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Full year report of Consolidated Results 2015



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, 2015, 2014, 2013, 2012 and 2011 included in this report have been audited by KPMG for the purpose of submitting the Form 20-F to SEC, 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, 2015 we prepared the financial information 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, U.S. GAAP and 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.

Please note that for the years 2014 and 2015 Grupo Aval figures are reported according to IFRS issued by the IASB.

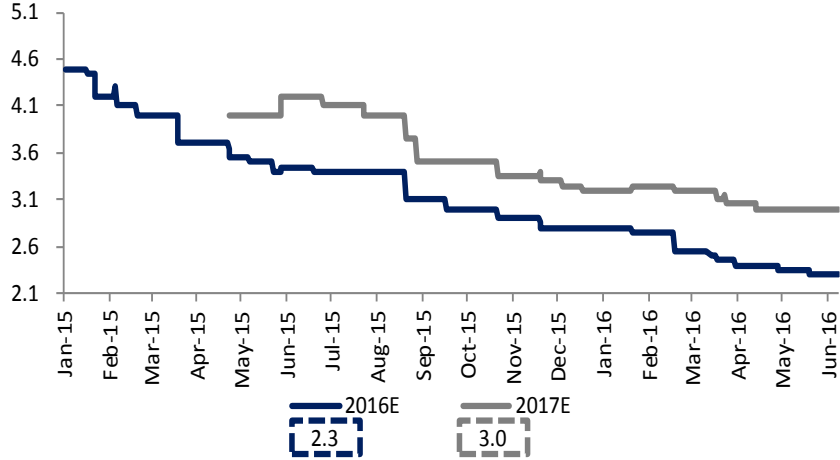
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Grupo Aval has been granted the IR Recognition by the Colombian Securities Exchange (Bolsa de Valores de Colombia S.A). This is not a certification of the registered securities or the solvency of the issuer. Also, does not imply an opinion on the quality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

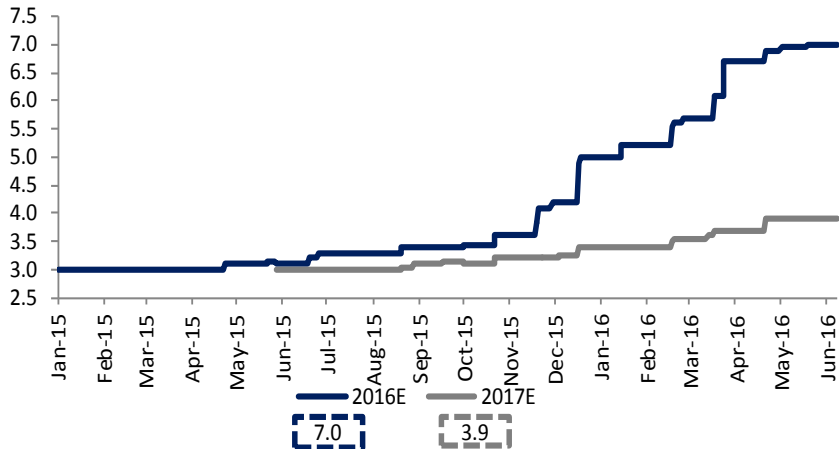
Macroeconomic Context-Colombia and Central America

Real GDP growth (%) forecasts



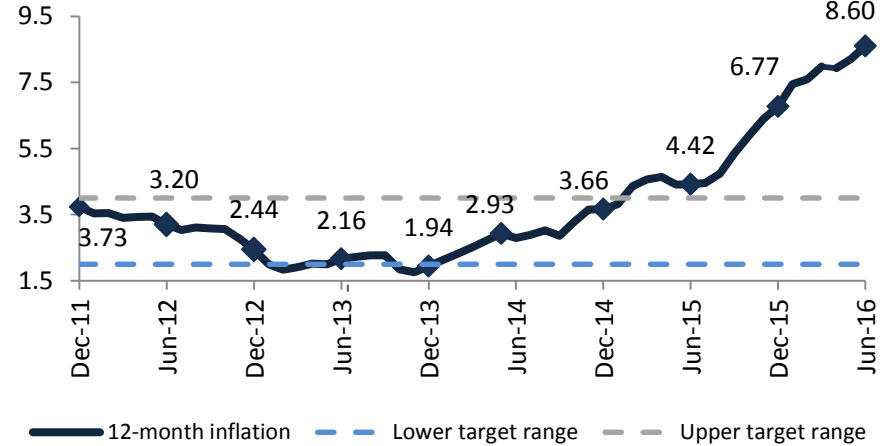
Source: Bloomberg Consensus

Inflation expectations (%)



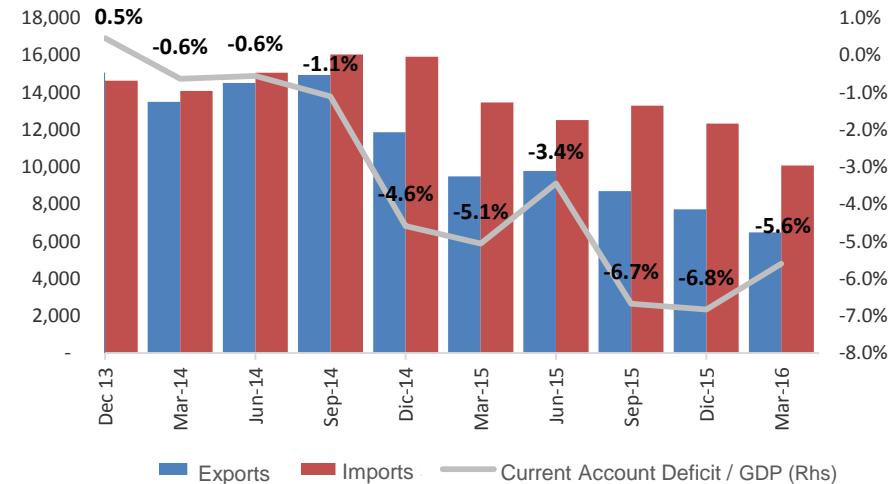
Source: Bloomberg Consensus

Inflation (%)



Source: Banco de la República de Colombia and DANE

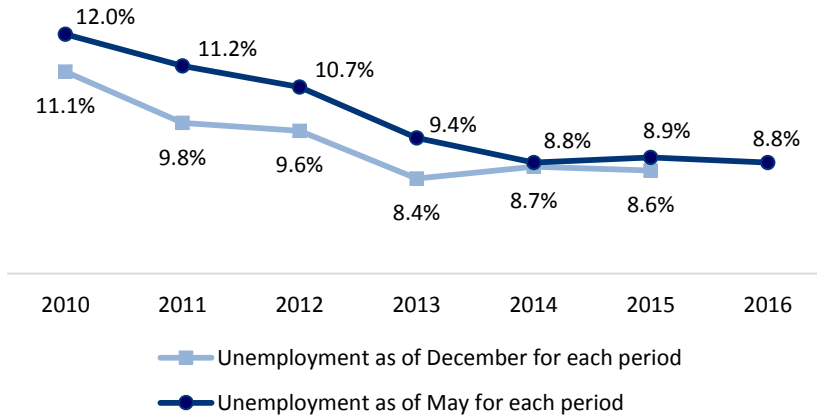
Current Account balance (USD mm)



Source: Banco de la República de Colombia and DANE

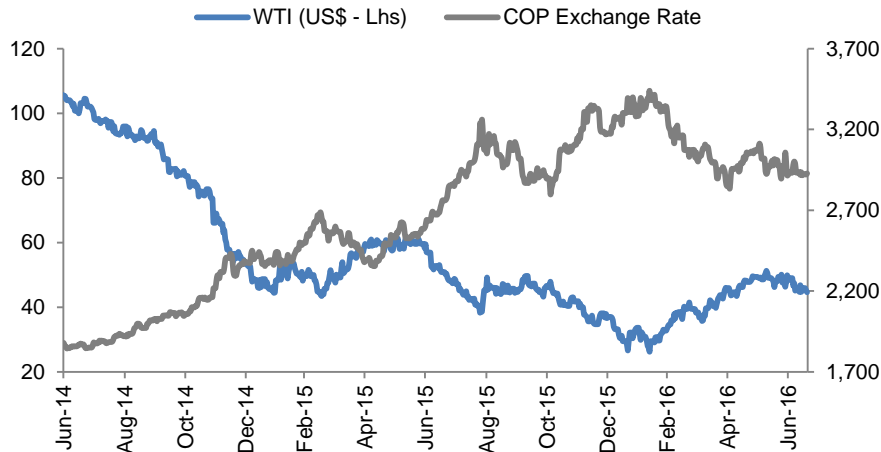
Macroeconomic Context-Colombia and Central America

Unemployment (%)



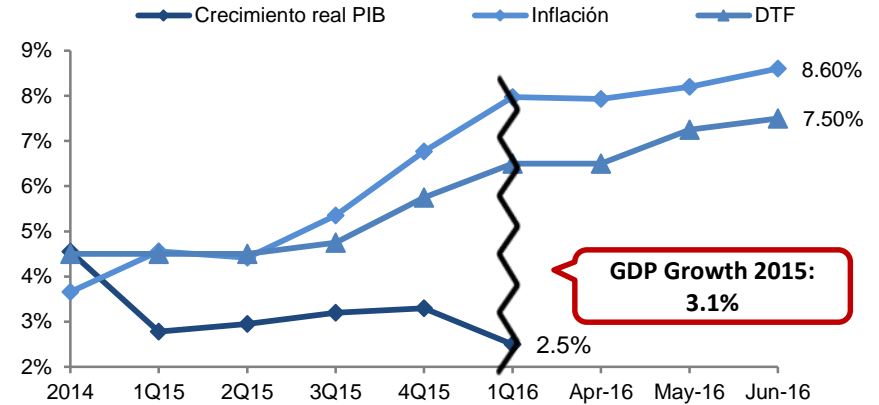
Source: DANE

Colombian Peso vs WTI US\$/barrel



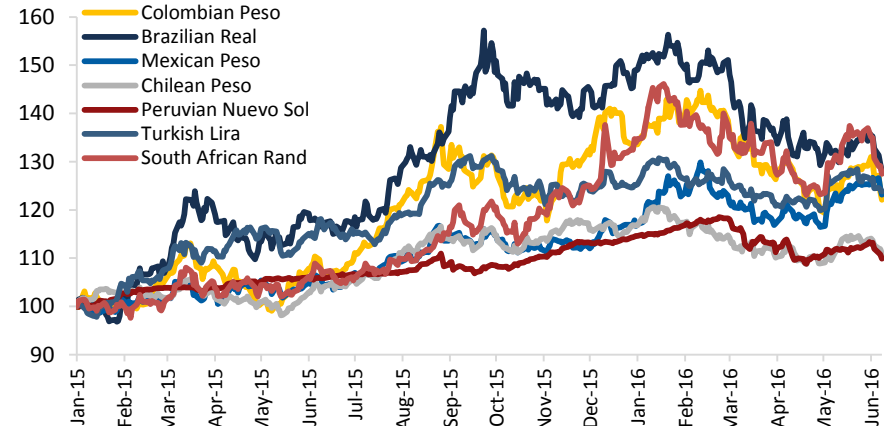
Source: Bloomberg

Central Bank's Monetary Policy



Source: Banrep and DANE

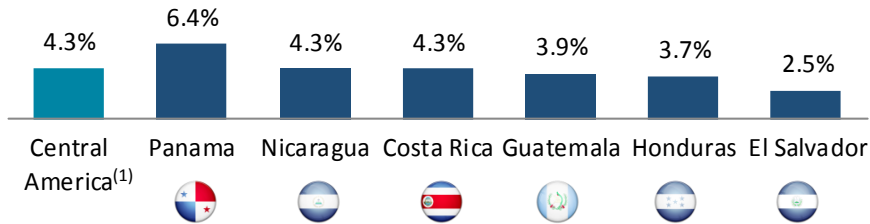
Colombian Peso vs Emerging markets' currencies (100=Jan, 2015)



Source: Bloomberg

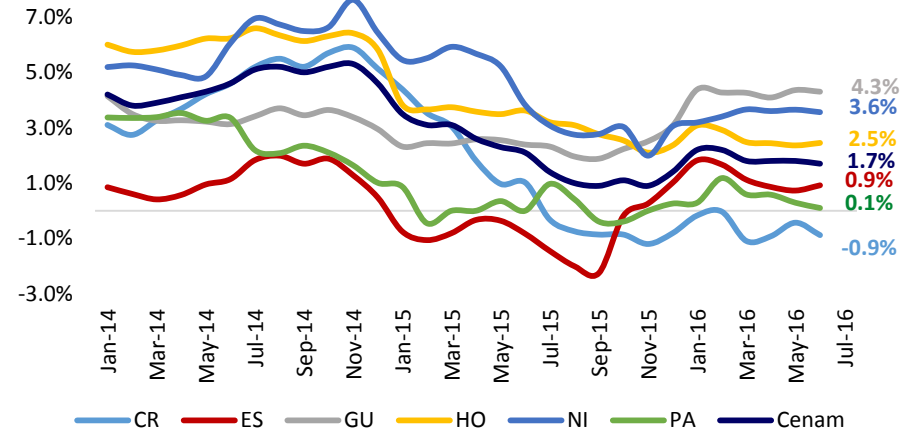
Macroeconomic Context-Colombia and Central America

Promising growth outlook – Real GDP CAGR '15–'18E



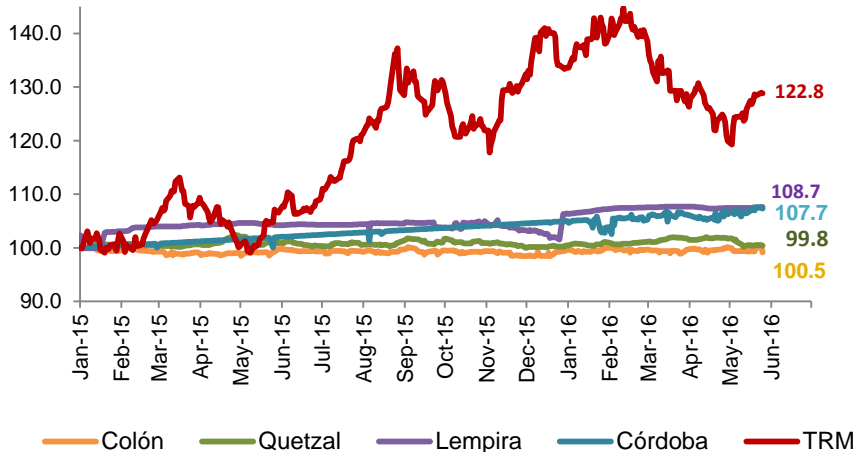
Source: FMI WEO April-16; (1) Aggregate growth of all countries in Central America

Inflation per Country



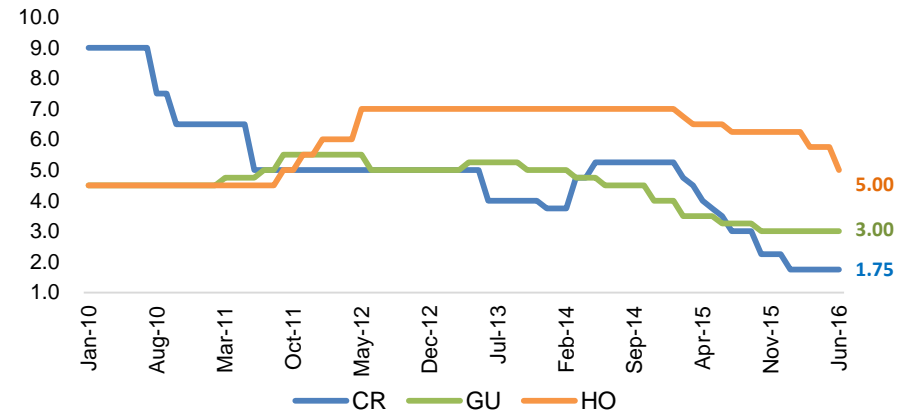
Source: SECMCA

Regional exchange rates



Source: Bloomberg

Central Banks' interest rates

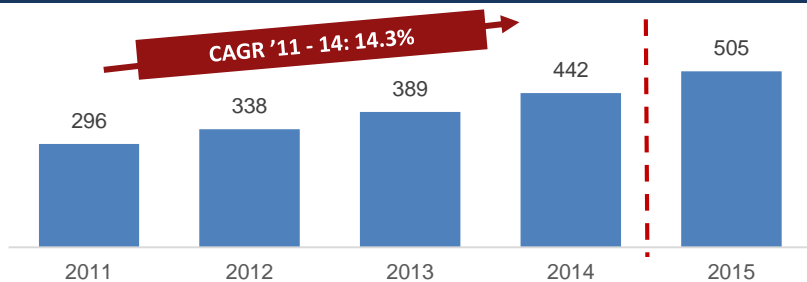


Source: SECMCA

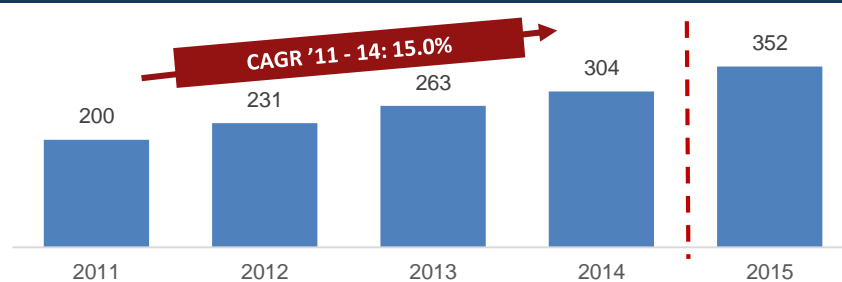
Colombia's Financial System

Figures in Ps trillion

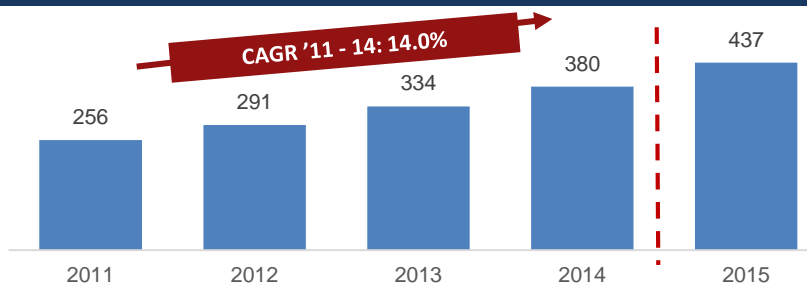
Assets



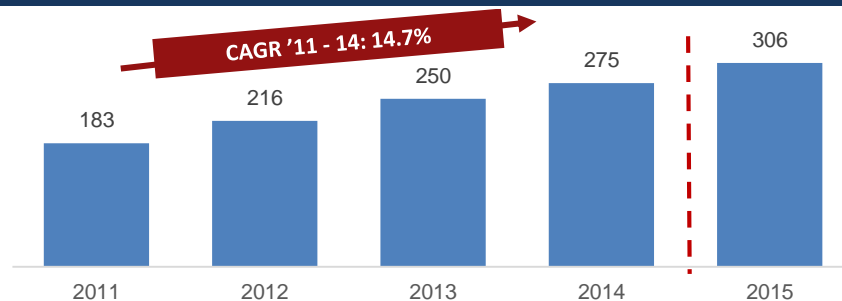
Gross loans



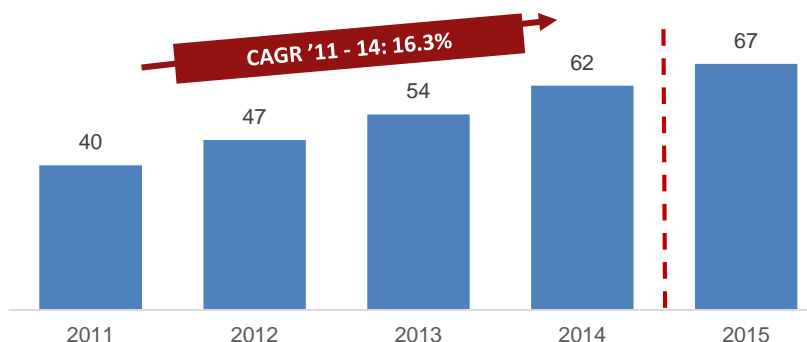
Liabilities



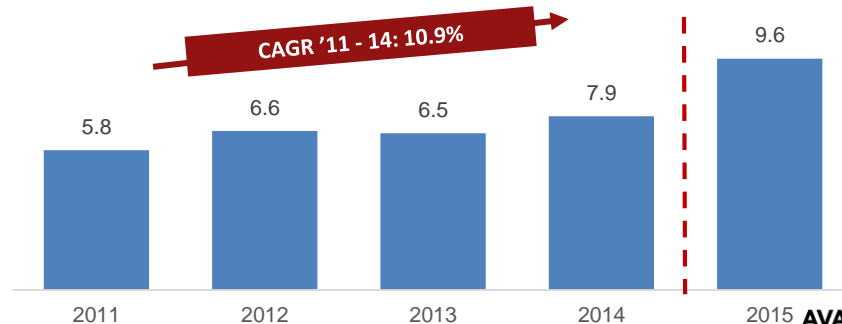
Deposits



Total Equity



Net income

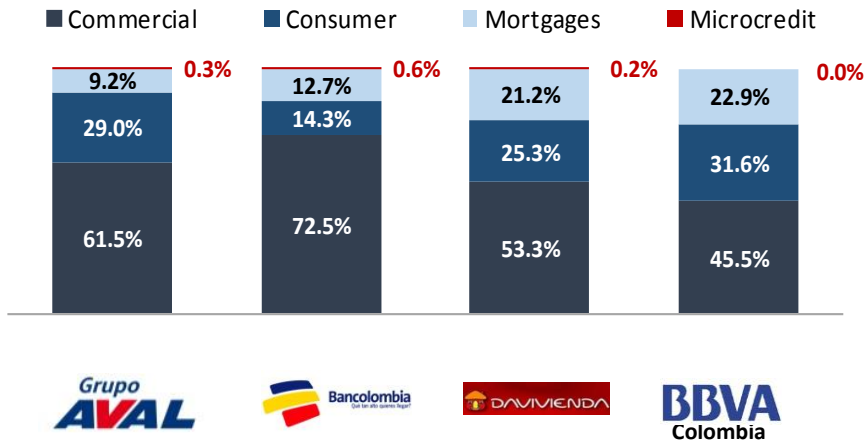


Note: Information prior to 2015 presented under Colombian banking GAAP, figures for 2015 are presented under IFRS as adopted in Colombia

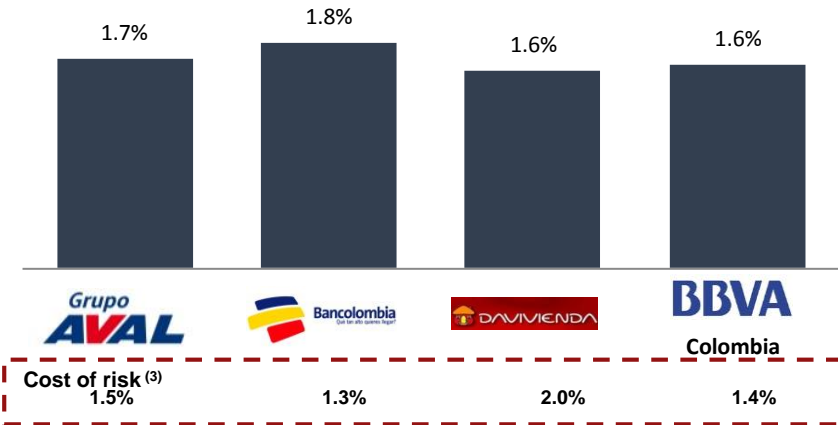
Source: Unconsolidated information under IFRS as filed with the Colombia Superintendency of finance and published monthly. System: Sum of banks, Deposit are calculated as checking accounts, savings accounts and time deposits

Grupo Aval's Positioning in Colombia

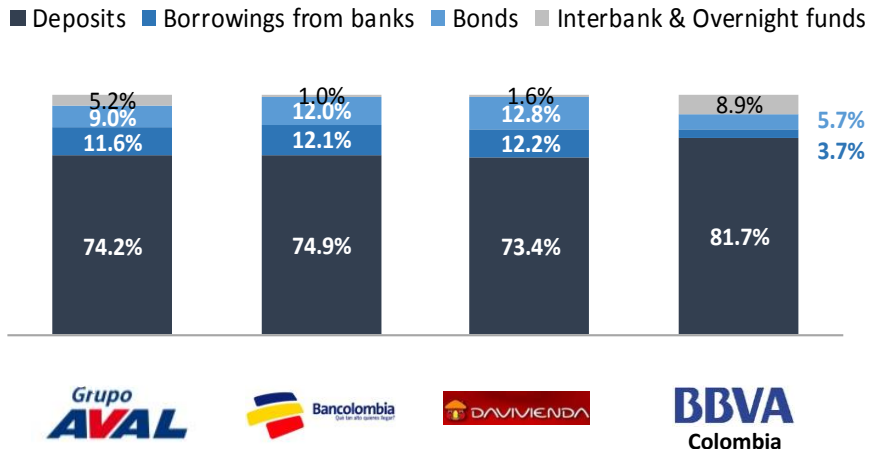
Gross loan portfolio composition – December 31, 2015



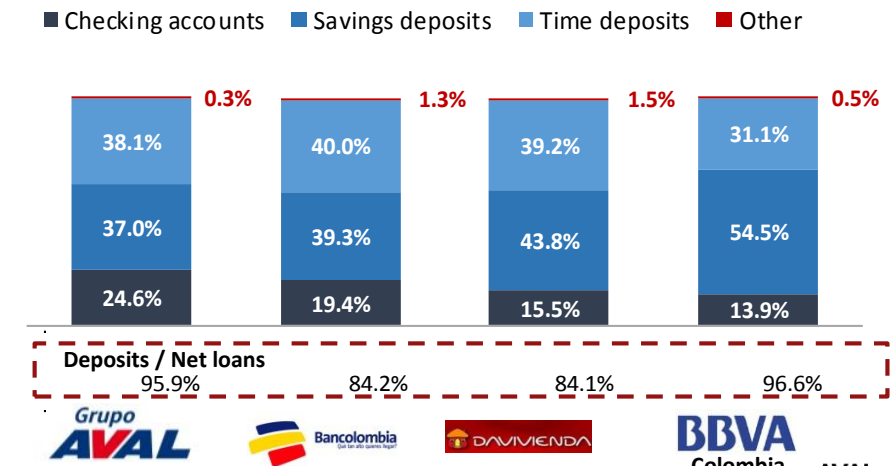
Loan portfolio quality (PDLs 90+)⁽²⁾ – December 31, 2015



Funding composition – December 31, 2015



Deposit composition – December 31, 2015



Source: Consolidated figures based on company filings as of December 31, 2015. (1) Includes interbank & overnight funds and others; (2) PDLs 90+ as reported in consolidated figures, except for BBVA which refers to loan capital 90+ days past due on an unconsolidated basis as reported to the Superintendencia de Finance. For Grupo Aval, +90 days PDLs would have been 1.6% when excluding interest accounts receivable; (3) Calculated as impairment loss net of recovery of charged-off loans divided by average gross loans excluding interbank and overnight funds (total loans at the end of the period plus total loans at the end of the prior period, divided by two).

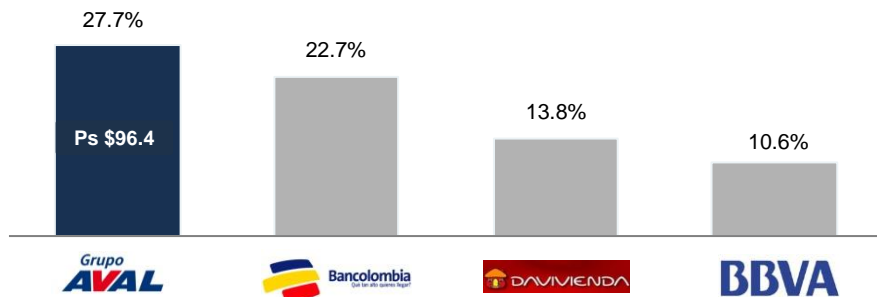
Grupo Aval's Positioning in Colombia

Figures in Ps trillion

Combined Unconsolidated Market Shares of our Colombian Banks as of December 31, 2015

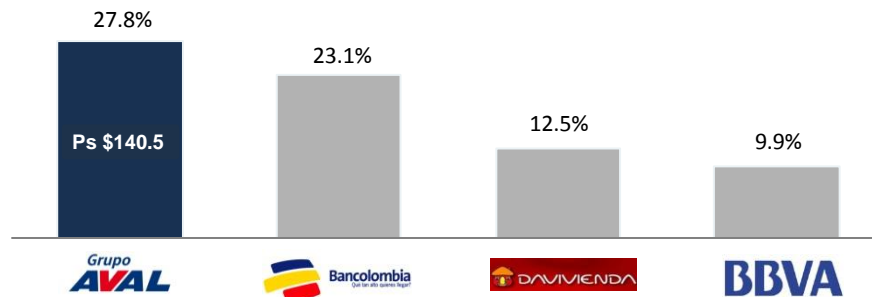
Net loans⁽¹⁾

System Ps \$ 336.1



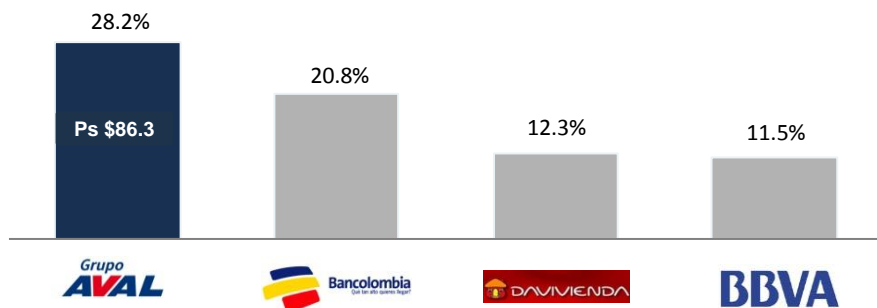
Total assets

System Ps \$ 504.7



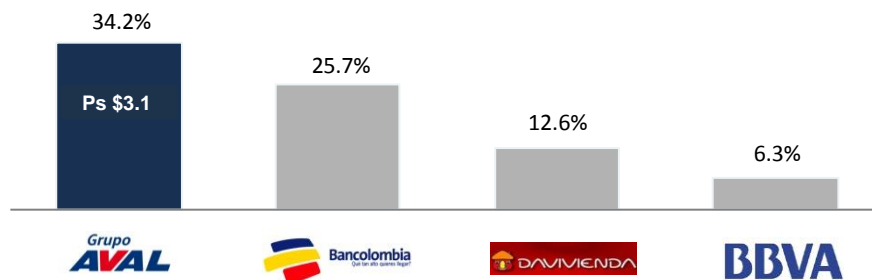
Deposits⁽²⁾

System Ps 306.3



Net income for the 12 months ended December 31, 2015

System Ps 9.6

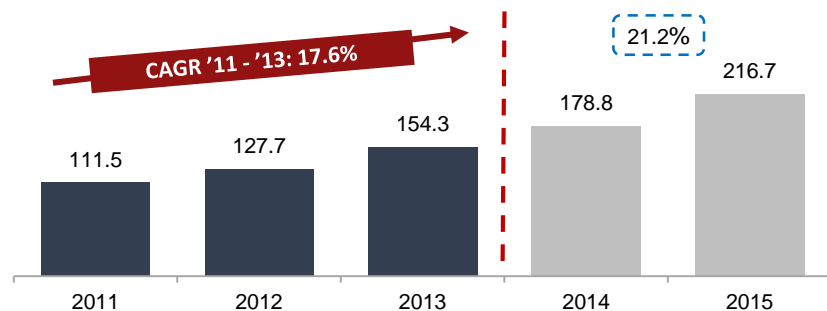


Source: Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance and published monthly; as of December 31, 2015. System: Sum of banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas. (1) Figures excluding interbank & overnight funds for comparative purposes. (2) Deposits are calculated as checking accounts, saving accounts and time deposits.

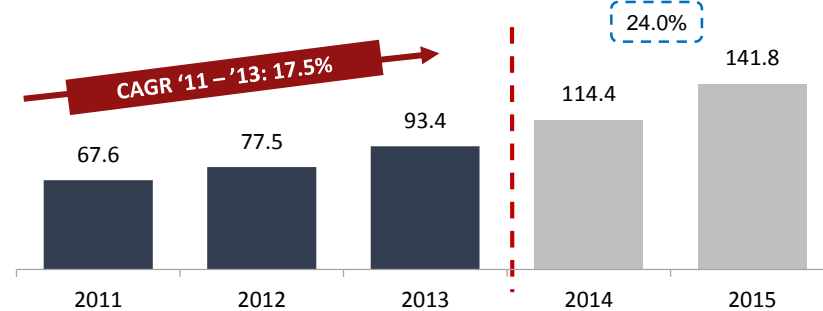
Grupo Aval's Historical Financial Performance

Figures in Ps trillion

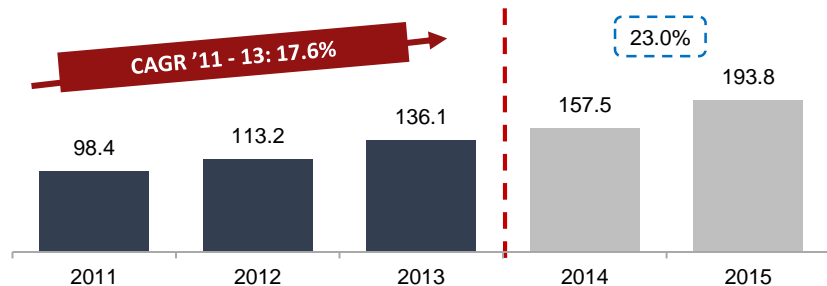
Assets



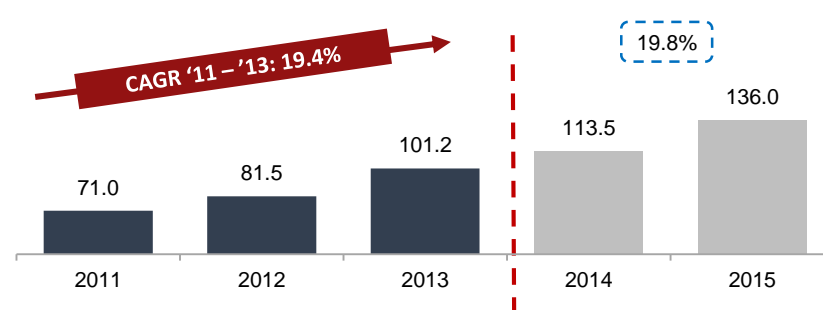
Net loans and leases



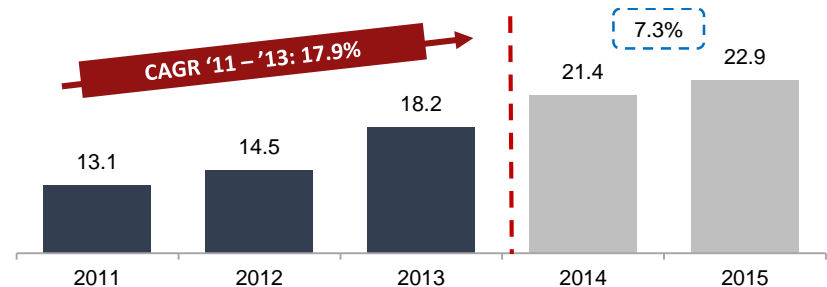
Liabilities



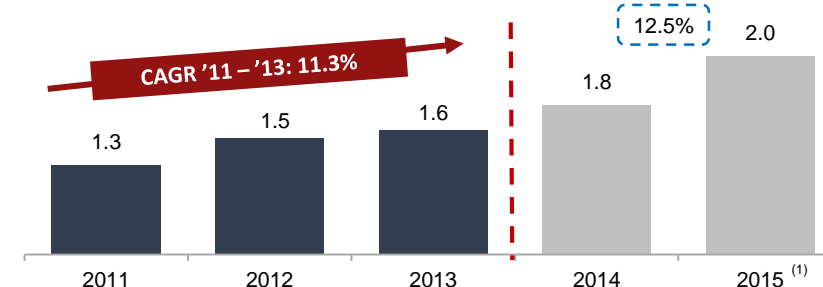
Deposits



Total Equity



Net income



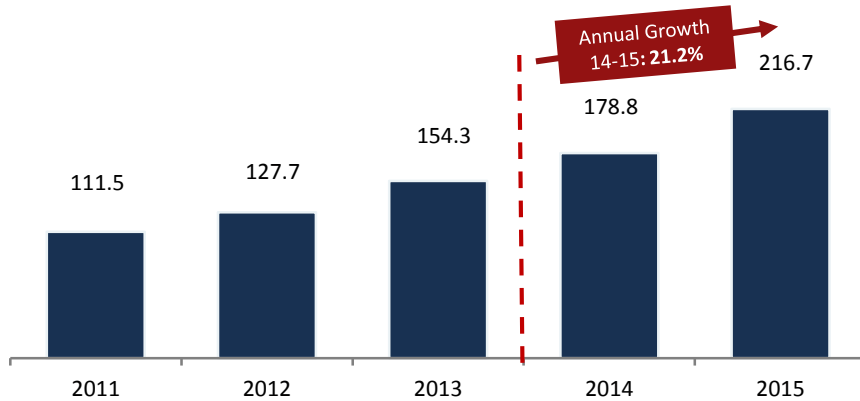
Source: Company filings. Consolidated results of Grupo Aval. Figures from 2011 to 2013 are reported under Colombian Banking GAAP. Figures for the periods ended December 31, 2015 and 2014 are reported under Full IFRS as applicable by the IASB. (1) Net income for 2015 includes US\$208.7 billion of attributable wealth tax paid during the first quarter, if excluded net income would have been Ps 2.2 billion or 24.0% higher than that of 2014.

Grupo Aval's Historical Financial Performance

Figures in Ps trillion

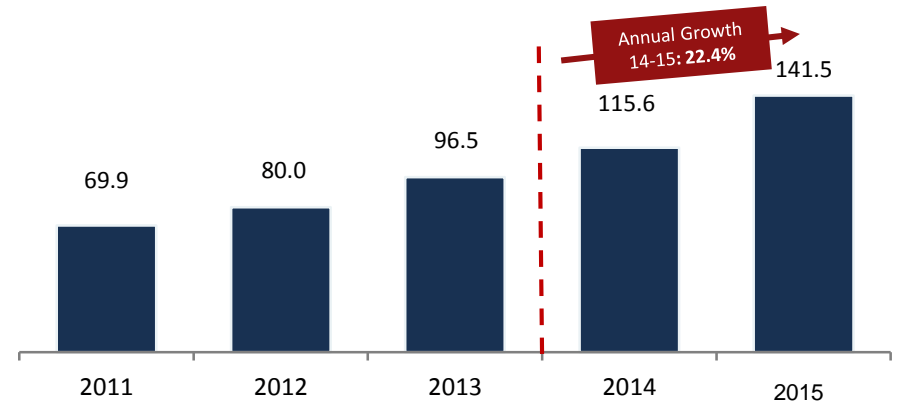
ASSETS

Total Assets



LOANS

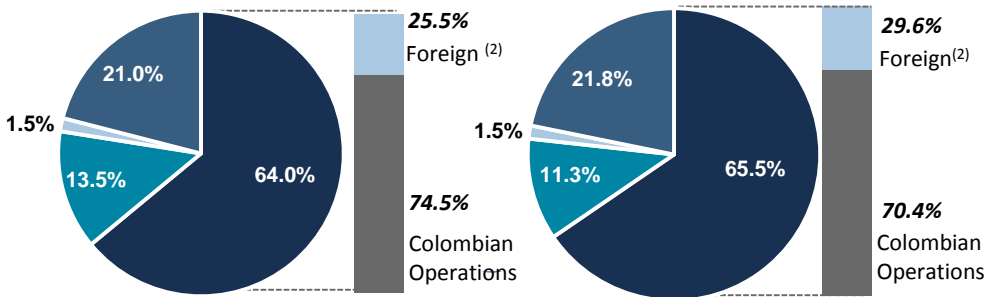
Gross loans⁽¹⁾



Assets Breakdown

2014

% of total assets



- Net loans
- Fixed income investments
- Unconsolidated equity investments
- Other

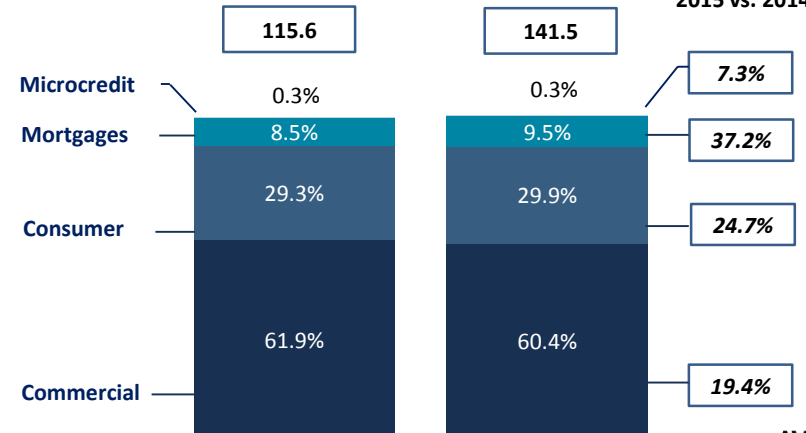
(1) Exclude interbanks and Overnight Operations for 2014 and 2015
 (2) Foreign operations reflect Central American operations.

Gross Loans Breakdown

2014

2015

Growth 2015 vs. 2014

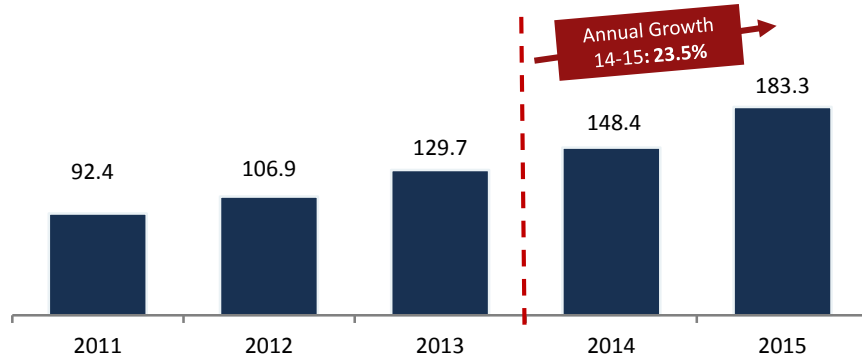


Grupo Aval's Historical Financial Performance

Figures in Ps trillion

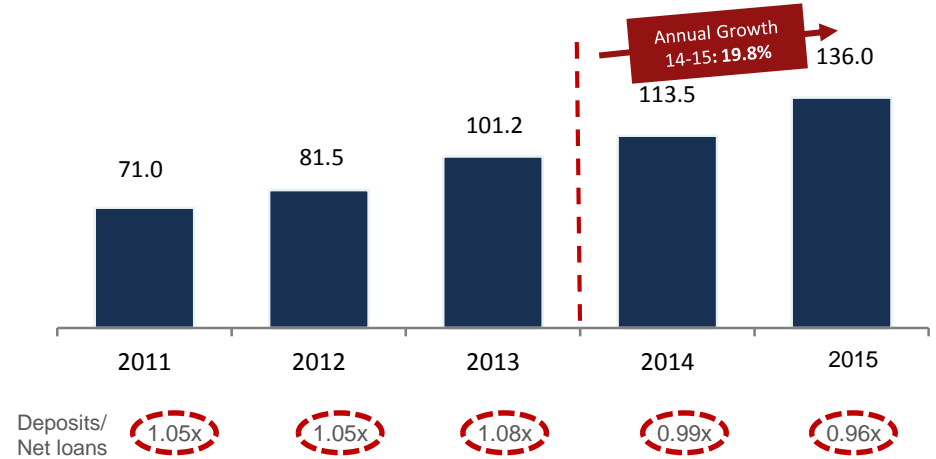
FUNDING

Total Funding

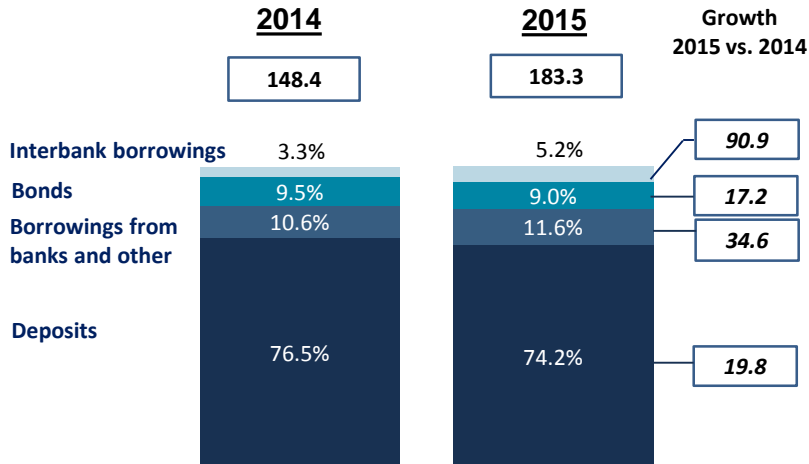


DEPOSITS

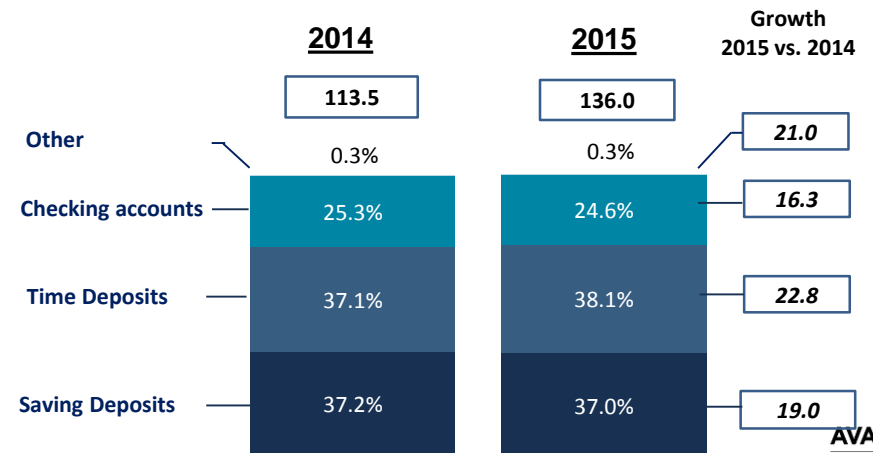
Deposits



Funding Breakdown



Deposits Breakdown



Grupo Aval's Historical Financial Performance

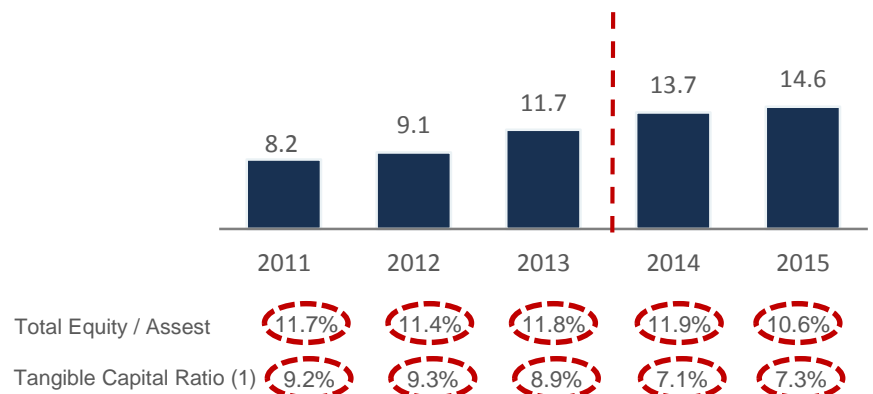
Figures in Ps trillion

CAPITAL

Total Equity



Attributable Equity



(1) Tangible capital ratio is calculated as equity plus non controlling interest minus goodwill divided by total assets minus goodwill

Solvency

	Banco de Bogotá		Banco de Occidente		banco popular		Banco AV Villas	
	2014	2015 ⁽²⁾	2014	2015	2014	2015	2014	2015
(Tier 1)	8.0	9.4	8.9	9.6	10.5	10.6	11.6	10.6
Solvency	11.5	13.6	11.8	11.0	12.2	11.2	12.6	10.9

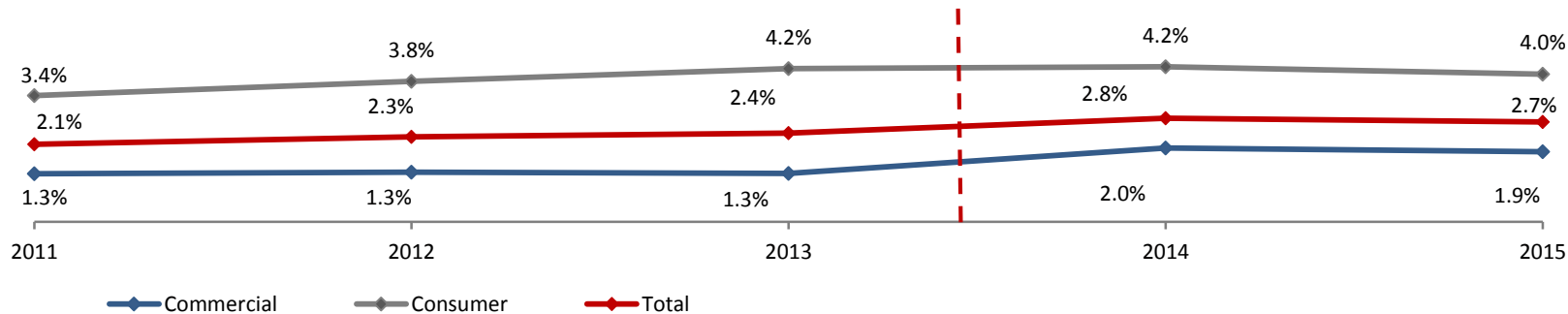
(2) The regulatory capital ratio for Banco de Bogotá for 2015 has been restated as a result of discussions with the Superintendency of Finance in which it became evident that the bank's calculation of its Solvency Ratios had omitted the inclusion of an existing OCI account in its regulatory capital. Previously reported ratios were: 6.5% for Tier 1 and 10.65% for Total Solvency.

Grupo Aval's Historical Financial Performance

Figures in Ps trillion

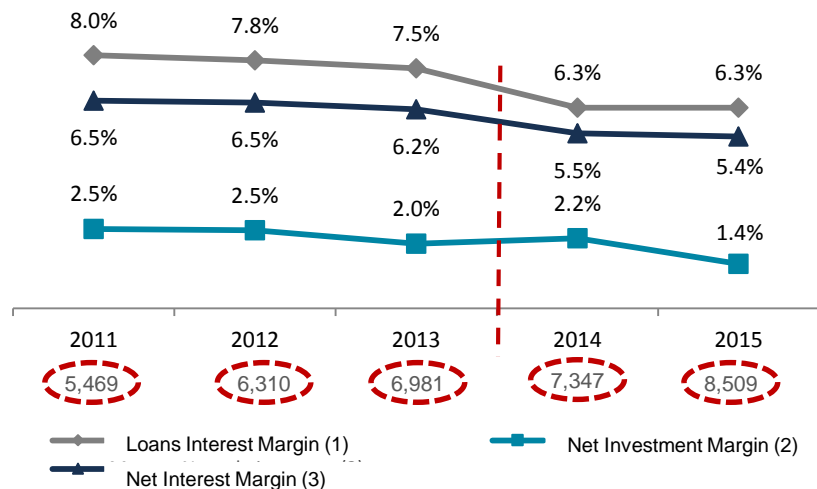
Loan Portfolio Quality

Asset quality – 30 days PDL



Source: Consolidated figures based on company filings

Net Interest Margin



Figures in billion COP

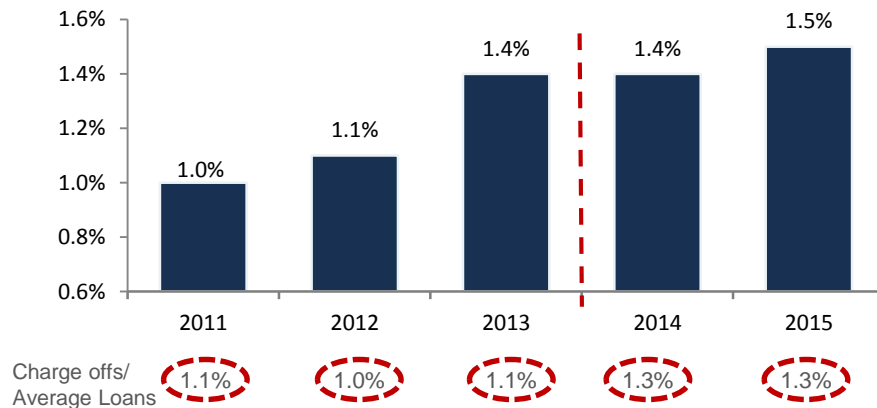
(1) Loans Interest Margin: Net Interest Income on Loans to average loans and financial leases

(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

(4) Impairment loss net of recovery of charged-off loans divided by average gross loans excluding Interbank and Overnight funds (total loans at the end of the period plus total loans at the end of the prior period, divided by two)

Impairment Loss⁽⁴⁾/ Average Gross Loans

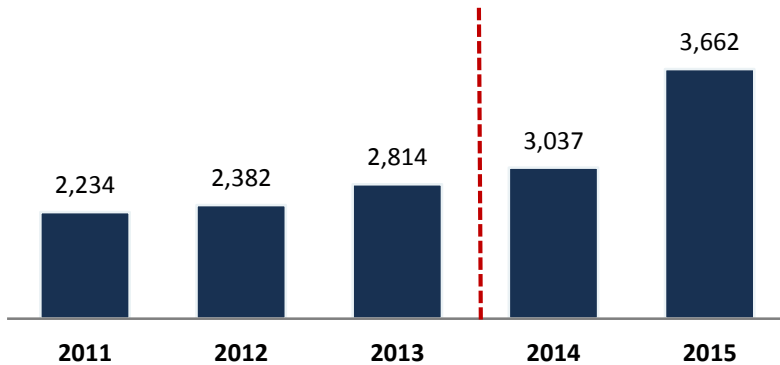


Grupo Aval's Historical Financial Performance

Figures in Ps billion

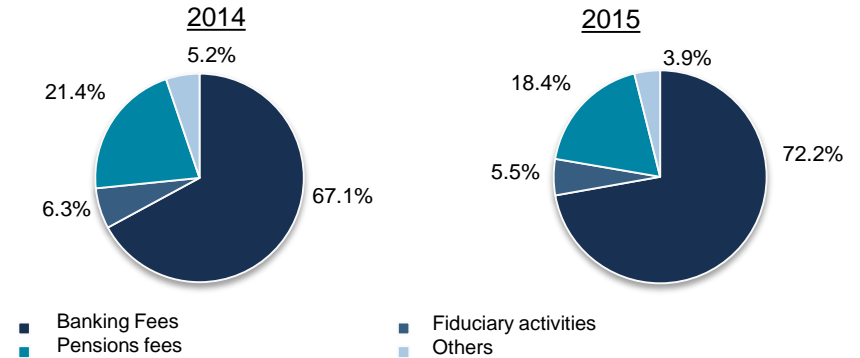
NET FEES AND OTHER OPERATING INCOME

Net Fees ⁽¹⁾



(1) Total fees and other service income minus fees and other services expenses.

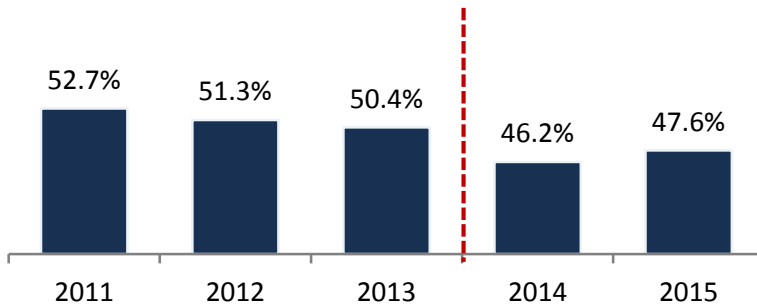
Fee Income ⁽²⁾



(2) Total gross fees and other services

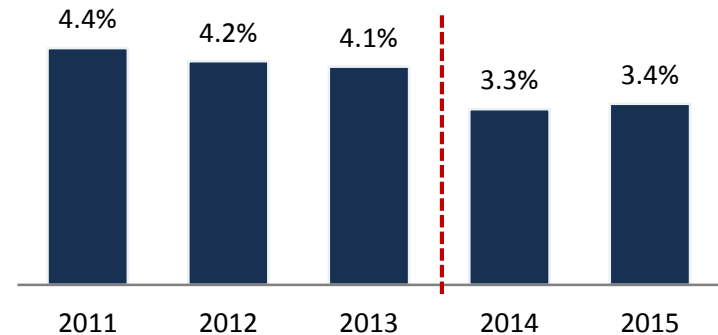
EFFICIENCY

Operating Expenses / Operating Income



Source: Company fillings, consolidates figures. From 2011 to 2013 Efficiency ratio is calculated as operating expenses before D&A divided by operating income before net provisions. For 2014 and 2015 efficiency ratio is calculated as personnel plus administrative and other expenses divided by net interest income plus net trading income, other services income, net and fees and other income, (excluding others).

Operating Expenses / Average Asset



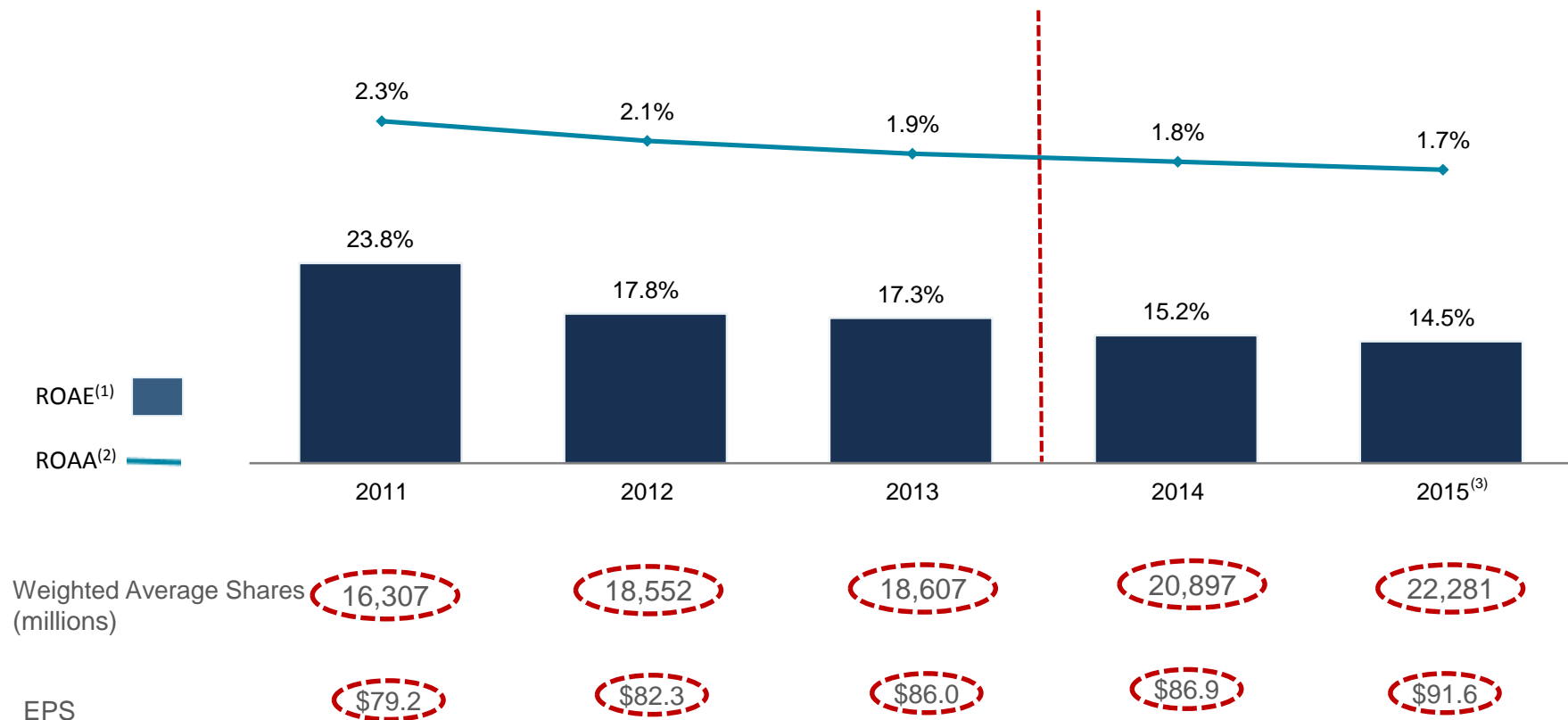
Form 2011 to 2013 efficiency ratio is calculated as operating expenses before D&A divided by average total asset. For 2014 and 2015 efficiency ratio is calculated as personnel plus administrative and other expenses divided by average total assets.

Grupo Aval's Historical Financial Performance

Figures in Ps trillion

PROFITABILITY

Profitability



Source: Company Filings consolidated figures. ⁽¹⁾ ROAE from 2011 to 2013 is calculated as net income divided by the thirteen-month average of shareholders' equity for each year ended at december. For 2013, ROAE is calculated excluding COP 2.1 trillion in capital raised in december 2013. For 2014 and 2015 ROAE 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). ⁽²⁾ ROAA is calculated as income before non-controlling interest divided by the thirteen-month average of total asset for each year ended at december 31st. For 2014 and 2015 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). ⁽³⁾ When excluding the wealth tax from 2015 figures, ROAE would have been 15.9% and ROAA 1.8%