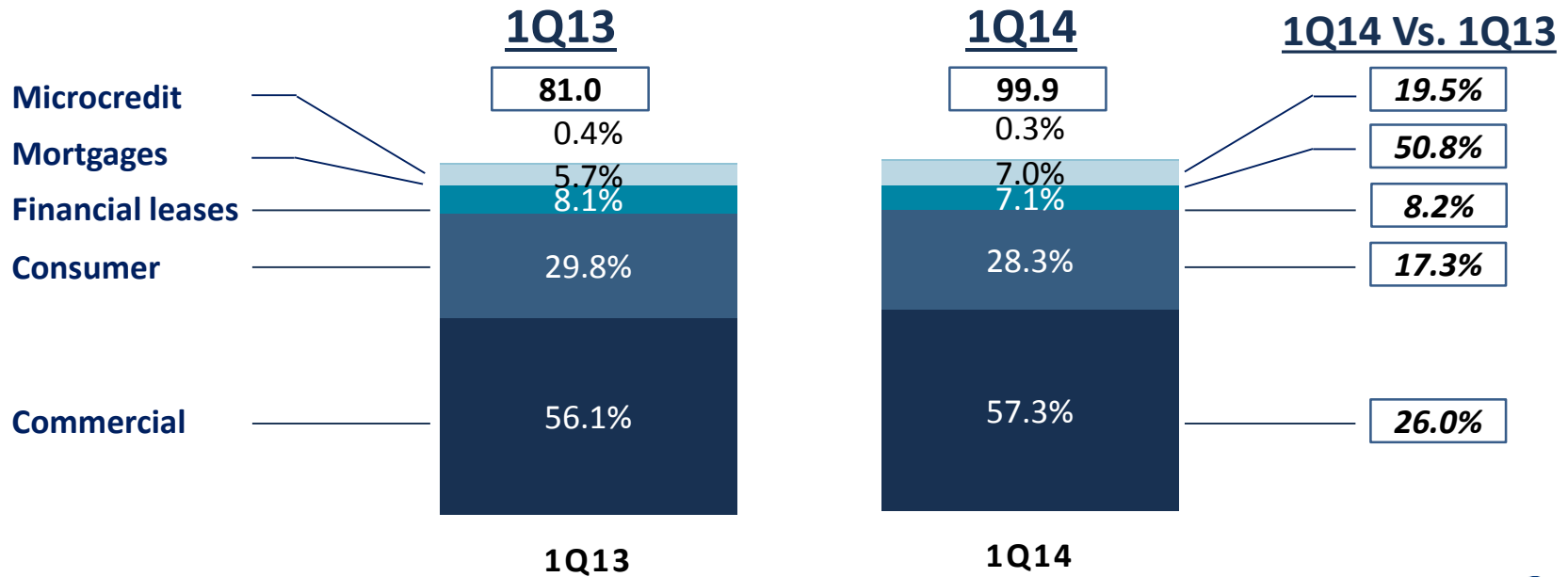


Figures in Ps. Trillions

Gross loans



Gross loans Breakdown

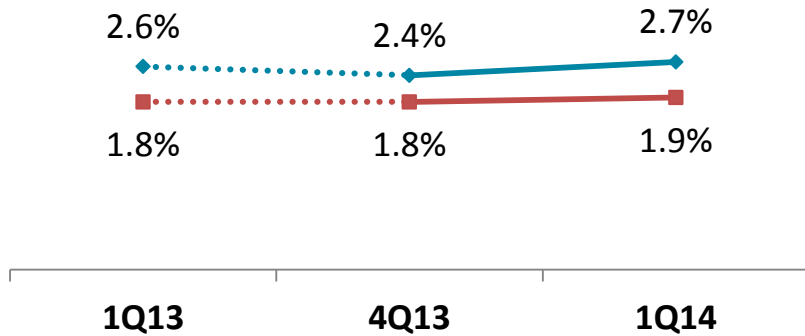


(1) Includes Ps. 4.6 trillion of loans acquired in Central America. Growth excluding acquisitions would have been 17.7% vs.1Q13.

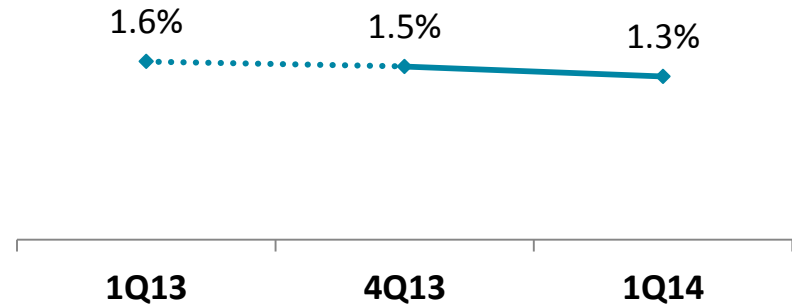
Loan portfolio quality



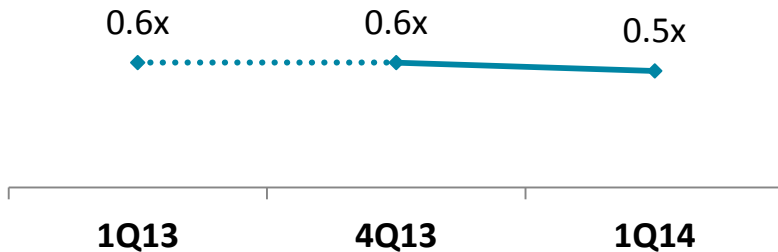
◆ PDLs / Total loans ■ NPLs / Total loans ⁽¹⁾



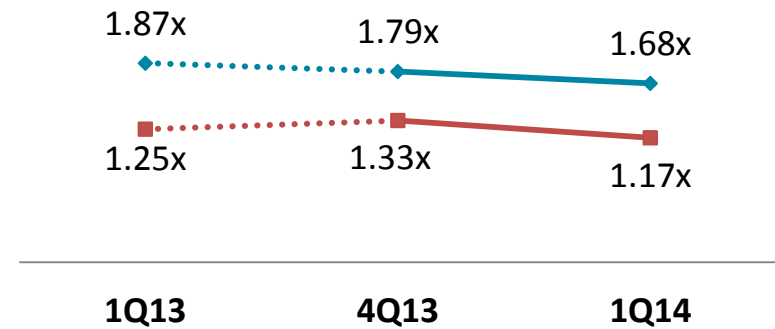
Loan provision expense / Average Loans



Charge offs / Average NPLs ⁽¹⁾



◆ Allowances / NPLs ⁽¹⁾ ■ Allowances / PDLs



Allowances / Total loans 3.3% 3.2% 3.2%

(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⁾		
		1Q14	1Q13	4Q13	1Q14
Commercial		57.3%	1.5%	1.3%	1.6%
Consumer		28.3%	4.3%	4.2%	4.4%
Financial Leases		7.1%	3.6%	2.4%	3.2%
Mortgages		7.0%	3.2%	3.5%	4.0%
Microcredit		0.3%	11.2%	9.5%	10.3%
Total Loans		100.0%	2.6%	2.4%	2.7%

Asset Quality Evolution

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

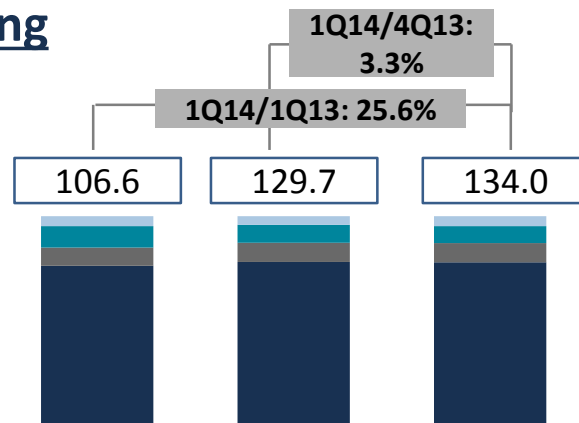
⁽¹⁾ Past Due Loans + 30 days / Total Loans.

Funding

Figures in Ps. Trillions

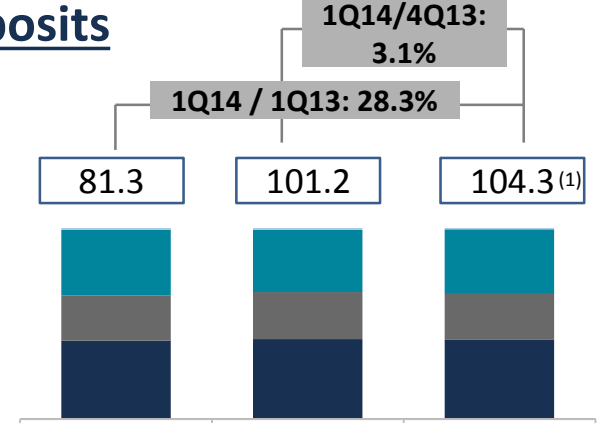


Total Funding



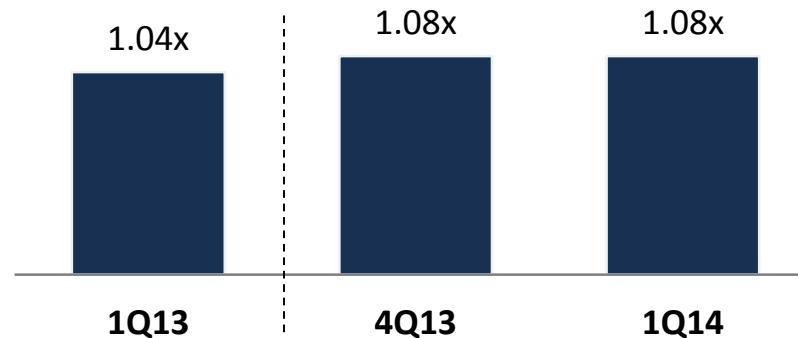
	1Q13	4Q13	1Q14
Interbank Borrowings	4.7%	4.1%	4.8%
Long-Term Bonds	10.4%	8.6%	8.0%
Banks and Others	8.6%	9.2%	9.3%
Deposits	76.3%	78.0%	77.9%

Total Deposits



	1Q13	4Q13	1Q14
Others	0.9%	1.1%	0.8%
Time deposits	34.4%	32.4%	33.7%
Checking accounts	23.6%	24.6%	23.8%
Savings deposits	41.1%	42.0%	41.7%

Deposits / Net Loans (%)



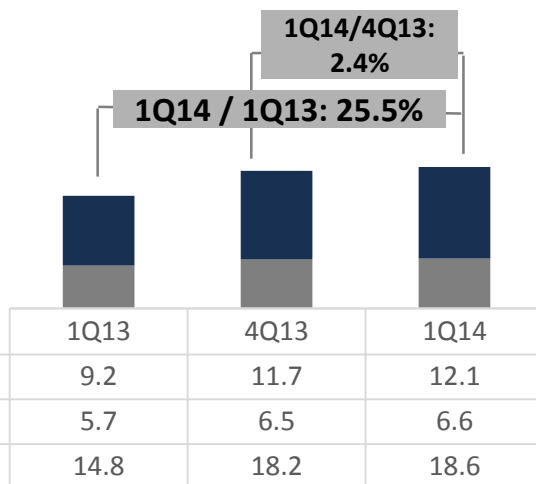
⁽¹⁾ Includes Ps. 5.4 trillion of total deposits acquired in Central America. Growth excluding acquisitions would have been 21.6% vs.1Q13

Capital

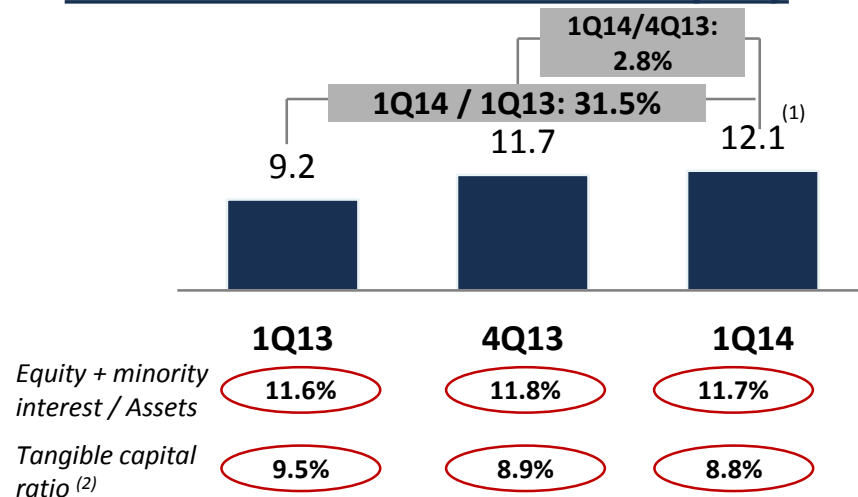
Figures in Ps. Trillions



Attributable Equity + Minority Interest



Attributable Shareholders Equity



Consolidated Capital Adequacy of our Banks (%)

	Banco de Bogotá			Banco de Occidente			banco popular			Banco AV Villas		
	1Q13 ⁽³⁾	4Q13	1Q14	1Q13 ⁽³⁾	4Q13	1Q14	1Q13 ⁽³⁾	4Q13	1Q14	1Q13 ⁽³⁾	4Q13	1Q14
Primary capital (Tier 1)	12.7	7.5	7.4	8.7	9.1	9.3	9.4	9.5	9.8	11.8	10.7	10.7
Solvency Ratio	15.2	11.2	11.0	11.6	12.9	12.8	11.7	10.8	11.5	13.9	11.8	11.8
Tangible Capital Ratio ⁽²⁾	10.9	9.7	9.4	13.7	12.9	13.0	14.4	14.9	14.4	12.7	12.1	12.0

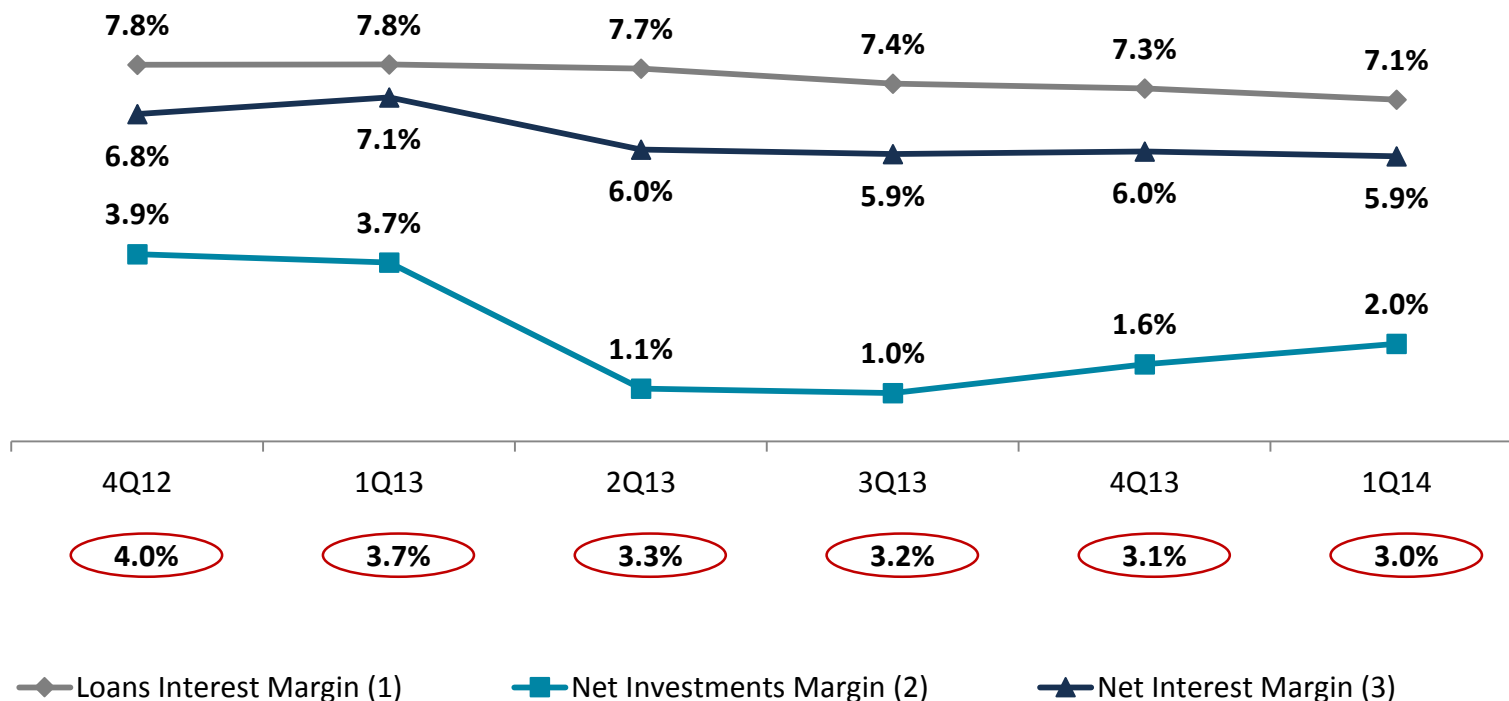
⁽¹⁾ Includes Ps. 2.4 trillion of capital raised in Dec, 2013 and January, 2014 through a common share rights offering. ⁽²⁾ Tangible Capital Ratio is calculated as Shareholders Equity plus Minority Interest minus Goodwill divided by Total Assets minus Goodwill. ⁽³⁾ Reported based on Decree 2555 of 2010.

NIM – Net Interest Margin



Net interest income (trillions)

1Q13	4Q13	1Q14	1Q14/ 4Q13	1Q14/ 1Q13
1.88	1.77	1.86	5.2%	-0.6%



(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.

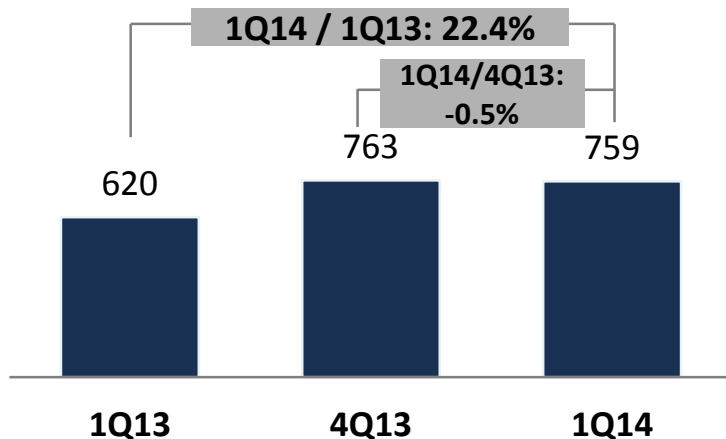
(3) Net Interest Margin: Net interest income divided by total average interest-earning assets.

Net Fees and other operating income

Figures in Ps. Billions

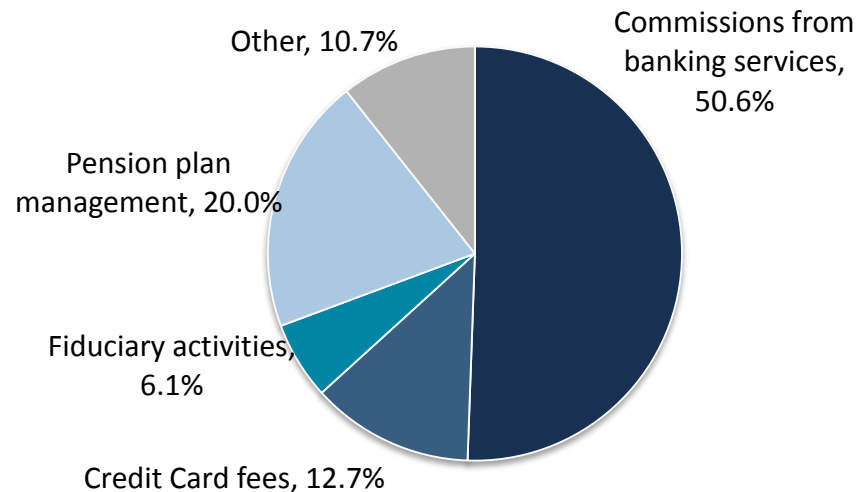


Net Fees⁽¹⁾

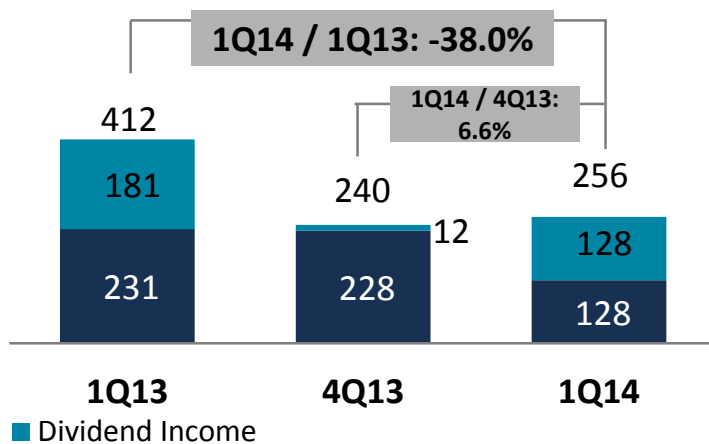


⁽¹⁾ Total fees and other service income minus fees and other services expenses.

Fee Income 1Q14



Other operating income



Other operating income

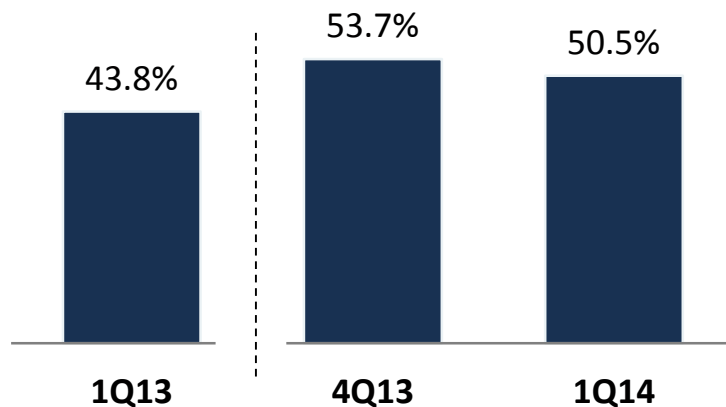
	1Q13	4Q13	1Q14
Dividend Income	181	12	128
Foreign exchange (losses) gains, net	78	73	(10) ⁽¹⁾
Income from non-financial sector, net	110	123	78
Other	44	32	60
Total other operating income	412	240	256

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

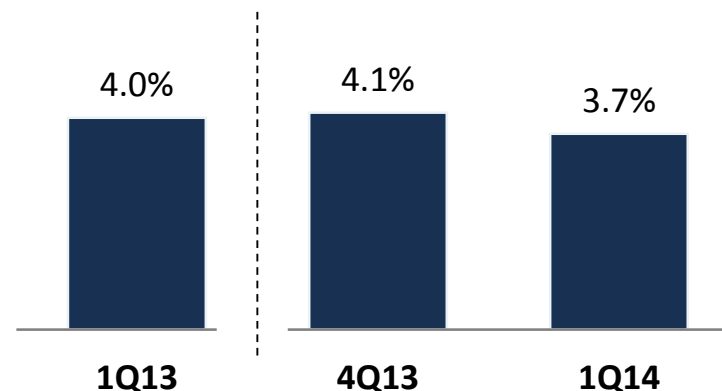
Efficiency and non operating income, net



Operating expenses / Operating Income



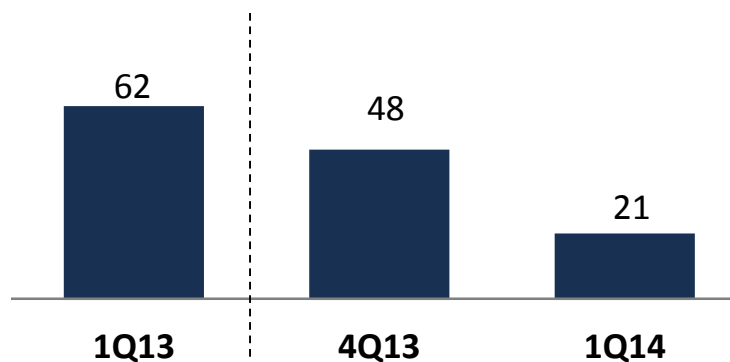
Operating expenses / Average Assets



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

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

Non operating income, net

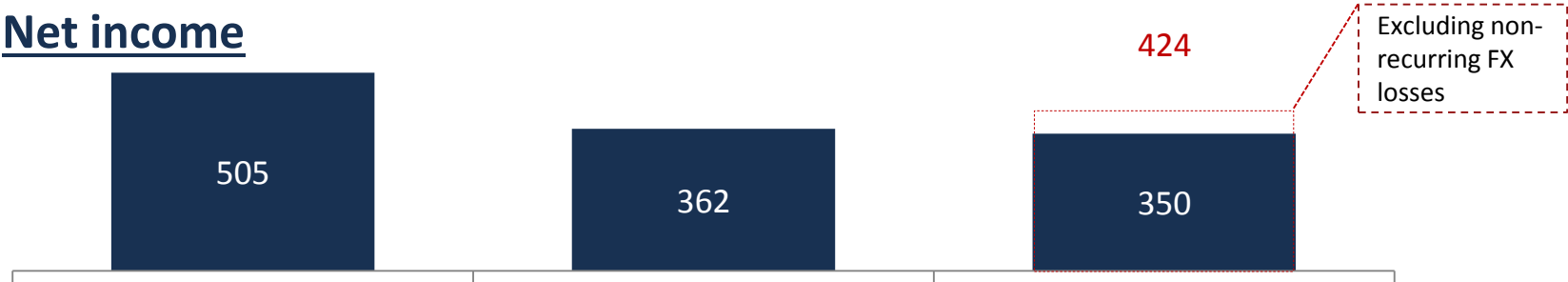


Profitability

Figures in Ps. Billions

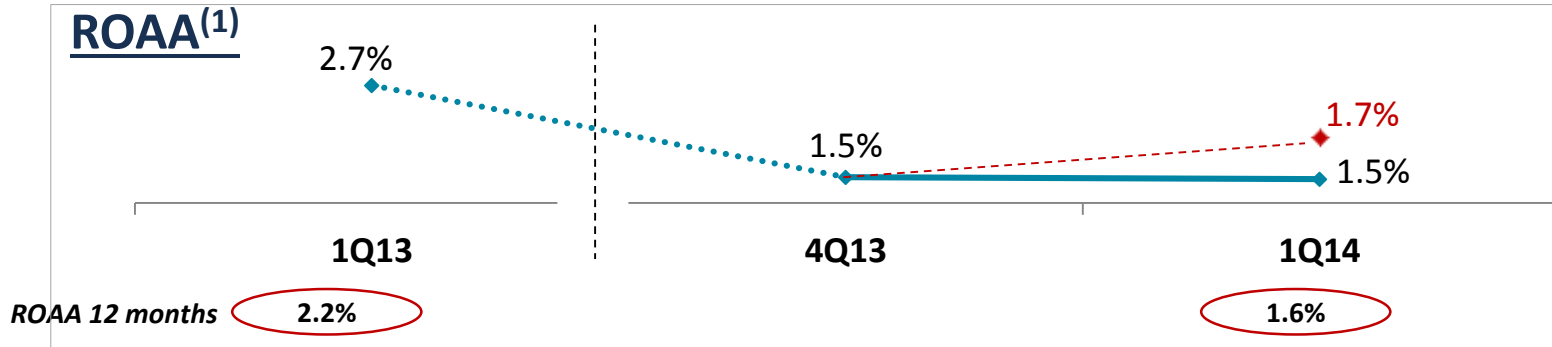


Net income

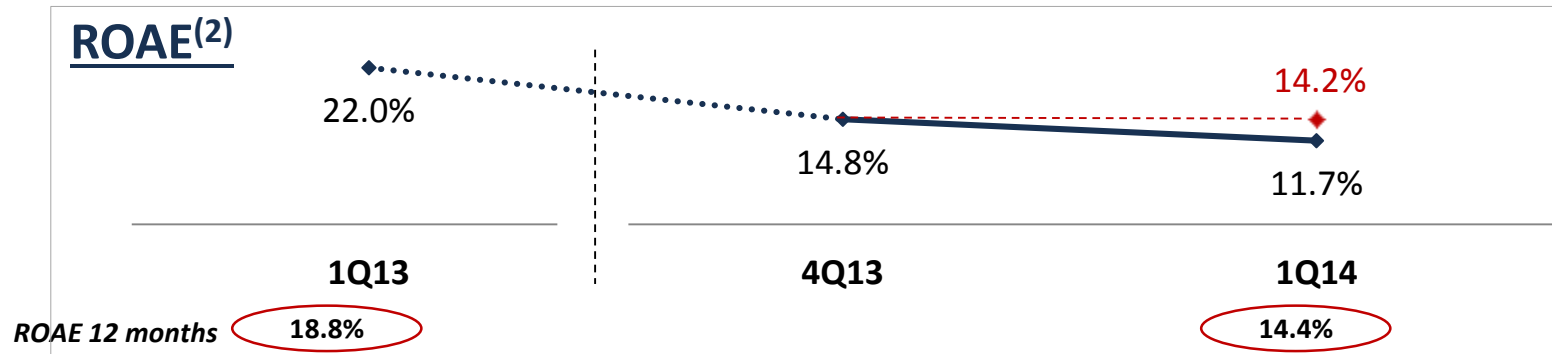


Quarter	EPS
1Q13	\$27.2
4Q13	\$19.3
1Q14	\$17.2

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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