Grupo AVAL

April 2015

4Q14 Consolidated Earnings Results

Colombian Banking GAAP

Disclaimer

Grupo Aval Acciones y Valores S.A. ("Grupo Aval") is an issuer in Colombia of securities registered with the National Registry of Shares and Issuers (Registro Nacional de Valores y Emisores), and in this capacity, it is subject to the control of the Superintendency of Finance. Grupo Aval is a not a financial institution and is not supervised or regulated as a financial institution in Colombia.
As an issuer of securities in Colombia, Grupo Aval is required to comply with periodic reporting requirements and corporate governance, however, it is not regulated as a financial institution or as a holding company of banking subsidiaries and, thus, is not required to comply with capital adequacy regulations applicable to banks and other financial institutions.
All of our banking subsidiaries, Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, and their respective Colombian financial subsidiaries, including Porvenir and Corficolombiana, are subject to inspection and surveillance as financial institutions by, the Superintendency of Finance.

Quarterly information included herein has not been audited and has been prepared in accordance with the regulations of the Superintendency of Finance for financial institutions (Resolution 3600 of 1988 and External Circular 100 of 1995) and, on issues not addressed by these regulations, generally accepted accounting principles prescribed by the Superintendency of Finance for banks to operate in Colombia, consistently applied, together with such regulations, on the filing date, "Colombian Banking GAAP." Details of the calculations of non-GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

Although we are not a financial institution, we present our consolidated financial statements under Colombian Banking GAAP in this quarterly report because we believe that presentation on that basis most appropriately reflects our activities as a holding company of a group of banks and other financial institutions. The audited consolidated financial statements have not been reviewed or approved by the Superintendency of Finance; however, consolidated financial statements for each semester, prepared on the basis of Colombian Banking GAAP for each of our subsidiaries are remitted to the Superintendency of Finance for their review. The Colombian Banking GAAP consolidated financial statements included in this annual report differ from the consolidated financial statements published by Grupo Aval in Colombia, which are prepared under Colombian GAAP. Because we are not regulated as a financial institution in Colombia, we are required to prepare our consolidated financial statements for publication in Colombia under Colombian GAAP for companies other than financial institutions (Decree 2649 of 1993 and Circular No. 100-000006 of the Superintendency of Companies (Superintendencia de Sociedades) and former Superintendency of Securities (Superintendencia de Valores), currently the Superintendency of Finance) No. 011 of 2005, which differs in certain respects from Colombian Banking GAAP. These Colombian GAAP financial statements are presented biannually to our shareholders for approval, are reviewed and published by the Superintendency of Finance and are available in Spanish to the general public on Grupo Aval's web page. We do not file consolidated financial statements prepared on the basis of Colombian Banking GAAP with the Superintendency of Finance; however, because we have filed 20F annual reports with the SEC, we may from time to time publish semi-annual or quarterly financial data for subsequent periods on a Colombian Banking GAAP basis.

Colombian Banking GAAP differs in certain significant respects from generally accepted accounting principles in the United States, or U.S. GAAP. Our yearly audited consolidated financial statements included in our Form 20-F reports filed to the SEC provide a description of the principal differences between Colombian Banking GAAP and U.S. GAAP as they relate to our audited consolidated financial statements and provides a reconciliation of net income and shareholders' equity for the years and at the dates indicated therein. Unless otherwise indicated, all financial information of our company included in this report is stated on a consolidated basis prepared under Colombian Banking GAAP.

Recipients of this document are responsible for the assessment and use of the information provided herein. Grupo Aval 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.

Highlights

Grupo Aval financials for 4Q14 show the following results of our banking operations:

- ✓Robust 4.6% GDP growth in Colombia during 2014, despite a slowdown in the last quarter of the year;
- ✓Positive GDP growth expectations for Central America due to the US economic recovery and lower oil prices;
- ✓Strong loan portfolio growth (16.8% YoY and 8.0% QoQ) based on the significant organic growth of our Colombian and Central American operations, further boosted by the depreciation of the Colombian Peso;
- ✓Stable asset quality when compared to 3Q14 with NPLs at 1.9% and with PDLs improving from 2.7% in 3Q14 to 2.6% in 4Q14;
- ✓Stable and low cost funding structure with deposits representing 78% of total funding and checking and saving accounts representing 62% of total deposits;
- ✓Slight improvement of the Loan portfolio's Net Interest Margin to 6.9% in 4Q14 up from 6.8% in 3Q14;

Highlights

✓Improving efficiency ratio on a cost to income basis (52.9% in 4Q14 from 53.7% in 4Q13), and on an operational expenses to average total assets basis (3.8% for 4Q14 from 4.1% for 4Q13).

✓Improving tangible capital ratio to 9.8% in December 31, 2014 up from 8.9% in December 31, 2013 mainly as a result of Grupo Aval's NYSE debut.

✓Net income for 2014 of Ps. 1.7 trillion; average outstanding shares increased by 12.3% while EPS dropped by 7.5%.

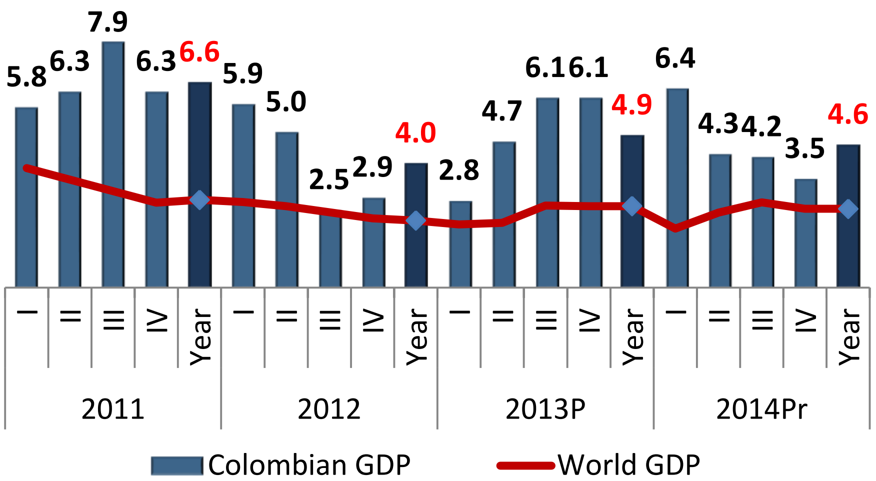
<u>Other corporate matters to report</u>

✓Grupo Aval used most of the Ps. 2.5 trillion (USD 1.265 billion) of capital raised between September and October 2014 to increase its ownership in Banco de Bogotá (Ps. 1,201.4 billion) through their rights offering and purchase shares of Corficolombiana from Banco de Occidente on December 17, 2014 (Ps. 769.5 billon).

✓The Colombian Peso had a strong depreciation in the period (24.2% vs. EoP December 31, 2013 and 18.3% vs. EoP September 30, 2014) which positively impacted the growth of our Central American operations when translated into Colombian Pesos. In the following report, calculations of growth excluding the depreciation of the Colombian Peso use the exchange rate as of December 31, 2014 to translate our Central American operations for all periods.

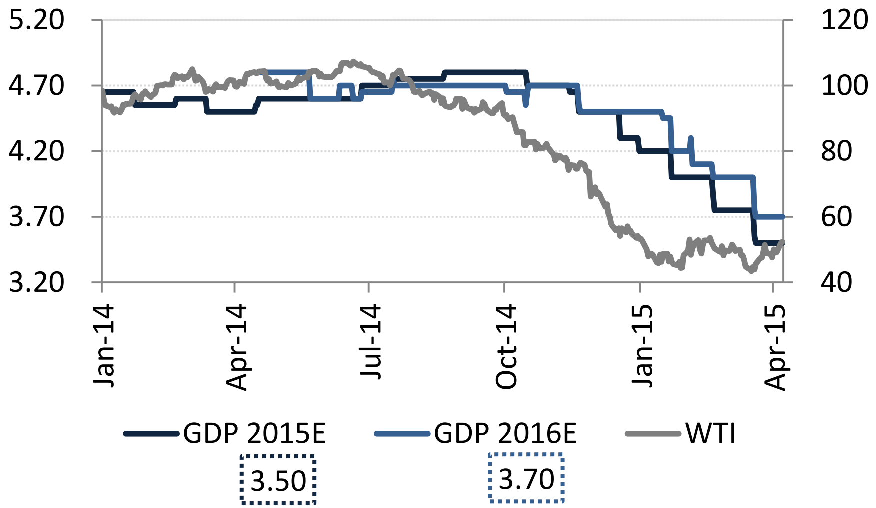
Macroeconomic context - Colombia

GDP Growth (%)



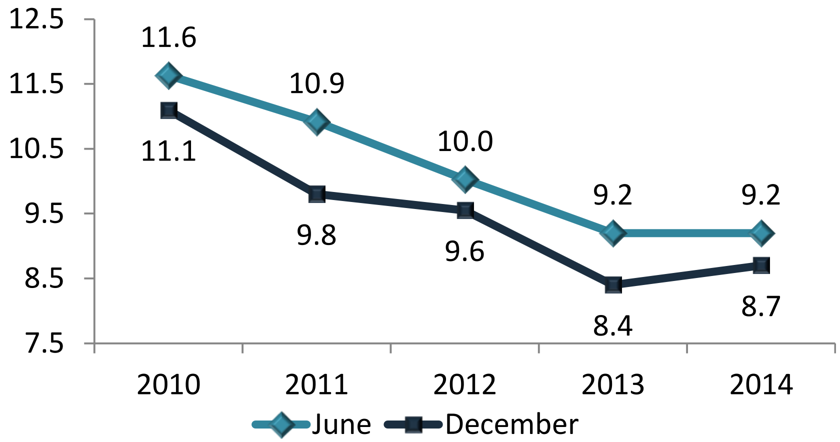
Source: DANE and Bloomberg. GDP yearly % change – Seasonally adjusted data at constant prices.
(P) = Provisional (Pr) = Preliminary

GDP Growth Expectations



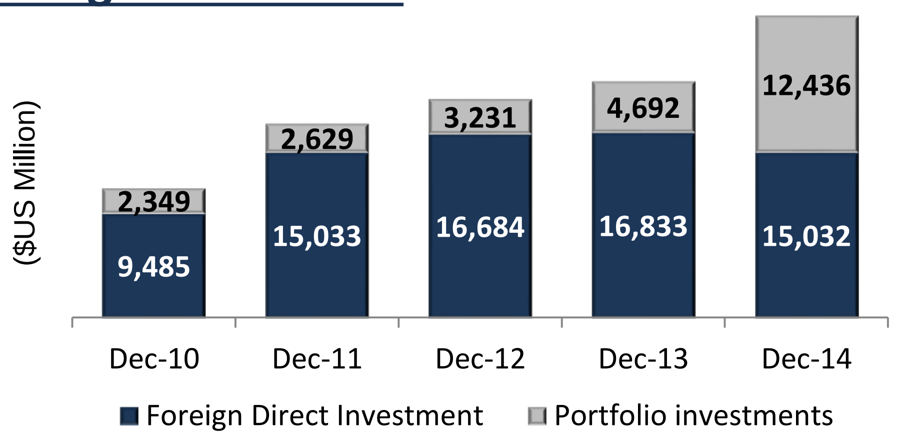
Source: Bloomberg Consensus

Unemployment (%)



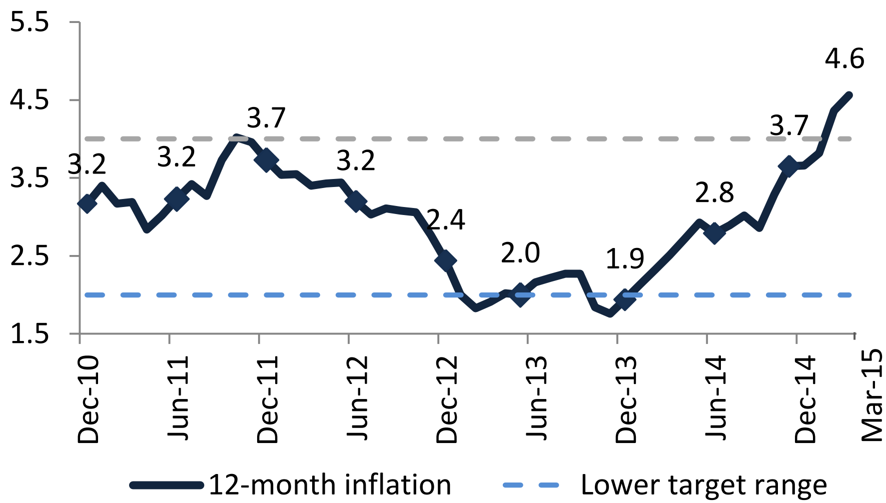
Source: DANE.

Foreign Investment



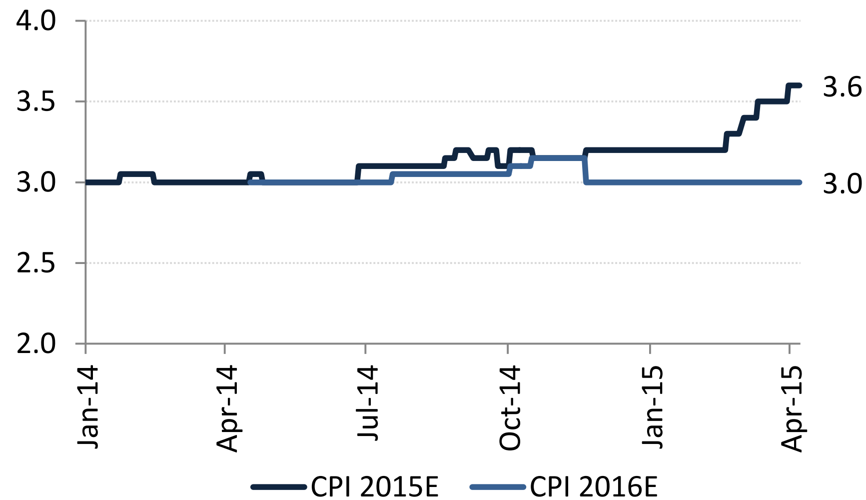
Macroeconomic context - Colombia

Inflation (%)



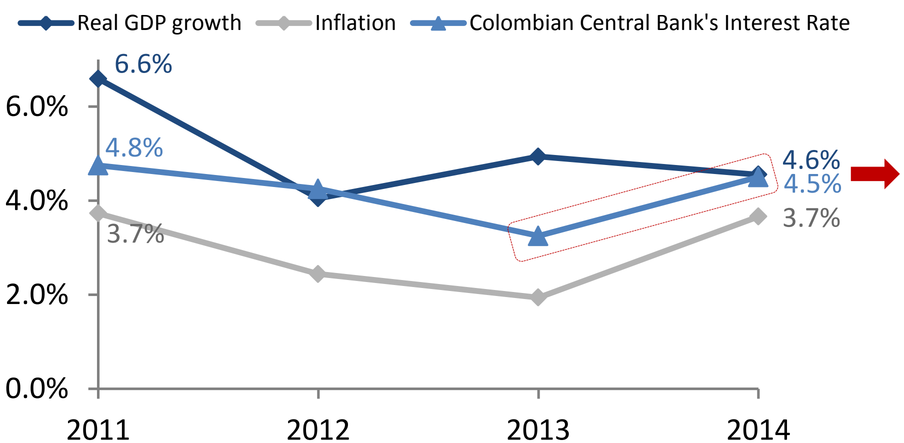
Source: DANE

Inflation Expectations for YE15 and YE16

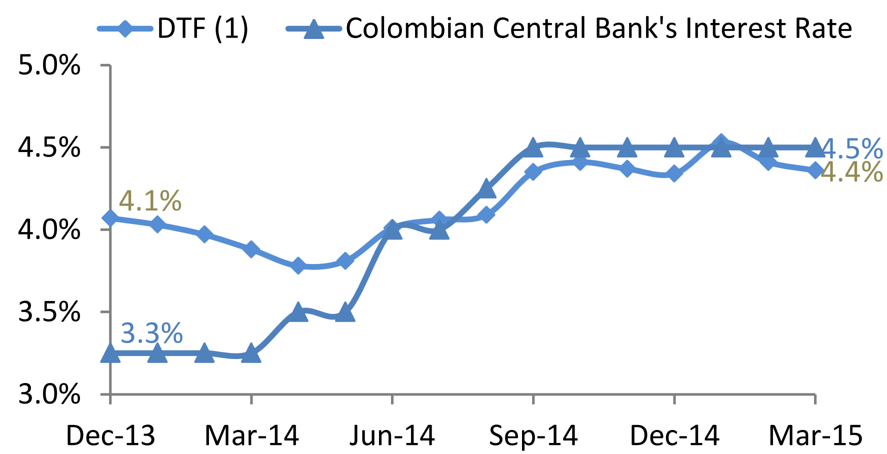


Source: Bloomberg Consensus

Central Bank's Monetary Policy



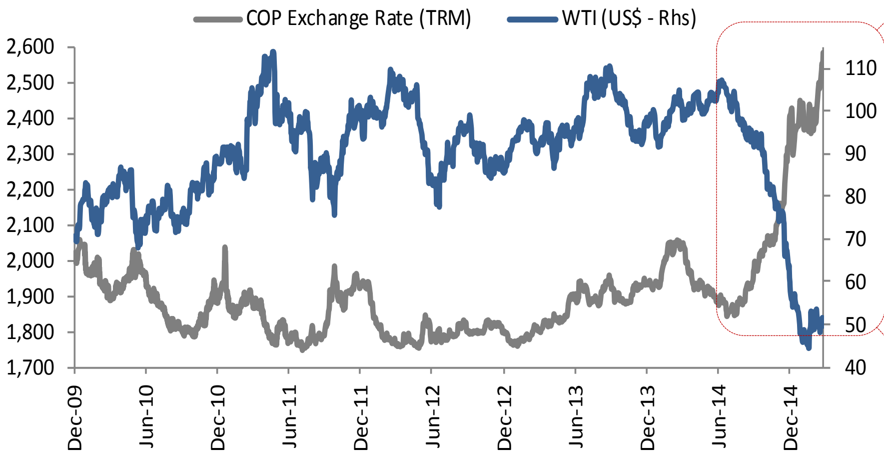
Source: Banrep and DANE



Source: Banrep. (1) End of period DTF rate.

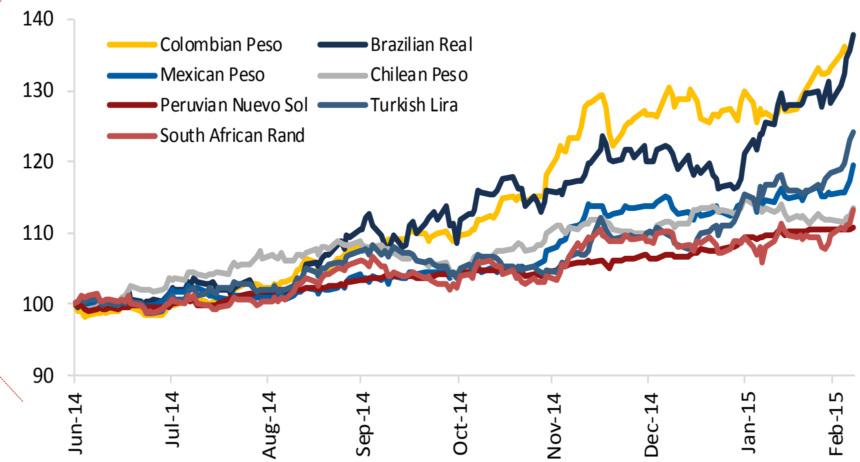
Macroeconomic context - Colombia

Colombian Peso vs WTI US$/barrel



Source: Bloomberg

COP vs Emerging markets' currencies



Source: Bloomberg. (100=Jun-30, 2014)

Facts about the impact of oil prices on Colombia's economy

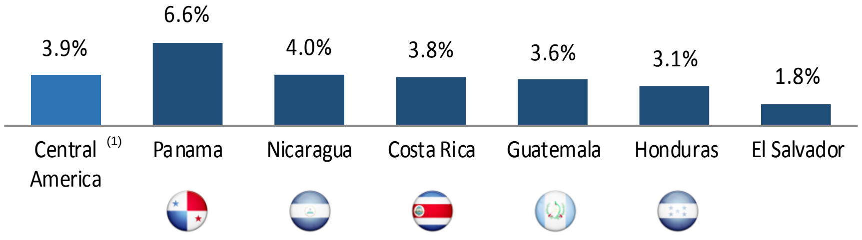
Oil represents 55.2% of Colombia's total exports.

Mining & Energy sectors represent 21.8% of the Government's fiscal revenues or 3.7% of GDP, according to the 2014 Fiscal Framework

Foreign direct investment associated with the Oil & Gas industry has amounted to 35% of the total FDI over the past eight years

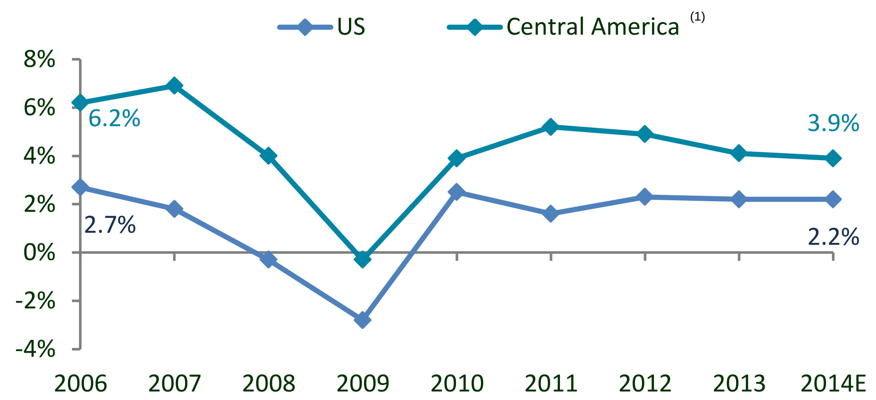
Macroeconomic context – Central America

Real GDP CAGR ’13-’16E (%)



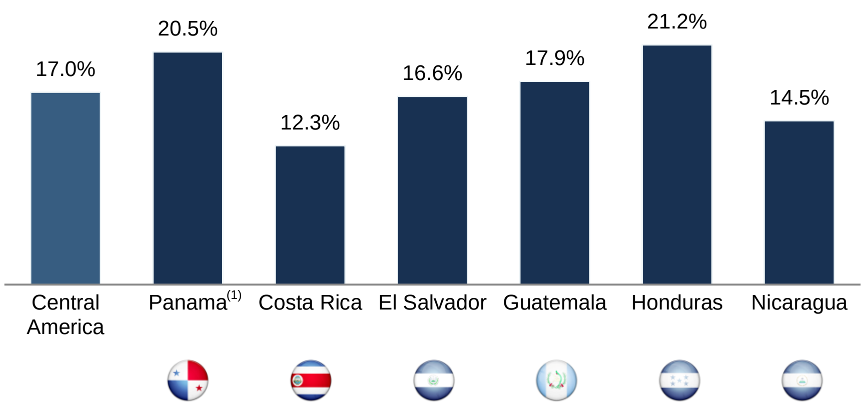
Source: IMF; (1) Aggregate growth of all the Central American countries

Real GDP growth evolution (%)



Source: IMF; (1) Average growth of all the Central American countries 2014 numbers for Central America are an estimate from BAC Credomatic.

Oil & gas imports / Total imports (%)

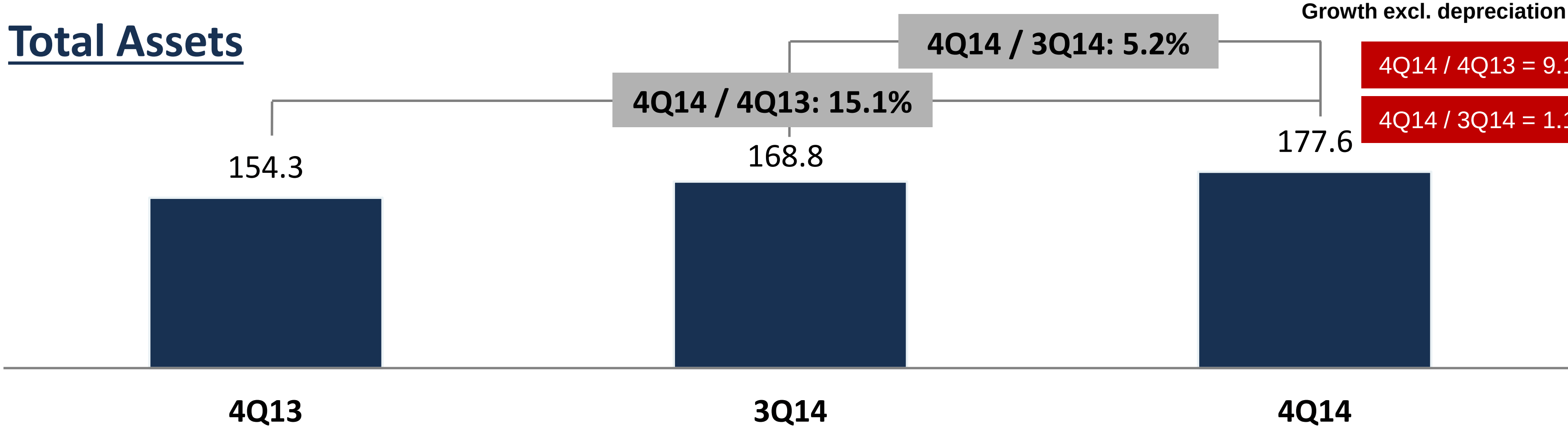


Source: SECMCA, Central Banks; (1) Corresponds to 2013 since numbers for 2014 are not available.

Assets

Figures in Ps. Trillions

Total Assets

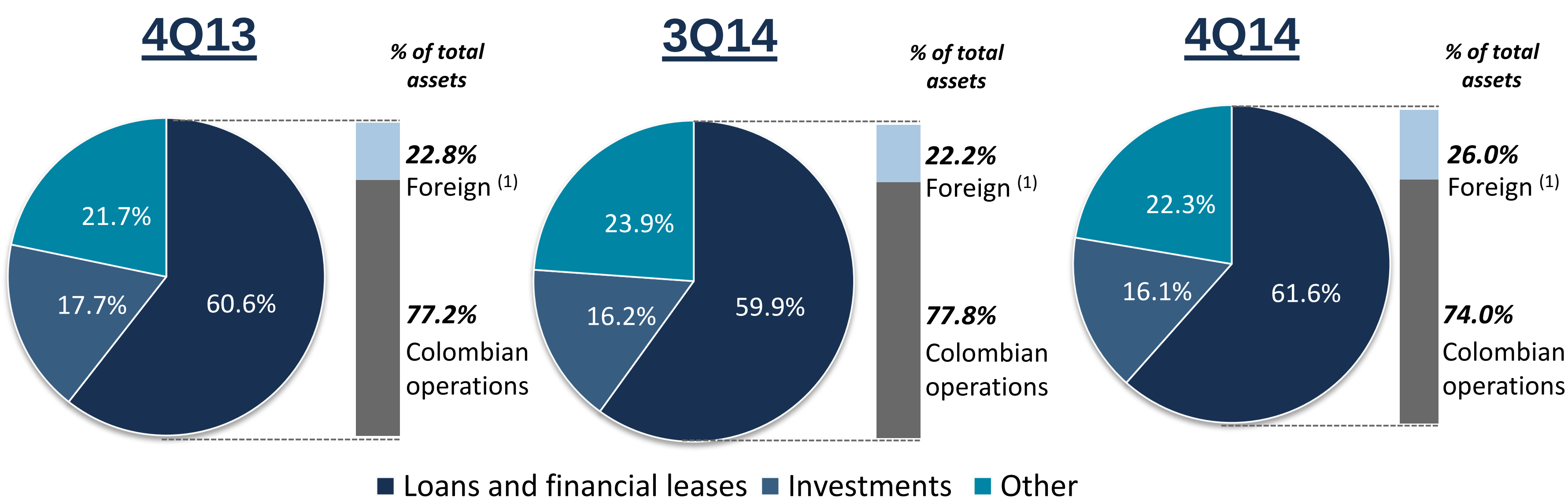


Growth excl. depreciation of COP

4Q14 / 4Q13 = 9.1%

4Q14 / 3Q14 = 1.1%

Assets Breakdown



(1) Foreign operations reflect Central American operations.

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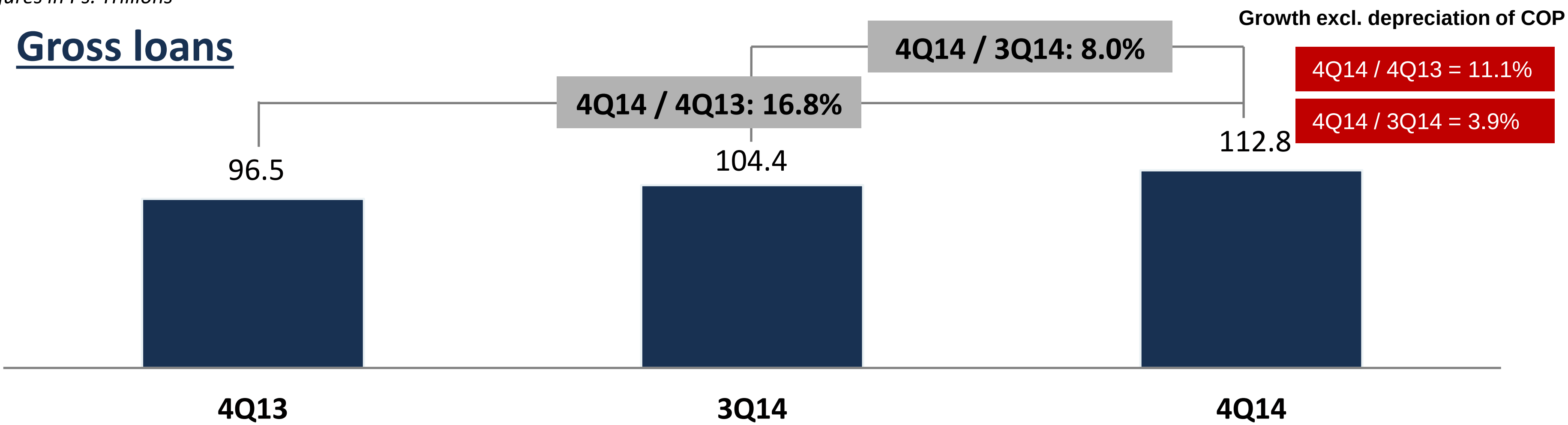
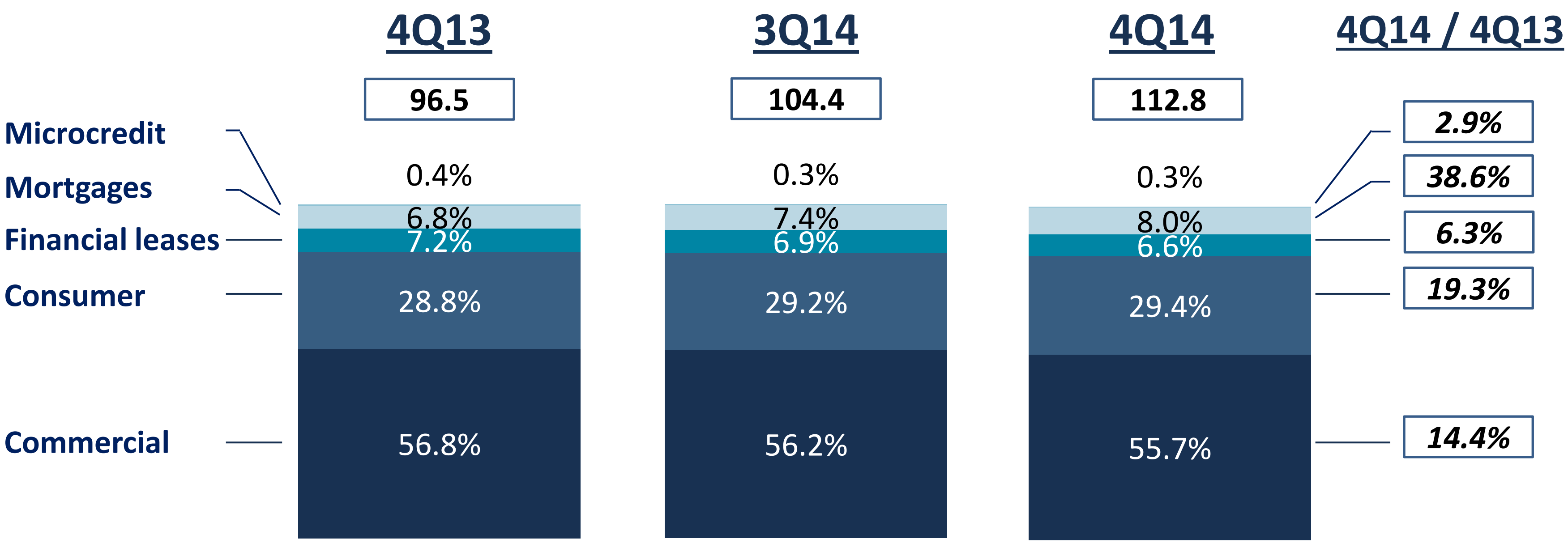
Loans

Figures in Ps. Trillions

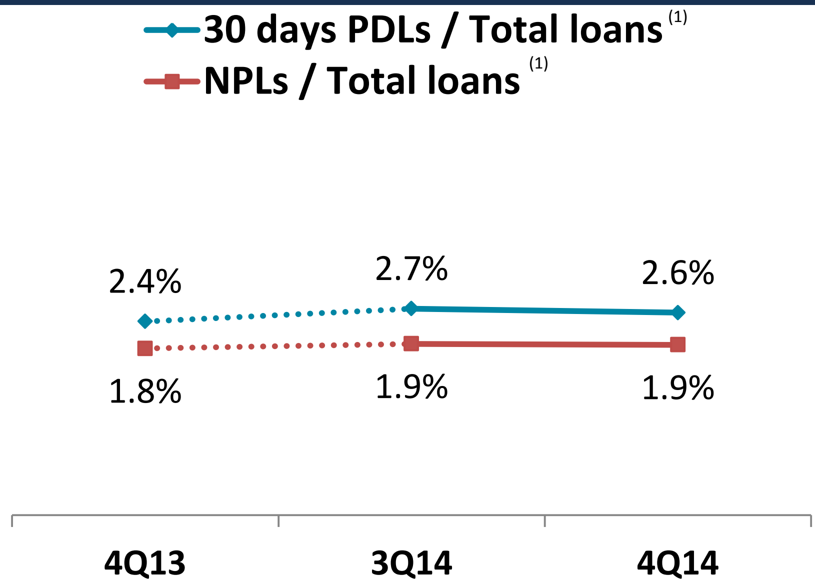
Gross loans

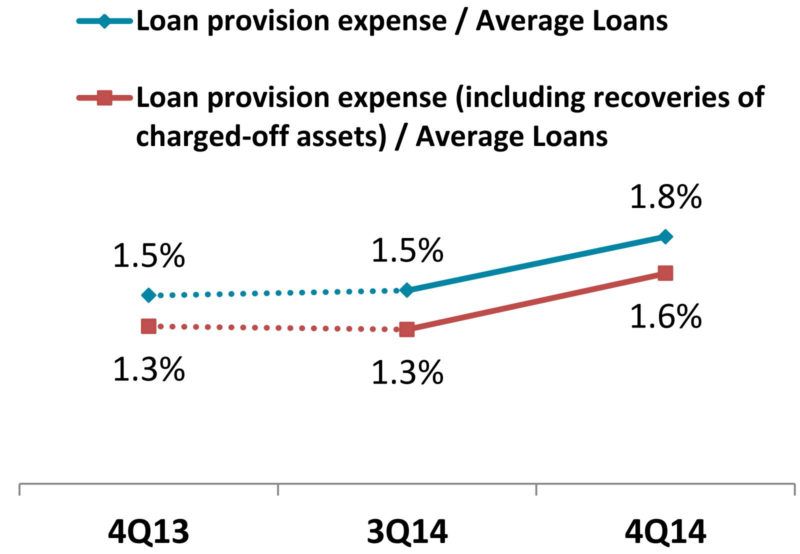


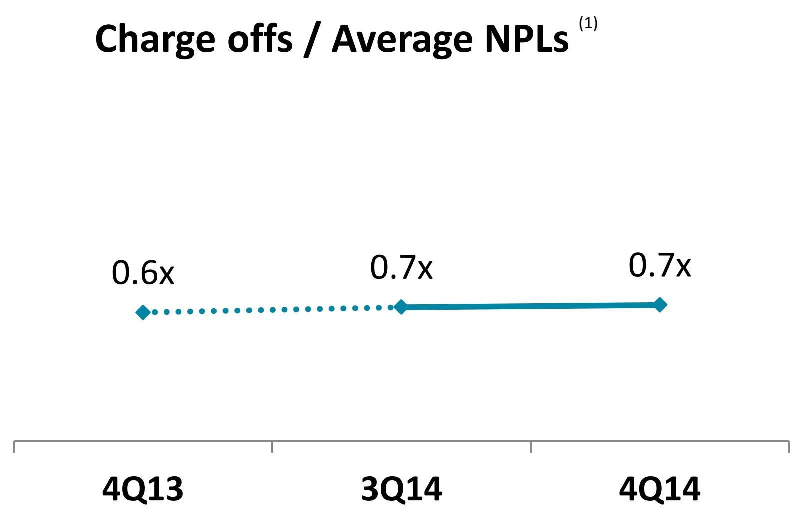
Gross loans Breakdown

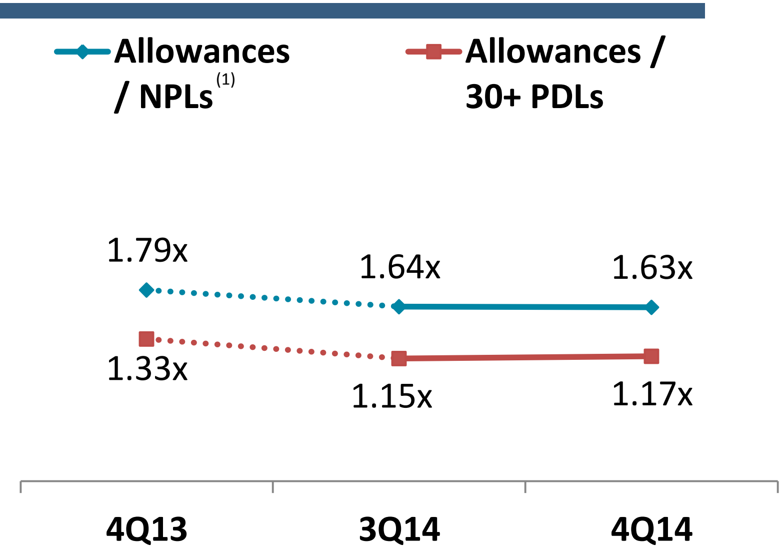


Loan portfolio quality









Allowances / Total loans	3.2%	3.1%	3.0%

(1) NPL defined as microcredit loans more than 30 days past due, consumer, mortgage and financial leases more than 60 days past due and commercial loans more than 90 days past due.

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Loan portfolio quality – GRUPO AVAL

Loans

Portfolio Composition	4Q14
Commercial	55.7%
Consumer	29.4%
Financial Leases	6.6%
Mortgages	8.0%
Microcredit	0.3%
Total Loans	**100.0%**

Past Due Loans [1]

	4Q13	3Q14	4Q14
Commercial	1.3%	1.7%	1.7%
Consumer	4.2%	4.1%	4.0%
Financial Leases	2.4%	4.0%	3.2%
Mortgages	3.5%	2.9%	2.9%
Microcredit	9.5%	10.0%	10.7%
Total Loans	**2.4%**	**2.7%**	**2.6%**

Non-performing Loans [2]

	4Q13	3Q14	4Q14
Commercial	1.0%	1.2%	1.2%
Consumer	2.9%	2.9%	2.8%
Financial Leases	1.6%	2.0%	2.1%
Mortgages	3.2%	2.6%	2.6%
Microcredit	9.4%	10.0%	10.6%
Total Loans	**1.8%**	**1.9%**	**1.9%**

Asset Quality Evolution

Ps. billions	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Initial PDLs	1,828.3	2,141.0	2,069.2	2,173.0	2,305.0	2,717.6	2,616.0	2,794.1
New PDLs	510.5	160.9	351.3	384.1	646.4	257.6	517.3	493.6
Charge-offs	-197.8	-232.7	-247.5	-252.1	-233.7	-359.1	-339.3	-372.7
Final PDLs	**2,141.0**	**2,069.2**	**2,173.0**	**2,305.0**	**2,717.6**	**2,616.0**	**2,794.1**	**2,914.9**

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

(2) NPL defined as microcredit loans more than 30 days past due, consumer, mortgage and financial leases more than 60 days past due and commercial loans more than 90 days past due.

Funding

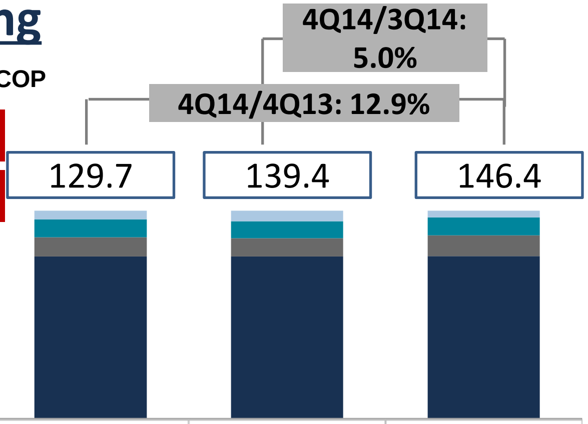
Figures in Ps. Trillions

Total Funding

Growth excl. depreciation of COP

4Q14 / 4Q13 = 7.1%

4Q14 / 3Q14 = 1.0%



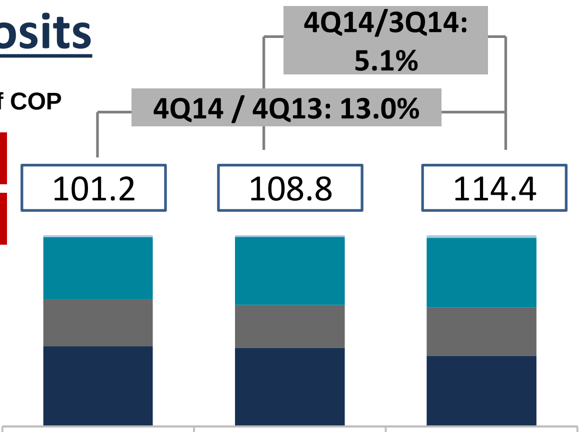
	4Q13	3Q14	4Q14
Interbank Borrowings	4.1%	5.1%	3.3%
Long-Term Bonds	8.6%	8.2%	8.6%
Banks and Others	9.2%	8.6%	9.9%
Deposits	78.0%	78.1%	78.1%

Total Deposits

Growth excl. depreciation of COP

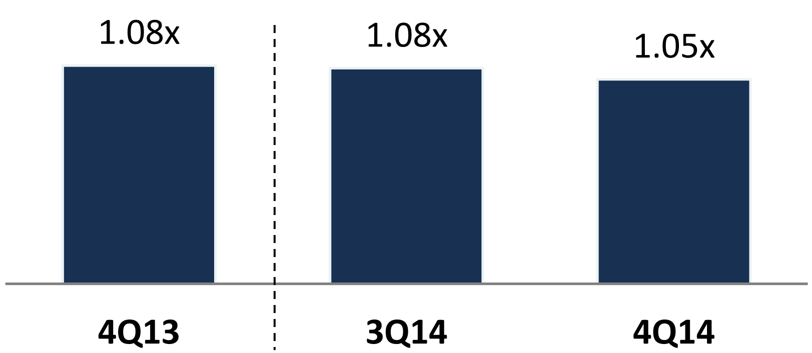
4Q14 / 4Q13 = 7.6%

4Q14 / 3Q14 = 1.3%



	4Q13	3Q14	4Q14
Others	1.1%	0.8%	1.3%
Time deposits	32.4%	35.7%	36.6%
Checking accounts	24.6%	22.4%	25.2%
Savings deposits	42.0%	41.1%	37.0%

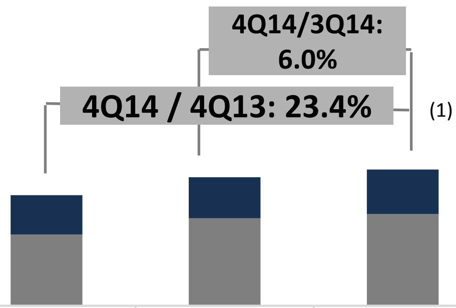
Deposits / Net Loans (%)



Capital

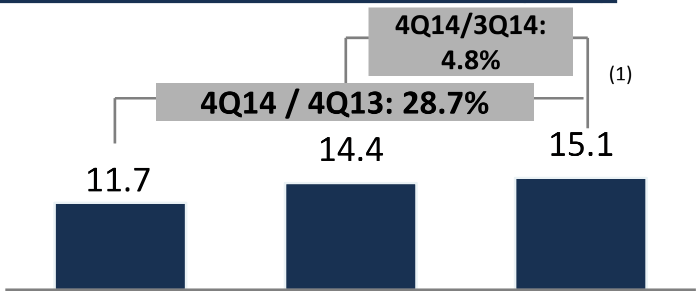
Figures in Ps. Trillions

Attributable Equity + Minority Interest



	4Q13	3Q14	4Q14
Minority interest	6.5	6.8	7.4
Attributable Shareholders' Equity	11.7	14.4	15.1
Total Equity	18.2	21.2	22.5

Attributable Shareholders Equity



	4Q13	3Q14	4Q14
Equity + minority interest / Assets	11.8%	12.6%	12.6%
Tangible capital ratio [(2)]	8.9%	9.9%	9.8%

Consolidated Capital Adequacy of our Banks (%)

	Banco de Bogotá			Banco de Occidente			banco popular			Banco AV Villas		
	4Q13	3Q14	4Q14	4Q13	3Q14	4Q14	4Q13	3Q14	4Q14	4Q13	3Q14	4Q14
Primary capital (Tier 1)	7.5	7.6	8.0	9.1	9.1	8.9	9.5	10.9	10.5	10.7	11.2	11.6
Solvency Ratio	11.2	11.1	11.5	12.9	12.7	11.8	10.8	12.3	12.2	11.8	12.3	12.6
Tangible Capital Ratio [(2)]	9.7	9.2	10.0	12.9	12.5	12.3	14.9	15.1	15.8	12.1	11.8	11.7

[(1)] Includes Ps. 2.4 trillion of capital raised in Dec, 2013 and January, 2014 through a common share rights offering and Ps. 2.5 trillion of capital raised between Sep, 2014 and Oct, 2014 through a preferred share offering in the NY Stock Exchange. [(2)] Tangible Capital Ratio is calculated as Shareholders Equity plus Minority Interest minus Goodwill divided by Total Assets minus Goodwill.

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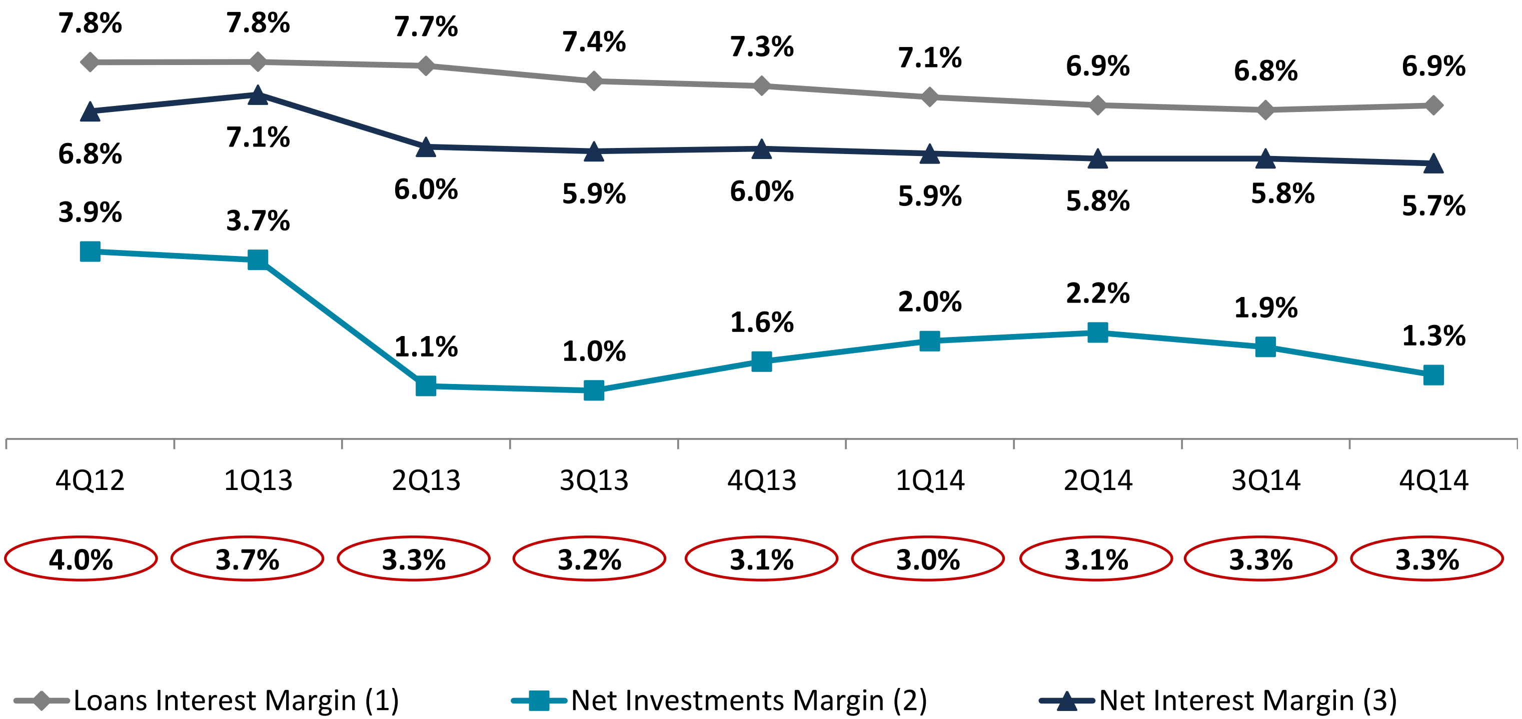
NIM – Net Interest Margin

Net interest income *(trillions)*

4Q13	3Q14	4Q14	4Q14/ 4Q13	4Q14/ 3Q14
1.77	1.88	1.95	10.1%	3.8%



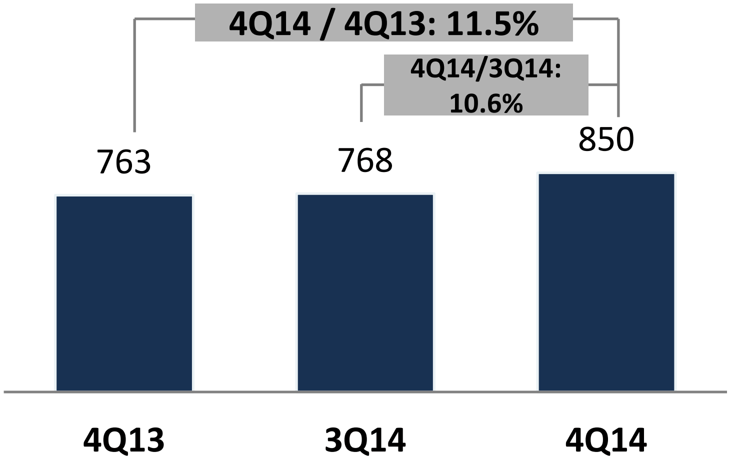
Avg. cost of funds / Total Int. and non Int. funding								
4.0%	3.7%	3.3%	3.2%	3.1%	3.0%	3.1%	3.3%	3.3%

(1) Loans Interest Margin: Net Interest Income on Loans to Average loans and financial leases.
(2) Net Investment Margin: Net Interest income on Fixed Income securities and on Interbank and Overnight funds to Average Fixed Income securities and Interbank and overnight funds.
(3) Net Interest Margin: Net interest income divided by total average interest-earning assets.

Net Fees and other operating income

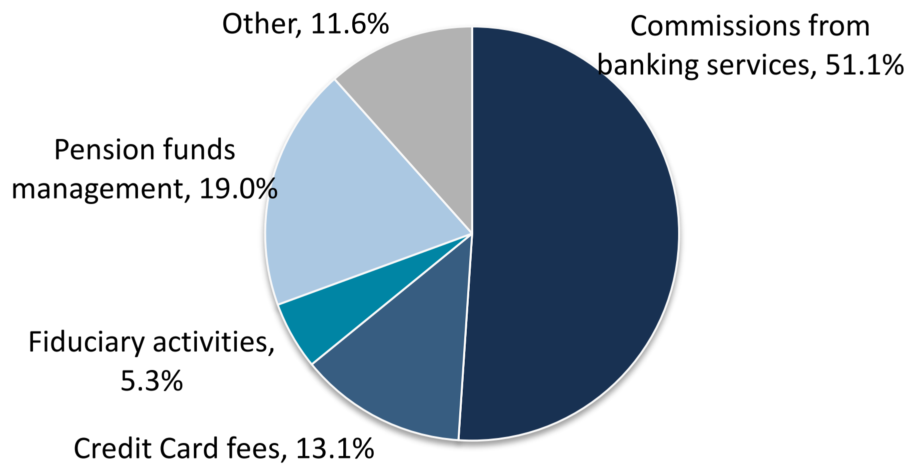
Figures in Ps. Billions

Net Fees[1]

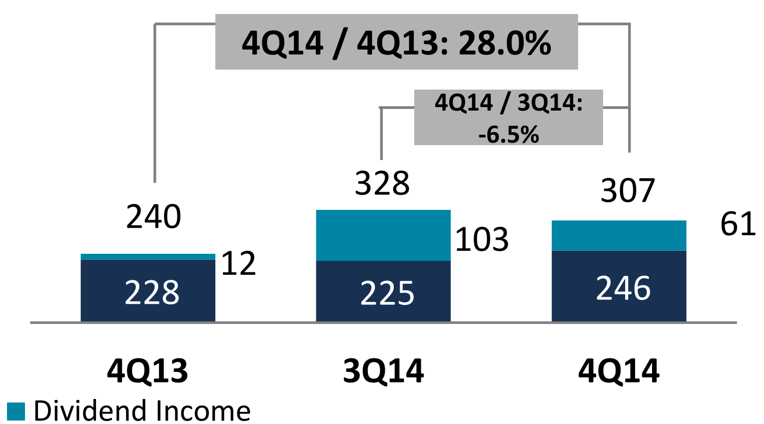


[1] Total fees and other service income minus fees and other services expenses.

Fee Income 4Q14



Other operating income

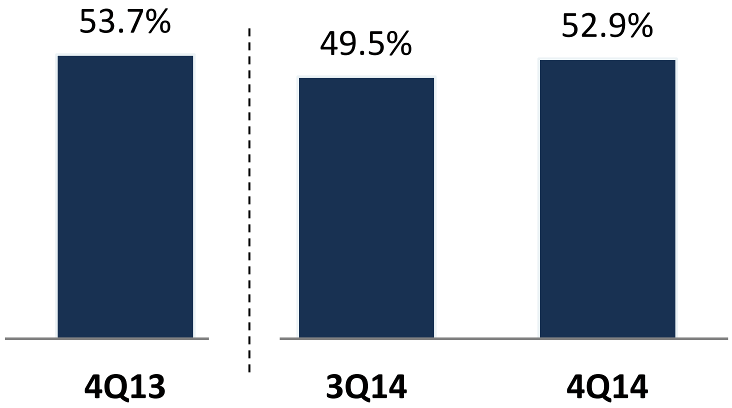


Other operating income

	4Q13	3Q14	4Q14
Dividend Income	12	103	61
Foreign exchange (losses) gains, net	73	93	80
Income from non-financial sector, net	123	87	109
Other	32	46	57
Total other operating income	**240**	**328**	**307**

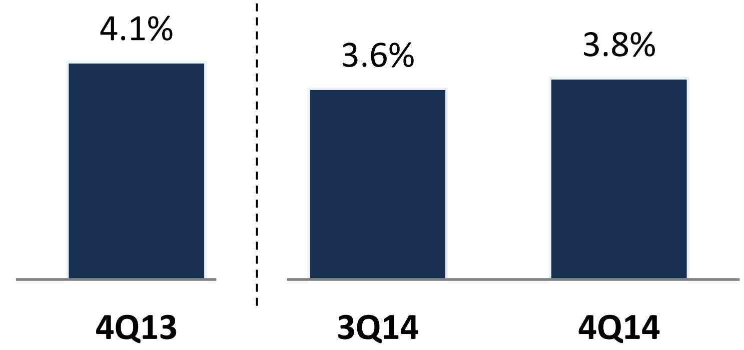
Efficiency and non operating income, net

Operating expenses / Operating Income



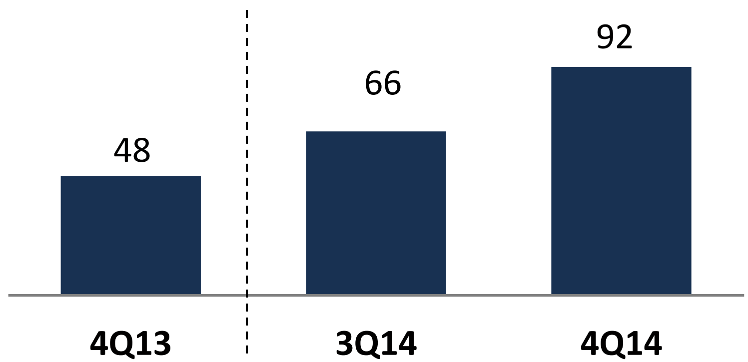
Efficiency Ratio is calculated as Operating Expenses before D&A divided by Operating Income before net provisions.

Operating expenses / Average Assets



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

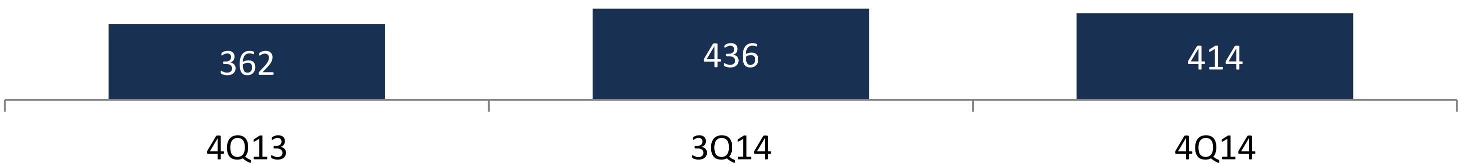
Non operating income, net



Profitability

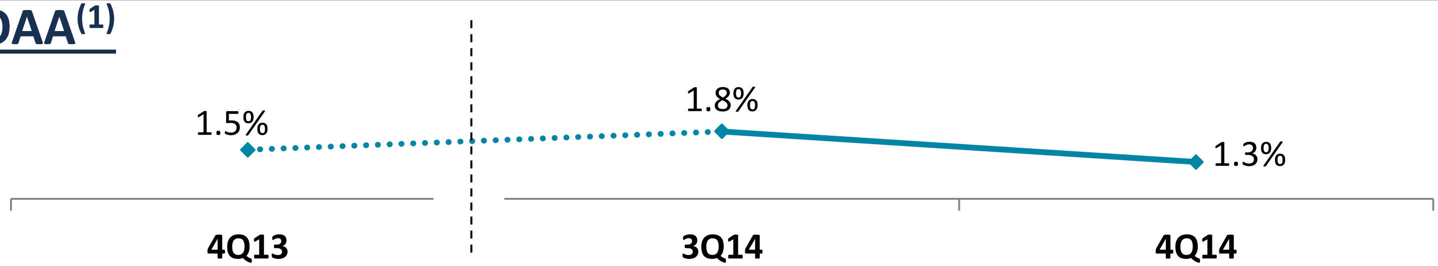
Figures in Ps. Billions

Net income



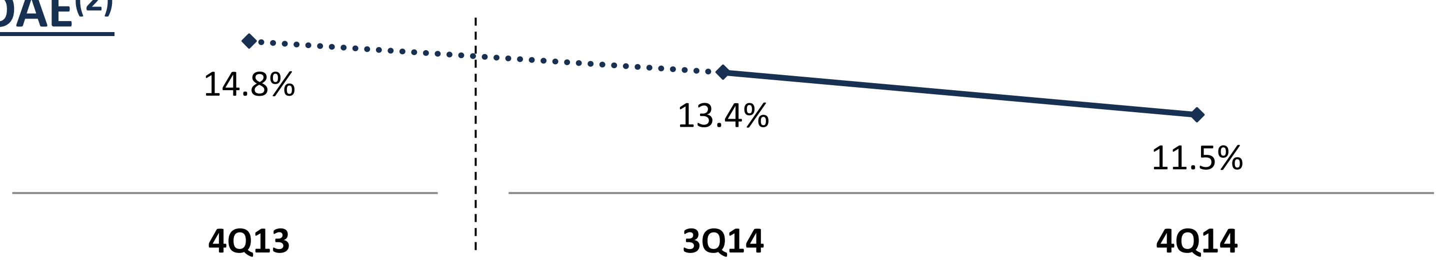
	4Q13	3Q14	4Q14
EPS	**$19.3**	**$21.2**	**$18.6**
Shares Outstanding (MM Average)	**18,773**	**20,513**	**22,278**

ROAA(1)



	4Q13	3Q14	4Q14
ROAA 12 months	**1.9%**		**1.6%**

ROAE(2)



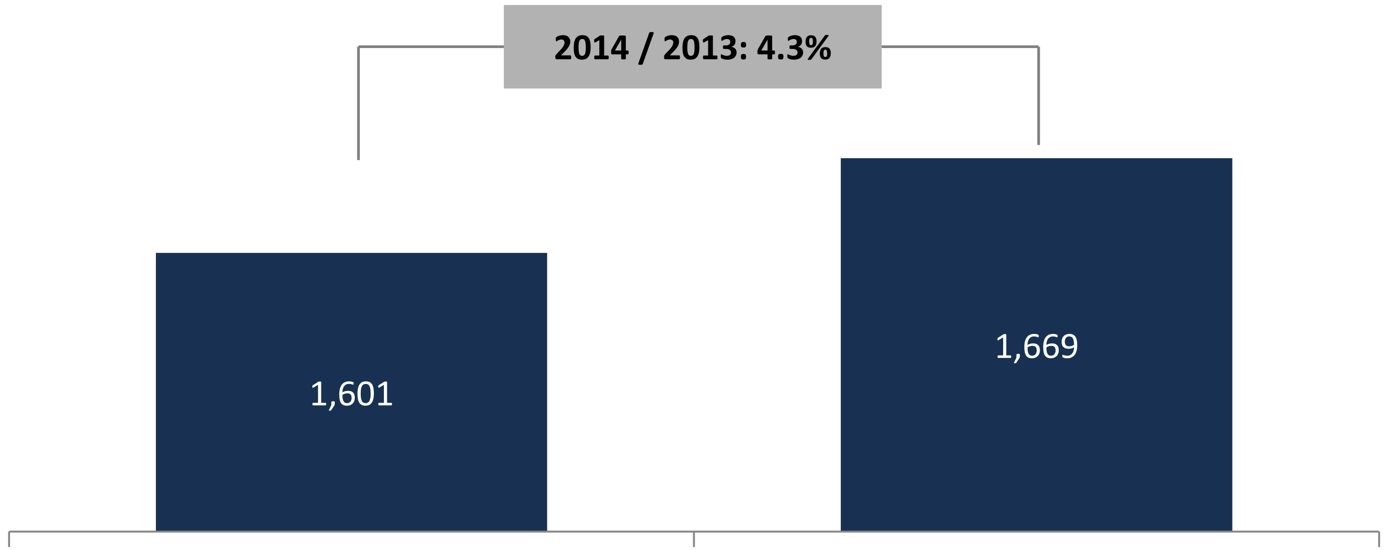
	4Q13	3Q14	4Q14
ROAE 12 months	**17.3%**(3)		**13.0%**

(1) ROAA for each quarter is calculated as annualized Net Income before Minority Interest divided by average of total assets.(2) ROAE for each quarter is calculated as annualized Net Income attributable for Aval's shareholders divided by average attributable shareholders' equity. (3) Calculated excluding Ps. 2,114.5 billions in capital raised in Dec, 2013.

Profitability

Figures in Ps. Billions

Net income



	2013	2014
ROAA[(1)]	1.9%	1.6%
ROAE[(2)(3)]	17.3%	13.0%
EPS	86	80
Average Shares Outstanding (MM)	18,607	20,897

2014 / 2013: 12.3%

[(1)] ROAA is calculated as annualized Net Income before Minority Interest divided by average of total assets. [(2)] ROAE is calculated as annualized Net Income attributable for Aval's shareholders divided by average attributable shareholders' equity. [(3)] Calculated excluding Ps. 2,114.5 billions in capital raised in Dec, 2013.

Grupo AVAL