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1Q15 Consolidated Earnings Results

Colombian Banking GAAP and IFRS

June 2015



Disclaimer



Grupo Aval Acciones y Valores S.A. (“Grupo Aval”) is an issuer of securities in Colombia and in the United States, registered with Colombia’s National Registry of Shares and Issuers (Registro Nacional de Valores y Emisores) and the United States Securities and Exchange Commission. 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 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.

Although we are not a financial institution, until December 31, 2014 we prepared the unaudited consolidated 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 because we believe that presentation on that basis most appropriately reflected our activities as a holding company of a group of banks and other financial institutions.

However, 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.

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.

The unaudited consolidated financial information included in this webcast 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.

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.

This report may include forward-looking statements, which actual results may vary from those stated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risks factors as evidenced in our Form 20-F available at the SEC webpage. 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.

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

Grupo Aval financials for 1Q15 show the following general results:

- ✓ Strong loan portfolio growth (18.6% YoY and 5.1% QoQ) based on organic growth of our operations boosted by the depreciation of the Colombian Peso;
- ✓ Stable asset quality when compared to 4Q14 with NPLs at 1.8% in 1Q15 vs 1.9% in 4Q14 and 30 days PDLs at 2.6% in 4Q14 and 1Q15;
- ✓ Stable Net Interest Margin at 5.8% in 1Q15 in line with the LTM average;
- ✓ Normalization of the cost of risk improving to 1.5%;
- ✓ Improvement in the efficiency ratio on a cost to income basis (47.9% in 1Q15 from 52.9% in 4Q14 and 50.5% in 1Q14), and on an operational expenses to average total assets basis (3.4% for 1Q15 from 3.8% for 4Q14 and 3.7% for 1Q14);
- ✓ Impacted by the payment of dividends and wealth tax and due to the strong growth in total assets, our tangible equity ratio decreased by 100 pbs. from 9.8% in 4Q14 to 8.8% in 1Q15;
- ✓ ROAA for the quarter was 1.7% and ROAE for the quarter was 13.2%.

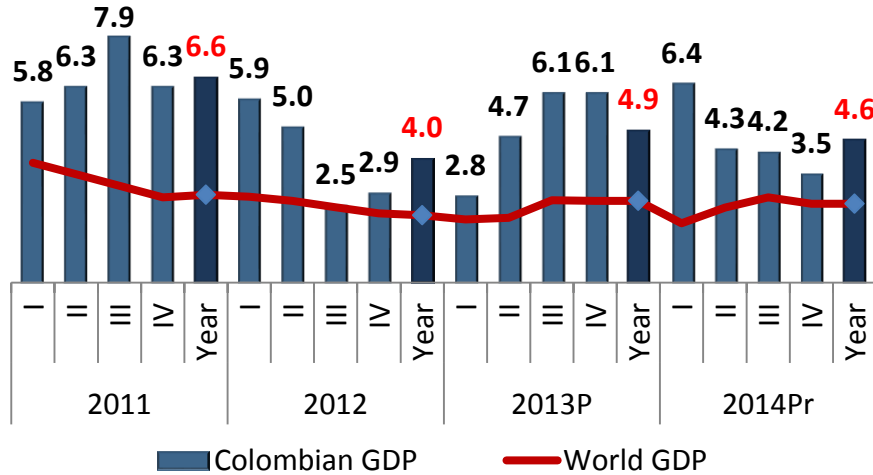
Other corporate matters to report

- ✓ Preliminary figures for 1Q2015 Balance Sheet and Income Statement under IFRS are included herein. The majority of the changes in the Balance Sheet reflect the elimination of the reappraisal of assets and the effects of consolidating Promigas. The positive recurrent impacts on the income statement reflect less loan provision expenses and operating expenses;
- ✓ Under full IFRS 1Q2015 results will include the wealth tax as an expense item in the income statement. Under Colombian regulation, it is possible to deduct this tax directly from Equity rather than expensing it in the income statement;
- ✓ The Colombian Peso showed yet again a strong depreciation during the period (31.9% vs. EoP March 31, 2014 and 8.6% vs. EoP December 31, 2014) which positively impacted the growth of our Central American operations when translated into Colombian Pesos but affected our capitalization ratios. In the following report, calculations of growth excluding the depreciation of the Colombian Peso use the exchange rate formed as of March 31, 2014 to translate our Central American operations for all periods.

Macroeconomic context - Colombia

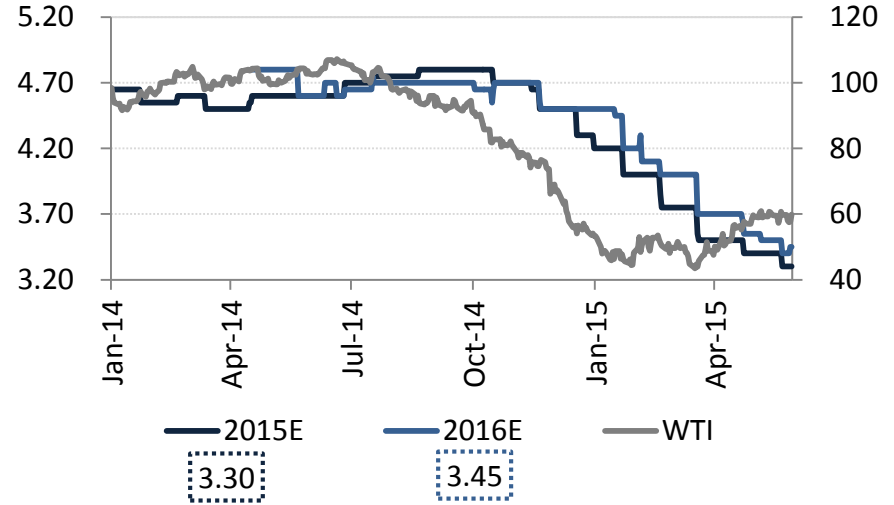


GDP Growth (%)



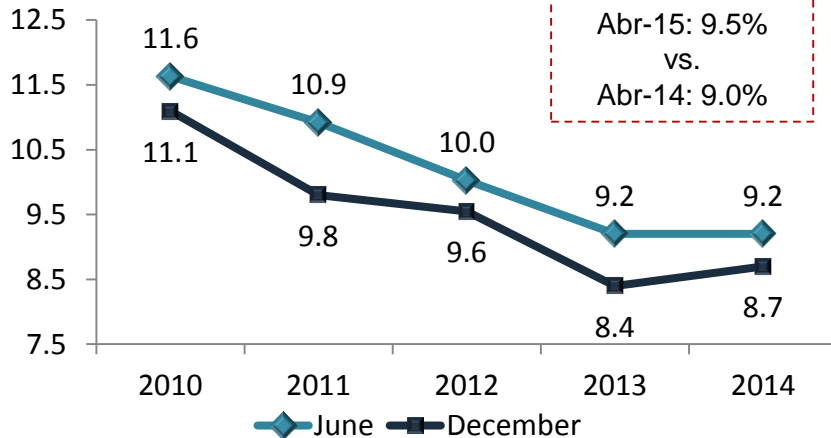
Source: DANE and Bloomberg. GDP yearly % change – Seasonally adjusted data at constant prices.
(P) = Provisional (Pr) = Preliminary

GDP Growth Expectations



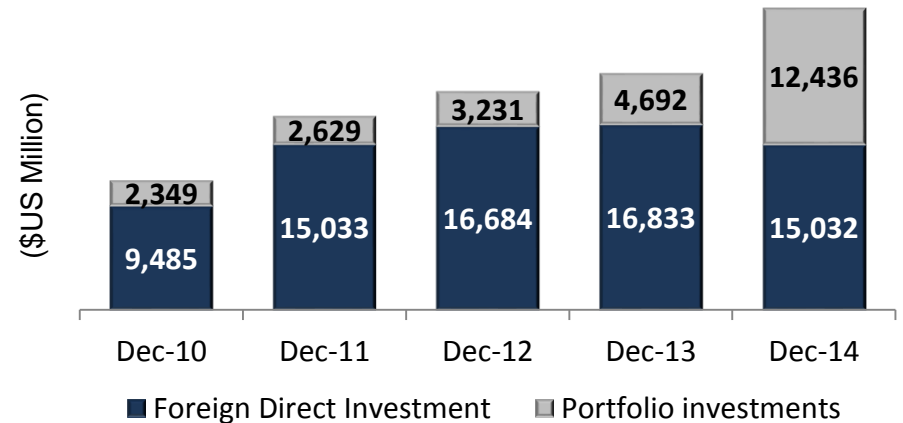
Source: Bloomberg Consensus

Unemployment (%)



Source: DANE.

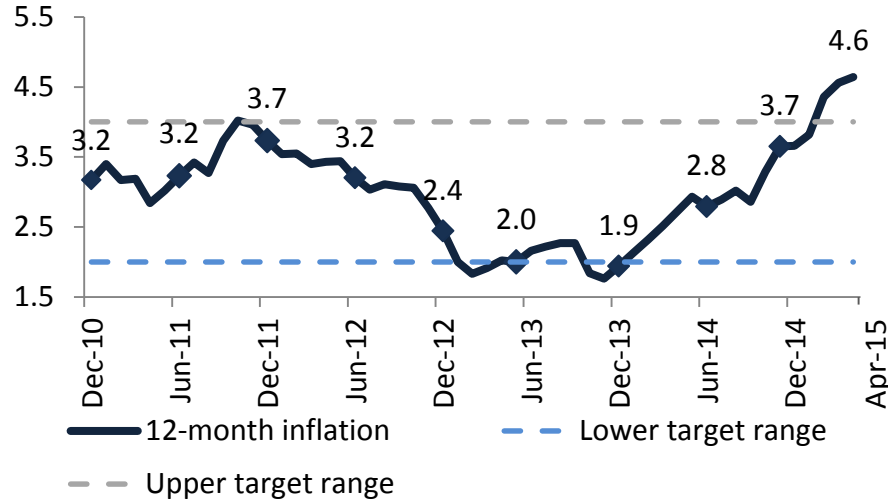
Foreign Investment



Macroeconomic context - Colombia

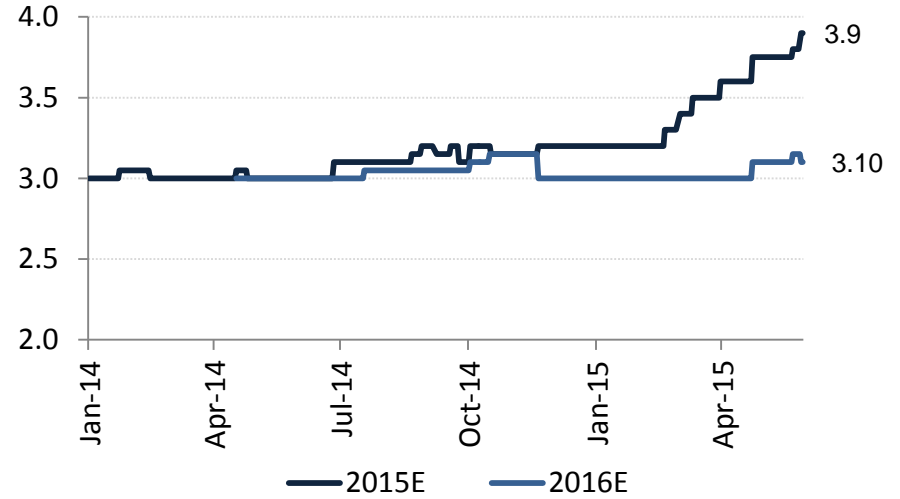


Inflation (%)



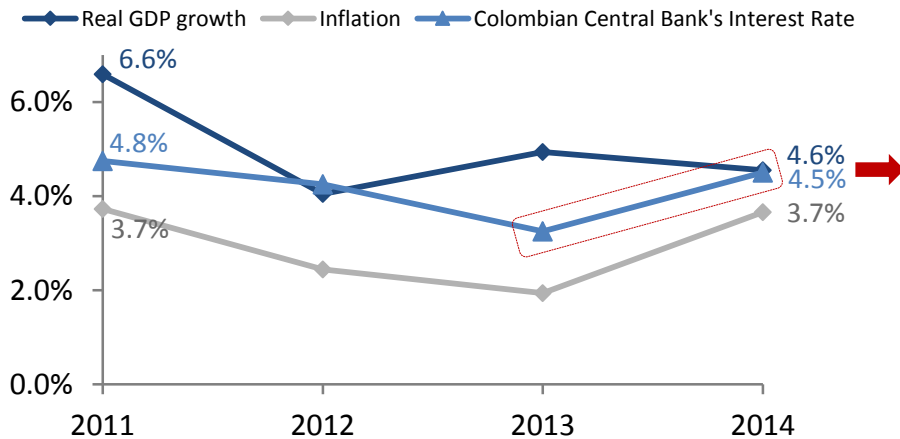
Source: DANE

Inflation Expectations for YE15 and YE16

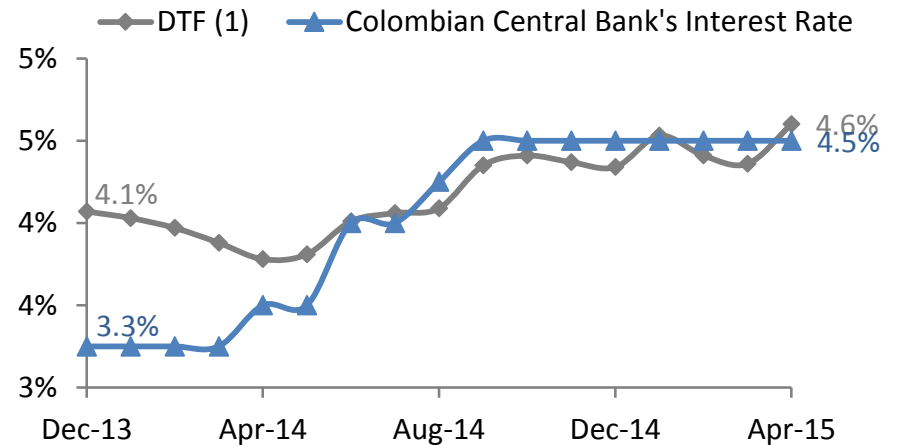


Source: Bloomberg Consensus

Central Bank's Monetary Policy

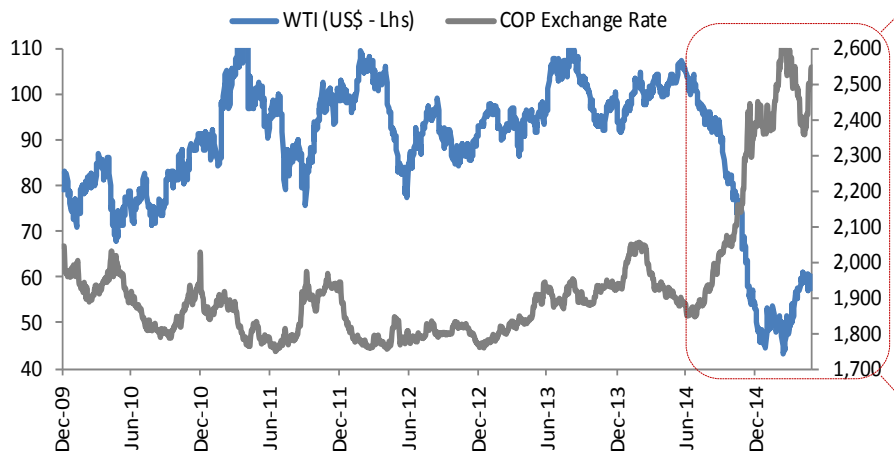


Source: Banrep and DANE



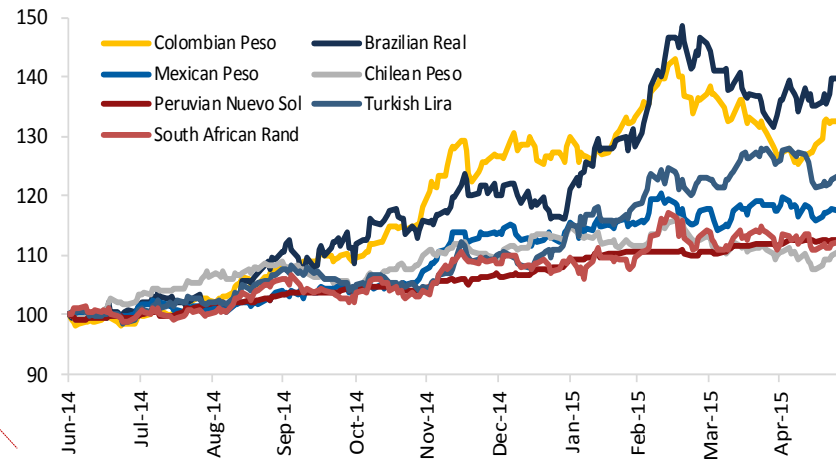
Source: Banrep. (1) End of period DTF rate.

Colombian Peso vs WTI US\$/barrel



Source: Bloomberg

COP vs Emerging markets' currencies



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

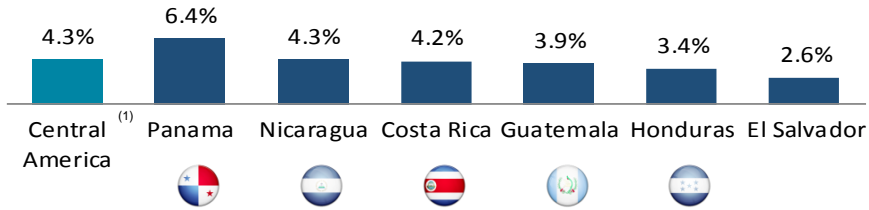
Colombian Peso Exchange Rate

	1Q14	4Q14	1Q15	1Q15vs4Q14	1Q15vs1Q14
Average	2,006.93	2,173.01	2,470.16	13.7%	23.1%
End of Period	1,969.45	2,392.46	2,598.36	8.6%	31.9%

Macroeconomic context – Central America

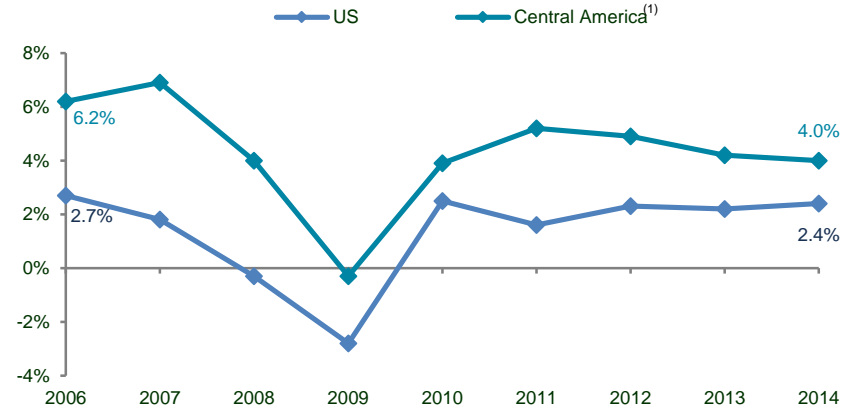


Real GDP CAGR '14-'17E (%)



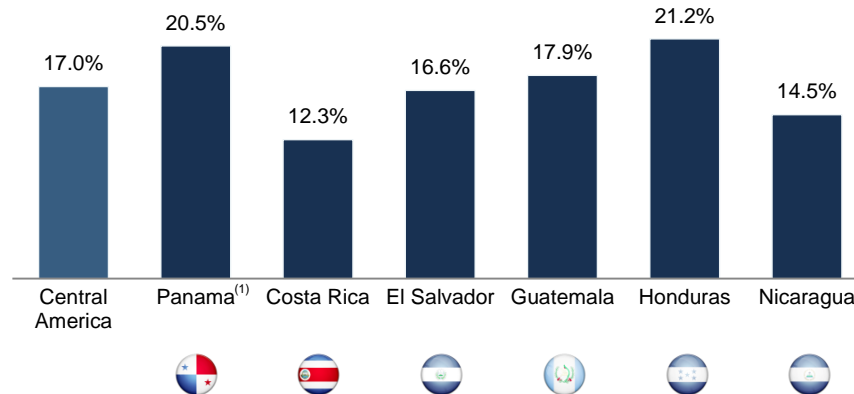
Source: IMF; ⁽¹⁾ Aggregate growth of all the Central American countries

Real GDP growth evolution (%)



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

Oil & gas imports / Total imports (%)



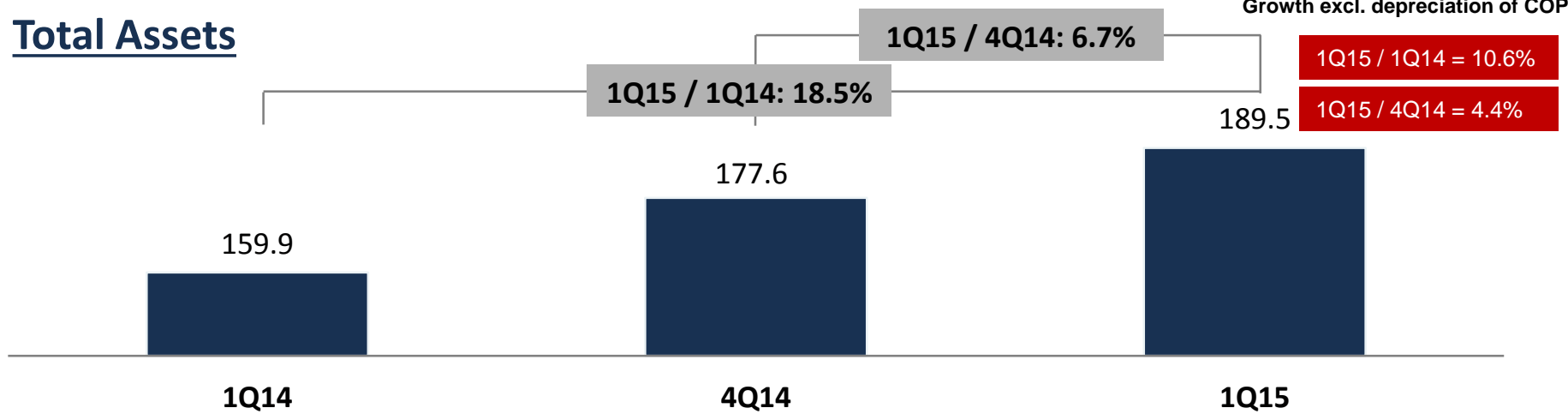
Source: SECMCA, Central Banks; ⁽¹⁾ Corresponds to 2013 since numbers for 2014 are not available.

Assets

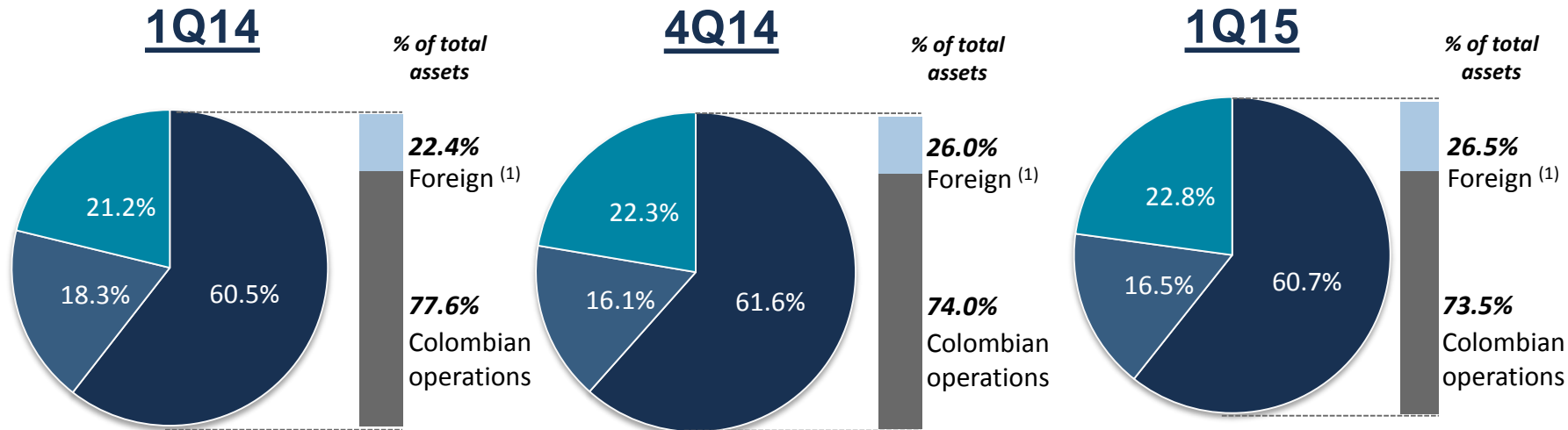
Figures in Ps. Trillions



Total Assets



Assets Breakdown



■ Loans and financial leases ■ Investments ■ Other

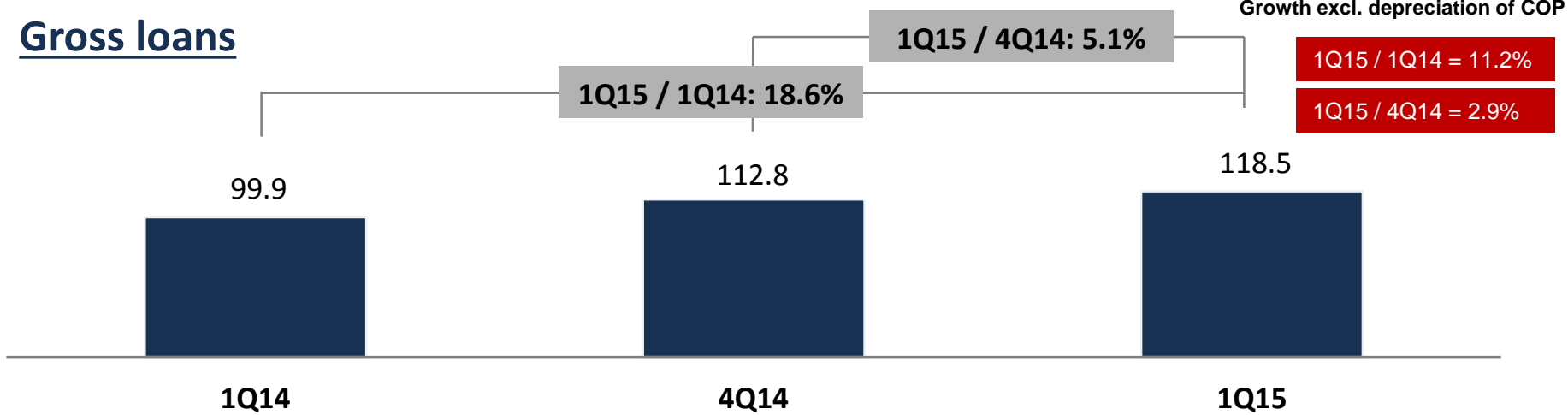
(1) Foreign operations reflect Central American operations.

Loans

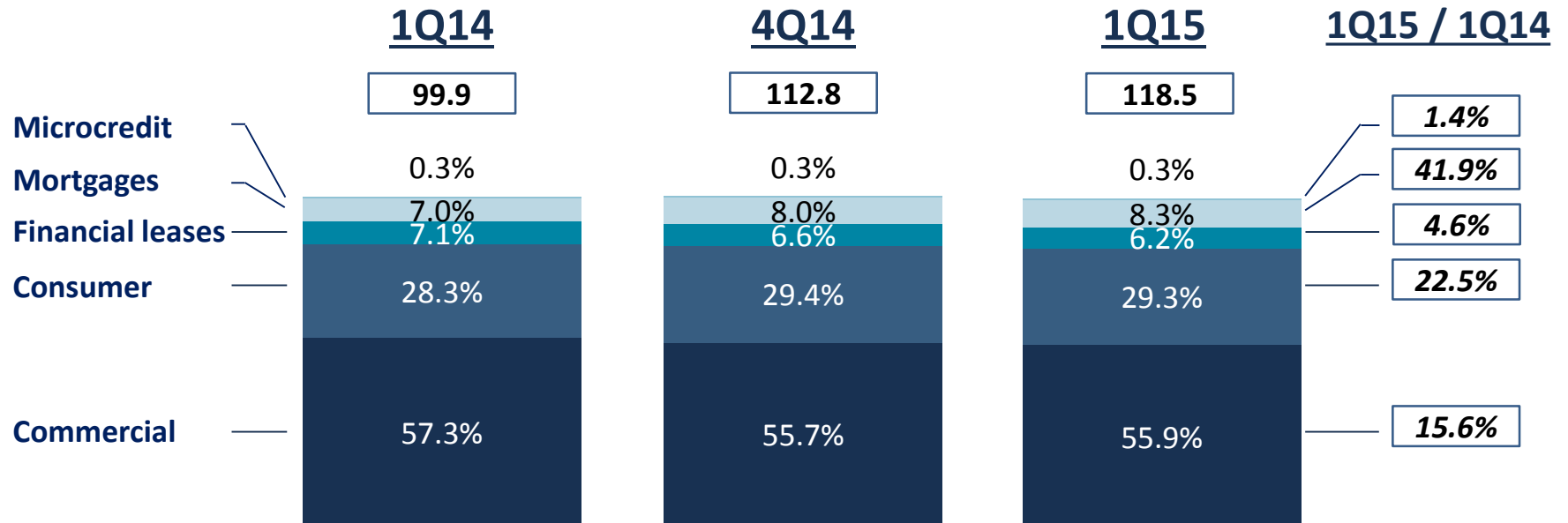


Figures in Ps. Trillions

Gross loans



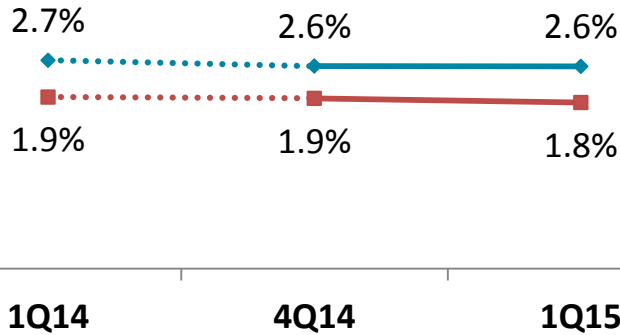
Gross loans Breakdown



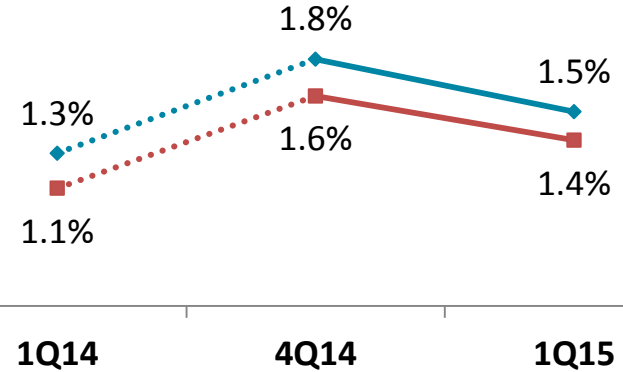
Loan portfolio quality



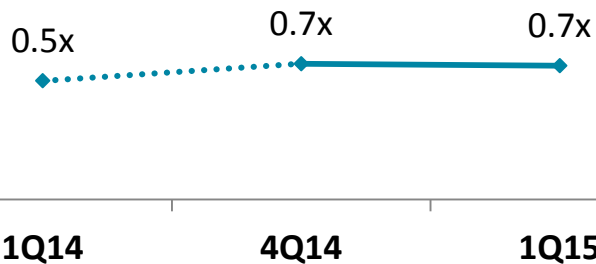
◆ 30 days PDLs / Total loans ⁽¹⁾
■ NPLs / Total loans ⁽¹⁾



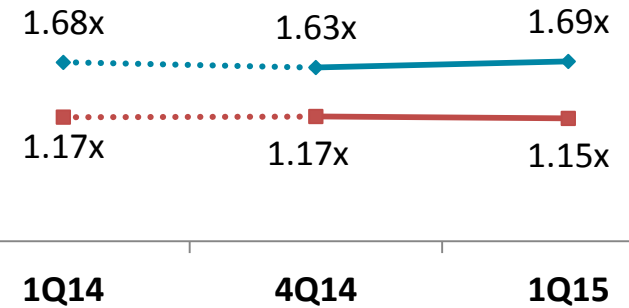
◆ Loan provision expense, net / Average Loans
■ Loan provision expense, net (net of recoveries of charged-off assets) / Average Loans



Charge offs / Average NPLs ⁽¹⁾



◆ Allowances / NPLs ⁽¹⁾
■ Allowances / 30+ PDLs



Allowances / Total loans: 3.2% (1Q14), 3.0% (4Q14), 3.0% (1Q15)

(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.

Loan portfolio quality – GRUPO AVAL



Portfolio Composition

	1Q15
Commercial	55.9%
Consumer	29.3%
Financial Leases	6.2%
Mortgages	8.3%
Microcredit	0.3%
Total Loans	100.0%

Past Due Loans ⁽¹⁾

	1Q14	4Q14	1Q15
Commercial	1.6%	1.7%	1.6%
Consumer	4.4%	4.0%	4.0%
Financial Leases	3.2%	3.2%	4.0%
Mortgages	4.0%	2.9%	2.7%
Microcredit	10.3%	10.7%	10.7%
Total Loans	2.7%	2.6%	2.6%

Non-performing Loans ⁽²⁾

	1Q14	4Q14	1Q15
Commercial	1.1%	1.2%	1.2%
Consumer	3.0%	2.8%	2.7%
Financial Leases	1.5%	2.1%	2.1%
Mortgages	3.6%	2.6%	1.8%
Microcredit	10.3%	10.6%	10.7%
Total Loans	1.9%	1.9%	1.8%

Asset Quality Evolution

<i>Ps. billions</i>	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
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	2,914.9
New PDLs	510.5	160.9	351.3	384.1	646.4	257.6	517.3	493.6	515.8
Charge-offs	-197.8	-232.7	-247.5	-252.1	-233.7	-359.1	-339.3	-372.7	-375.8
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	3,054.9

⁽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

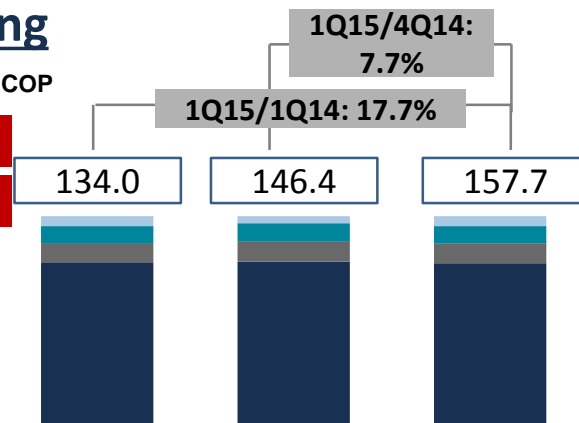


Total Funding

Growth excl. depreciation of COP

1Q15 / 1Q14 = 10.0%

1Q15 / 4Q14 = 5.4%



Funding Composition

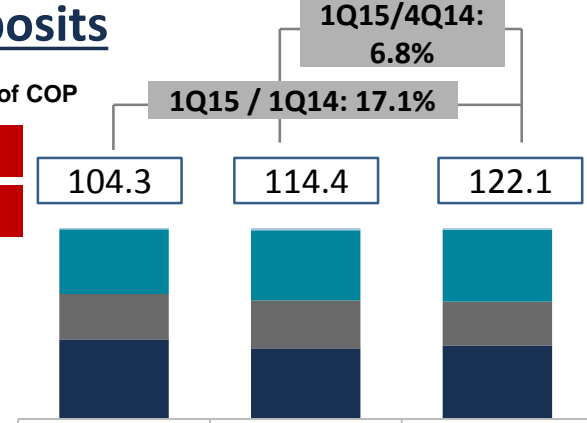
	1Q14	4Q14	1Q15
Interbank Borrowings	4.8%	3.3%	4.8%
Long-Term Bonds	8.0%	8.6%	8.4%
Banks and Others	9.3%	9.9%	9.3%
Deposits	77.9%	78.1%	77.5%

Total Deposits

Growth excl. depreciation of COP

1Q15 / 1Q14 = 9.8%

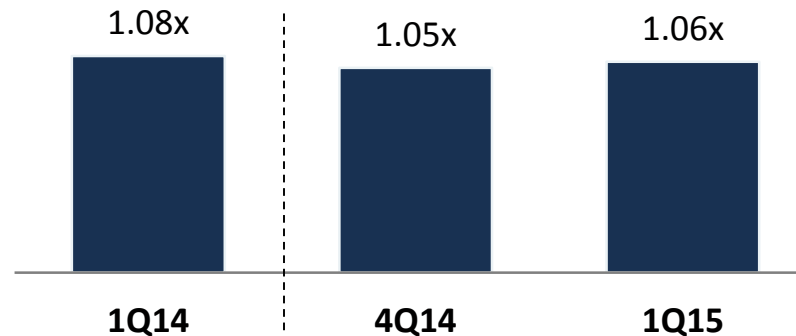
1Q15 / 4Q14 = 4.6%



Deposit Composition

	1Q14	4Q14	1Q15
Others	0.8%	1.3%	0.9%
Time deposits	33.7%	36.6%	37.6%
Checking accounts	23.8%	25.2%	22.9%
Savings deposits	41.7%	37.0%	38.5%

Deposits / Net Loans (%)

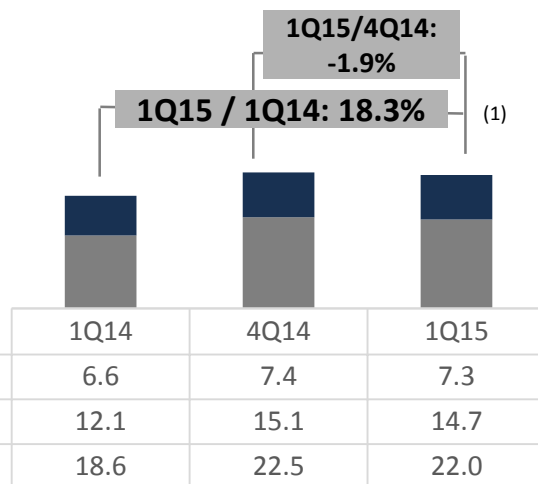


Capital

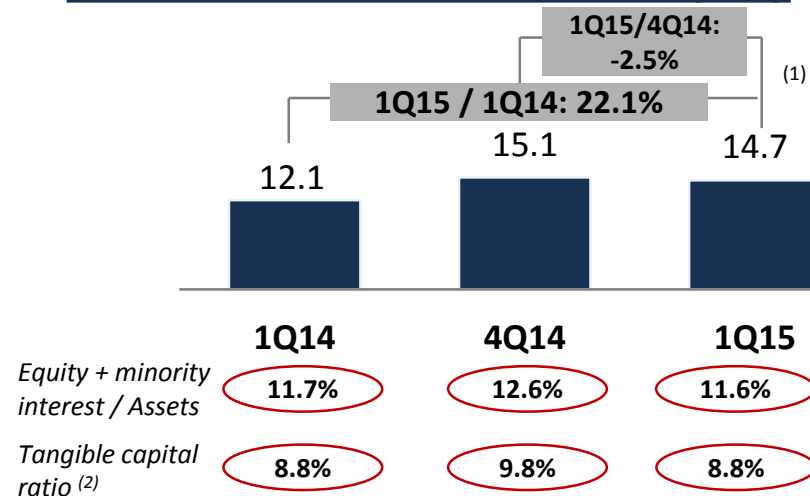
Figures in Ps. Trillions



Attributable Equity + Minority Interest



Attributable Shareholders Equity



Consolidated Capital Adequacy of our Banks (%)*



	Banco de Bogotá			Banco de Occidente			banco popular			Banco AV Villas		
	1Q14	4Q14	1Q15	1Q14	4Q14	1Q15	1Q14	4Q14	1Q15	1Q14	4Q14	1Q15
Primary capital (Tier 1)	7.4	8.0	7.8	9.3	8.9	10.0	9.8	10.5	11.0	10.7	11.6	10.5
Solvency Ratio	11.0	11.5	10.8	12.8	11.8	12.1	11.5	12.2	12.2	11.8	12.6	11.3

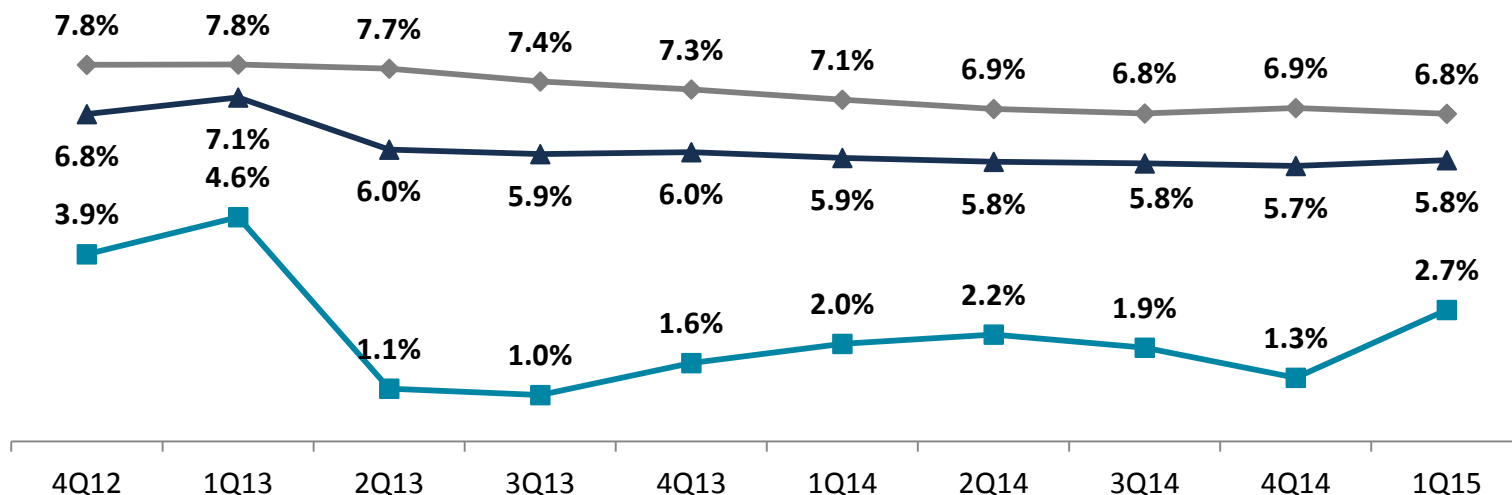
⁽¹⁾ Includes Ps. 2.5 trillion of capital raised between Sep, 2014 and Oct, 2014 through a preferred share offering in the NY Stock Exchange. ⁽²⁾ Tangible Capital Ratio is calculated as Shareholders Equity plus Minority Interest minus Goodwill divided by Total Assets minus Goodwill. As of 1Q15, our bank's tangible capital ratios are as follows: 8.9% in Banco de Bogotá, 11.7% in Banco de Occidente, 14.6% in Banco Popular and 11.5% in Banco AV Villas. * Solvency ratios and Tier 1 figures for 2014 are presented under Colombian Banking GAAP and for 1Q15 under IFRS.

NIM – Net Interest Margin



Net interest income (trillions)

1Q14	4Q14	1Q15	1Q15/ 1Q14	1Q15/ 4Q14
1.86	1.95	2.12	13.6%	8.4%



Avg. cost of funds /
Total Int. and non
Int. funding



◆ Loans Interest Margin (1) ■ Net Investments Margin (2) ▲ Net Interest Margin (3)

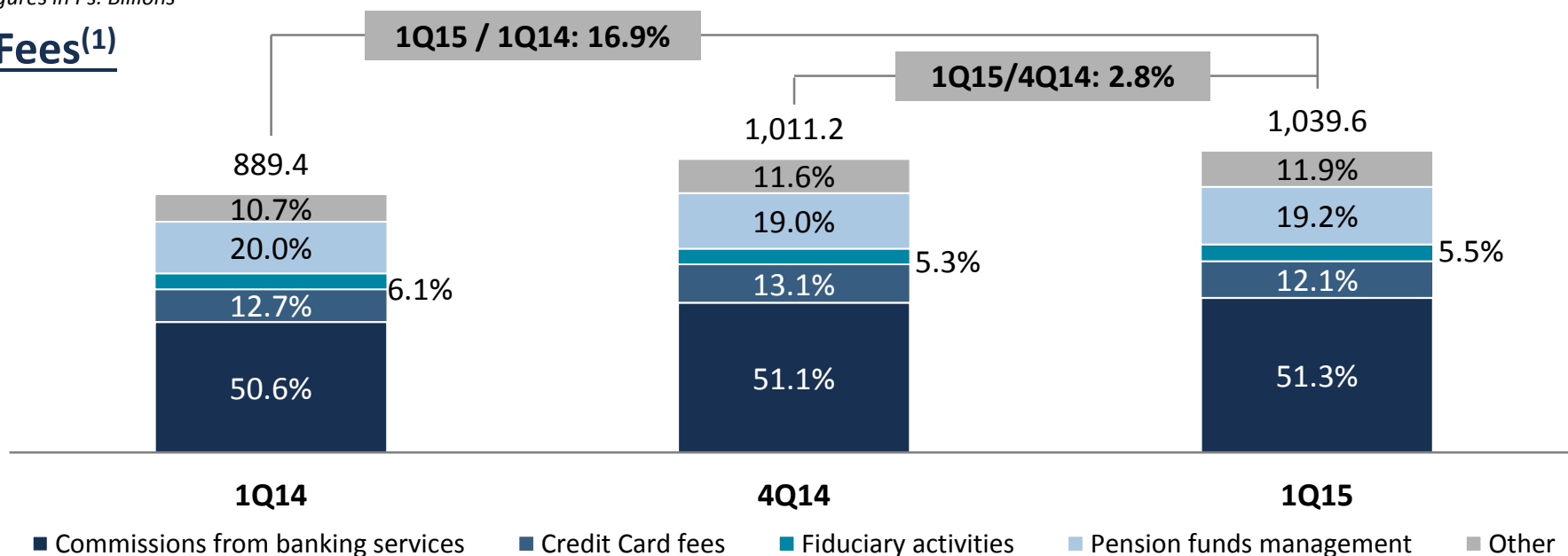
- (1) Loans Interest Margin: Net Interest Income on Loans to Average loans and financial leases.
- (2) Net Investment Margin: Net Interest income on Fixed Income securities and on Interbank and Overnight funds to Average Fixed Income securities and Interbank and overnight funds.
- (3) Net Interest Margin: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

Fees and other operating income



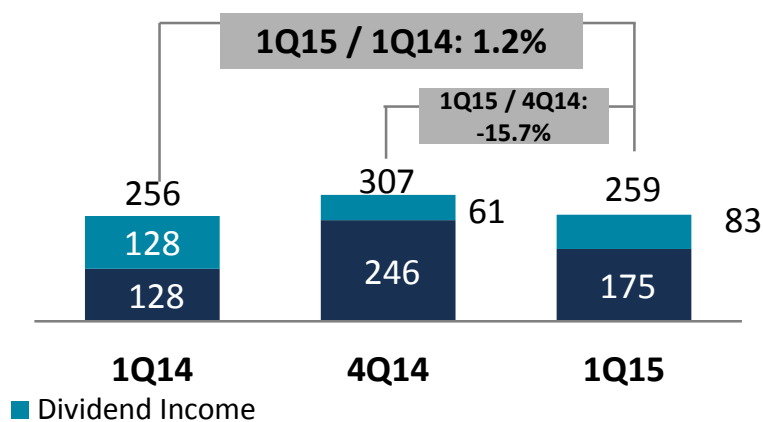
Figures in Ps. Billions

Fees⁽¹⁾



⁽¹⁾ Total gross fees and other service income.

Other operating income



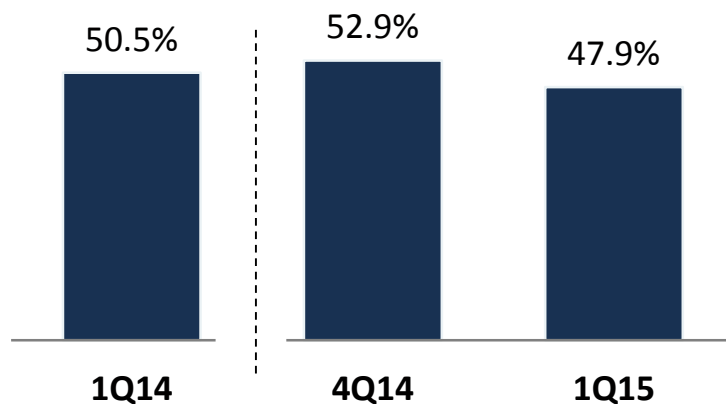
Other operating income

	1Q14	4Q14	1Q15
Dividend Income	128	61	83
Foreign exchange (losses) gains, net	(10)	80	73
Income from non-financial sector, net	78	109	62
Other	60	57	40
Total other operating income	256	307	259

Efficiency and non operating income, net

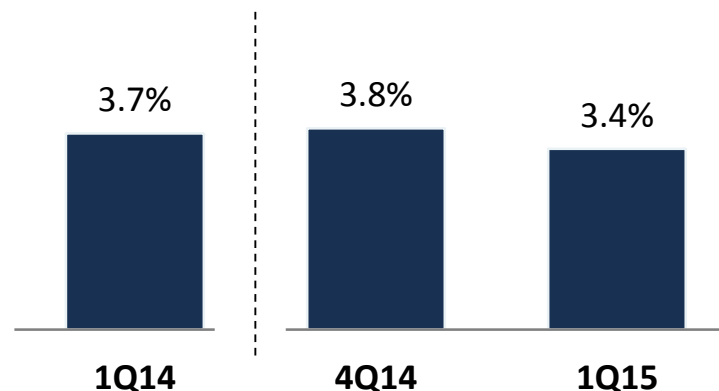


Operating expenses / Operating Income



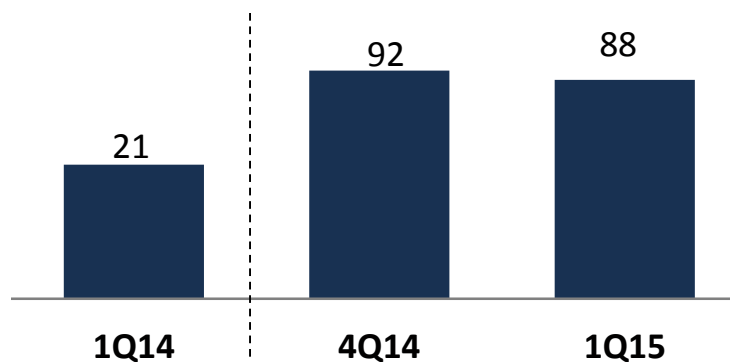
Efficiency Ratio is calculated as Operating Expenses before D&A divided by Operating Income before net provisions.

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



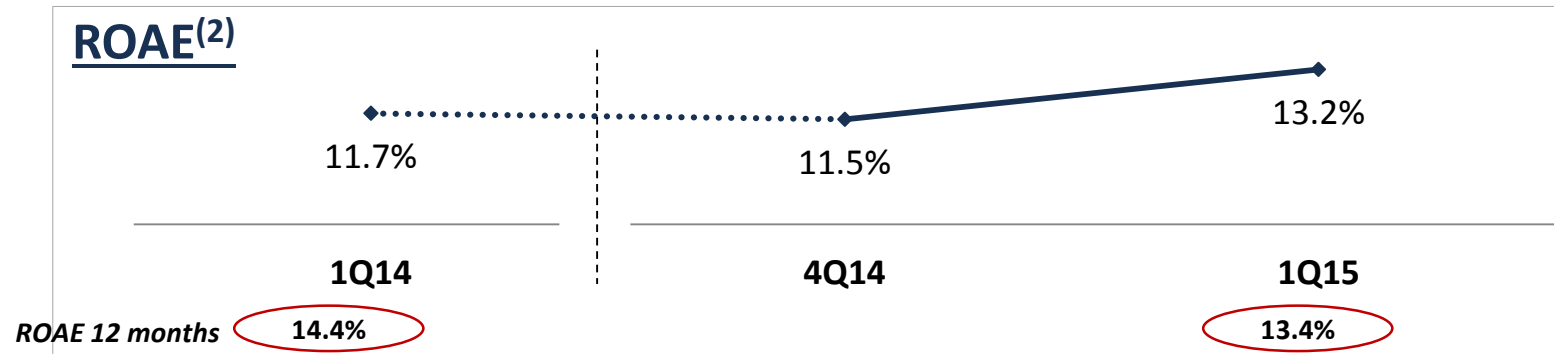
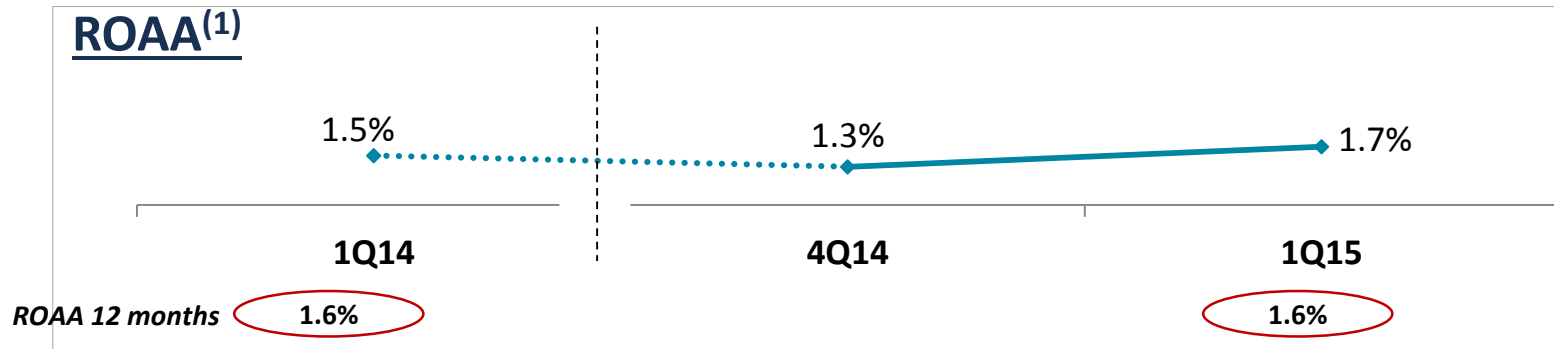
Profitability

Figures in Ps. Billions



Net income

	1Q14	4Q14	1Q15
Net Income	350	414	503
EPS	\$17.2	\$18.6	\$22.6
Shares Outstanding (MM Average)	20,374	22,278	22,281



(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.

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

<u>Income Statement</u>	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



✓ On slide 16 we changed the title from Net Fees to Fees. The numbers on the slide remained unaltered.