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Investor Presentation



Fifth Annual Latin America
Financials Conference

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This presentation may contain certain forward-looking statements and information relating to Grupo Aval that reflects the current views and/or expectations of Grupo Aval and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect” or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. Estimates and forward-looking statements are mainly based on our current expectations and estimates on projections of future events and trends, which affect or may affect our businesses and results of operations. Factors that may cause actual results to differ materially from those expressed in the forward-looking statements in this presentation include, among others: changes in Colombian, Central American, regional and international business and economic, political or other conditions; developments affecting Colombian and international capital and financial markets; government regulation and tax matters and developments affecting our company and industry; increases in defaults by our customers; increases in goodwill impairment losses; decreases in deposits, customer loss or revenue loss; increases in provisions for contingent liabilities; our ability to sustain or improve our financial performance; increases in inflation rates; changes in interest rates which may, among other effects, adversely affect margins and the valuation of our treasury portfolio; decreases in the spread between investment yields and implied interest rates in annuities; movements in exchange rates; competition in the banking and financial services, credit card services, insurance, asset management, pension fund administration and related industries; adequacy of risk management procedures and credit, market and other risks of lending and investment activities; decreases in our level of capitalization; changes in market values of Colombian and Central American securities, particularly Colombian government securities; adverse legal or regulatory disputes or proceedings; internal security issues affecting countries where we will operate and natural disasters; loss of key members of our senior management; and other factors that may affect our financial condition, liquidity and results of operations.

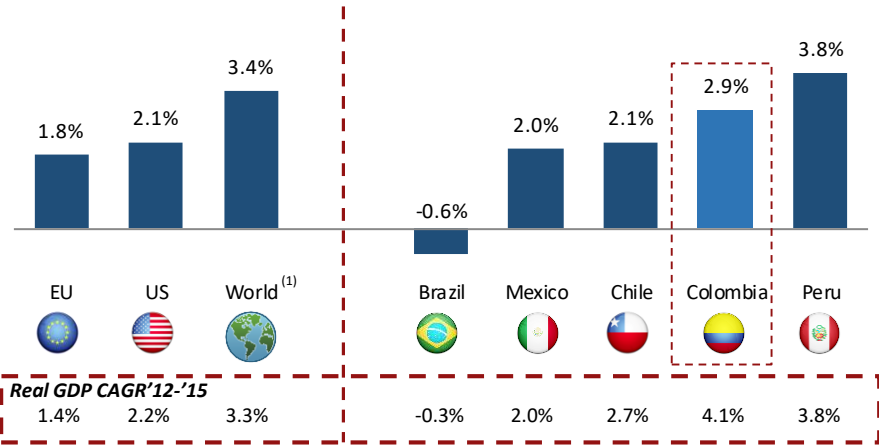
Any forward-looking statement contained in this presentation reflects the current views of Grupo Aval with respect to future events, and it assumes no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons why actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future, except as otherwise required by applicable law. The market and competitive position data, including market forecasts and statistical data, used throughout this presentation was obtained from internal surveys, market research, independent consultant reports, publicly available information, governmental agencies and industry publications. Although we have no reason to believe that any of this information or these reports are inaccurate in any material respect, we have not independently verified such data. Grupo Aval and its shareholders do not make any representation as to the accuracy of such information.

Balance sheet and statement of income data included in this presentation for the year ended December 31, 2013 and previous years, reflects unconsolidated or consolidated information under Colombian Banking GAAP or U.S. GAAP, as applicable. Consolidated Financial information of Grupo Aval for the years 2016, 2015 and 2014 has been prepared under IFRS as issued by IASB. Unconsolidated information of our subsidiaries, combined information of Grupo Aval and comparative disclosures of our financial and operating performance for the years 2016, 2015 and 2014 against that of our competitors in Colombia has been prepared under IFRS as applicable under Colombian regulations reported to the Superintendency of Finance. Comparative disclosures of our financial and operating performance against that of our competitors in Central America are based on public information available in each of the countries’ financial superintendency.

Because of our recent migration to IFRS and recent implementation of IFRS accounting principles, the unaudited consolidated financial information for the 2016, and the comparative information for the relevant consolidated periods of 2015 presented herein, may be subject to further amendments. Our banking subsidiaries report unconsolidated financial data to the Superintendency of Finance; however, Grupo Aval, as a holding company, is not required to report such unconsolidated data. Unless otherwise indicated or the context otherwise requires, market share and other data comparing our performance and that of our competitors reflects the unconsolidated results of our banking subsidiaries, Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. (“Porvenir”) and Corporación Financiera Colombiana S.A. (“Corficolombiana”). Aggregate or Combined data throughout this document pertaining to Grupo Aval reflects the summation of unconsolidated results of our banking subsidiaries. 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. Unless otherwise indicated, certain Colombian peso amounts are translated into U.S. dollars at the representative market rates as computed and certified by the Superintendency of Finance of Ps 3,000.71 as of December 31, 2016.

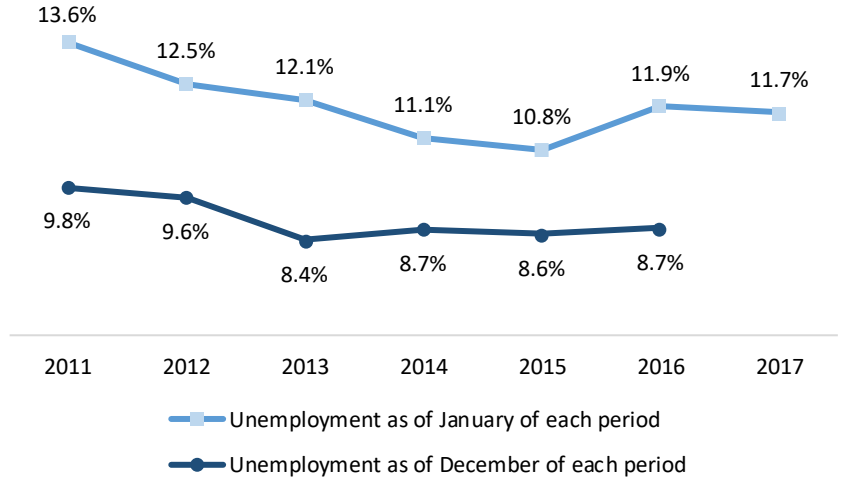
The Colombian economy's fundamentals are trending in the right direction (1/2)

Expected Real GDP Growth – Real GDP CAGR '15–'18E



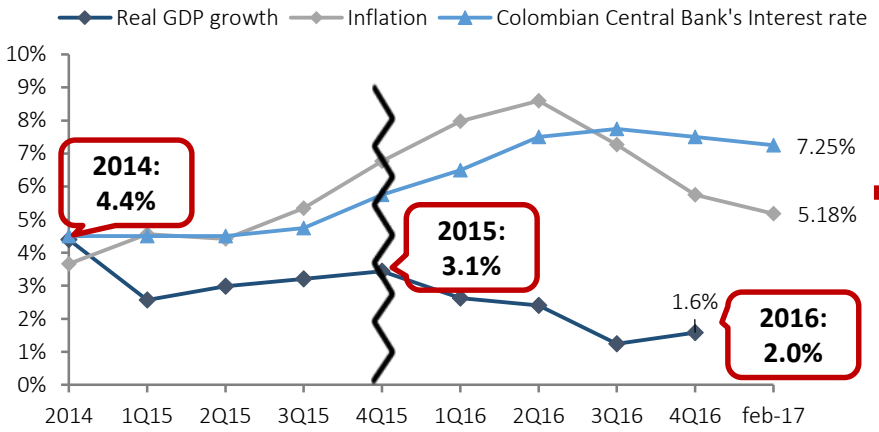
Source: IMF's WEO as of October 2016 and available information on July's update
 (1) Includes the 189 countries which report to the IMF

Unemployment



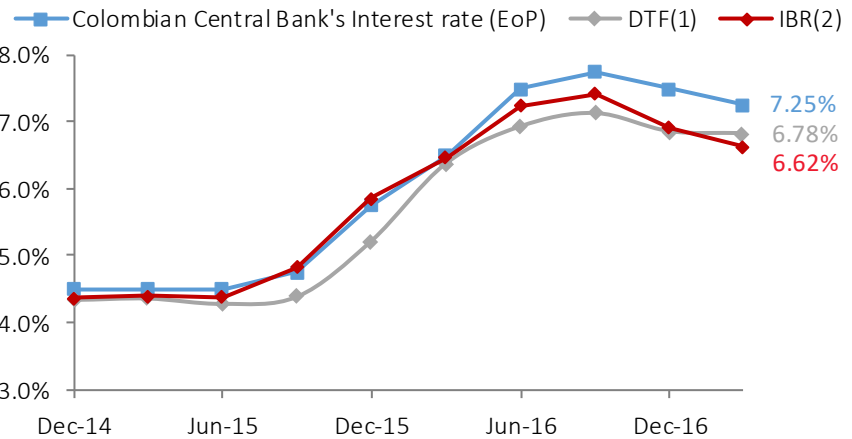
Source: DANE, and Banco de la República de Colombia

Strict Monetary Policy



Source: Banco de la República de Colombia, and DANE.

Central Bank, DTF and IBR Rates

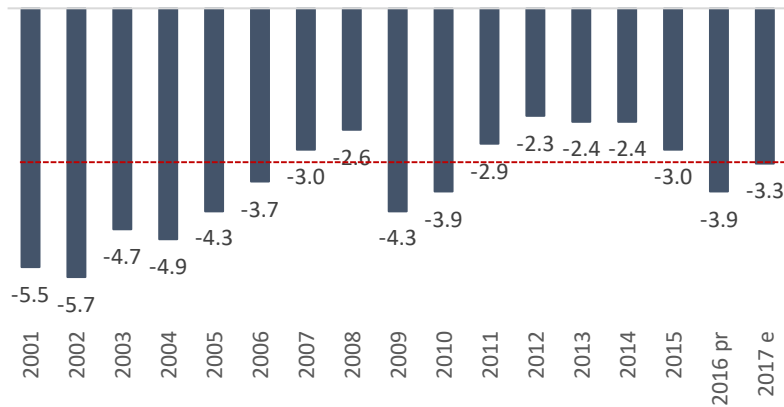


Source: Banco de la República de Colombia. As of February 2017.
 Note: The DTF rate is a benchmark interest rate that represents the financial system's average rate for 90-day term deposits; ⁽¹⁾ End of period DTF rate; ⁽²⁾ End of period 3-month interbank (IBR) rate



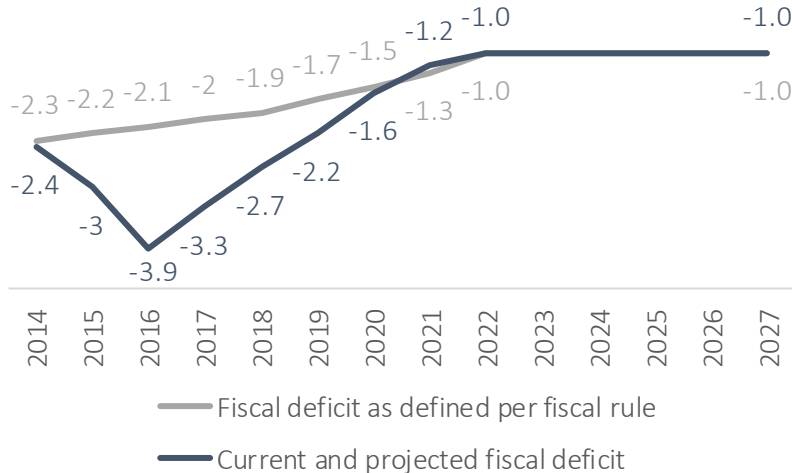
The Colombian economy's fundamentals are trending in the right direction (2/2)

Colombian Government Fiscal Deficit (% of GDP)



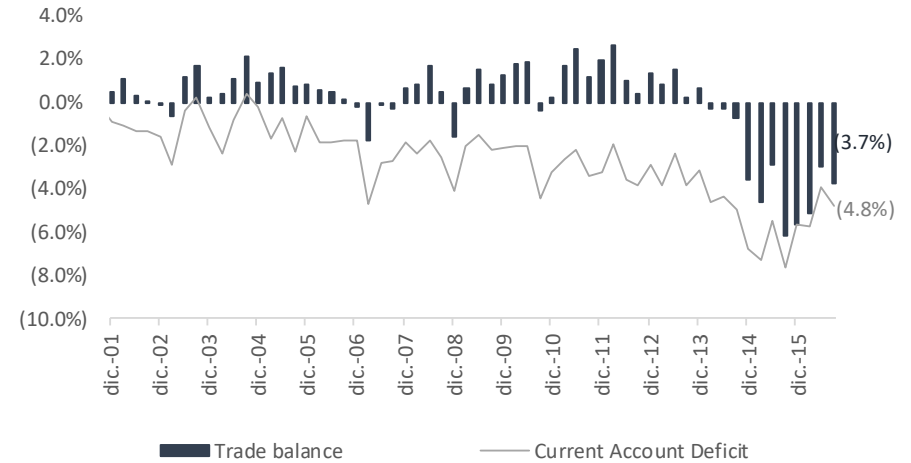
Source: Ministry of Finance. Projections according to 2016 mid-term fiscal framework.

Current and Projected Fiscal Deficit vs. Fiscal Rule (% of GDP)



Source: Ministry of Finance. Projections according to 2016 mid-term fiscal framework.

Current Account (% GDP, quarterly not seasonally adjusted)



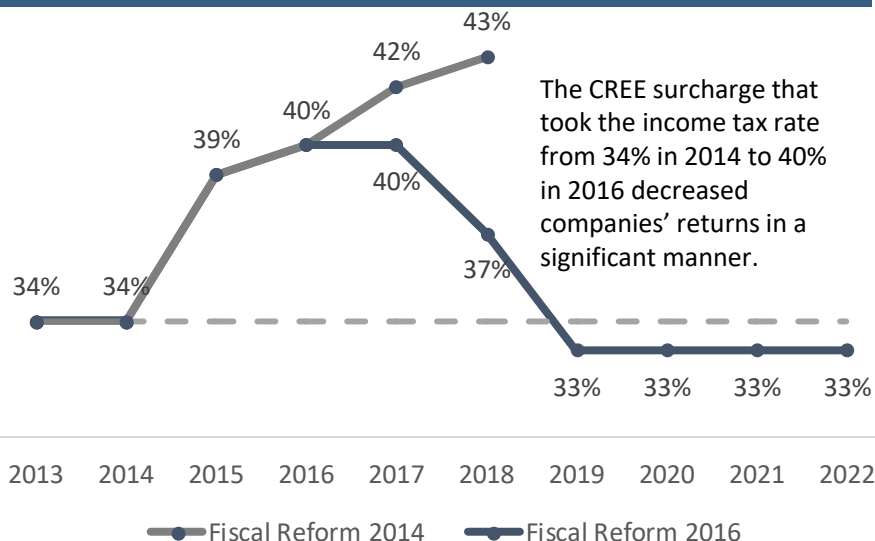
	2014	2015	2016 pr	2017 e
Annual current account deficit	(5.2%)	(6.5%)	(4.0%)	(3.5%)

Source: Grupo Aval calculations based on public information from DANE and Banco de la República de Colombia

- The Government expects that the ratio of Fiscal Deficit/ GDP will return to the levels defined by the Fiscal Rule by 2021.
- Recent data confirms that the current account deficit has passed its worst levels as the trade balance deficit has started to ease driven by a decline in imported goods.

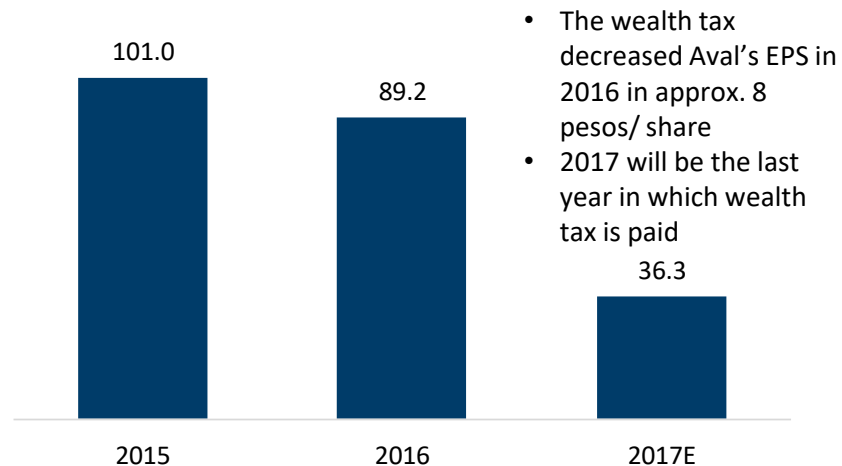
Tax Reform – Main aspects of the approved Fiscal Reform (1/2)

1. Decline in corporate income tax to 33% from current 40%



2. Elimination of the Wealth Tax in 2018

Consolidated Wealth Tax Paid by Grupo Aval (US millions)



3. The 4x1000 tax on financial transactions will continue

- This "temporary tax" was supposed to disappear in 2018.
- Because Government has identified it as a steady source of income and one of easy collection, the Reform approved its continuance
- This tax contributes with 0.8% of GDP (approx. USD 2.3 billion/ year)

5. New simplified taxes on small businesses

- A simplified tax regime is expected to facilitate and promote the tax formalization of SMEs

4. Taxes to individuals

- Limits to deductions and exemptions to 40% of total income with a cap of approximately US\$ 53,000 per year
- Unified tax return regime to simplify the tax declaration process

6. Changes in VAT

- VAT increases from 16% to 19% taking this tax to LATAM levels
- Key exemptions: basic goods, education, medicine, public transportation, low and mid income housing
- 5% tax on new houses with values over US\$274,000 (approx.)

Tax Reform – Main aspects of the approved Fiscal Reform (2/2)

7. New taxes on consumption

- New taxes: Cigarettes, gasoline, mobile data, motorcycles, among others

9. Other matters

- Improvements in capacity and tax collection effectiveness of DIAN (local tax authority)
- Severe sanctions to tax evaders.
- The fiscal reform adjusts its principles to IFRS accounting
- Transition regime for Goodwill could generate options for fiscal optimization
- Creation of “Foreign Controlled Entities” (Entidades Controladas del Exterior)
- Possibility to fully deduct the VAT charged on capital assets

8. Taxes on dividends (ordinary and preferred shares)

- Local:
 - Companies: Not Taxed
 - Individuals: Taxed (depending on income; between 5% - 10%)
- Foreign:
 - Companies: Taxed (5%)
 - Individuals: Taxed (5%)

Taxes on dividends will be charged on net income generated in 2017 onwards.

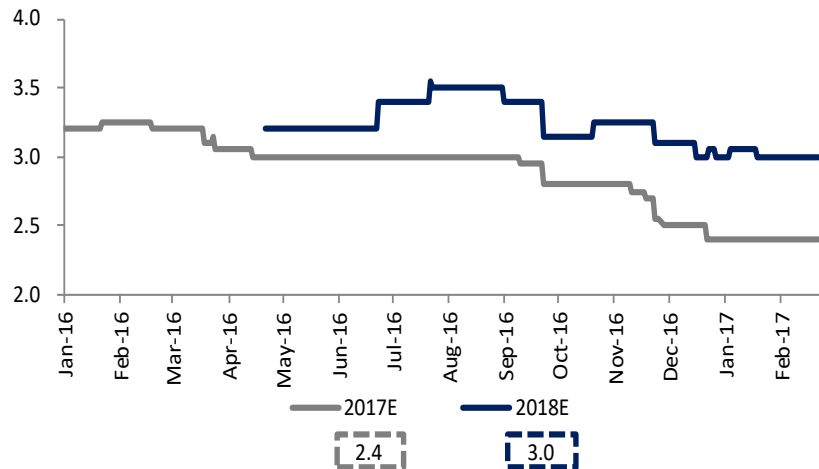
Expected additional Government Revenue from Fiscal Reform (% GDP)

	2017	2018	2019	2020	2021	2022
VAT and Consumption Tax	0.7	0.8	0.8	0.8	0.8	0.8
4x1000 Tax on Financial Transactions	-	-	0.2	0.4	0.6	0.9
Income Tax (Corporate & Individuals)	(0.1)	(0.2)	-	-	-	-
Fuel Tax	0.1	0.1	0.1	0.1	0.1	0.1
Subtotal	0.6	0.7	1.1	1.4	1.6	1.8
DIAN Optimization	-	-	0.3	0.4	0.5	0.5
Other Items	-	-	0.2	0.6	0.6	0.6
TOTAL	0.6	0.7	1.7	2.4	2.7	2.9

Source: Ministerio de Hacienda; Corficolombiana

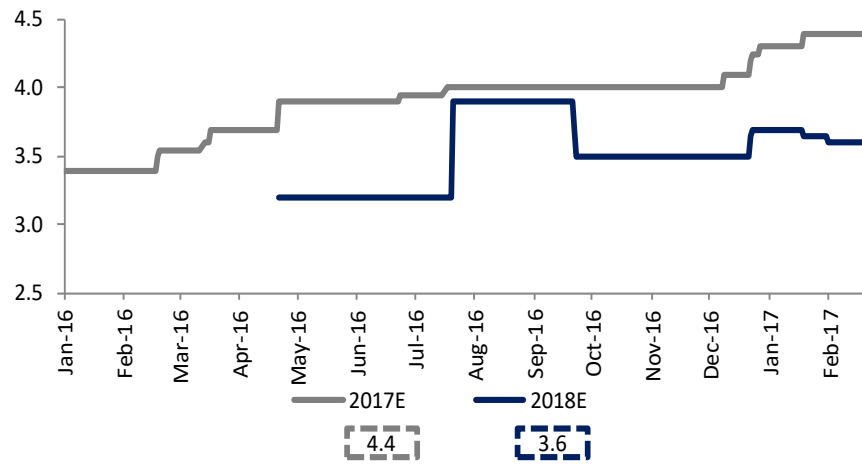
Analysts' expectations point towards a recovery in growth and inflation

Real GDP Growth (%) Forecasts



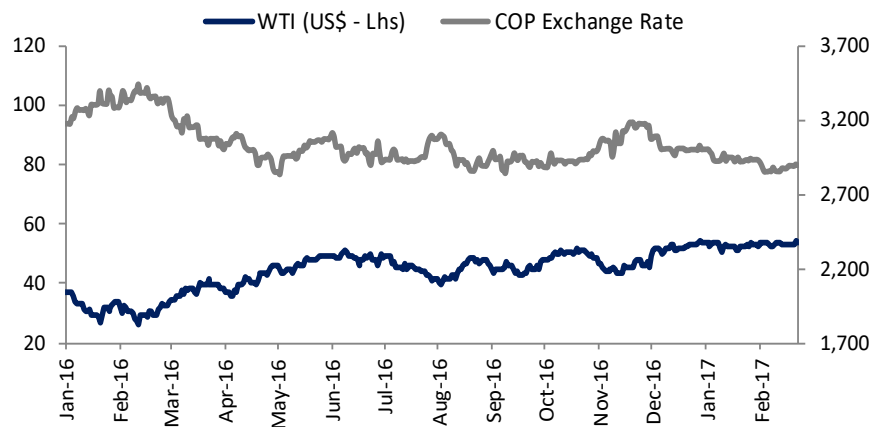
Source: Bloomberg Consensus

Inflation Expectations (%)



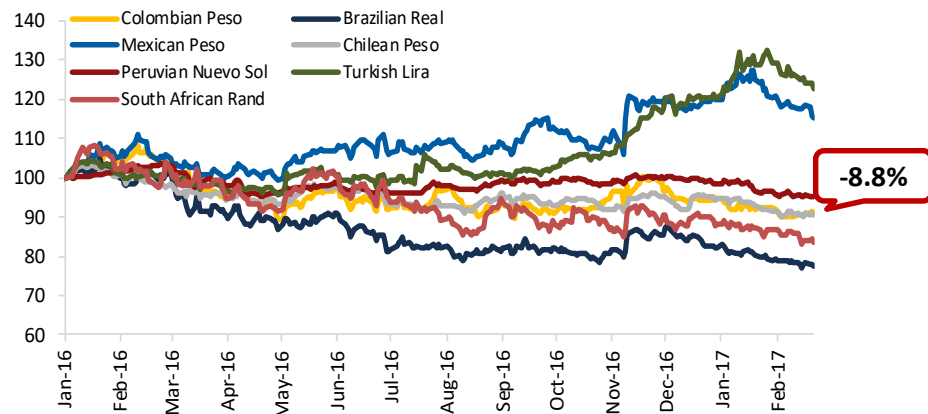
Source: Bloomberg Consensus

Colombian Peso vs WTI US\$/barrel



Source: Bloomberg

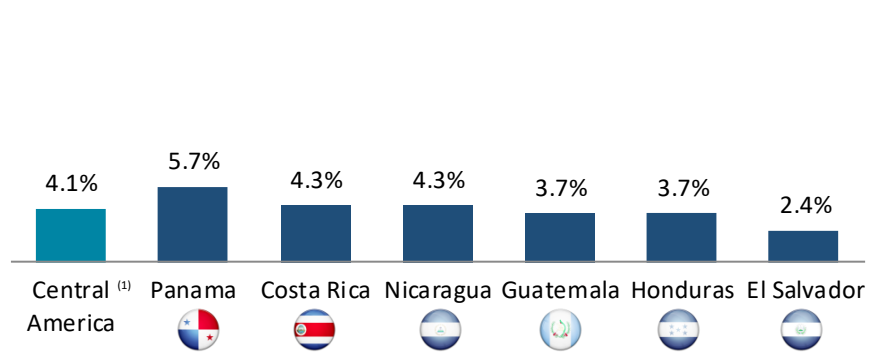
Colombian Peso vs Emerging markets' currencies (100=Jan, 2016)



Source: Bloomberg

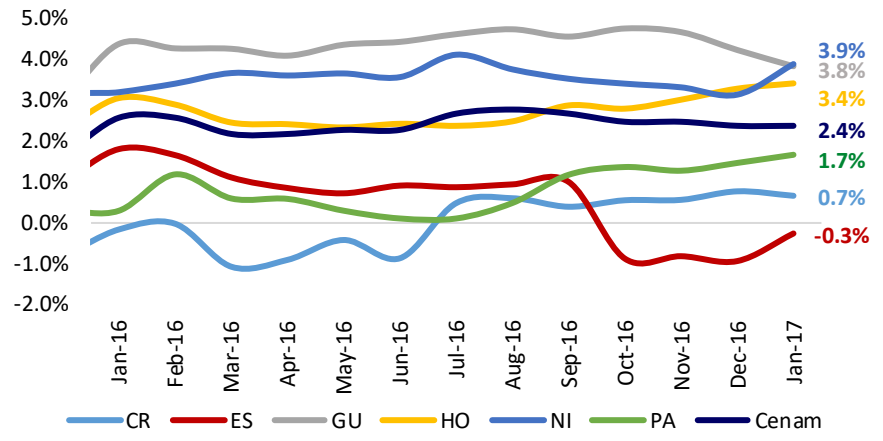
Central American countries continue to have a robust growth outlook, set to benefit from positive momentum in the US economy

Promising Growth Outlook – Real GDP CAGR '15–'18E



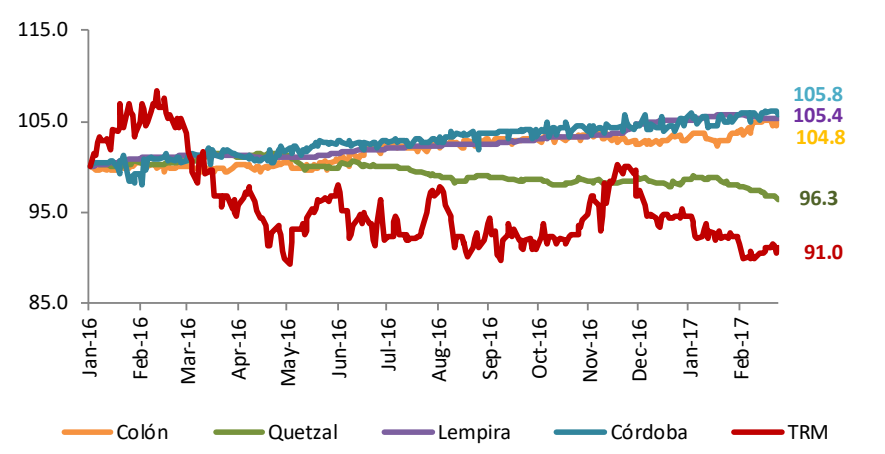
Source: IMF WEO Apr-16; (1) Aggregate growth of all the Central American countries

Inflation per Country



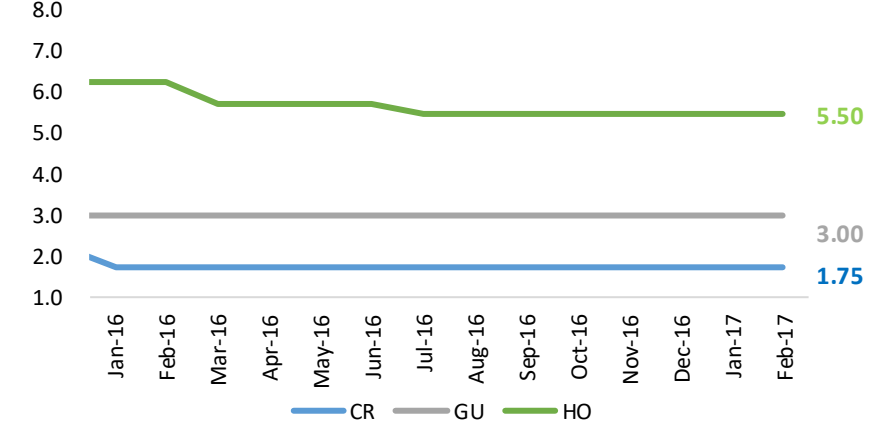
Source: SECMCA

Regional Exchange Rates



Source: Bloomberg

Central Banks' Interest Rates



Source: SECMCA

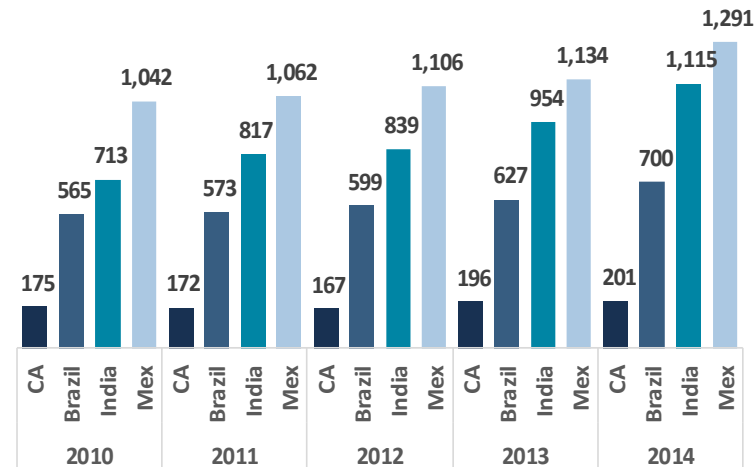
Trump effect on CAFTA...

USA Trade Balance (US\$ Bn)

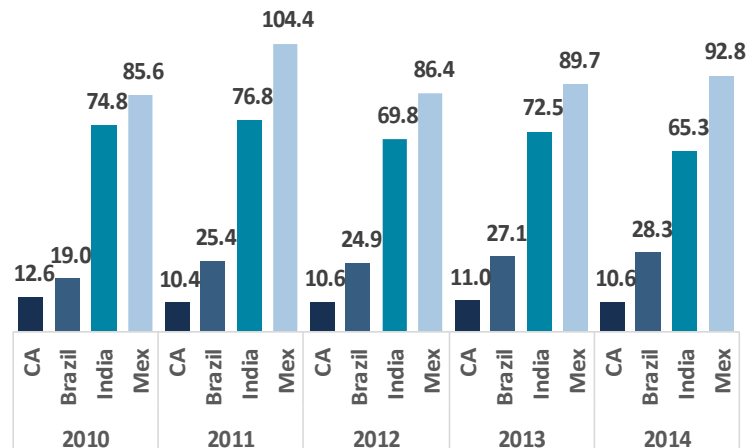
Year	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	Panama	Central America	India	Mexico
2000	(1.1)	(0.2)	(0.7)	(0.5)	(0.2)	1.3	(1.3)	(7.0)	(24.6)
2007	0.6	0.3	1.0	0.5	(0.7)	3.3	5.1	(9.1)	(74.8)
2014	(2.6)	0.9	1.7	1.3	(2.1)	10.0	9.4	(23.9)	(55.4)
2015	1.6	0.7	1.7	0.5	(1.9)	7.3	9.8	(23.3)	(60.7)
2016	1.6	0.5	2.0	0.2	(1.8)	5.7	8.1	(24.3)	(63.2)

USA's trade balance with Central America has been consistently positive since 2005 and has grown 60% since the Central American Free Trade Agreement (CAFTA) was signed back in 2007

Employees hired by American companies (thousands)



USA direct investment in other regions (US\$ Bn)

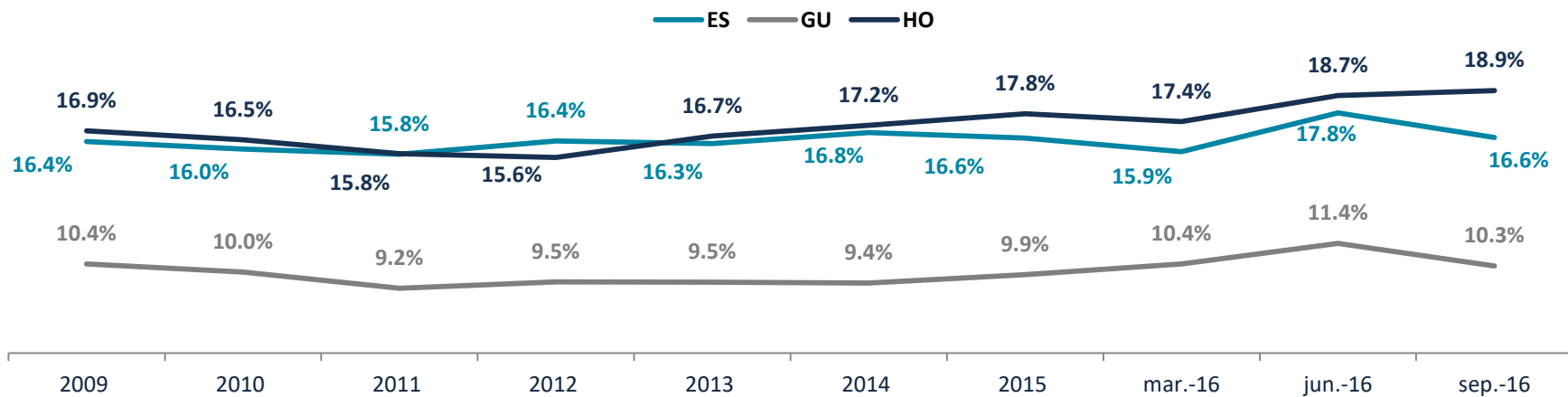


Source: US Census, Bureau of Economic Analysis, National Travel & Tourism office7

Remittances from USA to North Triangle (2014)

	Illegal Migrants in USA (% Total Origin Country Pop)	Total Illegal Migrants (thousands)	Total Migrants in USA (thousands)	Total Remittances (\$MM)	Remittances / Migrant
Guatemala	4.5%	723	916	5,962	6,511
Honduras	4.2%	337	588	3,195	5,431
El Salvador	7.6%	465	1,315	3,912	2,973

Total Remittances as % of GDP



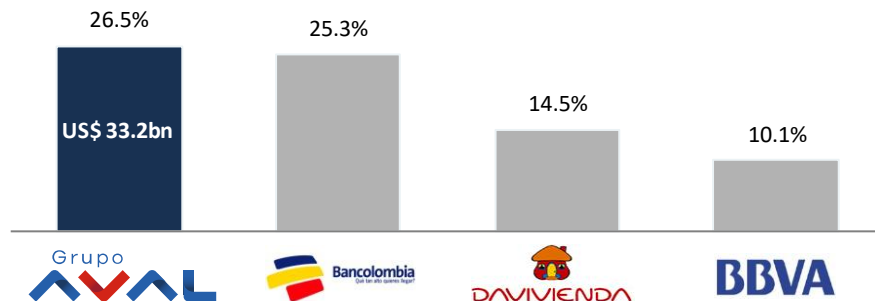
Source: Migration Policy Institute, Banco Mundial, Central Banks and Statistic Institutions of each country

Grupo Aval continues to be a clear leader in the Colombian market

Combined Unconsolidated Market Shares of our Colombian Banks as of December 31, 2016

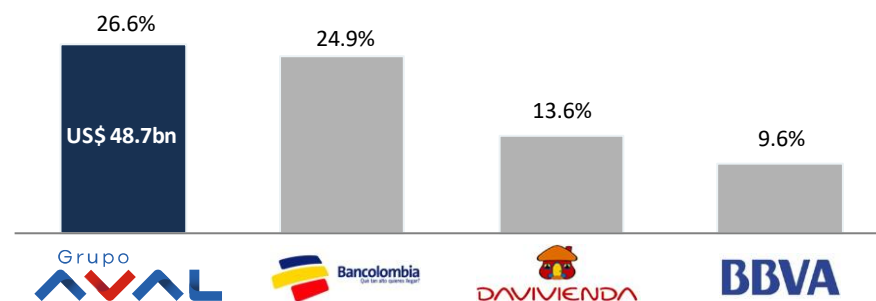
Net Loans ⁽¹⁾

System: US\$ 125.1bn



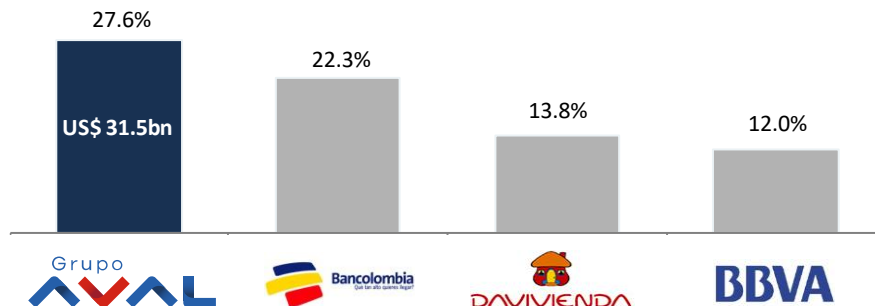
Total Assets

System: US\$ 182.7bn



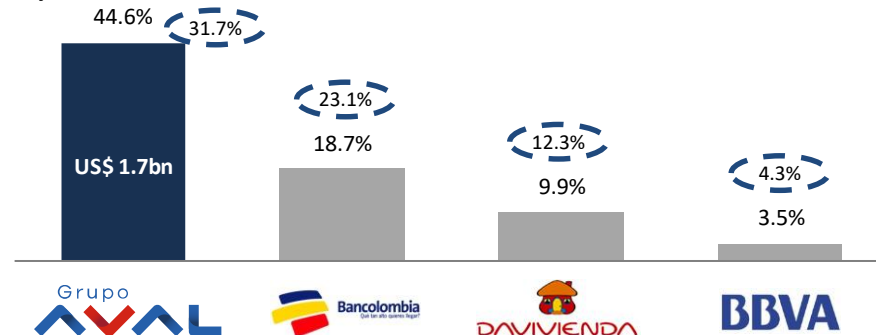
Deposits ⁽¹⁾

System: US\$ 114.0bn



Net Income for the year ended December 31, 2016

System: US\$ 3.9bn



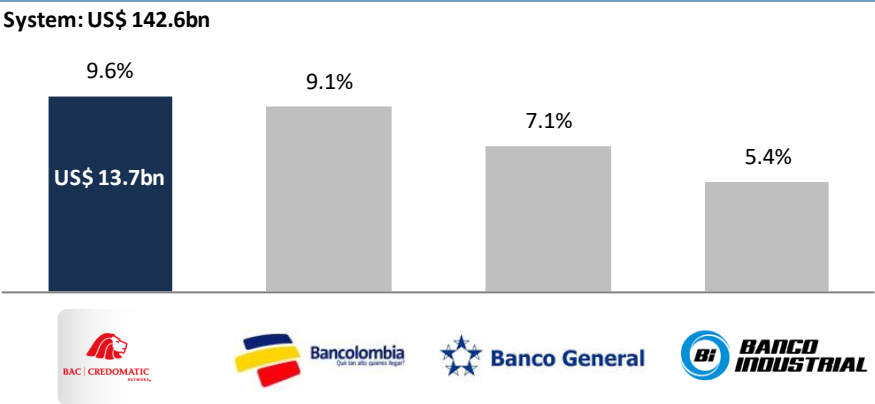
Source: Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance and published monthly; as of December 31, 2016. System: Sum of banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas. Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance of Ps 3,000.71 as of December 31, 2016. ⁽¹⁾ Figures refer to capital of net loans and leases excluding interbank & overnight funds for comparative purposes; Deposits are calculated as checking accounts, savings accounts and time deposits.

Adjusted for the non-recurring effect of US\$ 735.8 million associated with the deconsolidation of Corficolombiana at Banco de Bogotá, accounted for during June 2016.

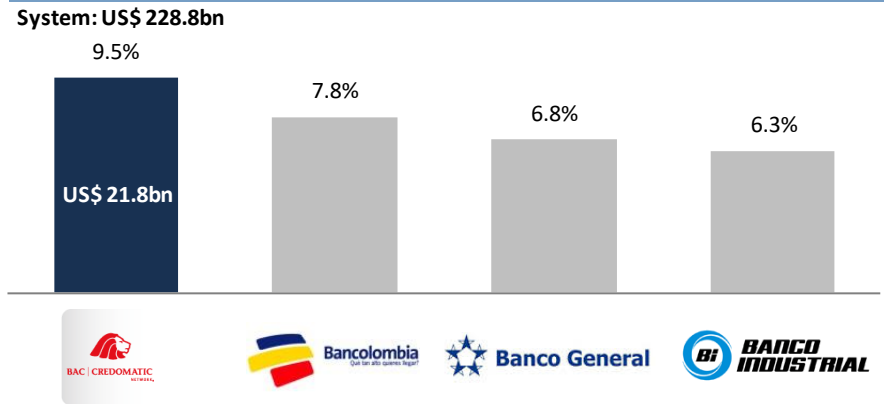
Through BAC Credomatic, Grupo Aval is the largest and one of the most profitable regional players in Central America

Central America Market Share as of November 30, 2016

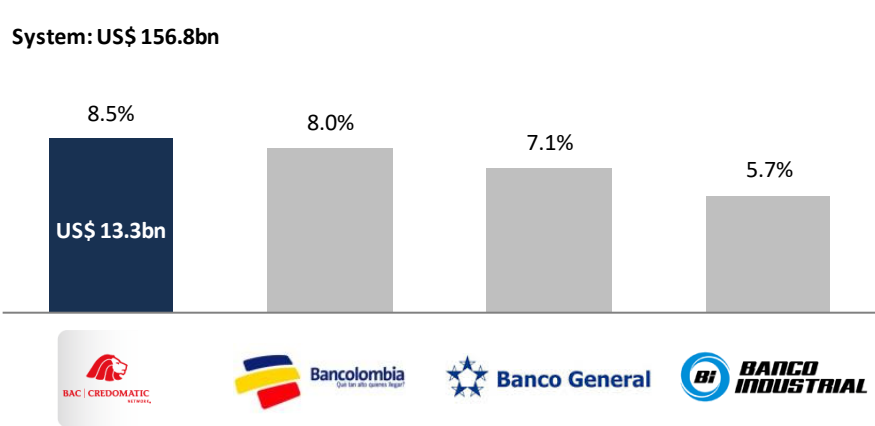
Net Loans



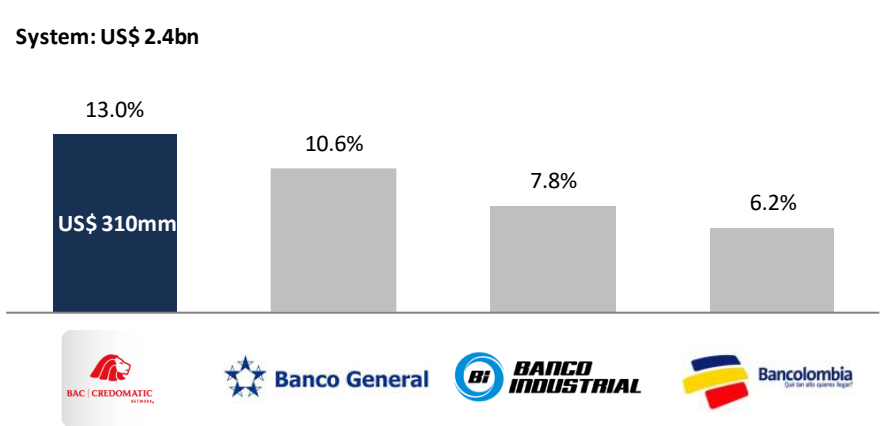
Total Assets



Deposits



Net Income for the 11 months ended November 30, 2016

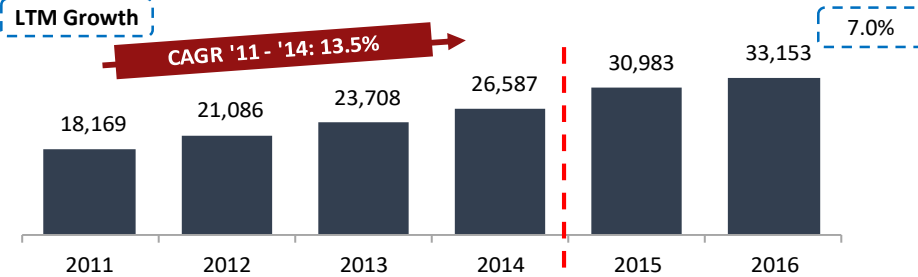


Source: Company filings. Calculated based on publicly disclosed data aggregated from the local superintendencies of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua and Panama. BAC Credomatic's net income reflects BAC Credomatic International's results, since it acts as the regional holding company in Panama. Market share is determined based on the sum of each bank's operations in the aforementioned countries. Bancolombia includes Banistmo (Panama), Bancolombia (Panama), Grupo Agromercantil (Guatemala) and Banco Agrícola (Salvador).

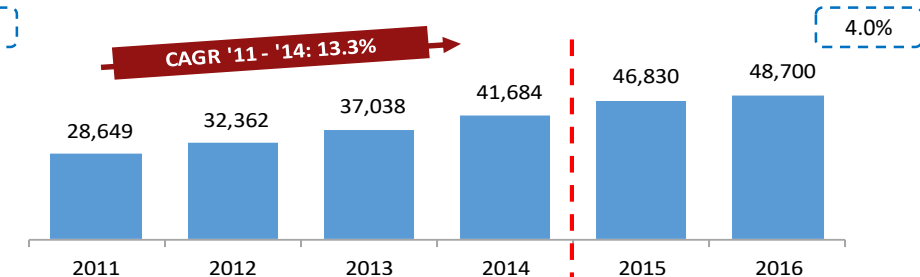
Our combined Colombian operation has shown strong historic results in the past years... (1/2)

Combined Unconsolidated Results of our Colombian Banks as of December 31, 2016 (US\$mm)⁽¹⁾

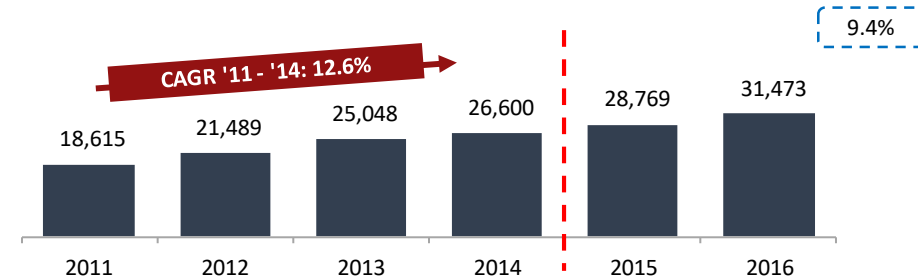
Gross loans and leases



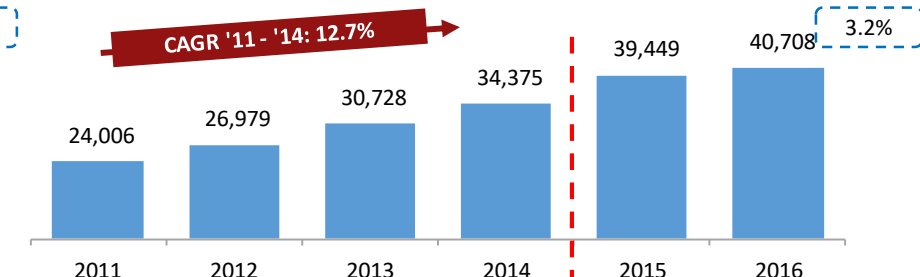
Assets



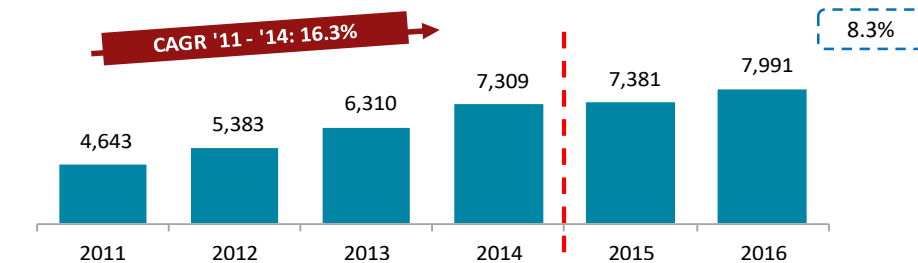
Deposits



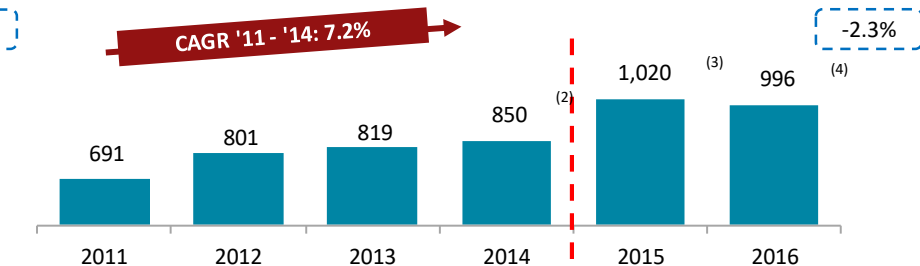
Liabilities



Total Equity



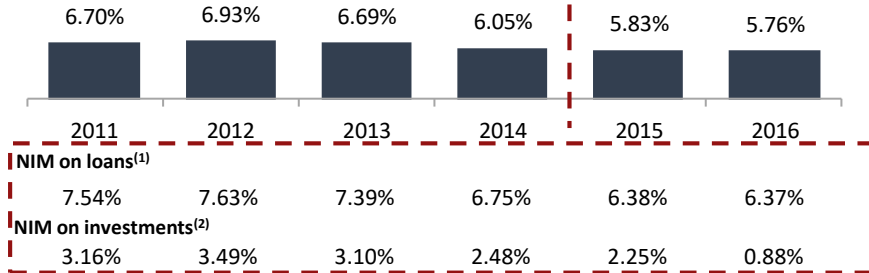
Net income (US\$mm)



Source: Company filings. ⁽¹⁾ Unconsolidated results of Grupo Aval. Figures from 2011 to 2014 are reported under Colombian Banking GAAP. Figures for 2015 and over are reported under IFRS as adopted by the Superintendency of Finance. All figures were converted with the representative market rate as computed and certified by the Superintendency of Finance of Ps 3,000.71 as of December 31, 2015, to maintain comparability. ⁽²⁾ Excludes the non-recurring effect of US\$243 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. ⁽³⁾ Excludes \$US79 million extraordinary effect of dividends and equity method during the first half of 2015. ⁽⁴⁾ Adjusted for the non-recurring effect of US\$736 million associated with the deconsolidation of Corficolombiana at Banco de Bogotá. CAGRs from 2011 to 2014 are calculated under Colombian Banking GAAP.

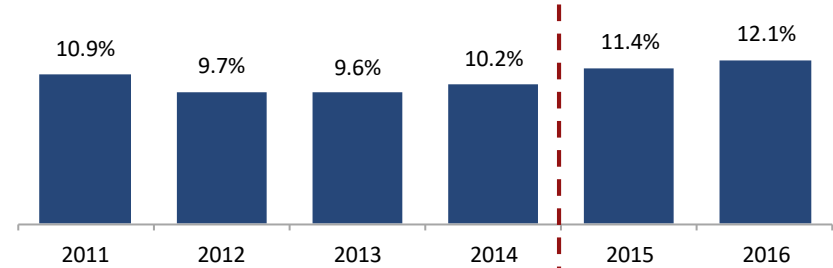
Our combined Colombian operation has shown strong historic results in the past years... (2/2)

Net Interest Margin



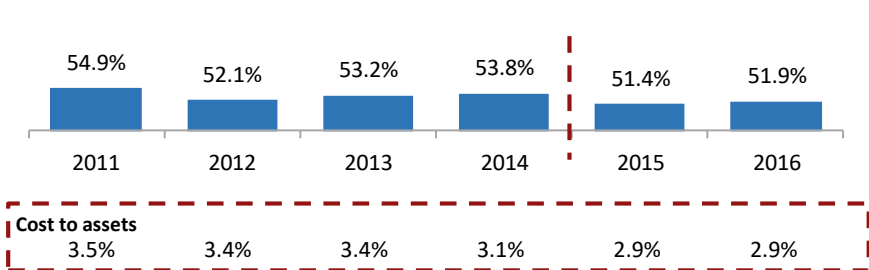
NIM calculated as Net interest income divided by total average interest-earning assets (13 month average of total interest-earning assets).

Fee Income Ratio



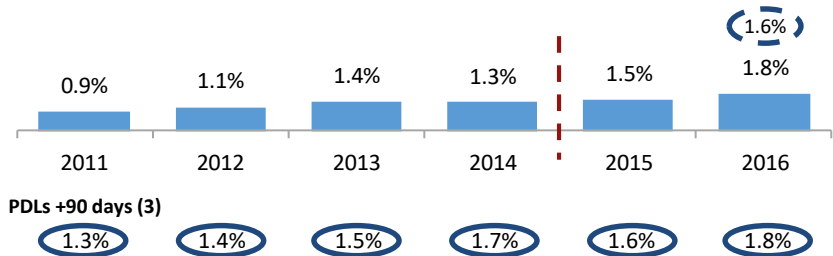
Fee Income ratio: net fee income divided by total operating income before net provisions excluding other operating income

Efficiency and Cost to Assets



Efficiency and Cost to assets: Calculated as operating expenses before depreciation and amortization divided by total operating income for efficiency and divided by average total assets (13 month average) for cost to assets

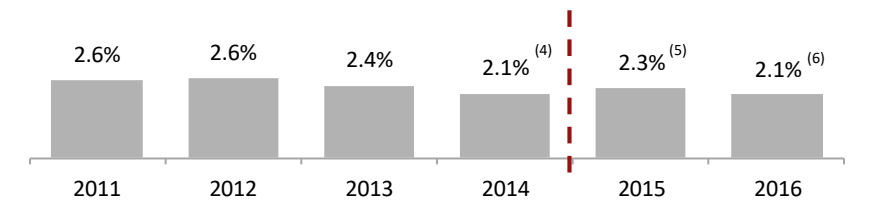
Cost of Risk



Cost of Risk: Impairment loss net of recoveries of charged-off assets divided by Average gross loans excluding interbank and overnight funds (13 month average gross loans)

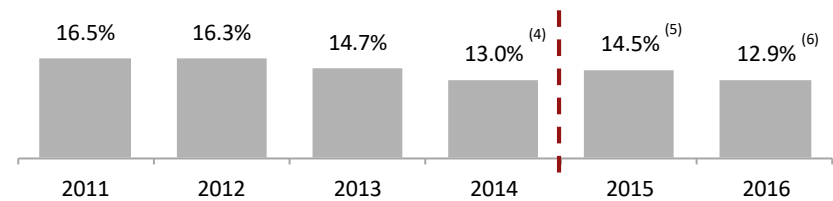
Excluding non-recurring effect of US\$48 million of one-time provisions in a particular client related to the oil industry

ROAA



Calculated as income before non-controlling interest divided by average assets (13 month average of total assets)

ROAE



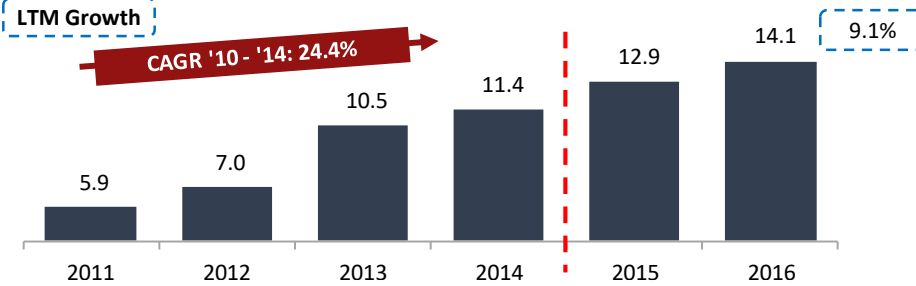
Calculated as net income divided by average equity attributable to owners of the parent company (13 month average of equity attributable to owners of the parent company)

Source: Company filings. Figures from 2011 to 2014 are reported under Colombian Banking GAAP. Figures for 2015 and over are reported under IFRS as adopted by the Superintendency of Finance. ⁽¹⁾ Net Interest Income on Loans to Average loans and financial leases; ⁽²⁾ 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; ⁽³⁾ PDLs +90 days exclude interest accounts receivable. ⁽⁴⁾ Combined figures for 2014 exclude the non-recurring effect of US\$243 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. ⁽⁵⁾ Combined figures for 2015 were adjusted for the US\$79 million extraordinary effect of dividends and equity method during the first half of the year, when included ROAA is 2.5% and ROAE 15.5%. ⁽⁶⁾ Combined figures for 2016 were adjusted for the non-recurring effect of US\$ 736 million associated with the deconsolidation of Corficolombiana at Banco de Bogotá.

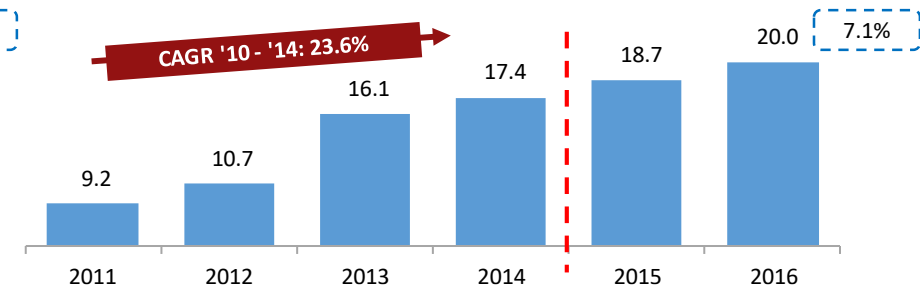
Our Central American operation show a strong track record of growth (1/2)

BAC Credomatic as of December 31, 2016 (US\$Bn)

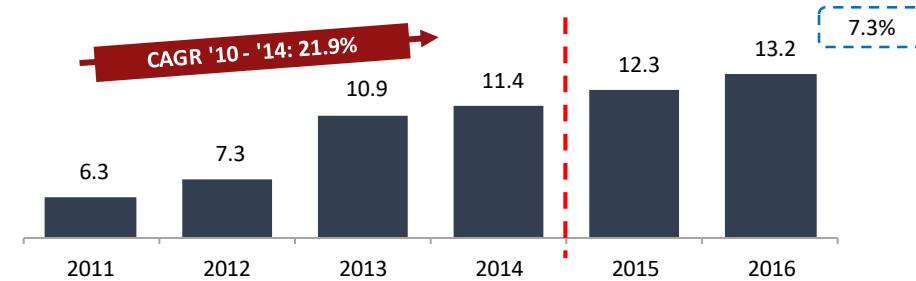
Net loans and financial leases



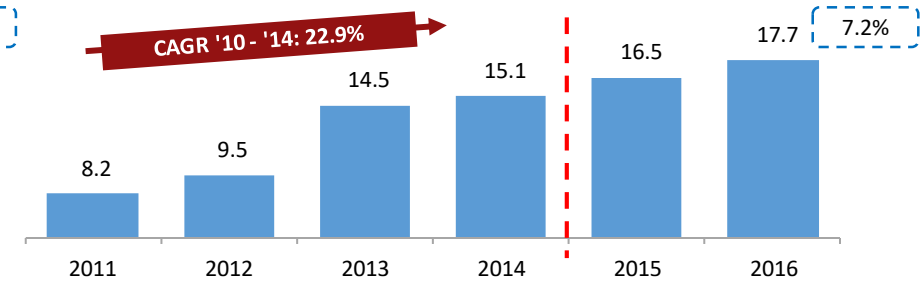
Assets



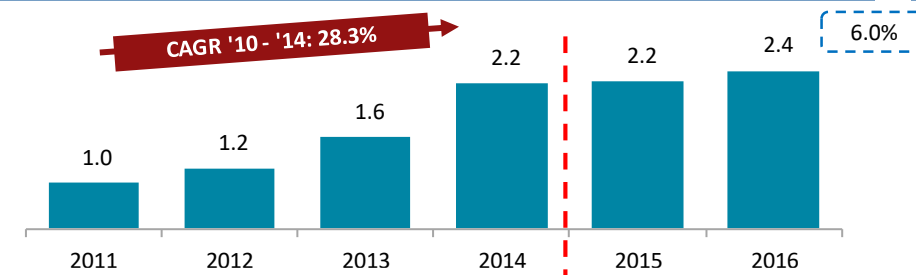
Deposits



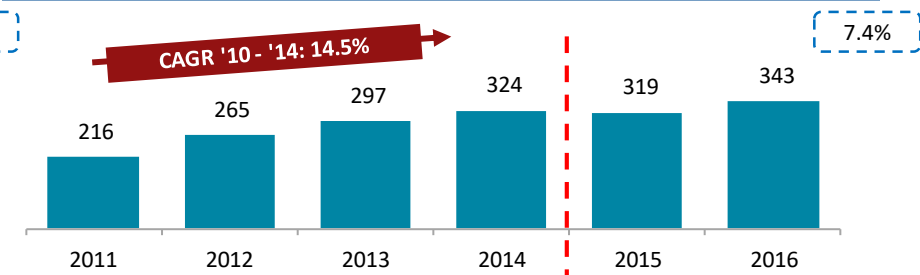
Liabilities



Total Equity



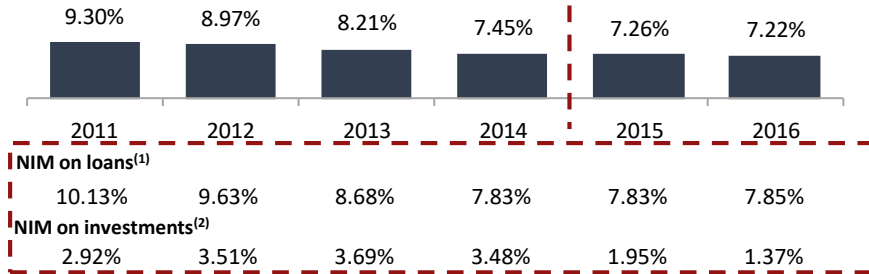
Net income (US\$mm)



Source: Company filings. Unaudited figures. Figures from 2011 to 2014 are reported under US GAAP Figures for 2015 and on are reported under IFRS.

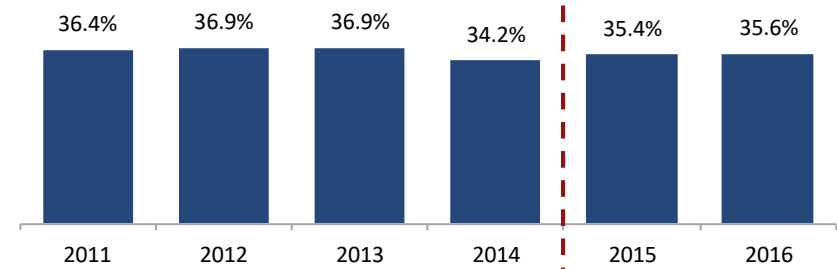
Our Central American operation show a strong track record of growth (2/2)

Net Interest Margin



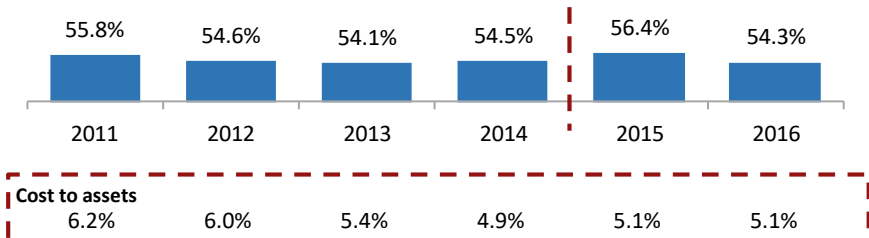
NIM calculated as Net interest income divided by total average interest-earning assets (5 quarter average of total interest-earning assets)

Fee Income Ratio



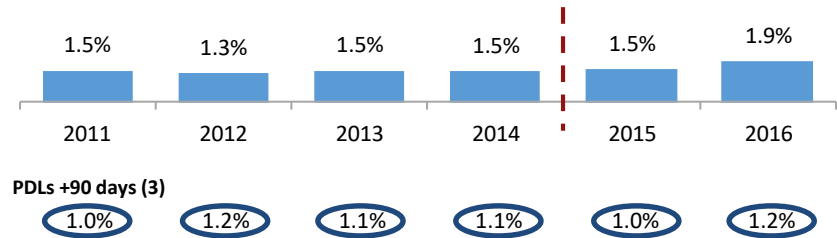
Fee Income ratio: net fee income divided by total operating income before net provisions excluding other operating income

Efficiency and Cost to Assets



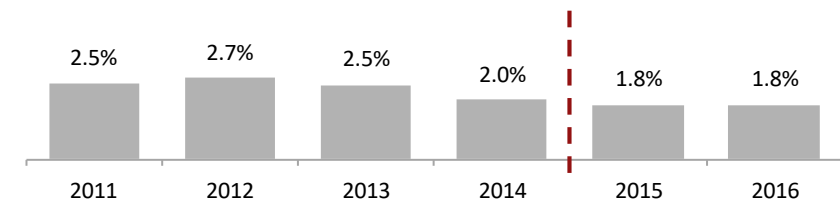
Efficiency and Cost to assets: Calculated as operating expenses before depreciation and amortization divided by total operating income for efficiency and divided by average total assets (5 quarter average) for cost to assets

Cost of Risk



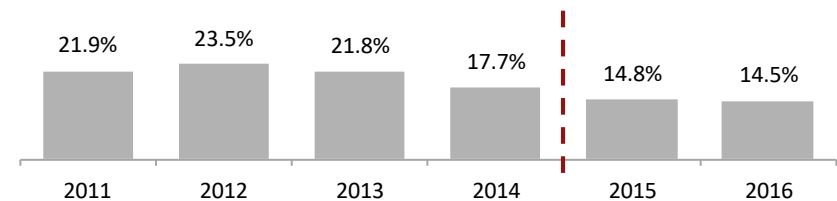
Cost of Risk: Impairment loss net of recoveries of charged-off assets divided by Average gross loans excluding interbank and overnight funds (5 quarter average gross loans)

ROAA



Calculated as income before non-controlling interest divided by average assets (5 quarter average of total assets)

ROAE



Calculated as net income divided by average equity attributable to owners of the parent company (5 quarter average of equity attributable to owners of the parent company)

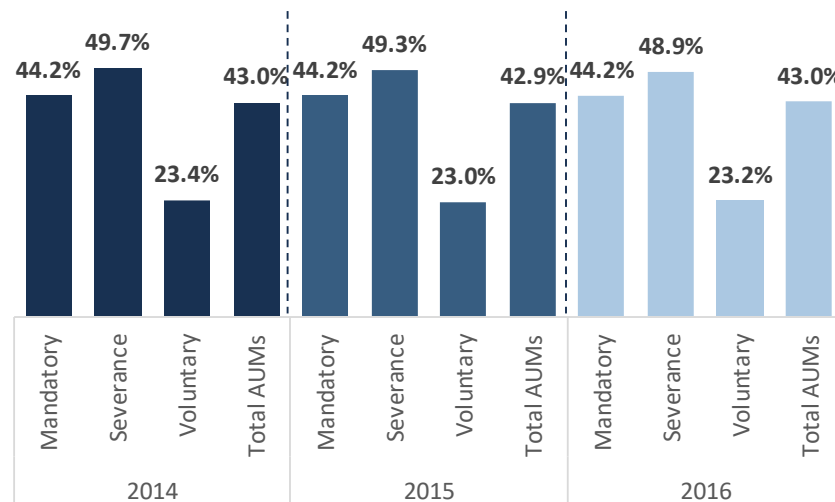
Source: Company filings. Figures from 2011 to 2014 are reported under US GAAP. Figures for 2015 and over are reported under IFRS. ⁽¹⁾ Net Interest Income on Loans to Average loans and financial leases; ⁽²⁾ Net Interest income on fixed income securities, net trading income from equity and fixed income investment securities held for trading through profit and on interbank and overnight funds to Average securities and Interbank and overnight funds; ⁽³⁾ PDLs +90 days exclude interest accounts receivable.

Porvenir is the leading private pension and severance fund manager in Colombia

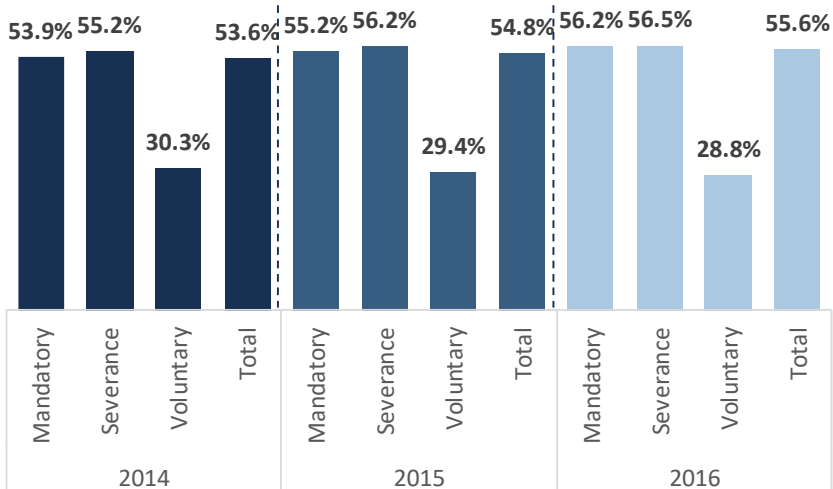
Assets Under Management (US\$ Bn)

	2014	2015	2016
Mandatory	22.8	24.6	28.1
Severance	1.3	1.3	1.5
Voluntary	1.0	1.0	1.1
Total AUMs	25.0	26.9	30.8

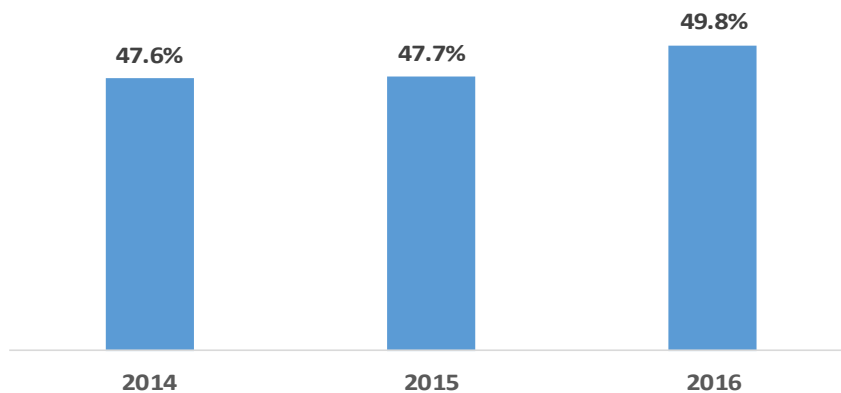
Assets Under Management (Market Share)



Affiliates to Pension Funds (Market Share)

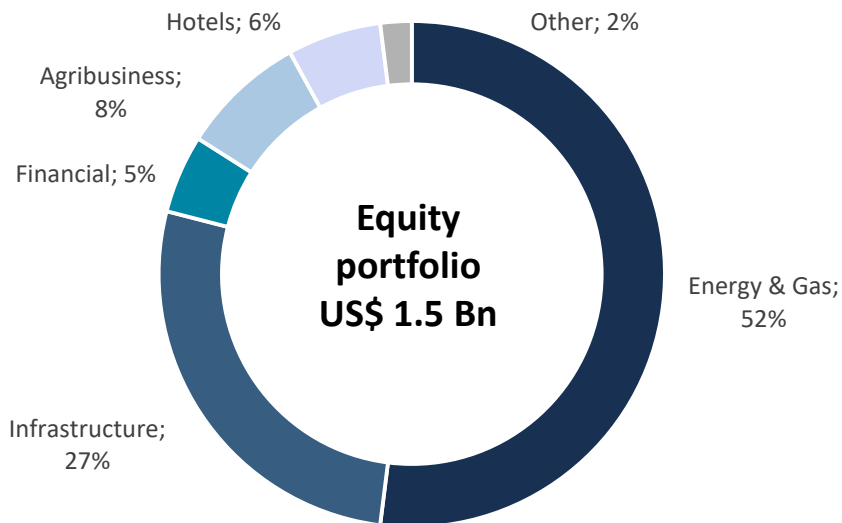


Net Income (Market Share)

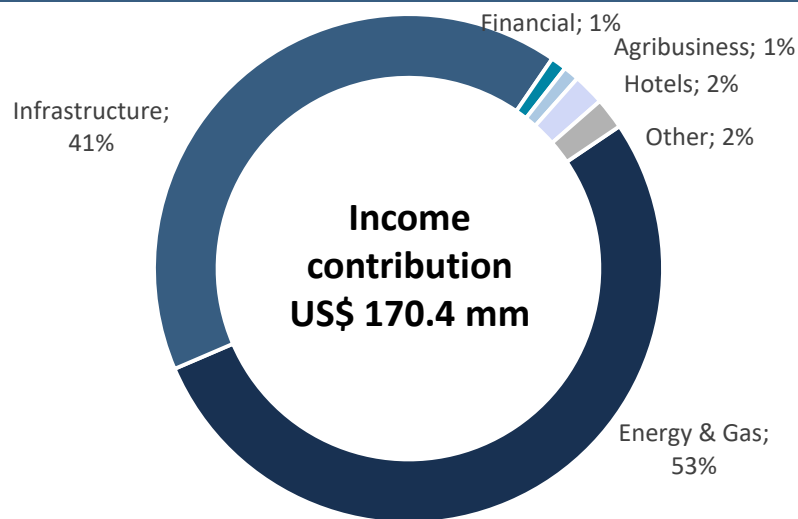


Corficolombiana invests in multiple industries reflecting the Colombian economy

Equity portfolio as of September 30, 2016



Income contribution as of September 30, 2016 ⁽¹⁾



Corficolombiana's investment portfolio



Source: Superintendency of Finance. ⁽¹⁾ Equivalent to net income of each company multiplied by Corficolombiana's ownership for the 9 months ended September 30, 2016



Combined financial information of Grupo Aval Acciones y Valores S.A. + Grupo Aval Limited

Combined Financial Statements

\$USD millions	2011	2012	2013	2014	IFRS ^(*)	
					2015	Nov-16
Balance Sheet						
Cash and cash equivalents	530	810	1,016	770	234	276
Loans to subsidiaries(1)	0	1,045	737	760	1,252	729
Equity Investments	3,231	3,552	3,898	5,175	5,268	5,644
Other Assets	2,537	2,789	3,960	4,058	336	369
Total Assets	6,298	8,197	9,610	10,763	7,091	7,018
Accounts payable	96	105	116	138	137	176
Borrowings	481	384	-14	-8	132	276
Long term debt (Bonds)	315	1,841	1,841	1,806	1,800	1,286
Other liabilities	14	39	35	33	6	4
Total Liabilities	906	2,369	1,979	1,968	2,075	1,742
Total Shareholder's Equity	5,392	5,828	7,632	8,794	5,016	5,276
Liabilities + SH's Equity	6,298	8,197	9,610	10,763	7,091	7,018
Income Statement						
Net Income⁽¹⁾	416.6	508.2	525.6	756.0	733.7	792.9

Source: Unaudited combined figures of Grupo Aval Acciones y Valores S.A. and Grupo Aval Limited as of November 30, 2016. All figures were converted with the representative market rate as computed and certified by the Superintendency of Finance of Ps 3,000.71 as of December 31, 2016, to maintain comparability. (*) 2015 reflects restated figures due to the implementation of IAS 27 and IAS 28. ⁽¹⁾ Net income for the 11 months ended November 30, 2016 was annualized for comparative purposes.

Grupo Aval Acciones y Valores S.A. + Grupo Aval Limited's combined debt profile (US\$ mm)

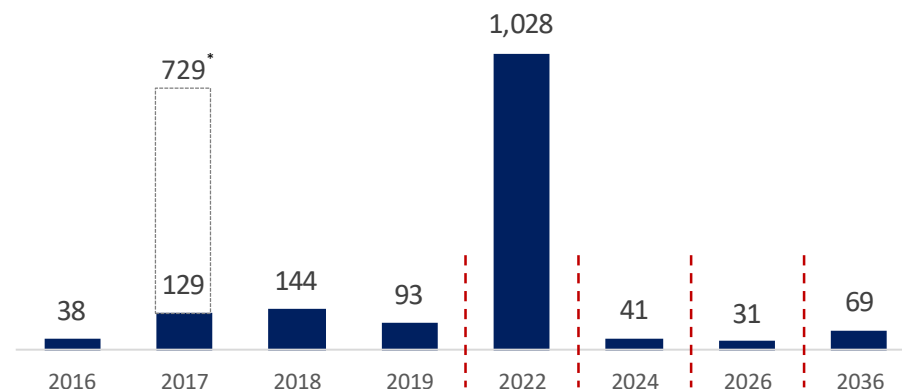
Combined Total Liquid Assets and Maturity Schedule of Combined Gross Debt as of November 30, 2016

During November 2016:

- Grupo Aval Limited effected an early redemption of its US\$ 600 mm notes due February 2017
- Grupo Aval Acciones y Valores S.A. issued approximately US\$ 100 mm in Colombian Peso notes due 2026 and 2036

Total liquid assets as of Nov-16

Cash and cash equivalents	234.6
Fixed income investments	41.3
Callable Senior loans to subsidiaries	417.9
Total liquid assets	693.8



(*) Grupo Aval Limited effected an early redemption of its US\$ 600 million bond due in February 1st 2017, on November 28th, 2016. In addition to liquid assets, Grupo Aval Limited has US\$ 129 million of non-immediate callable loans to subs.

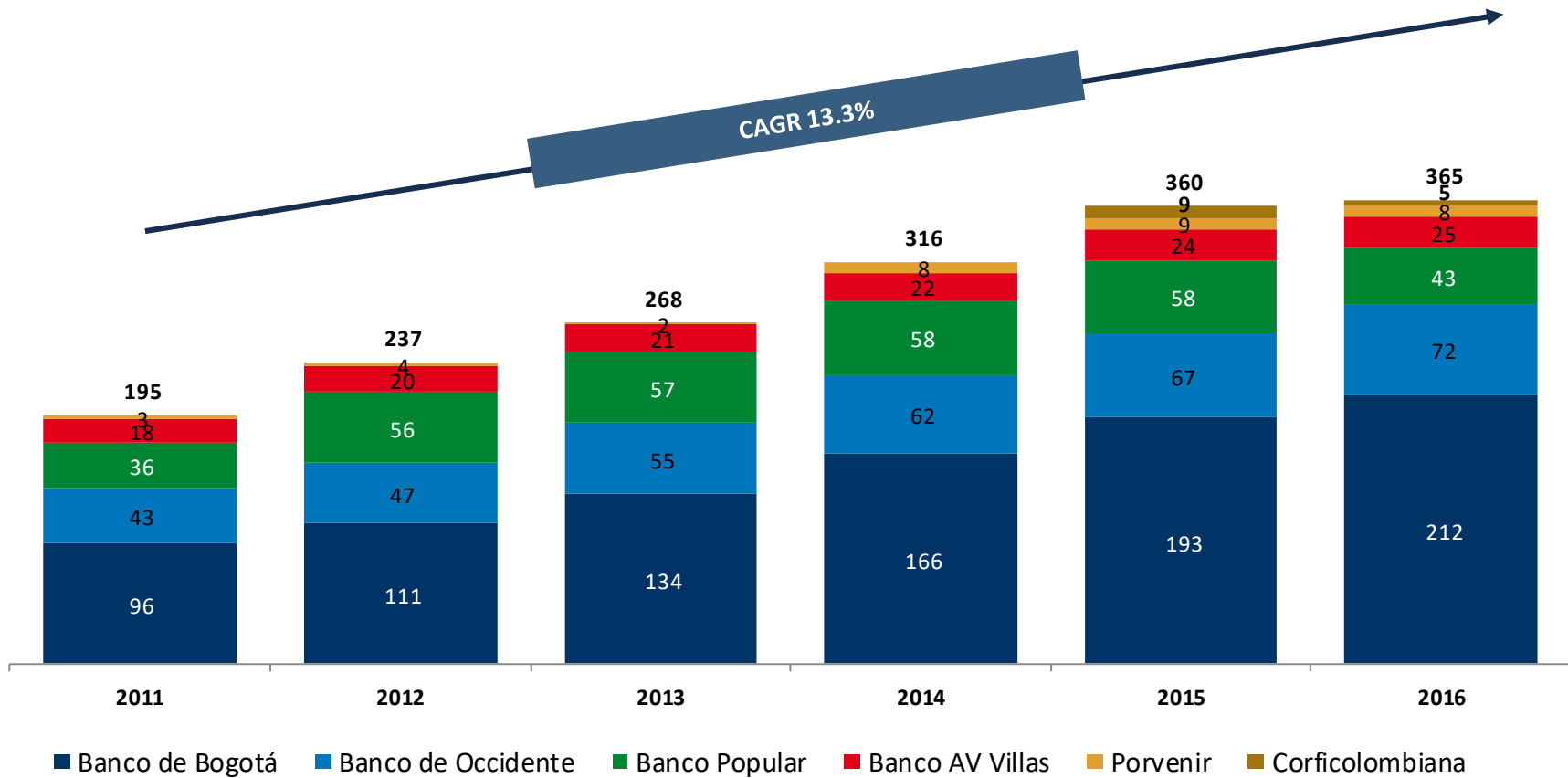
Evolution of Combined Key Ratios as of November 30, 2016

Debt service coverage and leverage ratios	3Q15	2Q16	3Q16	Post early redemption and new issuance
Double leverage (1)	1.14x	1.24x	1.24x	1.15x
Net debt / Core earnings (2)(3)	3.2x	3.9x	4.1x	2.7x
Net debt / Cash dividends (2)(3)	3.4x	4.8x	4.8x	3.5x
Core Earnings / Interest Expense (2)	3.8x	3.7x	3.4x	4.0x

Source: Unaudited combined figures of Grupo Aval Acciones y Valores S.A. and Grupo Aval Limited as of November 30, 2016. Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance Ps 3,000.71 as of December 31, 2016. (1) Double leverage is calculated as investments in subsidiaries at book value (excluding revaluations), subordinated loans to subsidiaries and goodwill as a percentage of shareholders' equity; (2) Core earnings are defined as annualized recurring cash flow from dividends and investments. Banco AV Villas pays declared dividends in one installment per semester in the second and fourth quarters; (3) Net debt is calculated as total gross debt minus cash and cash equivalents and fixed income investments.

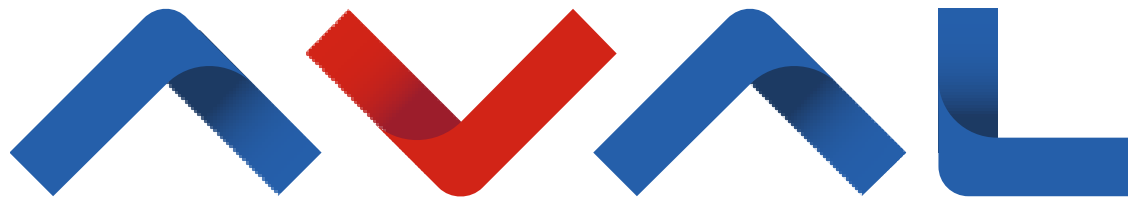
History of our subsidiaries' dividend stream

Grupo Aval's Cash Dividend Income (US\$ mm)



Source: Grupo Aval filings. All figures were converted with the representative market rate as computed and certified by the Superintendency of Finance of Ps 3,000.71 as of December 31, 2016, to maintain comparability

Grupo



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Update on Concesionaria Ruta del Sol (CRDS)



Grupo Aval is an issuer of securities in Colombia and in the United States, registered with the Colombia's National Registry of Shares and Issuers, RNVE, and the United States Securities and Exchange Commission. As such, it is subject to the control of the Superintendency of Finance and Compliance with the applicable US securities regulation as a foreign private issuer under Rule 405 of the US Securities Act of 1933.

The information provided in this document includes forward-looking statements by the Company which are based on facts and circumstances as currently known. Actual results may vary from those stated in this document as a consequence of developments in the investigations and the decisions of any governmental, judicial or arbitral authority involved in this matter and the final liquidation value reached with respect to the Proyecto Ruta del Sol Tramo 2, among others.

Grupo Aval shall not be responsible for any decision taken by investors in connection with this document.

Grupo Aval expressly disclaims any obligation to review, update or correct the information provided in this document. The document is not intended to provide full disclosure on the subject discussed.

Update on Concesionaria Ruta del Sol (CRDS)

Aval's exposure to CRDS

- Grupo Aval owns directly 10% of Corficolombiana and indirectly, through three of the banks that Aval controls, an additional 48%, for a total combined 58% stake in this affiliate. Aval receives 44% of the economics of Corficolombiana on its own financial statement.
- Corficolombiana's investments in non-financial companies are concentrated in four industries: energy, infrastructure, hotels and agroindustry.
- Corficolombiana is the country's largest toll road builder and operator. Corficolombiana is the majority shareholder in all but one of the infrastructure projects in which it participates – Ruta del Sol 2.
- Corficolombiana sought partnerships with the then leading infrastructure companies in the world and after a thorough selection process decided to partner with Odebrecht S.A., Latin America's largest engineering and construction company.
- Odebrecht's main requirement was to be given operating control of Concesionaria Ruta del Sol 2, "CRDS".
- Corficolombiana participated in CRDS through a wholly-owned affiliate, EPISOL, with a 33% stake, Odebrecht with 62% and the Solarte group with 5%.
- Concesionaria Ruta del Sol 2 is the only partnership we have with Odebrecht.
- Episol's cash investment in CRDS amounts to approximately Ps\$86 billion, approximately US\$29 million. Through retained earnings, the investment of Episol in CRDS has grown to Ps\$0.35 trillion (approx. US\$117 million), which is equivalent to 1.7% of the total assets of Corficolombiana and to 0.2% of Grupo Aval's total consolidated assets.
- CRDS' net income for 2016 was PS\$95 billion, approximately US\$30 million, and given our stake in Corficolombiana, this figure accounted for less than 2% of Grupo Aval's net income for the year.
- CRDS has not distributed cash dividends to Corficolombiana and was not expected to do so in the next decade as it first needed to finish the construction of the road and then it had to meet its obligations with the banks.
- The financial obligations of CRDS, the most relevant liability of the company, as of December 31, 2016 was PS\$2.4 trillion (approximately US\$800 million). 50% of such loans were granted by banks owned by Grupo Aval in both a revolving facility which funded working capital requirements and a long term facility which funded part of the construction.

Update on Concesionaria Ruta del Sol (CRDS)

Facts of the Concession

- In 2009, CRDS was awarded a concession to build and operate Sector 2 of Ruta del Sol (approx. 1,100 km of road) after a public bidding process in which two other parties presented offers. One of the parties was disqualified after failing to present the required financial guarantees and the other after failing to meet the required qualifications.
- In 2014 an extension of the initial contract was agreed between the Government and CRDS. The extension implied the construction and maintenance of 81 additional kilometers of road.
- The project was to be paid for with a combination of direct payments from the Government and tolls.
- The direct payments (“vigencias futuras”) were to be paid between 2011 and 2023 and amounted to Ps. 3.54 trillion (in pesos of December 2008) or approximately US\$1.2 billion, which represents about Ps. 4.7 trillion or US\$1.6 billion in pesos of December 2016.
- Toll collections were guaranteed by the Government and were also a significant source of income, as they amply covered the cost of maintaining and operating the road.
- As of December 2016, approximately 55% of the construction had been completed (this has been certified by the Government).
- As of December 2016, CRDS had received approximately Ps 1.36 trillion (in pesos of December 2016) in direct Government payments.
- In addition, CRDS had received approximately Ps. 1.18 trillion (in pesos of December 2016) from tolls and other minor sources of income.
- As of December 2016, CRDS had incurred total expenses including construction, operation, maintenance, administrative, financial and tax of Ps. 5.65 trillion (in pesos of December 2016).
- The net result, between revenues and expenses, amounted to Ps. 3.1 trillion (in pesos of December 2016) or approximately US\$ 1.0 billion. This amount is the estimated value of liquidating the concession contract, as per the recent agreement (“The Agreement”) signed between the National Infrastructure Agency (“ANI”), and CRDS. This amount will be paid to CRDS by the Government with future direct payments (vigencias futuras) and Government Fixed Income Obligations.
- The liquidation amount (Ps. 3.1 trillion) will be used to pay the existing financial obligations of CRDS of approximately Ps. 2.4 trillion and the remainder will be returned to shareholders around the year 2021 after complying with contractual stipulations.

Update on Concesionaria Ruta del Sol (CRDS)

Latest developments

- On February 22, 2017 ANI and CRDS reached The Agreement by which the concession contract would be terminated and liquidated.
- The Agreement includes a formula for liquidation of the contract by which the government will recognize the difference between the expenses incurred by CRDS associated with the obligations of the Concession contract and the income received (both, revenues and expenses subject to verification).
- The initial calculation of the liquidation formula confirms the payment of 100% of the financial obligations of the banks that had financed the construction.
- Finally, the initial calculation of the formula suggests a partial recovery of the investment of EPISOL in CRDS.
- As a consequence, a US\$ 33 million (approximately 30% of the investment) impairment charge was made on 2H2016 results of Episol and Corficolombiana. This amount represented 20 to 25% of the expected result of Corficolombiana for 2016.
- The impairment will affect FY2016 results of Grupo Aval in US\$ 15 million (2.0% of Net Income of the year).
- No material provisions are expected from our loans to CRDS as it is now more evident that 100% of the loans would be recovered.

What comes next?

- A final approval of the agreement is expected to come from authorities in the next few weeks. After such approval is received, a “reversal period” of 120 days begins in which CRDS agrees to return the construction to the Government. At the end of that period a final figure of the liquidation value of the contract will be achieved.

Grupo

