

AVAL
LISTED
NYSE



1Q19 Consolidated Earnings Results

IFRS



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	1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
----------	------	------	------	--------------	--------------

Balance Sheet

Gross Loans	\$ 157.0	\$ 169.2	\$ 168.4	7.3%	-0.5%
Deposits	\$ 151.8	\$ 164.4	\$ 163.3	7.6%	-0.7%
Deposits/Net Loans	0.97 x	0.97 x	0.99 x	0.02 x	0.02 x
Tangible Equity Ratio	7.4%	8.4%	8.3%	90 bps	(12) bps

Attributable Net Income increased by 28% in 1Q2019 versus 1Q2018. This increase resulted principally from:

- An increase in net interest income (including net trading income from investment securities) of 8.8% in the same period
- An increase in Net Interest Margin (5.7% for 1Q2019 vs 5.6% for 4Q2018 and 1Q2018)
- An improvement in Cost of Risk (to 2.0% from 2.2% in 1Q2019 and 3.1% in 4Q2018), supported in improving consumer loan vintages
- An increase in net fee income of 9.5% versus 1Q2018 thanks to a strong performance in banking fees, sustained income from our pension fund business and a decline in fee expense
- Continued strong performance from our Non-Financial sector investments ("Net income from sales of goods and services" under IFRS) which, at Ps. 575 billion for the quarter, represented an increase 2.8x versus the comparative result in 1Q2018. During 4Q2018 this number reflected a one-time contribution to P&L as a result of the beginning of a toll road; in contrast, during 1Q2019 construction slowed down due to poor weather conditions
- Other expenses continue to show Grupo Aval's focus on cost improvements; despite the effect of IFRS 16, total other expenses grew at 4.7% versus 1Q2018
- Total Assets grew by 11.2% and Gross Loans by 7.3% when compared to 1Q2018
- The Deposit to Loan ratio (at 0.99x), the liquidity position (at 16.5%), and the Tangible Equity Ratio (8.3%) as of March 31, 2019 complement the strength of Grupo Aval's balance sheet

ROAE was 17.4% and ROAA was 2.1% for the quarter

Loan Quality

PDLs 90+/Total loans	2.9%	3.1%	3.1%	19 bps	(1) bps
Cost of risk	2.2%	3.1%	2.0%	(13) bps	(106) bps

Profitability

Net interest margin	5.6%	5.6%	5.7%	9 bps	11 bps
Fee income Ratio	26.6%	23.0%	25.0%	(153) bps	201 bps
Efficiency Ratio	49.5%	44.1%	44.7%	(480) bps	64 bps
Attributable net income	\$ 0.60	\$ 0.85	\$ 0.76	27.6%	-10.3%
ROAA	1.6%	2.6%	2.1%	47 bps	(52) bps
ROAE	15.3%	19.6%	17.4%	206 bps	(225) bps

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.

Key results per region for the quarter

COP \$ tn



Colombia

70% of Assets

1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
------	------	------	--------------	--------------



Central America⁽¹⁾

30% of Assets

1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
------	------	------	--------------	--------------

Balance Sheet

	1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
Gross Loans	\$ 113.7	\$ 116.4	\$ 117.4	3.3%	0.8%
Deposits	\$ 109.1	\$ 113.7	\$ 113.7	4.2%	0.0%
Deposits/Net Loans	0.98 x	0.99 x	1.01 x	0.02 x	0.02 x
Tangible Equity Ratio	6.6%	7.7%	7.3%	75 bps	(34) bps

	1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
Gross Loans	\$ 43.4	\$ 52.8	\$ 51.0	17.7%	-3.3%
Deposits	\$ 42.7	\$ 50.7	\$ 49.6	16.2%	-2.1%
Deposits/Net Loans	0.95 x	0.95 x	0.96 x	0.01 x	NS
Tangible Equity Ratio	9.7%	10.3%	10.8%	111 bps	47 bps

Loan Quality

	1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
PDLs 90+/Total loans	3.5%	3.8%	3.7%	22 bps	(10) bps
Cost of risk	2.3%	3.2%	1.9%	(35) bps	(128) bps

	1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
PDLs 90+/Total loans	1.1%	1.3%	1.5%	34 bps	12 bps
Cost of risk	1.8%	2.8%	2.2%	40 bps	(56) bps

Profitability

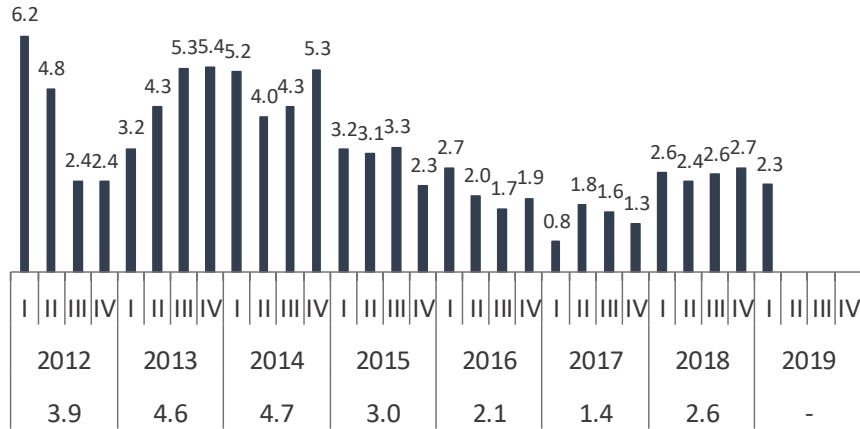
	1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
Net interest margin	5.4%	5.2%	5.4%	(4) bps	23 bps
Fee income Ratio	22.1%	18.1%	20.2%	(193) bps	207 bps
Efficiency Ratio	46.3%	40.3%	39.6%	(672) bps	(63) bps
Attributable net income ⁽²⁾	\$ 0.40	\$ 0.63	\$ 0.56	38.4%	-11.0%
ROAA	1.6%	3.0%	2.3%	73 bps	(64) bps
ROAE	19.8%	28.0%	25.6%	575 bps	(239) bps

	1Q18	4Q18	1Q19	1Q19 vs 1Q18	1Q19 vs 4Q18
Net interest margin	6.1%	6.7%	6.4%	37 bps	(22) bps
Fee income Ratio	36.2%	33.8%	35.7%	(42) bps	191 bps
Efficiency Ratio	56.5%	53.4%	56.0%	(45) bps	262 bps
Attributable net income ⁽²⁾	\$ 0.19	\$ 0.22	\$ 0.20	5.1%	-8.5%
ROAA	1.7%	1.8%	1.5%	(14) bps	(23) bps
ROAE	10.4%	10.6%	9.2%	(114) bps	(141) 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 762.9 bn for 1Q19 corresponds to the Ps 558.9 bn of our Colombian operation plus Ps 296.8 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.

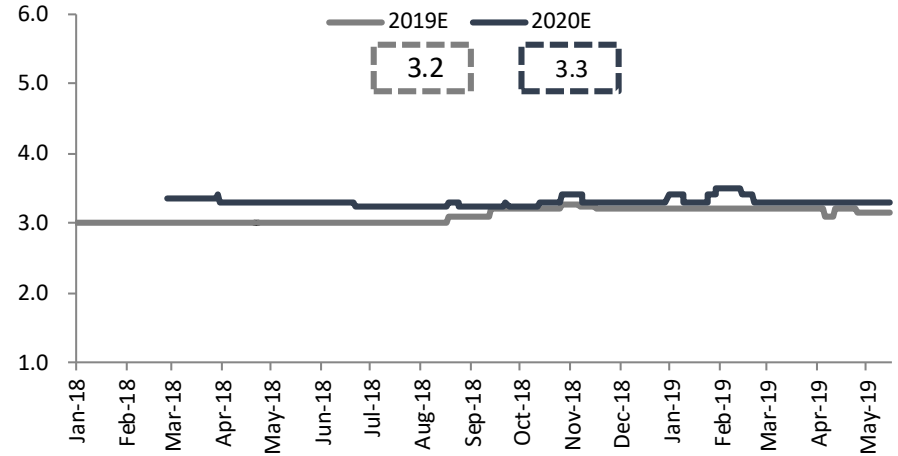
Macroeconomic context – Colombia (1/3)

GDP Growth (%)



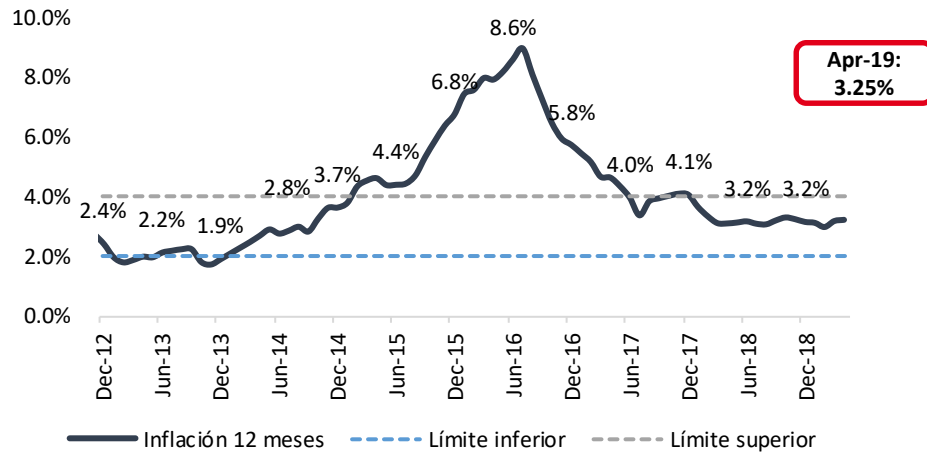
Source: DANE. Seasonally-adjusted, constant prices (2015) GDP.

GDP Growth Expectations (%)



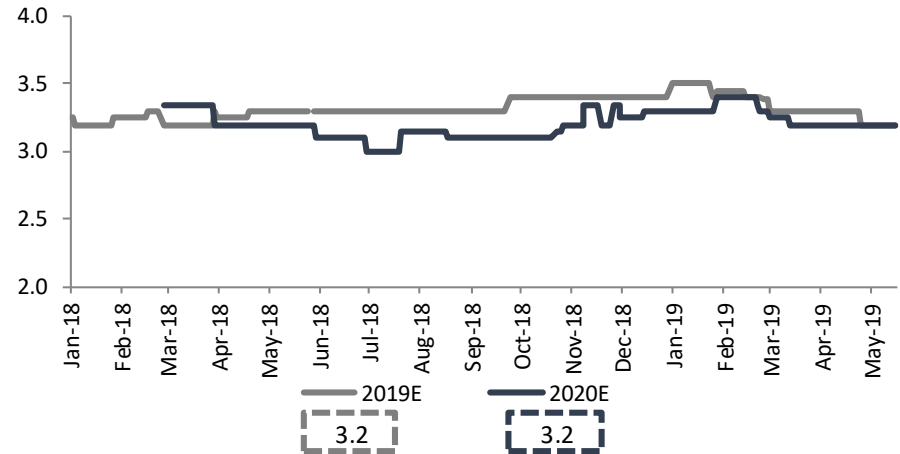
Source: Bloomberg Consensus

Inflation (%)



Source: Banco de la República de Colombia

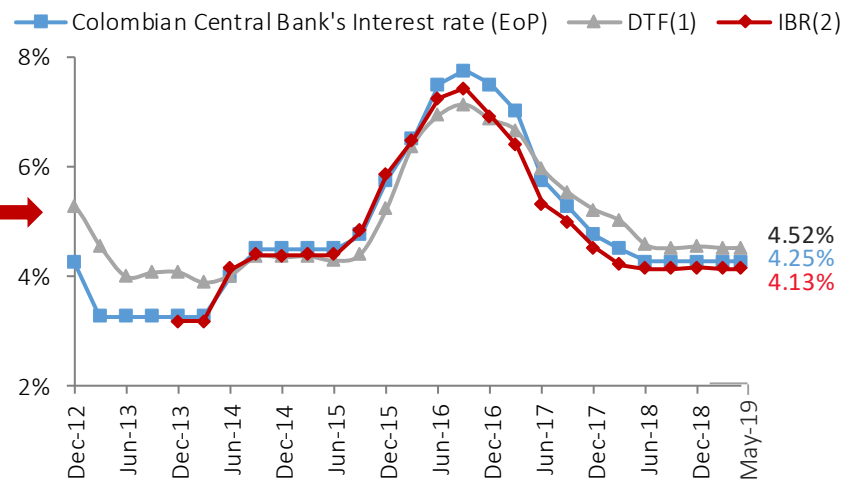
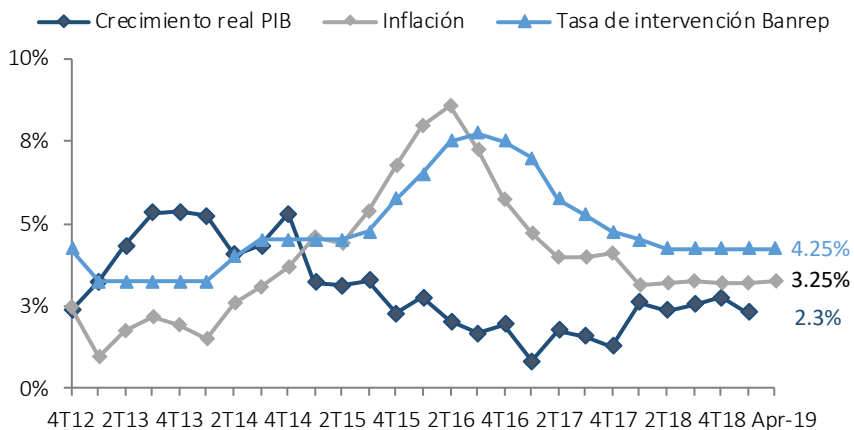
Inflation Expectations (%)



Source: Bloomberg Consensus

Macroeconomic context – Colombia (2/3)

Central Bank's Monetary Policy

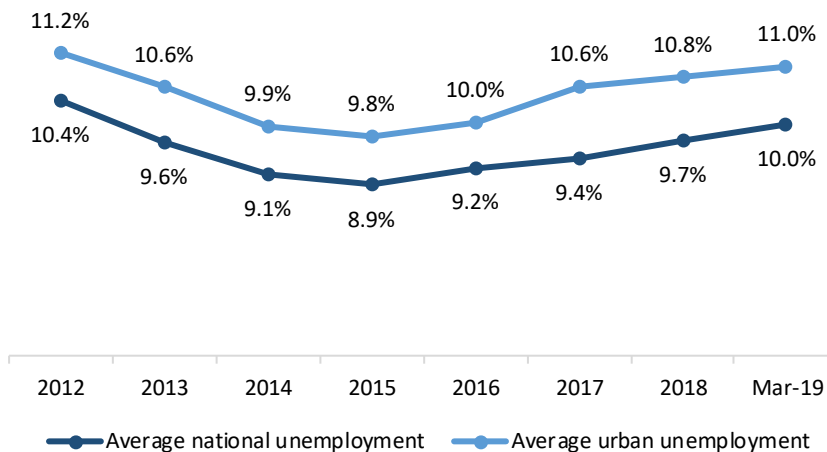


FY	2012:	2013:	2014:	2015:	2016:	2017:	2018:
GDP	3.9%	4.6%	4.7%	3.0%	2.1%	1.4%	2.6%

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

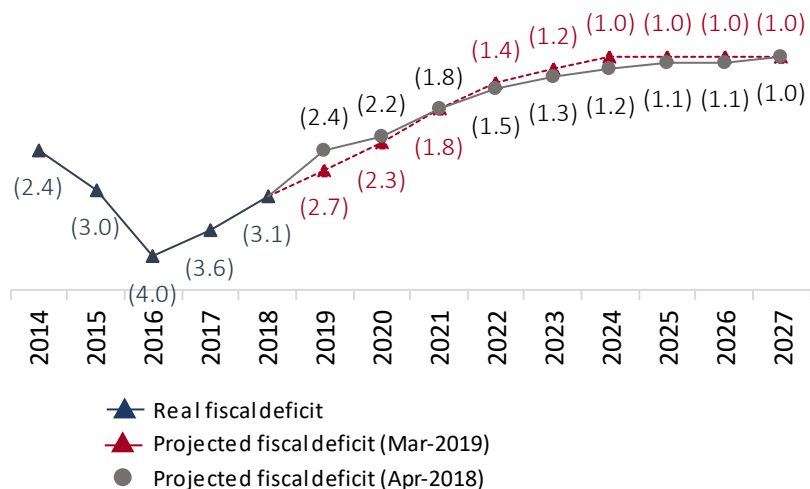
Unemployment (%)



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

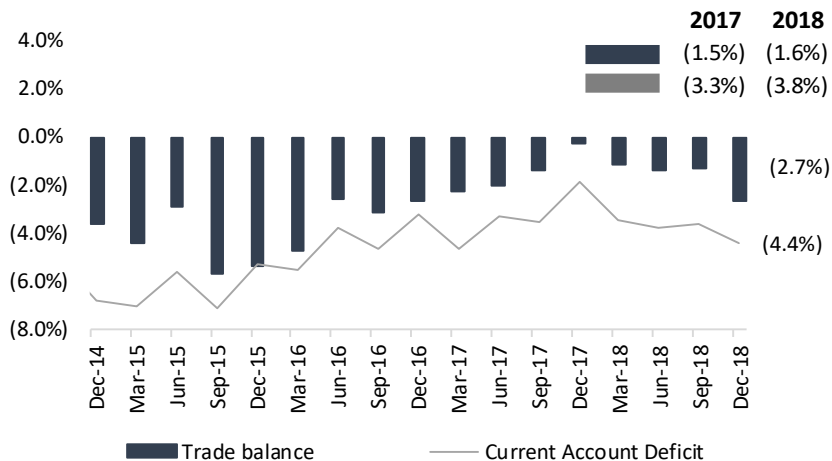
Macroeconomic context – Colombia (3/3)

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

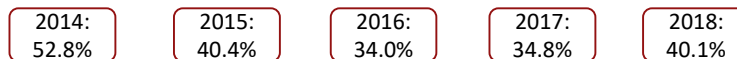


Source: Ministry of Finance. Projections start in 2019.

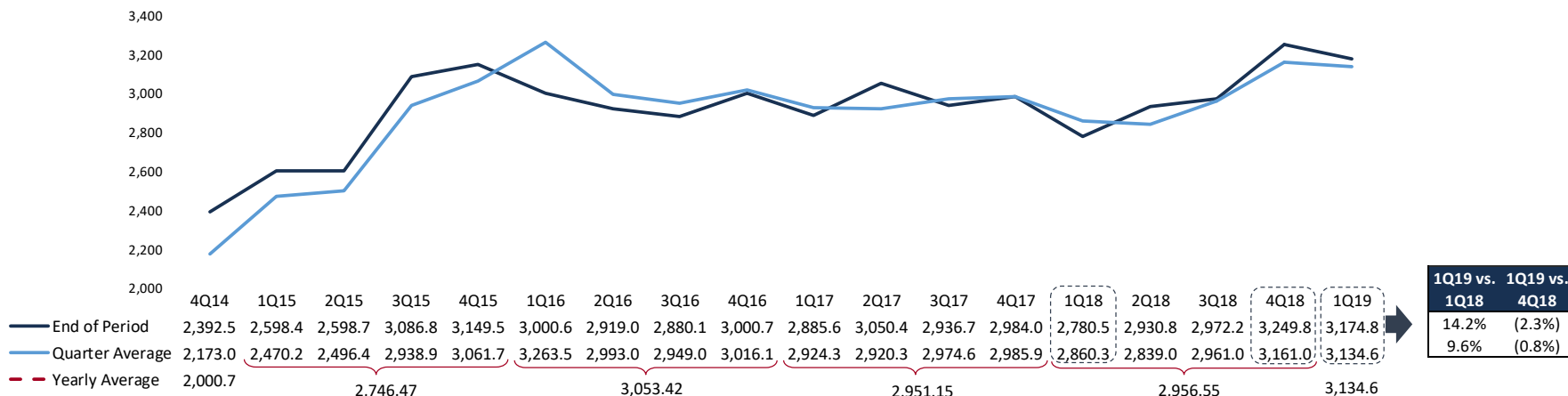
Current Account (% GDP, quarterly)



Oil Exports/Total Exports



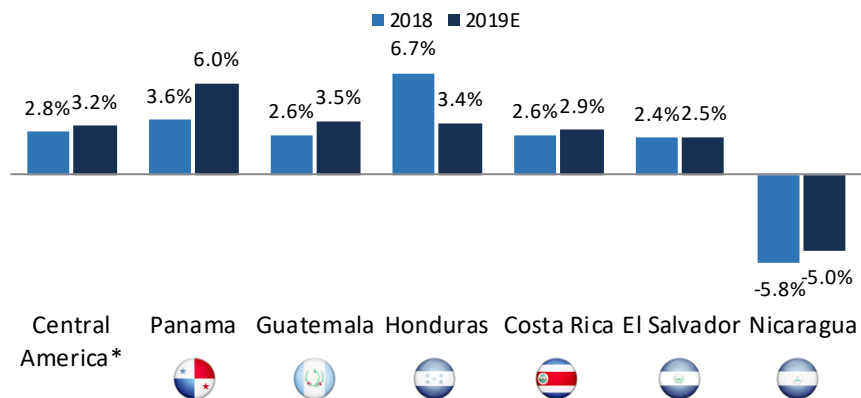
Colombian Peso Exchange Rate



Source: Banco de la República de Colombia.

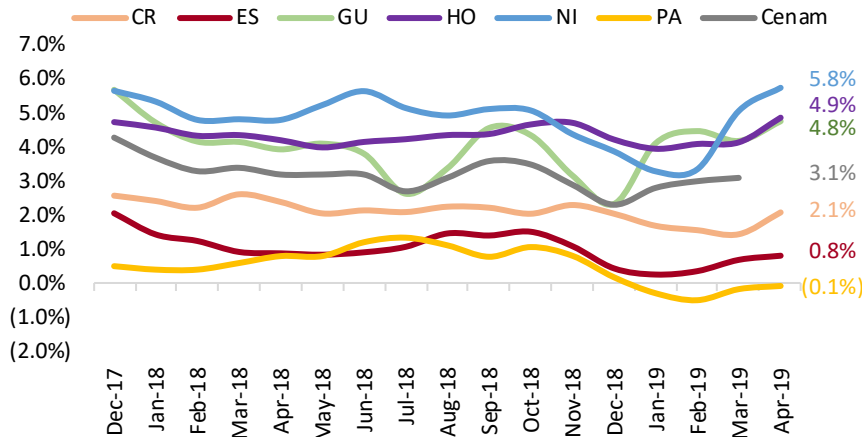
Macroeconomic context – Central America

Growth Outlook – Real GDP



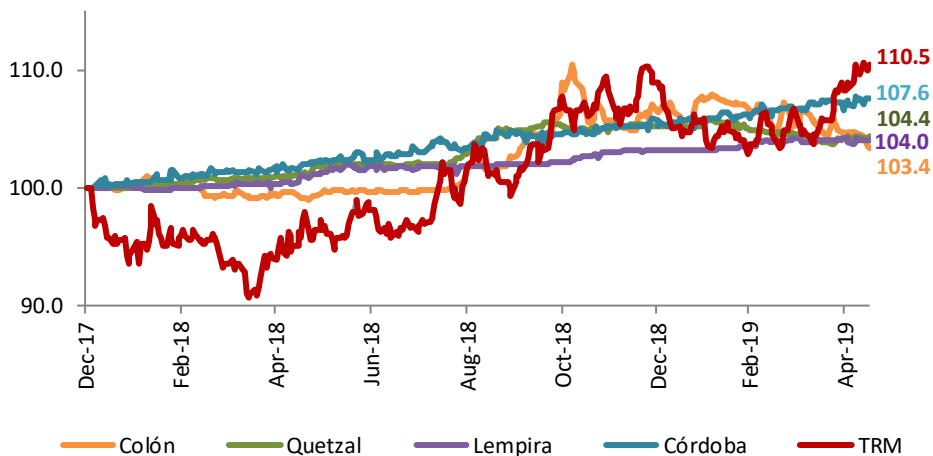
Source: For year 2018, Central Banks, INEC Panamá, US Bureau of Economic Analysis. For expected year 2019, IMF WEO Apr-19; (*) Aggregate growth of all the Central American countries

Inflation per Country



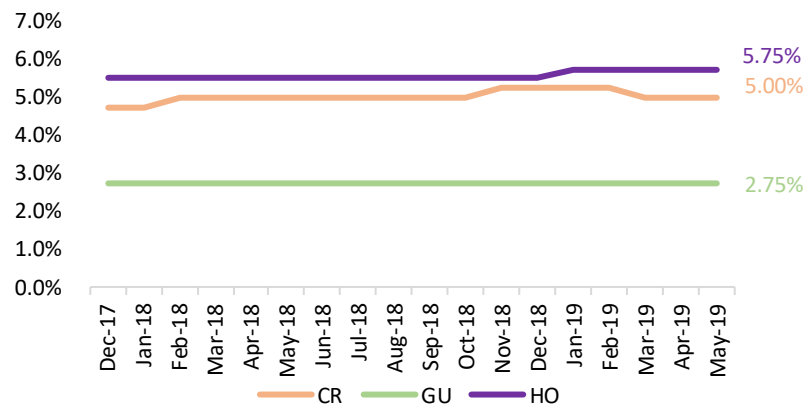
Source: SECMCA. CR: Costa Rica, ES: El Salvador, GU: Guatemala, HO: Honduras, NI: Nicaragua, PA: Panama. Central America's inflation as of March 2018.

Regional Exchange rates



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

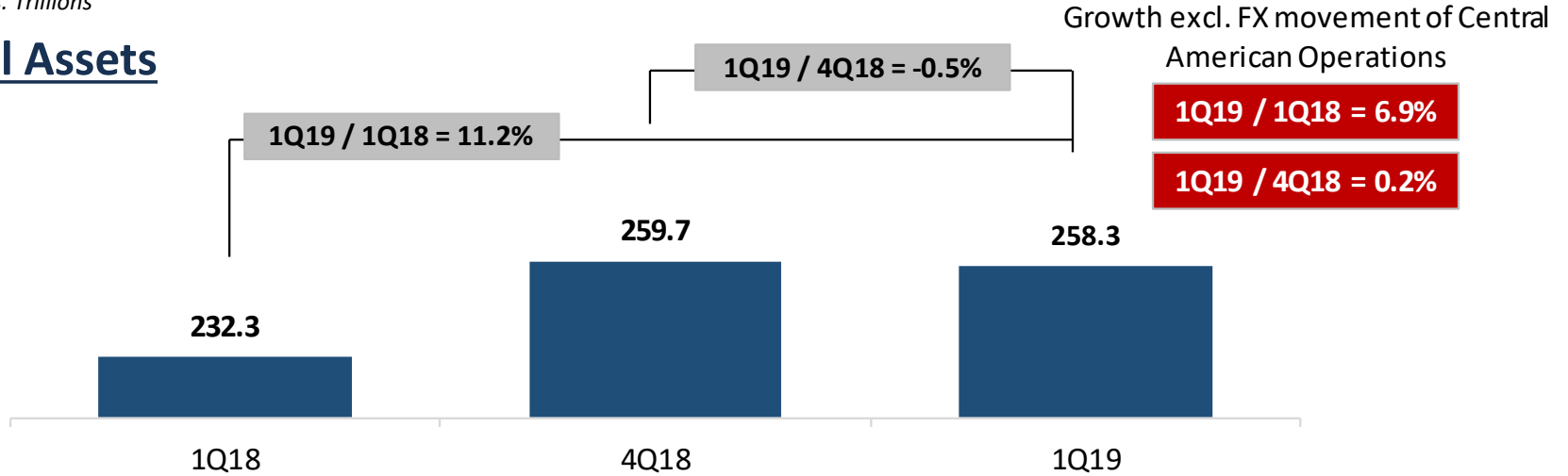
Central Banks' Interest Rates



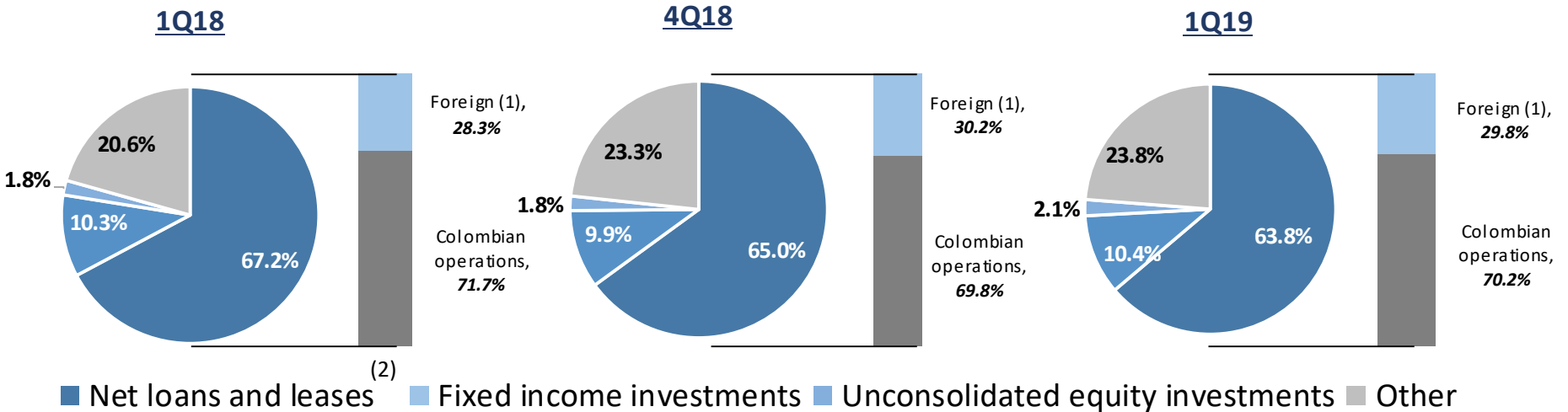
Source: SECMCA

Figures in Ps. Trillions

Total Assets



Assets Breakdown

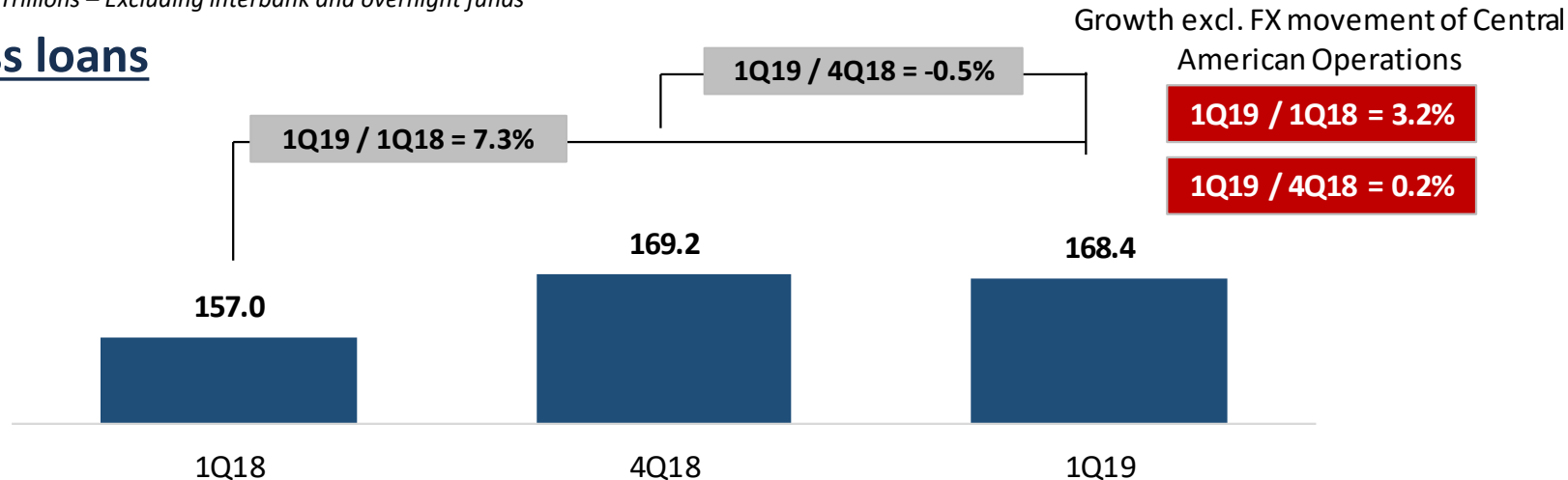


(1) Foreign operations reflect Central American operations. (2) Net loans and leases include interbank and overnight funds.

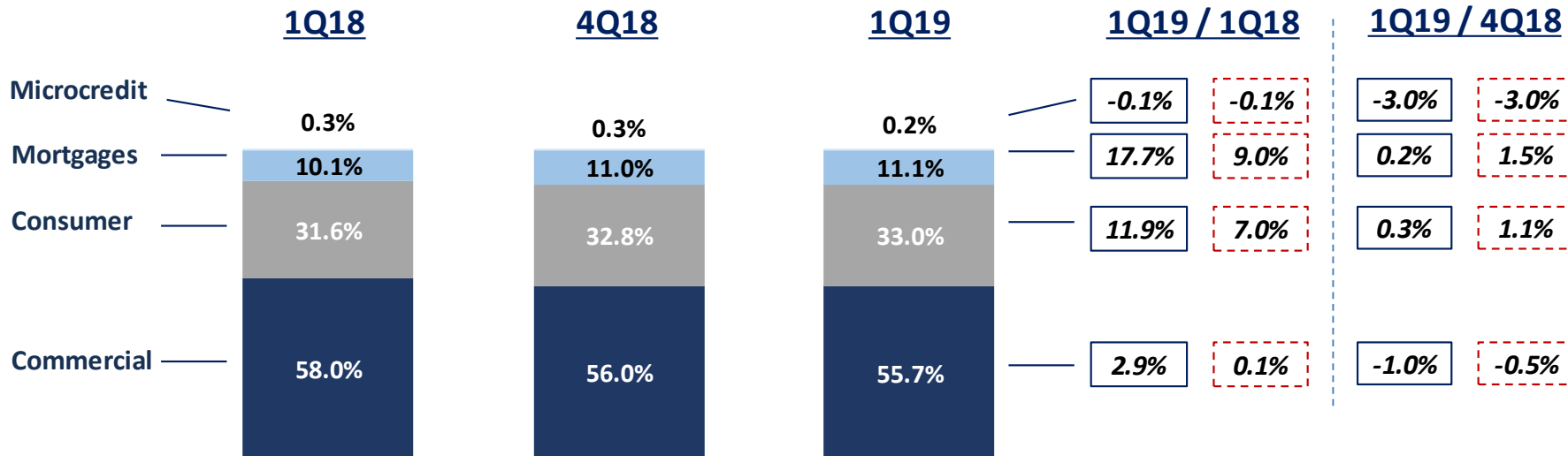
Loans and receivables

Figures in Ps. Trillions – Excluding interbank and overnight funds

Gross loans



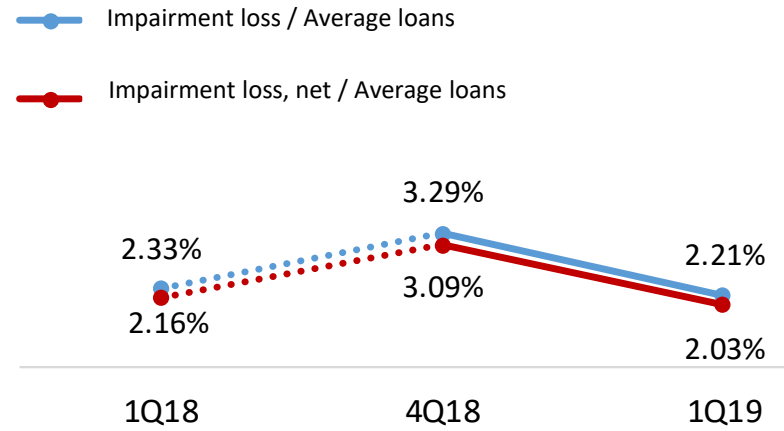
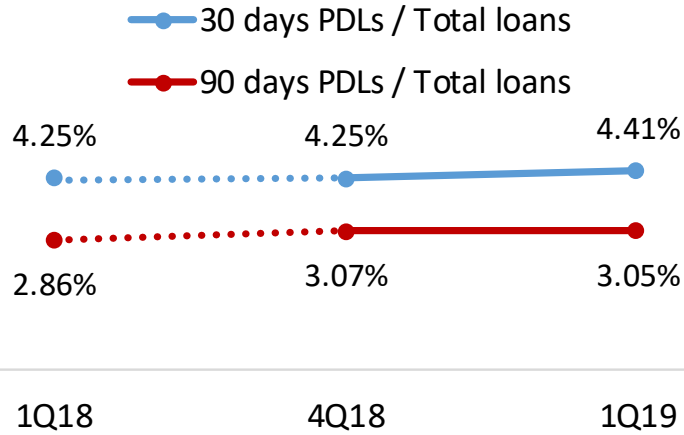
Gross loans Breakdown



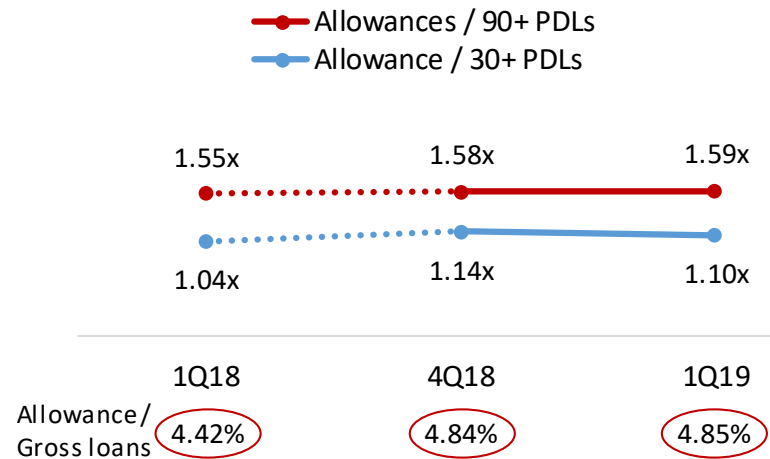
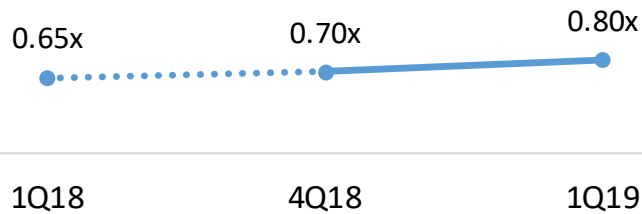
% Growth excluding FX movement of Central American Operations

Loan portfolio quality

Cost of Risk



Charge offs / Average NPLs



Allowance / Gross loans **4.42%** **4.84%** **4.85%**

Loan portfolio quality

Figures in Ps. Billions

30 days past due loans (1)

	1Q18	4Q18	1Q19
Commercial	3.59%	3.88%	4.04%
Consumer	5.41%	4.83%	4.89%
Mortgages	4.10%	4.13%	4.58%
Microcredit	15.43%	16.52%	16.16%
Total loans	4.25%	4.25%	4.41%

90 days past due loans (2)

	1Q18	4Q18	1Q19
Commercial	2.97%	3.42%	3.41%
Consumer	2.82%	2.66%	2.60%
Mortgages	2.14%	2.25%	2.44%
Microcredit	11.02%	12.30%	11.89%
Total loans	2.86%	3.07%	3.05%

30 days past due formation

	1Q18	2Q18	3Q18	4Q18	1Q19
Initial PDLs	6,195	6,675	6,975	7,229	7,195
New PDLs	1,205	1,067	1,005	872	1,264
Charge-offs	(726)	(767)	(751)	(905)	(1,034)
Final PDLs	6,675	6,975	7,229	7,195	7,426

90 days past due formation

	1Q18	2Q18	3Q18	4Q18	1Q19
Initial PDLs	4,382	4,491	4,960	5,166	5,188
New PDLs	835	1,236	957	927	988
Charge-offs	(726)	(767)	(751)	(905)	(1,034)
Final PDLs	4,491	4,960	5,166	5,188	5,143

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

(2) Past Due Loans + 90 / Total Loans including interest accounts receivable

Figures in Ps. Trillions

Total funding

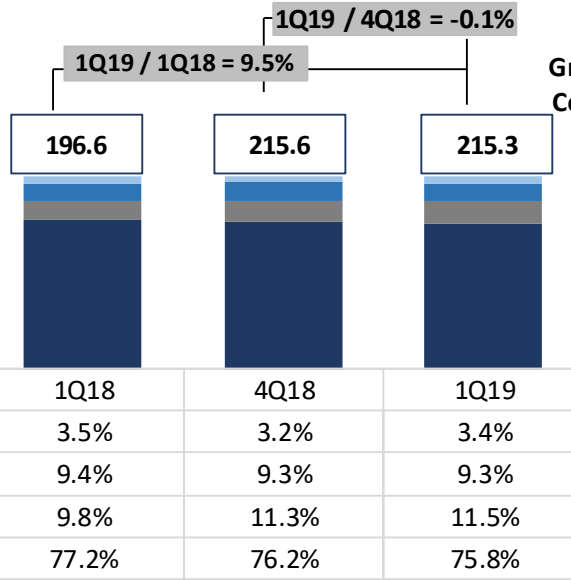
Growth excl. FX movement of Central American Operations

1Q19 / 1Q18 = 5.4%

1Q19 / 4Q18 = 0.6%

Funding composition

Interbank borrowings	3.5%	3.2%	3.4%
Bonds issued	9.4%	9.3%	9.3%
Banks and others	9.8%	11.3%	11.5%
Deposits	77.2%	76.2%	75.8%



Total deposits

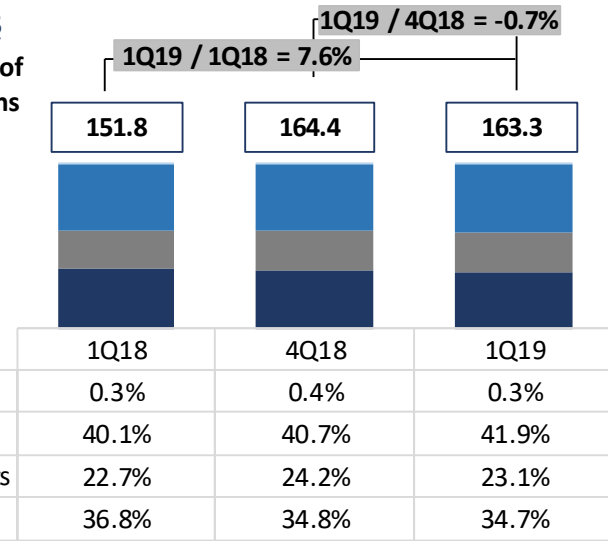
Growth excl. FX movement of Central American Operations

1Q19 / 1Q18 = 3.4%

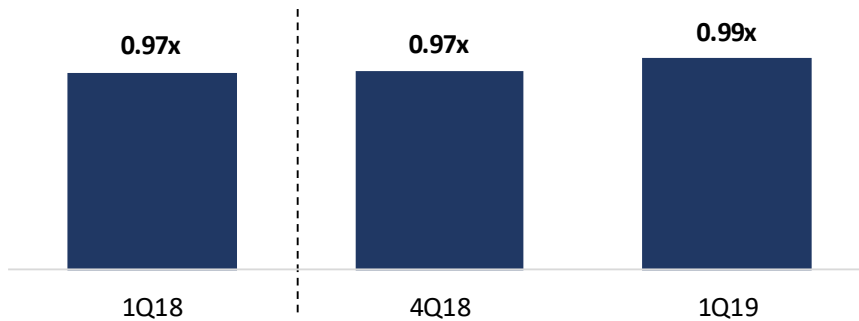
1Q19 / 4Q18 = 0.0%

Deposit composition

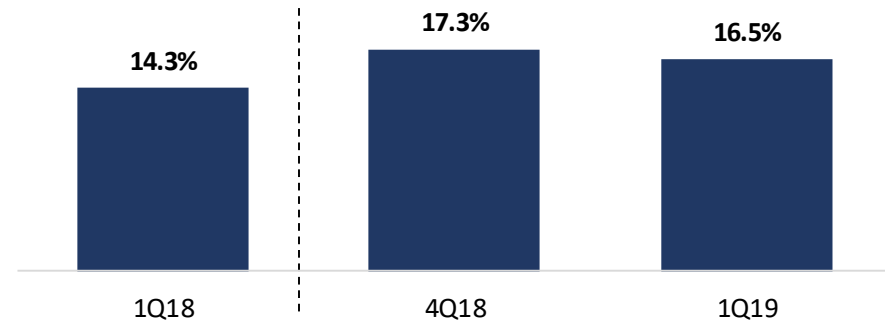
Others	0.3%	0.4%	0.3%
Time deposits	40.1%	40.7%	41.9%
Checking accounts	22.7%	24.2%	23.1%
Savings accounts	36.8%	34.8%	34.7%



Deposits / Net loans (%)

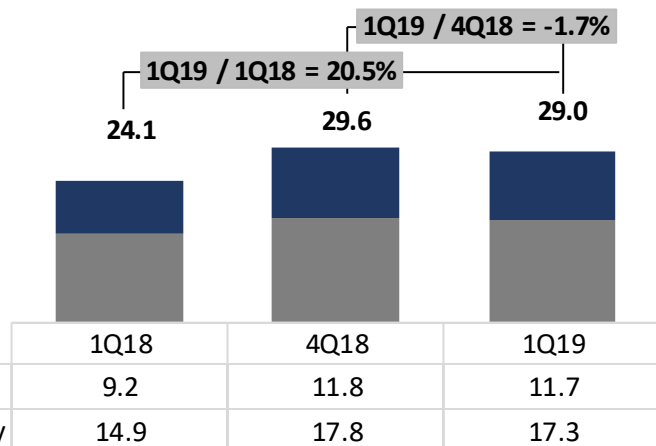


Cash / Deposits (%)

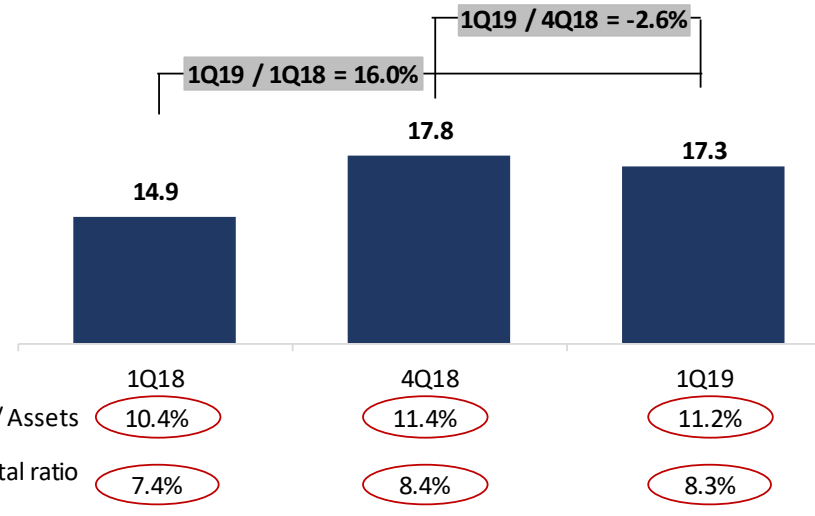


Figures in Ps. Trillions

Attributable Equity + Minority Interest



Attributable Shareholders Equity



Consolidated Capital Adequacy of our Banks (%)



	Banco de Bogotá			Banco de Occidente			banco popular			Banco AV Villas		
	1Q18	4Q18	1Q19	1Q18	4Q18	1Q19	1Q18	4Q18	1Q19	1Q18	4Q18	1Q19
Primary capital (Tier 1)	9.0	8.9	9.6	10.5	10.2	10.3	8.5	7.7	9.8	11.0	9.9	9.8
Solvency Ratio	12.8	13.5	13.0	13.1	12.6	12.5	10.1	10.1	11.2	12.0	10.5	10.0

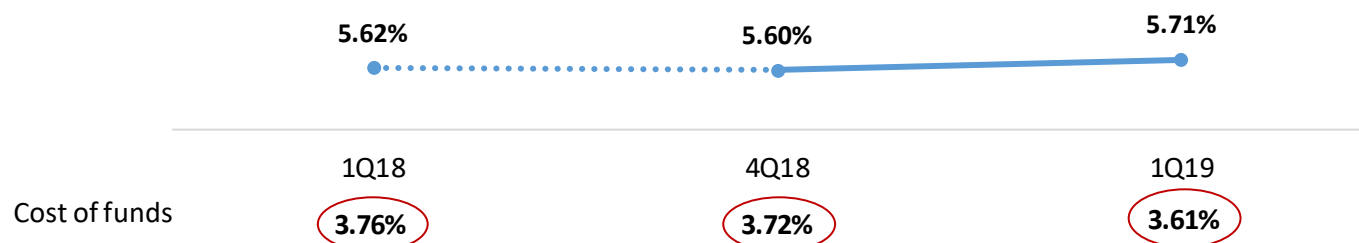
(1) Tangible Capital Ratio is calculated as Total Equity minus Goodwill and other Intangibles divided by Total Assets minus Goodwill and other Intangibles.

Net Interest Margin

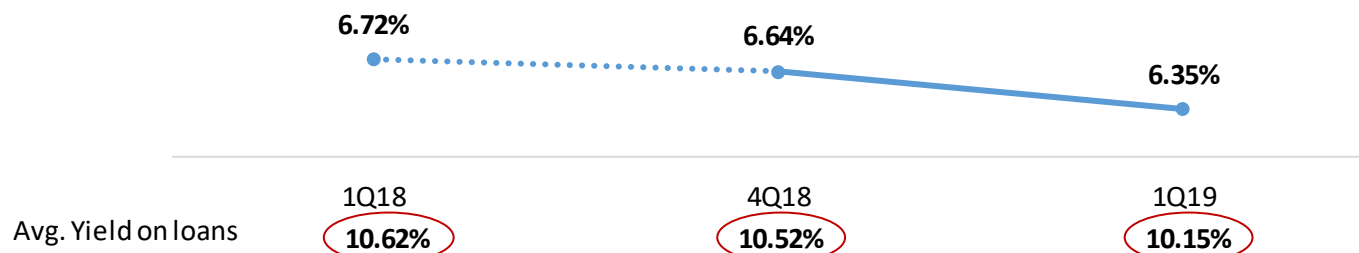
Net interest income(1) (trillions)

1Q18	4Q18	1Q19	1Q19 / 1Q18	1Q19 / 4Q18
2.7	2.8	2.9	8.8%	4.4%

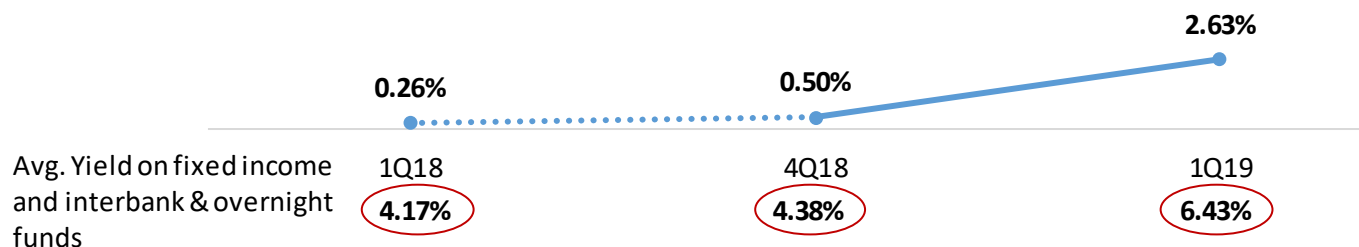
Net Interest Margin⁽¹⁾



Loans Interest Margin⁽²⁾



Net Investments Margin⁽³⁾



(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 5.5% for 1Q19, 5.7% for 4Q18 and 5.7% for 1Q18.

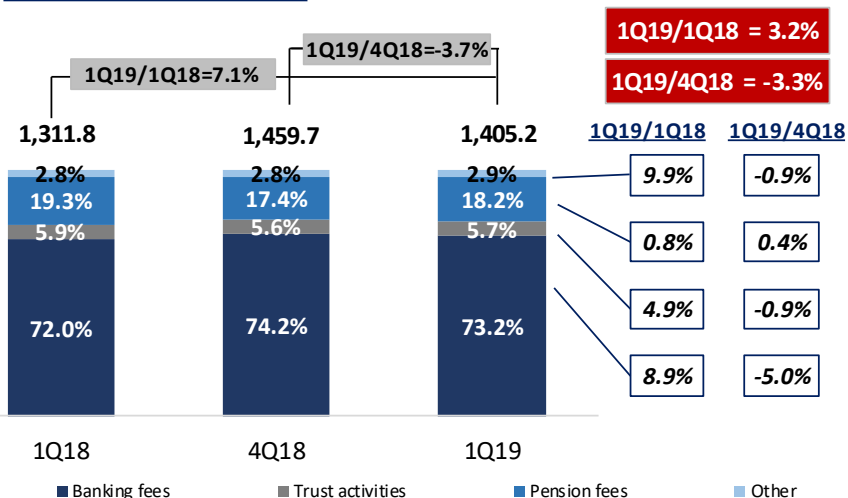
(2) Loans Interest Margin: Net Interest Income on Loans to Average loans and financial leases.

(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



Non-financial sector⁽¹⁾

	1Q18	4Q18	1Q19
Energy & gas	162	114	140
Infrastructure	77	1,178	504
Hotels	9	13	9
Agribusiness	3	-10	1
Other ⁽²⁾	-46	-89	-79
Total	206	1,207	575

(1) Net income from sales of goods and services

(2) Reflects net NFS from Ventas y Servicios, Megalinea and Gestión y Contacto call-centers and other subsidiaries

Growth excluding FX movement of Central American Operations

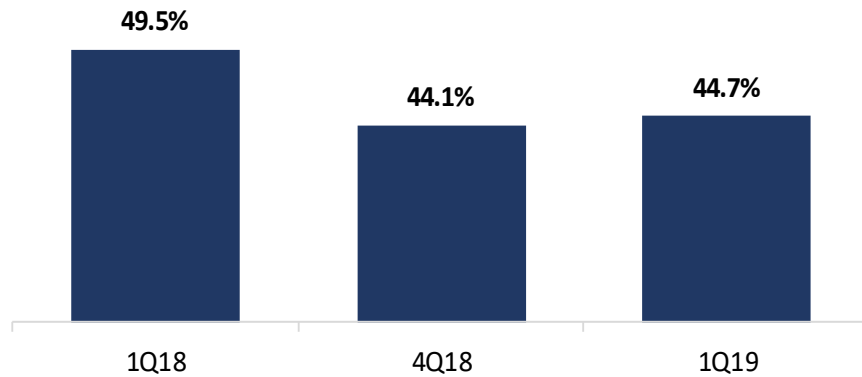
Other operating income

	1Q18	4Q18	1Q19
Foreign exchange gains (losses), net	290	-88	166
Net income (loss) on financial derivatives	-152	236	-82
Other trading income on derivatives	49	50	7
Derivatives and foreign exchange gains (losses), net (1)	186	198	91
Gains on valuation of assets	8	27	5
Net income from other financial instruments mandatory at FVTPL	52	29	54
Net gain on sale of investments	-44	15	6
Gain on the sale of non-current assets held for sale	2	6	6
Income from non-consolidated investments (2)	94	66	123
Other income from operations	75	475	80
Total other income from operations	375	815	365

(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.

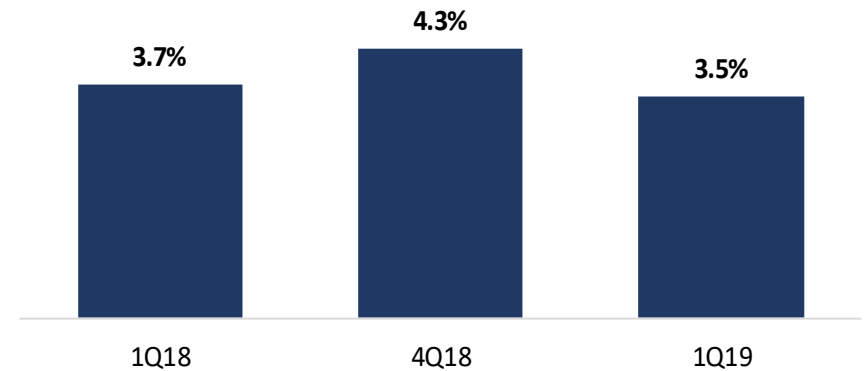
Cost to income⁽¹⁾



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 46.6%, 41.8% and 40.8% for 1Q18, 4Q18 and 1Q19, respectively.

Cost to assets⁽²⁾

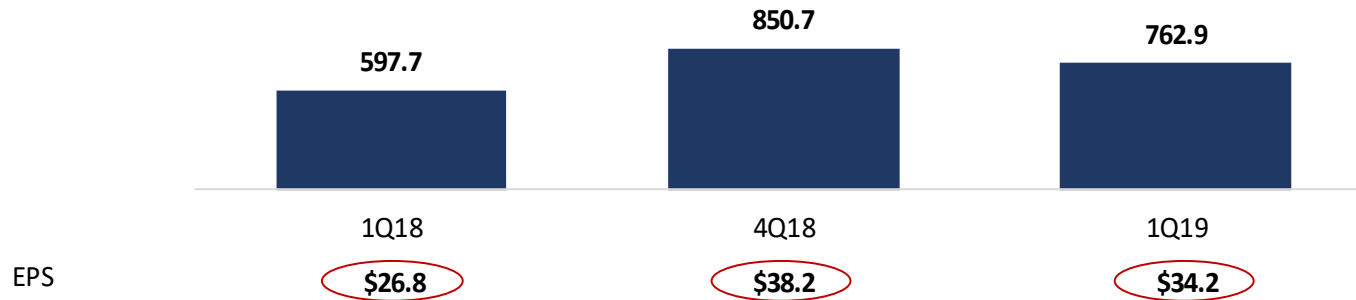


Cost to assets efficiency ratio is calculated as annualized total other expenses divided by average total assets.

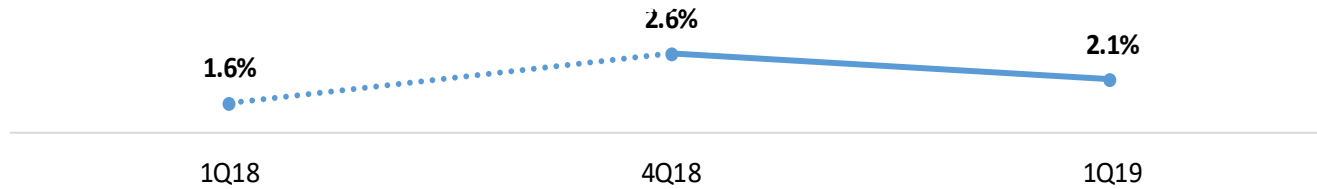
⁽²⁾ Cost to assets as previously reported would have been 3.4%, 3.8% and 3.2% for 1Q18, 4Q18 and 1Q19, respectively.

Figures in Ps. Billions

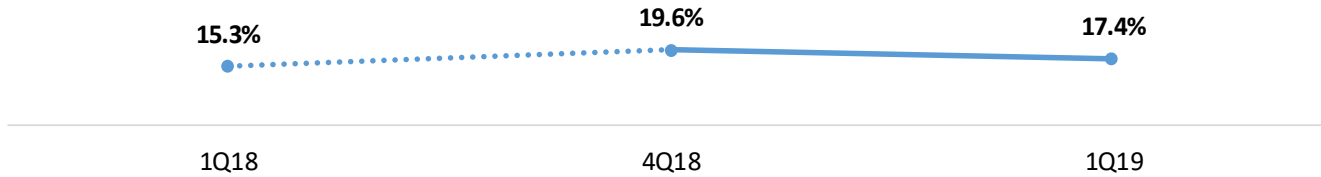
Net income attributable to controlling interest



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.

Grupo

