

AVAL
LISTED
NYSE



Investor Presentation

September 2015



Peru & Colombia
One on One Conference

Disclaimer

Grupo Aval Acciones y Valores S.A. (“Grupo Aval”) is an issuer of securities in Colombia and 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 the control of the Superintendency of Finance and compliance with applicable U.S. securities regulation as a “foreign private issuer” under Rule 405 of the U.S. Securities Act of 1933. Grupo Aval is not a financial institution and is not supervised or regulated as a financial institution in Colombia.

The consolidated financial statements at December 31, 2014, 2013, 2012, 2011 and 2010 included in this report have been audited by KPMG for the purpose of its submission to the SEC filed by Grupo Aval in the Form 20-F on a yearly basis. As 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.

Although we are not a financial institution, until December 31, 2014 we prepared the financial information included in our quarterly reports in accordance with the regulations of the Superintendency of Finance for financial institutions and generally accepted accounting principles for banks to operate in Colombia, also known as Colombian Banking GAAP. We believe that presentation on that basis most appropriately reflected our activities as a holding company of 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.

In 2009 the Colombian Congress enacted Law 1314 establishing the implementation of IFRS in Colombia. As a result, since January 1, 2015 financial entities and Colombian issuers of publicly traded securities such as Grupo Aval must prepare financial statements in accordance with IFRS as applicable under Colombian regulation. Colombian Banking GAAP and IFRS as applicable under Colombian regulations differ in certain significant respects from U.S. GAAP. IFRS as applicable under Colombian regulations also differs in certain aspects from IFRS as currently issued by the IASB. Our 20-F annual report filed with the SEC provides a description of the principal differences between Colombian Banking GAAP and U.S. GAAP as well as expected changes from our implementation of IFRS as applicable under Colombian regulations. Details of the calculations of non-GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

As a result of our migration to IFRS and our first year of implementation of IFRS accounting principles, our interim unaudited consolidated financial information for 2015, and the comparative interim information for the respective periods of 2014, may be subject to further amendments. The unaudited consolidated financial information included in this presentation for the first quarter of 2015 is presented under Colombian Banking GAAP and, for comparative purposes, it is also presented in accordance with IFRS as currently issued by the IASB. Unaudited consolidated financial information for the first and fourth quarter of 2014 is presented under Colombian Banking GAAP.

Recipients of this document are responsible for the assessment and use of the information provided herein. Grupo Aval will not have any obligation to update the information herein and shall not be responsible for any decision taken by investors in connection with this document. The content of this document is not intended to provide full disclosure on Grupo Aval or its affiliates.

Grupo Aval has been granted the IR Recognition by the Colombian Securities Exchange (Bolsa de Valores de Colombia S.A). This is not a certification of the registered securities or the solvency of the issuer. Also, does not imply an opinion on the quality and accuracy of the content, it only denotes a verification of the existence of the information on the website of the issuer.

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

Agenda



1

Macroeconomic environment

2

Snapshot of Grupo Aval

3

Transition to IFRS: 1Q15 results reconciliation



Agenda

1

Macroeconomic environment

2

Snapshot of Grupo Aval

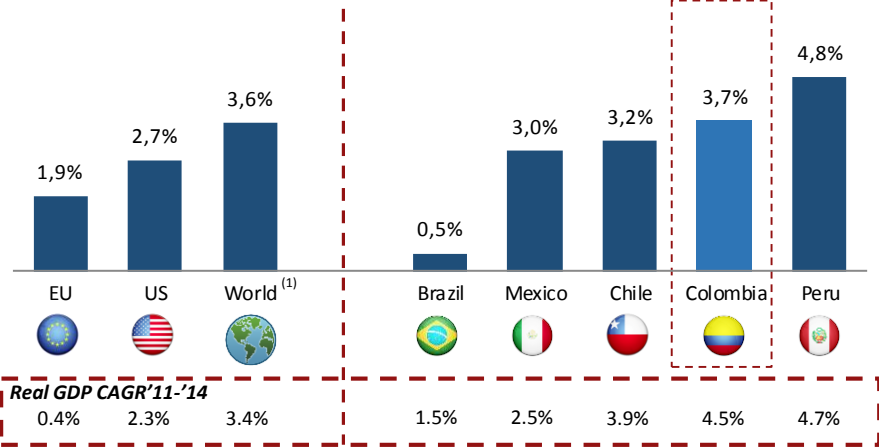
3

Transition to IFRS: 1Q15 results reconciliation



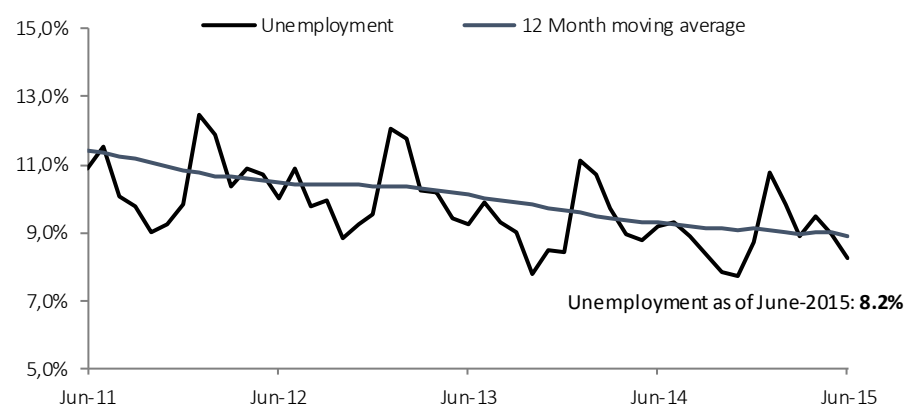
Despite recent macro events, Colombia is still one of the best performing economies in the region, well-positioned for high growth and sustainable development

Expected real GDP growth – Real GDP CAGR '14-'17E



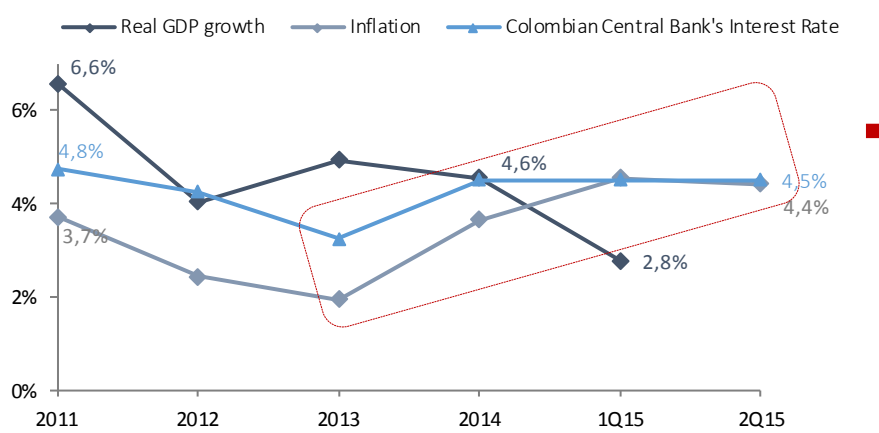
Source: IMF
⁽¹⁾ Includes the 189 countries which report to the IMF

Decreasing unemployment



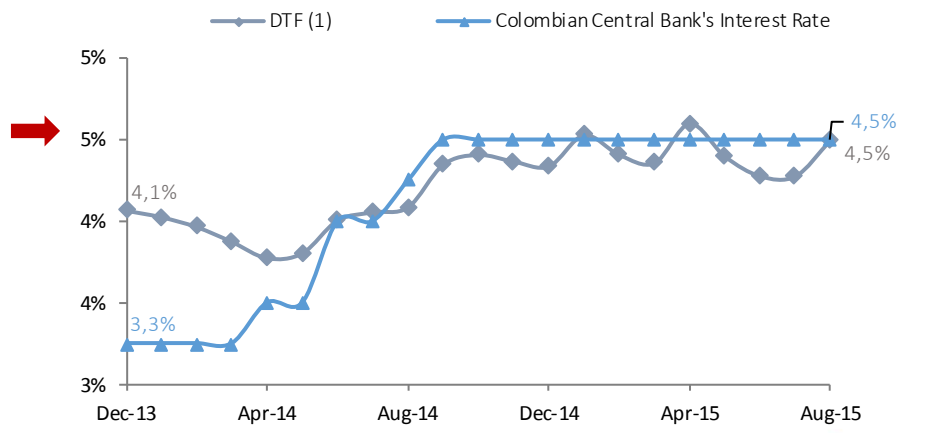
Source: DANE, and Banco de la República de Colombia

Strict monetary policy



Source: Banco de la República de Colombia, and DANE. GDP information for 2Q15 is not available.

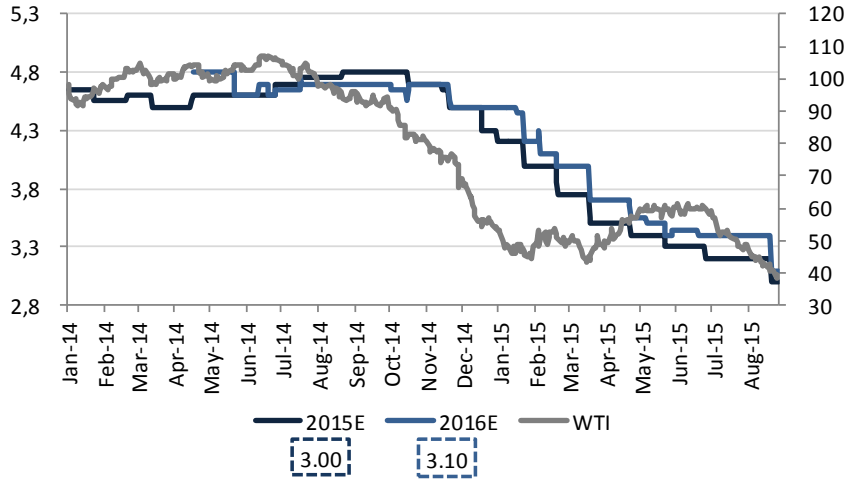
Stable Central Bank and DTF rates



Source: Banco de la República de Colombia.
Note: The DTF rate is a benchmark interest rate that represents the financial system's average rate for 90-day term deposits; ⁽¹⁾ End of period DTF rate

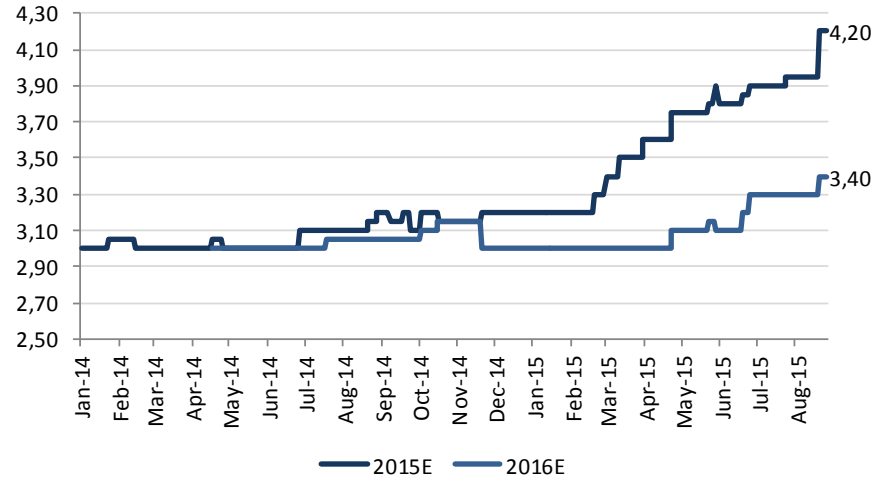
2015 will be a challenging year for Colombia's economy; nonetheless, fundamentals remain strong and inflation expectations well anchored

Real GDP growth (%) forecasts vs. WTI



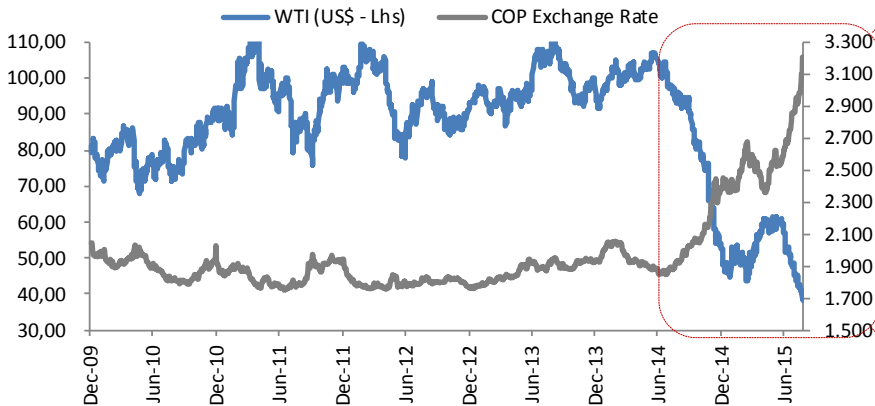
Source: Bloomberg Consensus

Inflation expectations (%) for YE15 and YE16



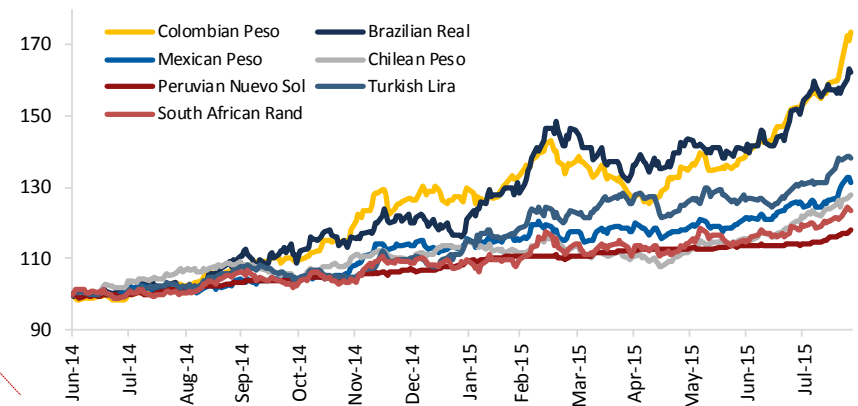
Source: Bloomberg Consensus

Colombian Peso vs WTI US\$/barrel



Source: Bloomberg

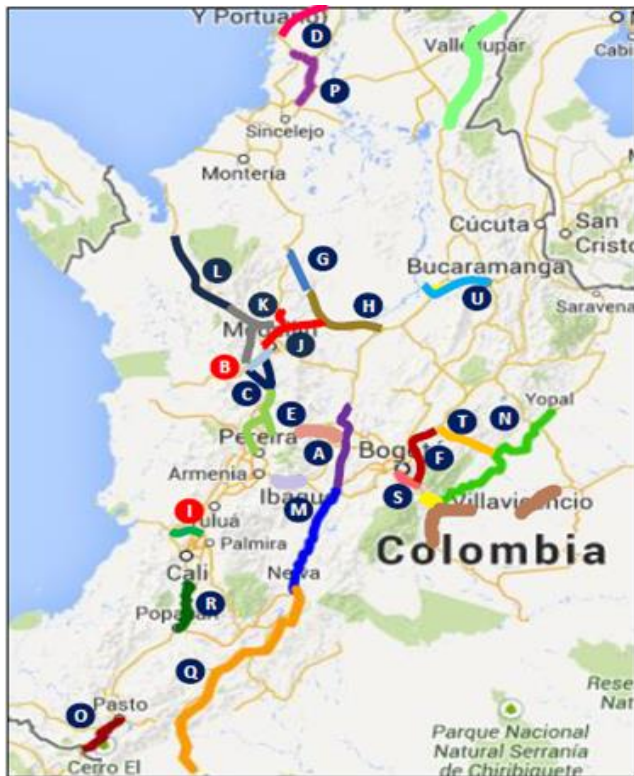
Colombian Peso vs Emerging markets' currencies (100=Jun-30, 2014)



Source: Bloomberg

4G concessions continue to be on track and will boost commercial loan growth in the coming years

Fourth Generation (4G) and Public Private Partnerships (PPP) program overview



4G Program overview

- ✓ ~US\$ 17 bn investment (13% of Colombia's banking loans as of June 2015)
- ✓ The banking sector could fund up to ~70% of the total investment expected for the 4G infrastructure projects (~US\$12bn) with disbursements along 5-7 years.
- ✓ US\$ 12 bn represents ~13% of the banking sector's loan portfolio as of June 2015

4G current status

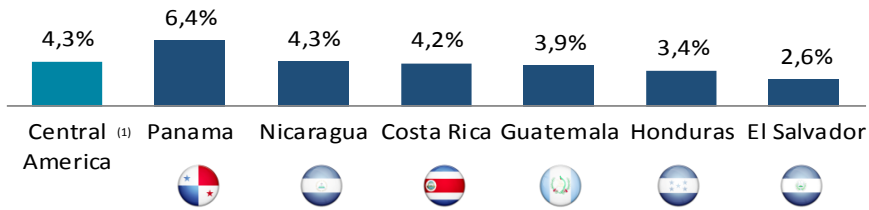
- ✓ **First phase:** Awarded with construction expected to start in 4Q15
 - In 2014, the government awarded **9 concessions (from A to I in map)** that involve 1,162 Kms and an investment of ~US\$ 5.6 bn.
 - Corficolombiana, through Episol, was awarded 2 toll roads that represent 100 Kms and an investment of ~ US\$ 1.4 bn.
- ✓ **Second phase;** Awarded with construction expected to start in 3Q16:
 - The government awarded **9 concessions (letters K, L, N, O, P, Q, R, T and U in map)** that involve 1,783 Kms and ~US\$ 7.0 bn.
 - Corficolombiana, through Episol and Concecol, was awarded 1 toll road (letter N in map) that represents 266 Kms and an investment of ~ US\$ 1.1 bn.
- ✓ **Third phase;** Will be promoted in 3Q15 and is expect to be awarded in 2Q16.

Private – Public Partnerships

- ✓ 8 PPP have already been approved involving ~ US\$ 8.5bn and comprised by 405,3 Kms of new roads, 1.454,1 Kms of rehabilitation and 14 Kms of operation & maintenance.
- ✓ Corficolombiana was awarded a PPP it presented to build an additional lane in a sector of Chirajara – Fundadores with an estimated investment of US\$0.8 bn, and operate the whole Bogotá – Villavicencio concession.

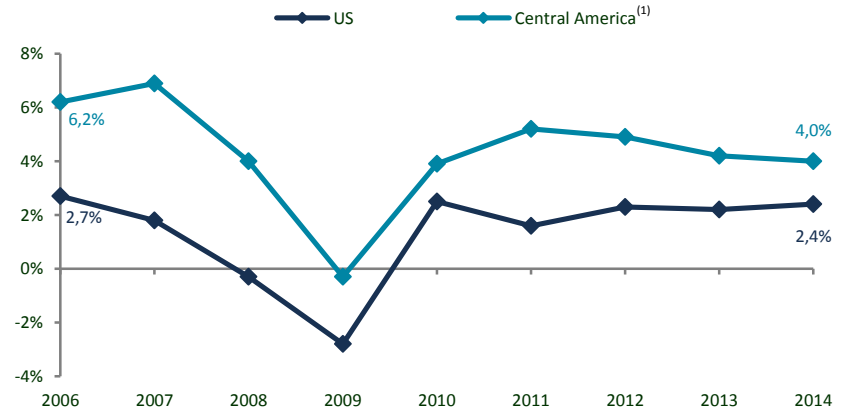
Central American countries have a robust growth outlook, set to benefit from positive momentum in the US economic recovery

Promising growth outlook – Real GDP CAGR '14-'17E



Source: IMF; ⁽¹⁾ Aggregate growth of all the Central American countries

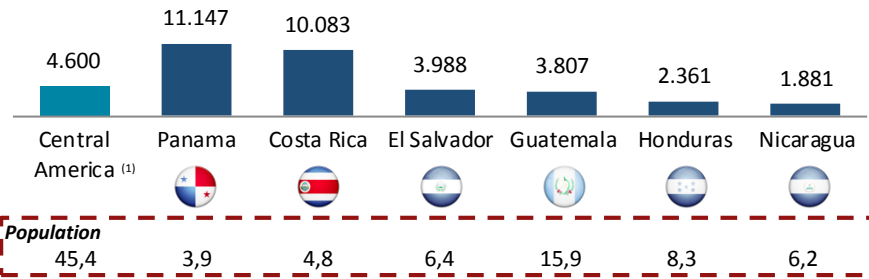
Economies linked to the US – Real GDP growth evolution



Source: IMF; ⁽¹⁾ Average growth of all the Central American countries

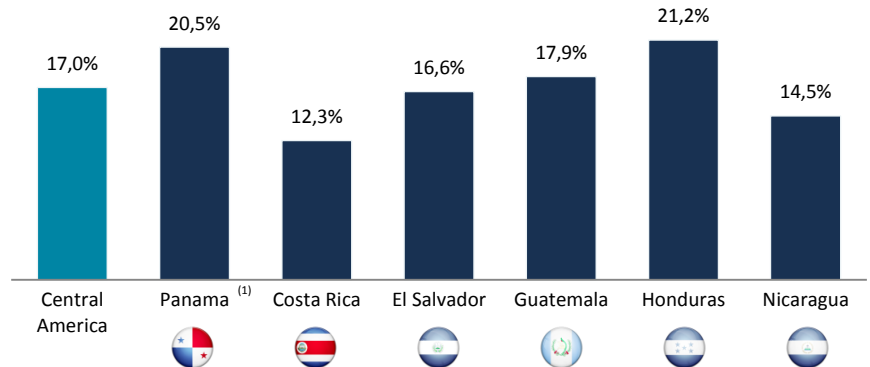
Ample room for economic development – GDP per capita

US\$ as of 2014



Source: IMF; ⁽¹⁾ Aggregate GDP of the above Central American countries divided by the sum of their populations

Oil & Gas imports / Total imports as of 2014



Source: SECMCA, Central Banks; (1) Corresponds to 2013 since numbers for 2014 are not available.

Agenda

1

Macroeconomic environment

2

Snapshot of Grupo Aval

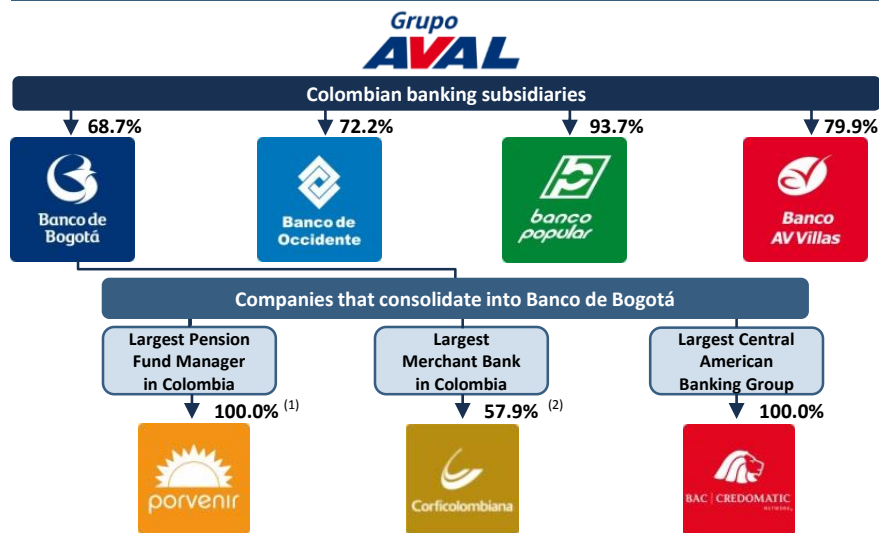
3

Transition to IFRS: 1Q15 results reconciliation



Grupo Aval is the leading banking group in Colombia and Central America

Organizational Structure as of March 31, 2015



Highlights

- Largest banking group in Colombia, with over US\$73bn in total assets and US\$141bn⁽³⁾ in AUM as of March 31, 2015
- Multi-brand banking model allows for maximum penetration and profitability
- Merchant banking and pension fund businesses further leverage Colombia's macroeconomic growth
- Expansion into Central America has created the only regionally integrated banking player and largest by consolidated assets
- 13.1 million banking clients (9.9 million in Colombia and 3.2 million in Central America) as of March 31, 2015
- Wide banking network with 1,420 branches and 3,764 ATMs in Colombia, as well as 358 full-service branches and 1,703 ATMs in Central America as of March 31, 2015



Grupo Aval's diversified Business Platform

- 
 - Full-service bank with nationwide coverage
 - Focus on commercial lending (19% market share)⁽⁴⁾
- 
 - Focus on enterprise customers and affluent segments
 - Leading presence in the southwest region of Colombia and in niche products such as auto loans and leasing
- 
 - Market leader in payroll loans
 - Leading provider of financial solutions to government entities throughout Colombia
- 
 - Consumer-focused bank
 - Targets mid-income segments of the population
- 
 - Leading Central American bank
 - Full-service financial institution with the leading credit card issuance and merchant-acquiring franchises in the region
- 
 - Leading merchant bank in Colombia
 - Actively managed equity portfolio through controlling and non-controlling investments
- 
 - Leading private pension and severance fund manager in Colombia
- 
 - Defines guiding principles and strategy that create value for its subsidiaries and shareholders through multi-brand management, capital adequacy analysis, M&A execution, budget and control, risk management, shared services and compliance

Source: Company filings. All figures were converted with the representative exchange rate of Ps 2,598.68 as of June 30, 2015, to maintain comparability. ⁽¹⁾Includes direct and indirect ownership through Banco de Bogotá 46.9%, Banco de Occidente 33.1% and Grupo Aval 20.0%. ⁽²⁾Includes direct and indirect ownership through Banco de Bogotá 38.2%, Grupo Aval 9.3%, Banco Popular 5.7% and Banco de Occidente 4.6%. ⁽³⁾Includes owned and third party assets. ⁽⁴⁾Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance.

Successful multi-brand and diversified business model

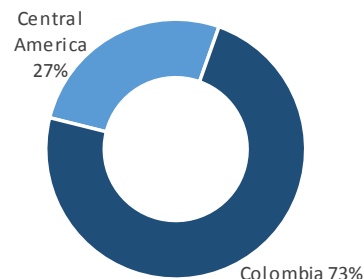
Key figures (As of March 31, 2015)

Key Figures (US\$ mm)					 Consolidated
	(1)	(1)	(1)	(1)	
Net loans	28.591	7.999	4.942	2.753	44.247
Assets	49.551	12.852	6.885	4.222	72.939
Deposits	30.961	9.111	4.627	3.218	47.000
Total equity ⁽²⁾	6.134	1.514	1.006	486	8.481
Attributable equity	4.654	1.509	981	484	5.666
Net income ⁽³⁾	188	54	36	17	194
ROAA ⁽⁴⁾	2,0%	1,7%	2,1%	1,7%	1,6%
ROAE ⁽⁴⁾	16,1%	14,1%	14,5%	14,3%	13,5%

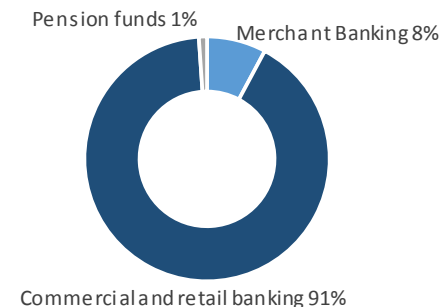
Business Composition

By Assets – March 31, 2015

Geographic

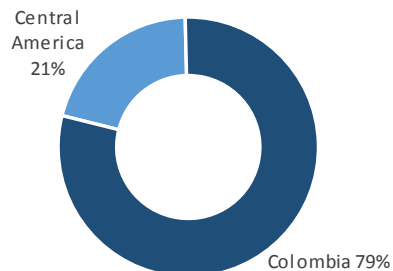


Business

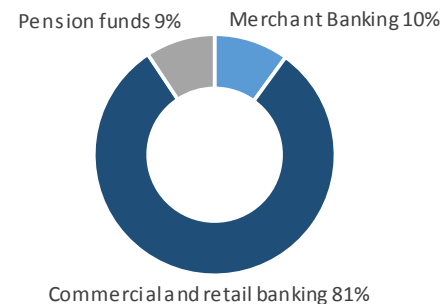


By Net Income – March 31, 2015

Geographic



Business

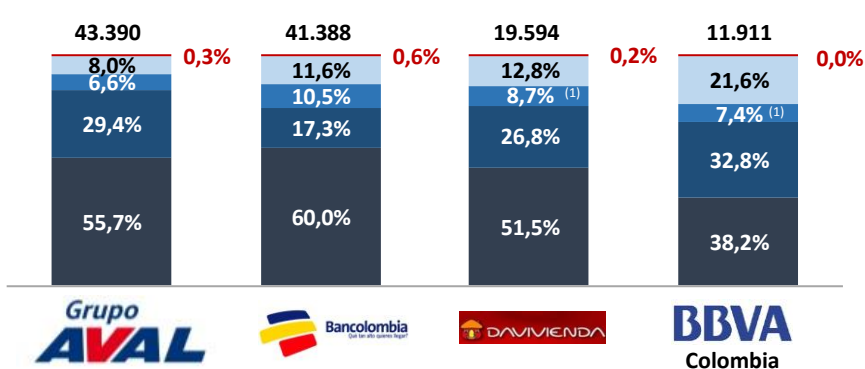


Source: Company filings (1) Companies that consolidate into Banco de Bogotá; (2) Includes attributable equity and minority interest; (3) Net income for the 3 month period ended March 31, 2015; (4) ROAA is calculated as income before non-controlling interest divided by average assets (total assets at the end of the period plus total assets at the end of the prior period, divided by two); ROAE is calculated as net income divided by average shareholders' equity (shareholders' equity at the end of the period plus shareholders' equity at the end of the prior period, divided by two); Net income, ROAE and ROAA for Banco de Occidente were adjusted to exclude a non-recurring effect of US\$16.5 million explained by the impact of the reclassification of Banco de Occidente's investment in Corficolombiana from its available for sale portfolio to its trading portfolio in December 2014, which is not reflected in consolidated results within Grupo Aval S.A. Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance of Ps 2,598.68 as of June 30, 2015.

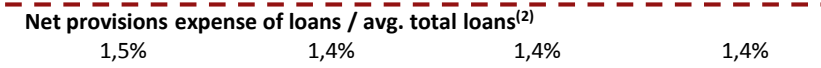
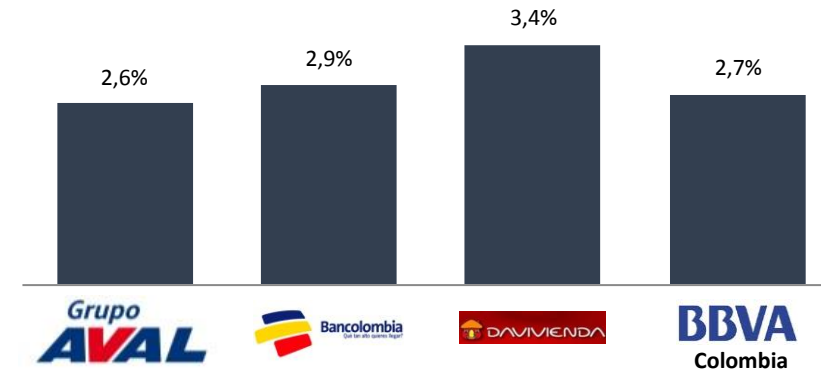
Healthy funding and lending composition with a conservative approach to risk management

Portfolio composition (US\$mm) – December 31, 2014

■ Commercial ■ Consumer ■ Financial leases ■ Mortgages ■ Microcredit

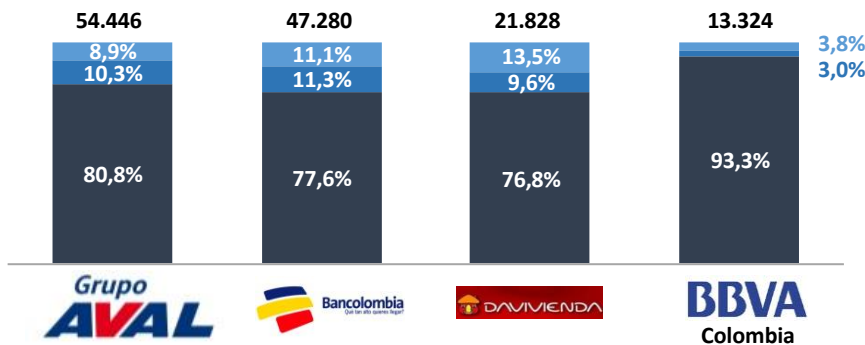


Loan portfolio quality (PDLs 30+) – December 31, 2014



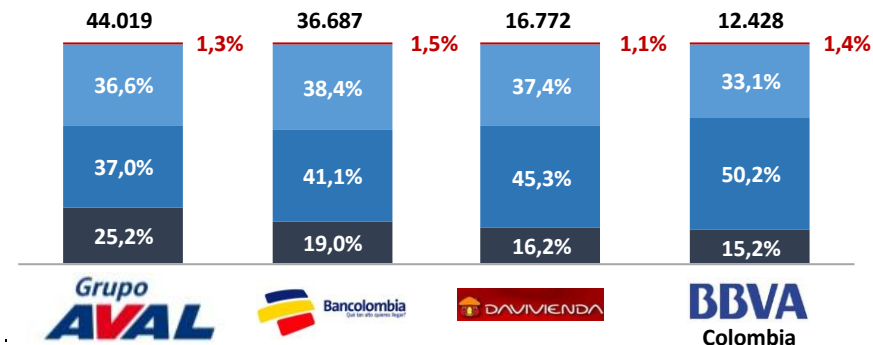
Funding composition (US\$mm) – December 31, 2014

■ Deposits ■ Borrowings from banks ■ Bonds / long term debt



Deposit composition (US\$mm) – December 31, 2014

■ Checking accounts ■ Savings deposits ■ Time deposits ■ Other

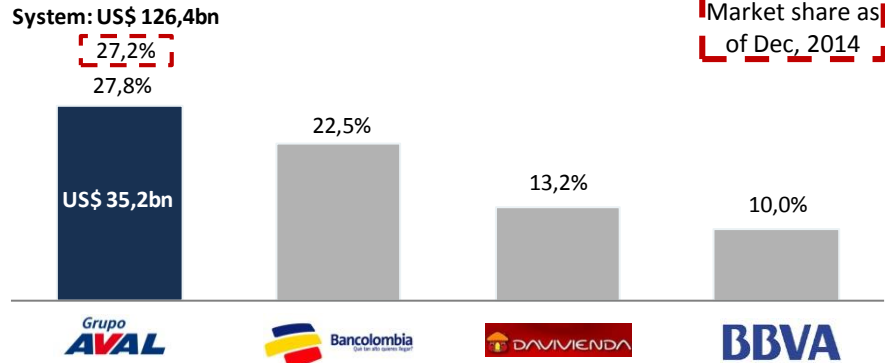


Source: Consolidated figures based on company filings as of December 31, 2014. Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance of Ps 2,598.68 as of June 30, 2015. ⁽¹⁾ For Davivienda only housing leases and for BBVA including housing leases; ⁽²⁾ Calculated as net provisions expense of loans divided by average loans (total loans at the end of the period plus total loans at the end of the prior period, divided by two). Comparative figures of consolidated financial statements presented herein are as of December 2014 since that date is the last available that is fully comparable under Banking GAAP.

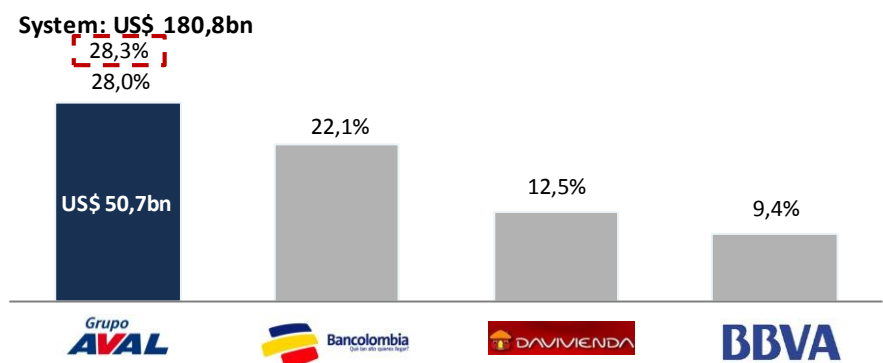
Dominant player in a competitive Colombian market

Combined Unconsolidated Market Shares of our Colombian Banks as of June 30, 2015

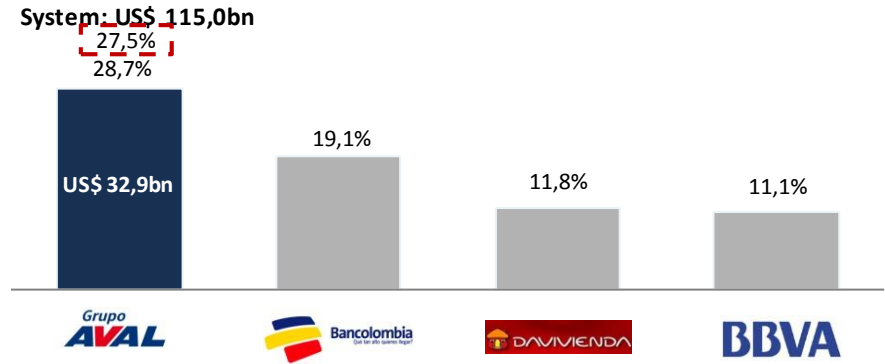
Gross loans



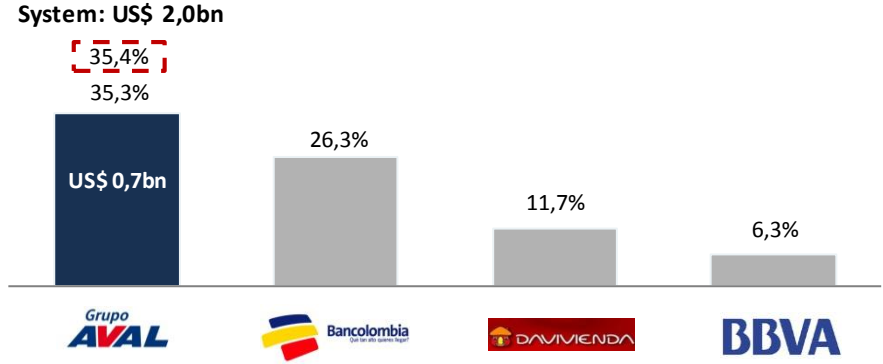
Total assets



Deposits



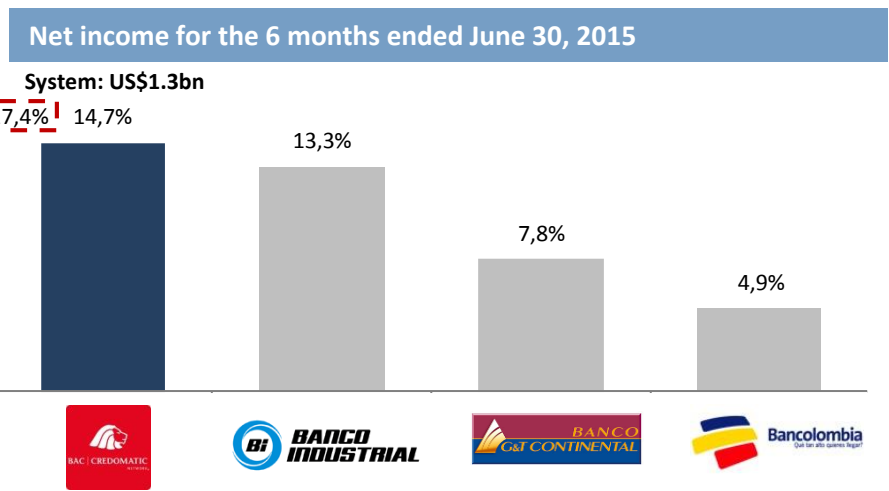
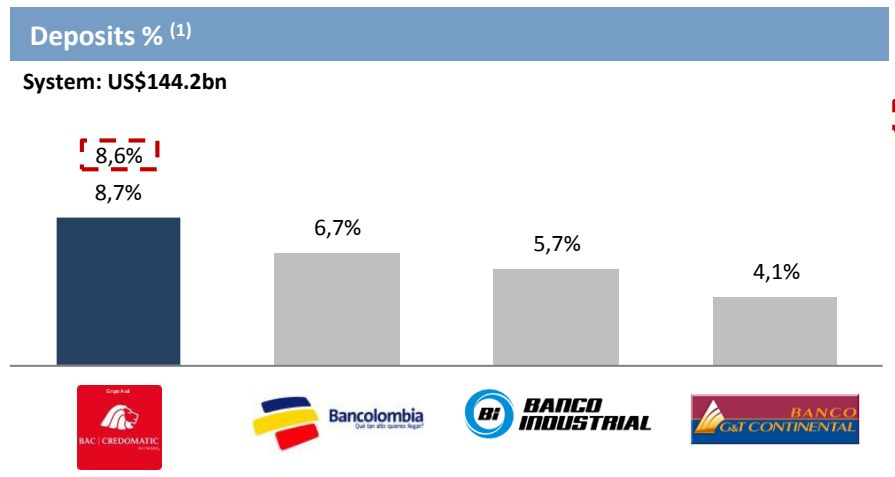
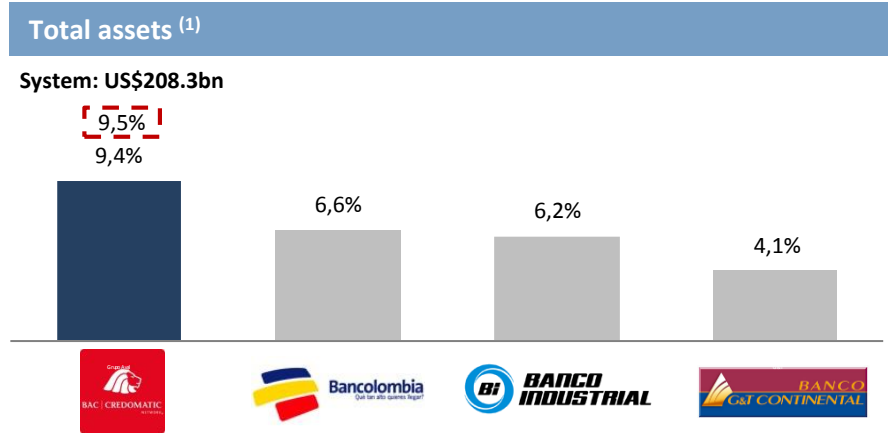
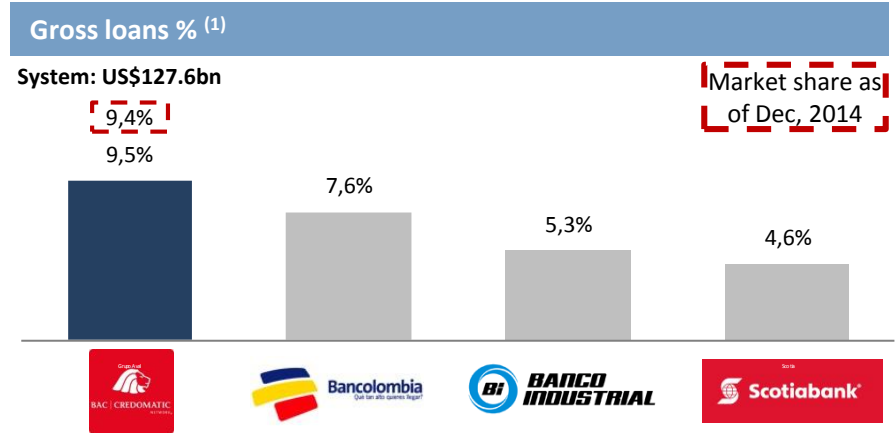
Net income for the 6 months ended June 30, 2015



Source: Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance and published monthly; as of June 30, 2015. System: Sum of total banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas. Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance of Ps 2,598.68 as of June 30, 2015.

Leading Central American banking group with integrated regional presence

Central America market share as of June 30, 2015

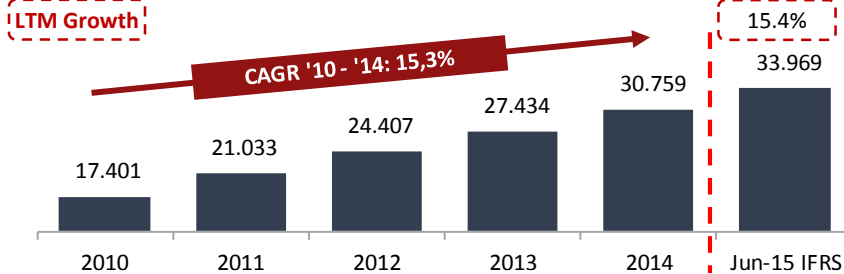


Source: Company filings. Calculated based on publicly disclosed data aggregated from the local superintendencies of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua and Panama (except in the Net Income chart where Panamá is excluded). ⁽¹⁾ Market share is determined based on the sum of each bank's operations in the aforementioned countries. Bancolombia includes Banistmo (Panama), Bancolombia (Panama) and Banco Agrícola (Salvador)

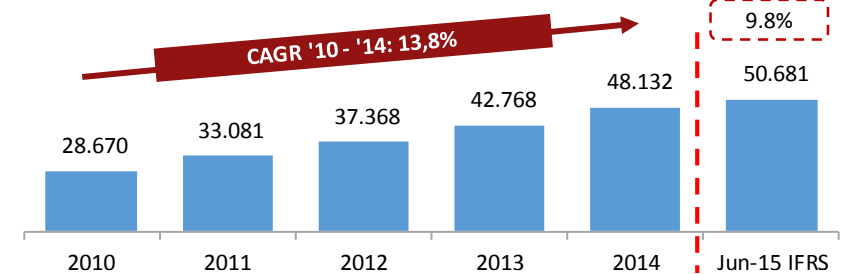
Strong track record of growth in Colombia

Combined Unconsolidated Results of our Colombian Banks as of June 30, 2015 (US\$mm) ⁽¹⁾

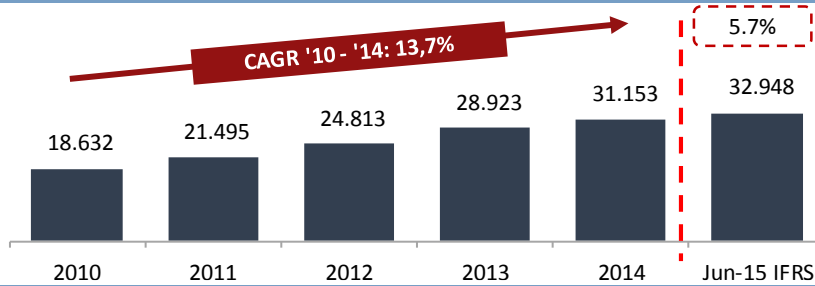
Net loans and financial leases



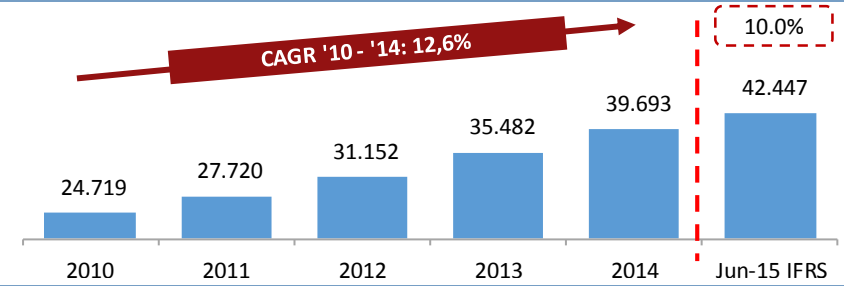
Assets



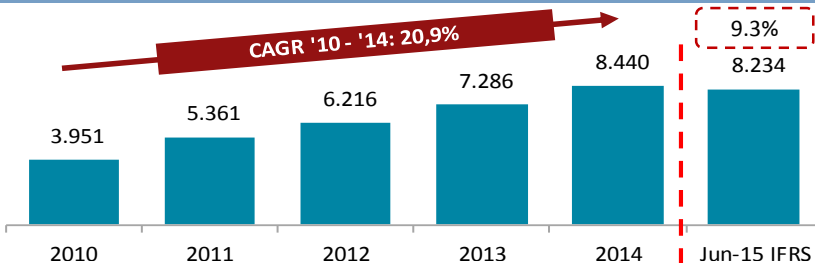
Deposits



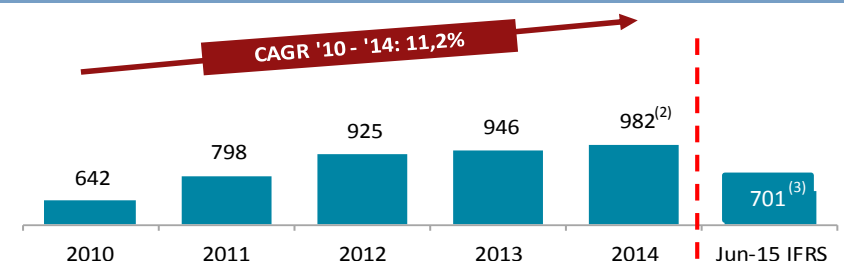
Liabilities



Shareholder's Equity



Net income

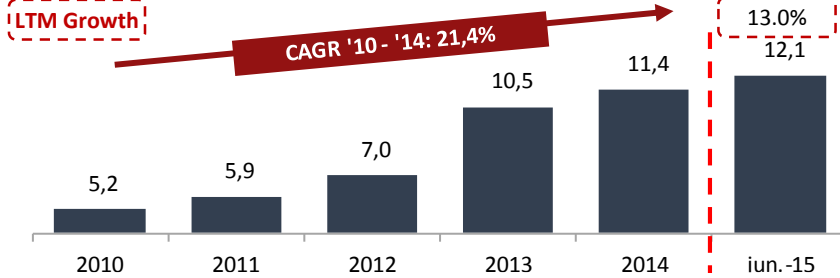


Source: Company filings. ⁽¹⁾ Combined results reflect the sum of the unconsolidated results of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas and are not intended to reflect the consolidated results for Grupo Aval. All figures were converted with the representative market rate as computed and certified by the Superintendency of Finance of Ps 2,598.68 as of June 30, 2015, to maintain comparability. ⁽²⁾ Does not include non-recurring effect of US\$305 million driven by the reclassification of Banco de Occidente's investment in Corficolombiana from its available for sale portfolio to its trading portfolio, and by the sale of part of these shares to Grupo Aval S.A. including this effect, CAGR for Net Income would have been 18.4%. ⁽³⁾ Combined unconsolidated net income of our four Colombian banks for the 6 months ended in June 30, 2015 excludes a non-recurring effect of US\$8.3 million in Banco de Occidente explained by the impact of the aforementioned reclassification.

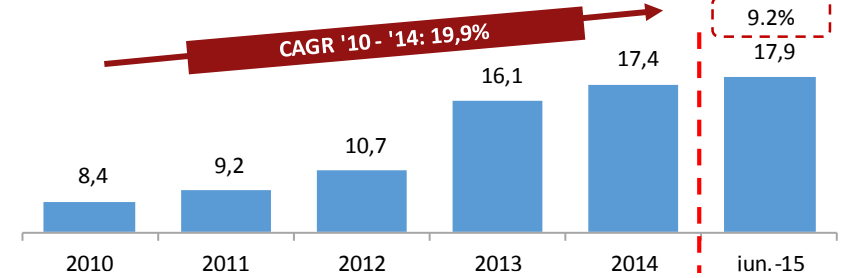
... and strong track record of growth in Central America

BAC Credomatic as of June 30, 2015 (US\$Bn) - USGAAP

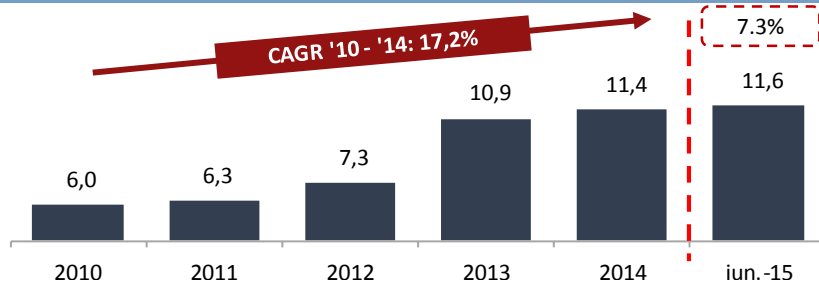
Net loans and financial leases



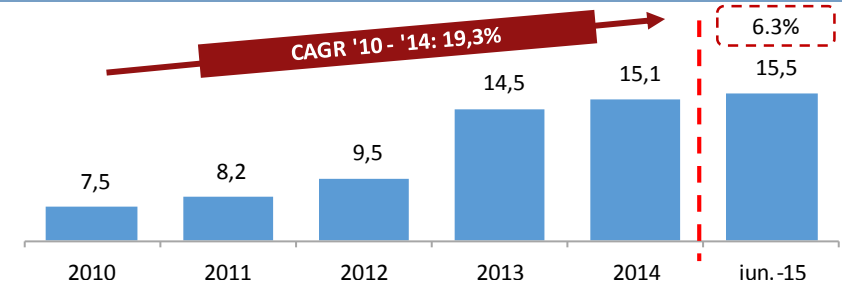
Assets



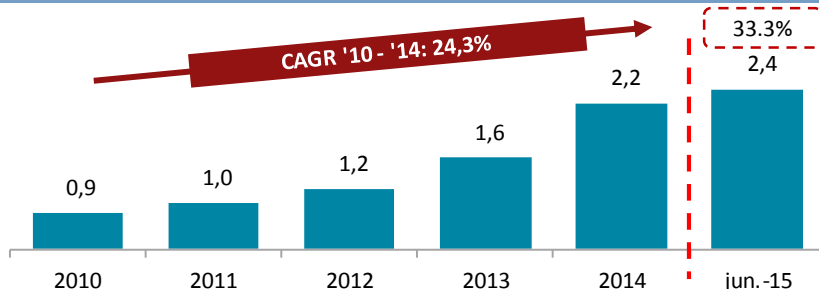
Deposits



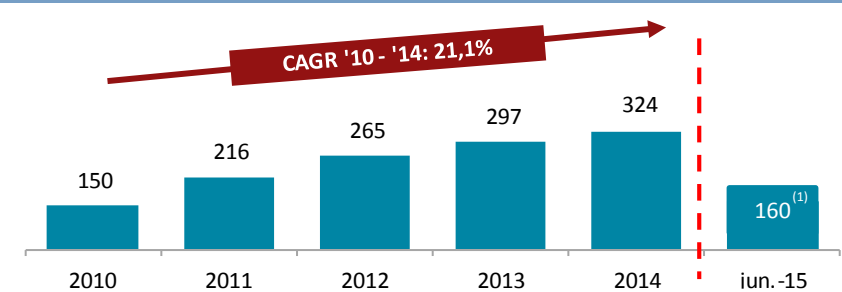
Liabilities



Shareholder's Equity



Net income (US\$mm)



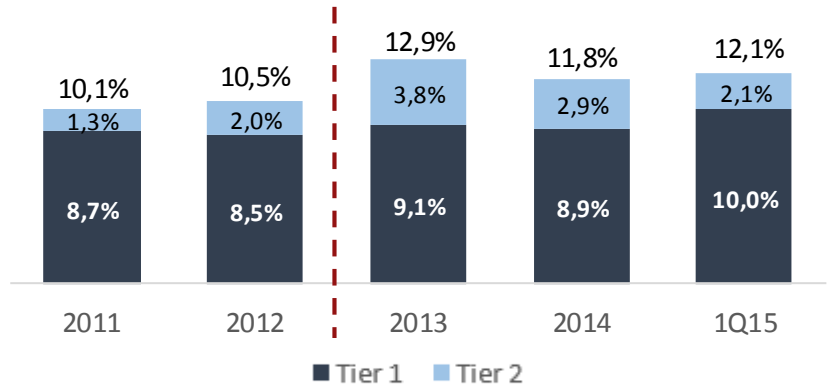
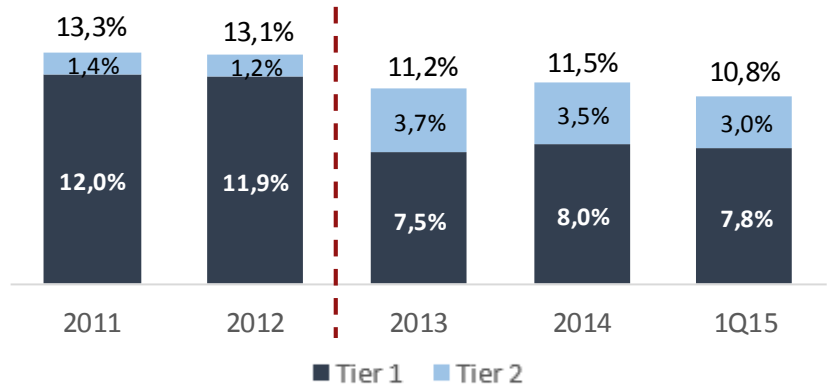
Source: Company filings. Unaudited figures. ⁽¹⁾ Net income for the 6 months ended in June 30, 2015.

Strong capital composition and capitalization ratios of our banks

Consolidated Solvency ratios of our Banks

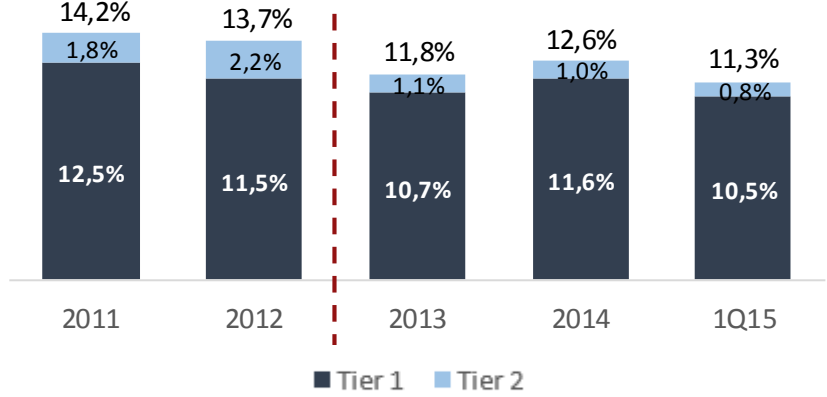
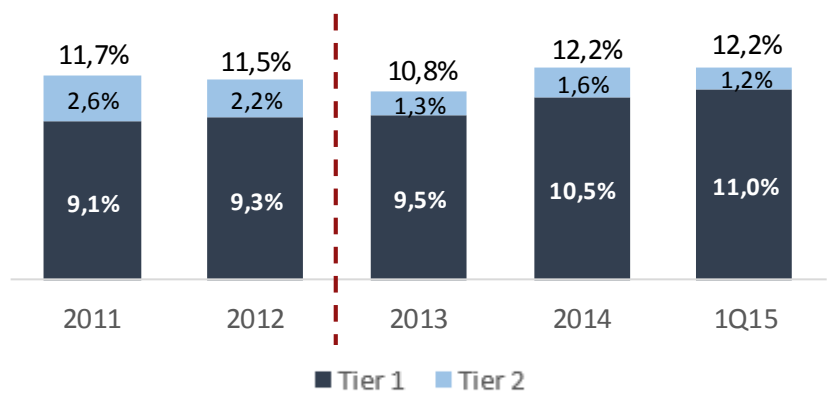
Banco de Bogotá

Banco de Occidente



Banco Popular

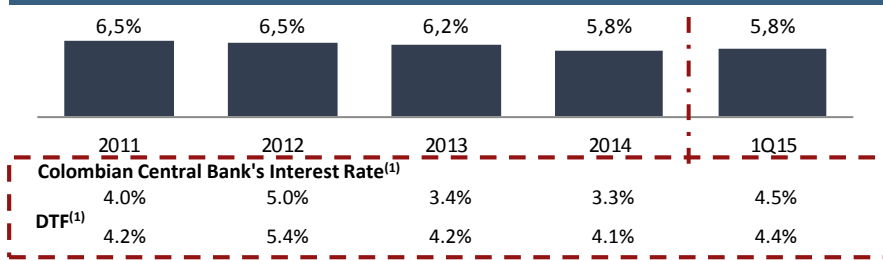
Banco AV Villas



Source: Company filings. As of 2013 new regulation on solvency came into effect in Colombia. Figures prior to 1Q15 are under Colombian Banking GAAP and 1Q15 is under IFRS.

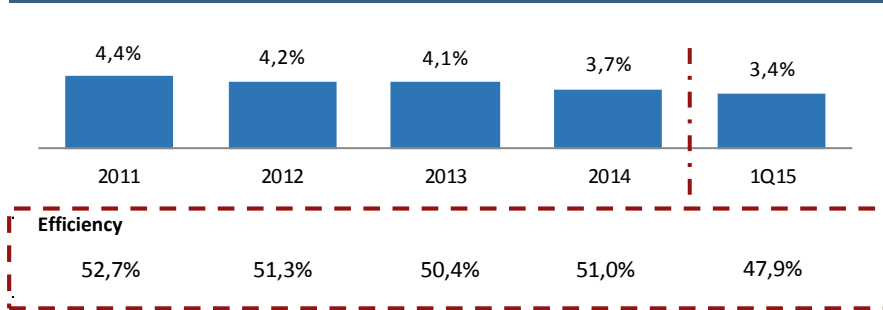
Recent profitability metrics of our consolidated results

NIM – Grupo Aval



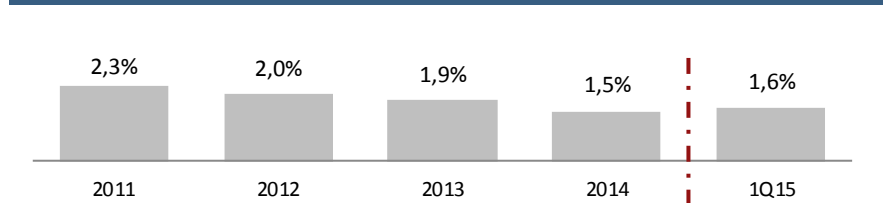
NIM calculated as Net Interest Income divided by total average interest earning assets. ⁽¹⁾ Average of period

OPEX ex D&A / average total assets and efficiency – Grupo Aval



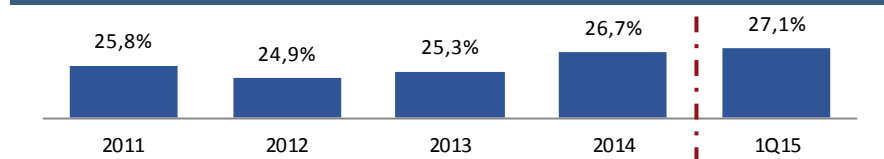
Calculated as operating expenses before depreciation and amortization divided by average total assets

ROAA – Grupo Aval



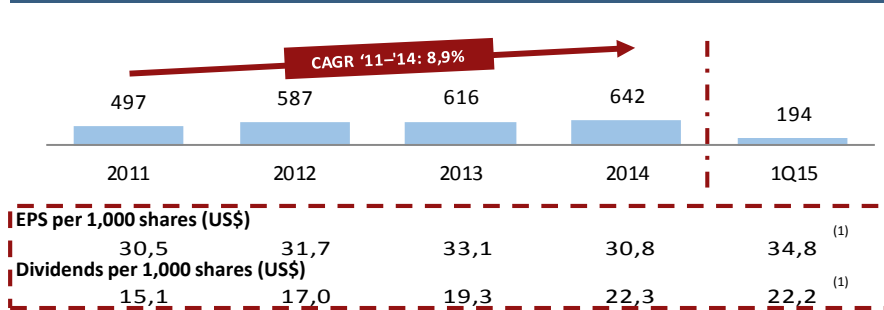
Calculated as income before non-controlling interest divided by average assets (total assets at the end of the period plus total assets at the end of the prior period, divided by two).

Fee income ratio – Grupo Aval



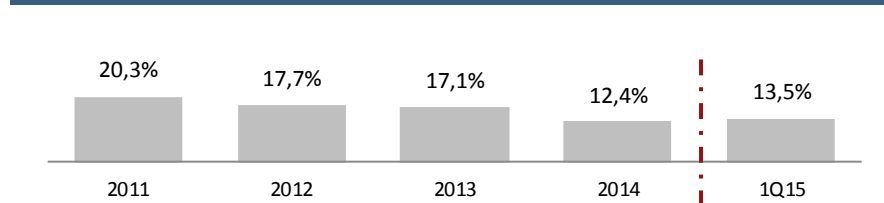
Calculated as net fee income divided by total operating income before net provisions

Net income (US\$mm, unless noted) – Grupo Aval



EPS and dividend per share calculated as net income and declared dividend divided by total number of average outstanding shares for the period. All figures were converted with the representative market rate as computed and certified by the Superintendency of Finance of Ps 2,598.68 as of June 30, 2015, to maintain comparability. ⁽¹⁾ Annualized figure

ROAE – Grupo Aval



Calculated as net income divided by average shareholders' equity (shareholders' equity at the end of the period plus shareholders' equity at the end of the prior period, divided by two). 2013 ROAE adjusted to exclude the Ps 2.1tn (US\$1,097mm) raised through the issuance of 1,626,520,862 shares at December 31, 2013 in connection with the Common Share Rights Offering, since the capitalization process took place at the end of the year and had no material impact on Grupo Aval's income statement. If the Common Share Rights Offering were not excluded, ROAE for Grupo Aval for 2013 would have been 15.4%.

Agenda

1

Macroeconomic environment

2

Snapshot of Grupo Aval

3

Transition to IFRS: 1Q15 results reconciliation



Banking GAAP vs IFRS – Balance Sheet

Figures in Ps. Billions

	Banking GAAP	IFRS(1)	Change	
	1Q15	1Q15	\$	%
Balance Sheet				
Cash and cash equivalents	21,510.8	21,991.2	480.4	2.2%
Investment Securities, net	31,268.5	30,705.3	(563.1)	-1.8%
Loans and financial leases, net	114,982.7	116,822.5	1,839.8	1.6%
Goodwill, net	5,887.3	6,107.8	220.5	3.7%
Other assets, net	12,040.6	17,628.6	5,588.0	46.4%
Reappraisal of assets	3,854.0	-	(3,854.0)	-100.0%
Total Assets	189,543.8	193,255.4	3,711.5	2.0%
Total Deposits	122,138.4	122,590.5	452.1	0.4%
Other Funding	35,544.7	38,144.1	2,599.3	7.3%
Derivatives	1,633.2	1,650.2	17.0	1.0%
Other liabilities	8,186.9	9,315.2	1,128.3	13.8%
Total Liabilities excl. Minority Interest	167,503.3	171,700.0	4,196.7	2.5%
Minority Interest	7,315.5	7,422.0	106.5	1.5%
Shareholders' Equity	14,725.0	14,133.4	(591.6)	-4.0%
Total Liabilities, shareholders' equity and minority interest	189,543.8	193,255.4	3,711.5	2.0%

⁽¹⁾ Preliminary information

Banking GAAP vs IFRS – Income Statement

Figures in Ps. Billions

Income Statement	Banking GAAP	IFRS(1)	Change	
	1Q15	1Q15	\$	%
Total Interest Income	3,352.3	3,332.4	(19.9)	-0.6%
Interest expense	(1,234.8)	(1,291.1)	(56.3)	4.6%
Net Interest Income	2,117.6	2,041.3	(76.2)	-3.6%
Total provisions, net	(434.3)	(398.7)	35.6	-8.2%
Fees and other services income, net	881.6	885.3	3.7	0.4%
Other operating income	258.5	235.0	(23.5)	-9.1%
Operating expenses	(1,709.1)	(1,626.2)	82.9	-4.8%
Non-operating income/(expense), net	88.1	187.6	99.5	113.0%
Income before income tax expense and non- controlling interest	1,202.3	1,324.3	122.0	10.1%
Income tax expense	(448.1)	(492.5)	(44.3)	9.9%
Net Income before Minority interest	754.2	831.8	77.6	10.3%
Income attributable to Minority Interest	(251.0)	(278.2)	(27.2)	10.8%
Net Income attributable to Grupo Aval shareholders before wealth tax	503.2	553.7	50.5	10.0%
Wealth tax attributable to Grupo Aval shareholders(2)	-	(208.7)	(208.7)	0.0%
Net Income attributable to Grupo Aval shareholders after wealth tax	503.2	344.9	(158.2)	-31.4%

(1) Preliminary information

(2) Wealth tax paid by Grupo Aval and its subsidiaries totaled Ps. 303.2 billion