

AVAL
LISTED
NYSE



Investor Presentation

January, 2016



20th Annual Latin
American
Conference

Disclaimer

Grupo Aval Acciones y Valores S.A. (“Grupo Aval”) is an issuer of securities in Colombia and the United States, registered with Colombia’s National Registry of Shares and Issuers (Registro Nacional de Valores y Emisores) and the United States Securities and Exchange Commission (“SEC”). As such, it is subject to the control of the Superintendency of Finance and compliance with applicable U.S. securities regulation as a “foreign private issuer” under Rule 405 of the U.S. Securities Act of 1933. Grupo Aval is not a financial institution and is not supervised or regulated as a financial institution in Colombia.

The consolidated financial information for the years ended and as of December 31, 2014, 2013, 2012, 2011 and 2010 included in this report have been audited by KPMG for the purpose of its submission to the SEC filed by Grupo Aval in the Form 20-F on a yearly basis. As issuer of securities in Colombia, Grupo Aval is required to comply with periodic reporting requirements and corporate governance, however, it is not regulated as a financial institution or as a holding company of banking subsidiaries and, thus, is not required to comply with capital adequacy regulations applicable to banks and other financial institutions.

Although we are not a financial institution, until December 31, 2014 we prepared the financial information in accordance with the regulations of the Superintendency of Finance for financial institutions and generally accepted accounting principles for banks to operate in Colombia, also known as Colombian Banking GAAP. We believe that presentation on that basis most appropriately reflected our activities as a holding company of banks and other financial institutions. All of our banking subsidiaries, Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, and their respective Colombian financial subsidiaries, including Porvenir and Corficolombiana, are subject to inspection and surveillance as financial institutions by the Superintendency of Finance.

In 2009 the Colombian Congress enacted Law 1314 establishing the implementation of IFRS in Colombia. As a result, since January 1, 2015 financial entities and Colombian issuers of publicly traded securities such as Grupo Aval must prepare financial statements in accordance with IFRS as applicable under Colombian regulation. Colombian Banking GAAP and IFRS as applicable under Colombian regulations differ in certain significant respects from U.S. GAAP. IFRS as applicable under Colombian regulations also differs in certain aspects from IFRS as currently issued by the IASB. Our 20-F annual report filed with the SEC provides a description of the principal differences between Colombian Banking GAAP and U.S. GAAP as well as expected changes from our implementation of IFRS as applicable under Colombian regulations. Details of the calculations of non-GAAP measures such as ROAA and ROAE, among others, are explained when required in this document. Included in this document: 2014 figures are reported in Banking GAAP; 2015 figures for our banks are reported under IFRS as applicable under Colombian regulations for financial institutions; and 2015 figures for Grupo Aval are reported under full IFRS as currently issued by the IASB.

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.

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

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

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

Agenda

1

Macroeconomic environment

2

Recent results of Grupo Aval

Agenda

1

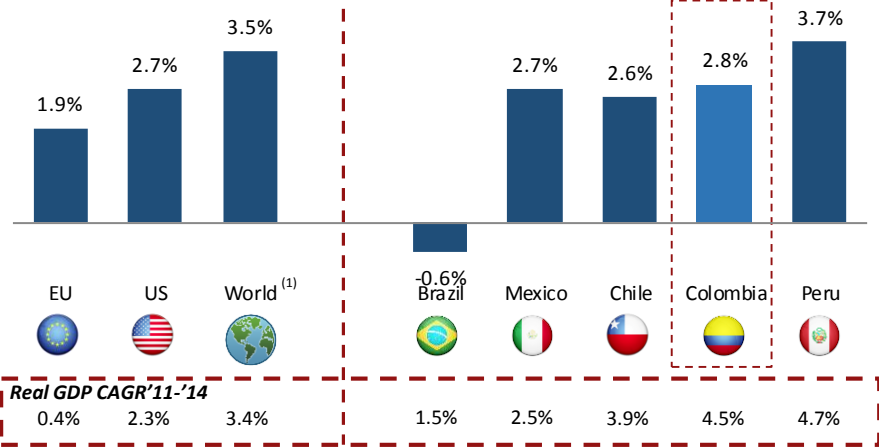
Macroeconomic environment

2

Recent results of Grupo Aval

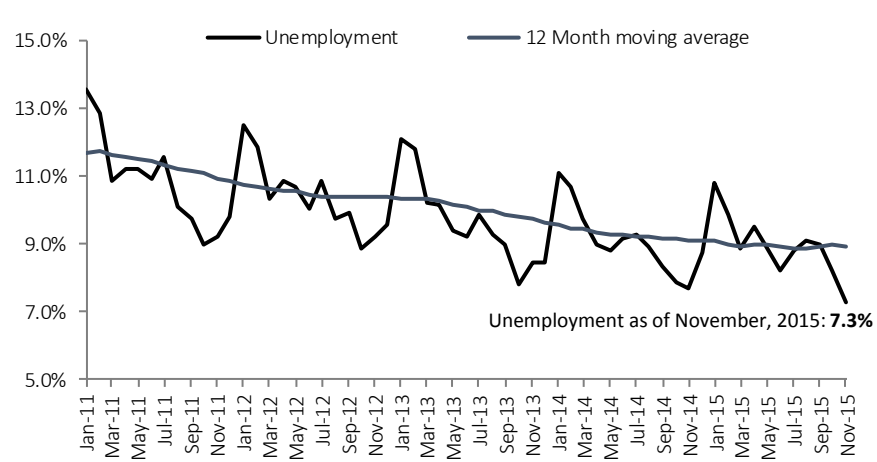
Despite recent macro events, Colombia is still one of the best performing economies in the region, well-positioned for high growth and sustainable development

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



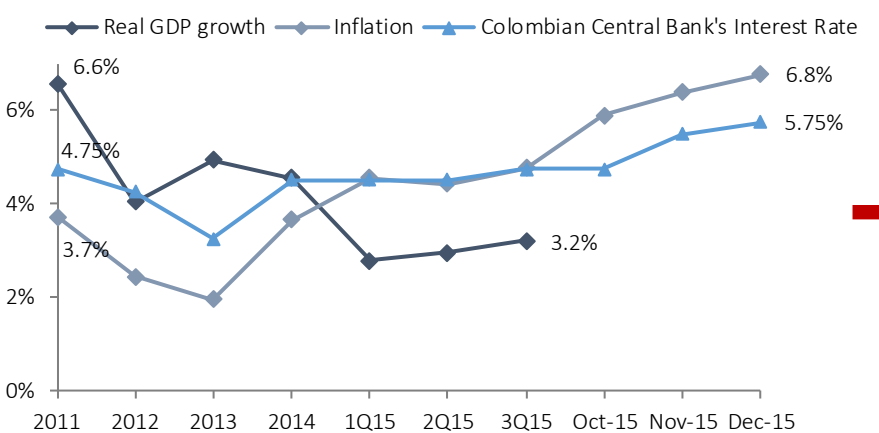
Source: IMF
⁽¹⁾ Includes the 189 countries which report to the IMF

Unemployment



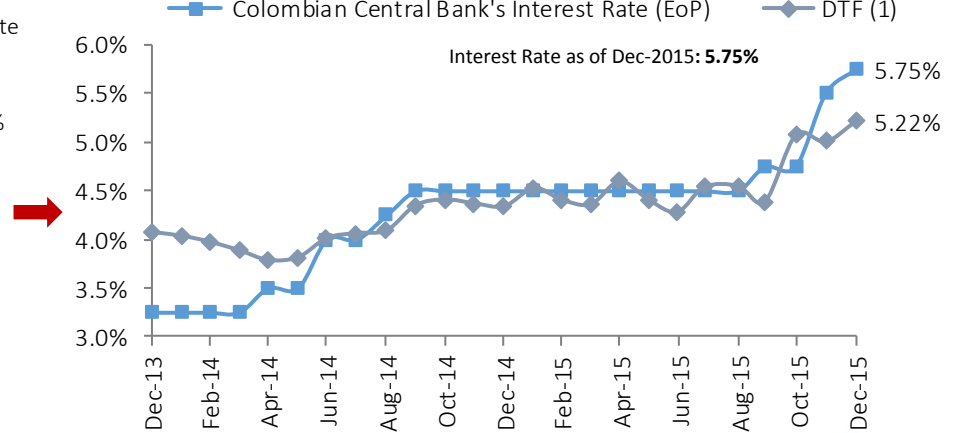
Source: DANE, and Banco de la República de Colombia

Strict monetary policy



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

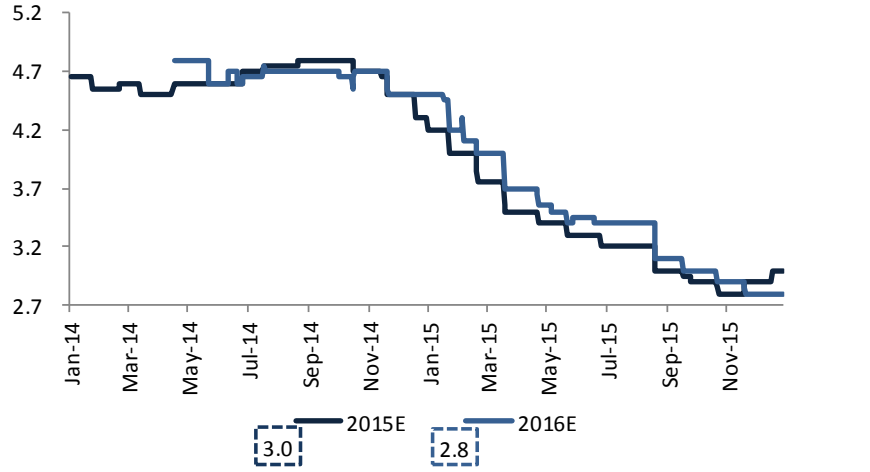
Central Bank and DTF rates



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

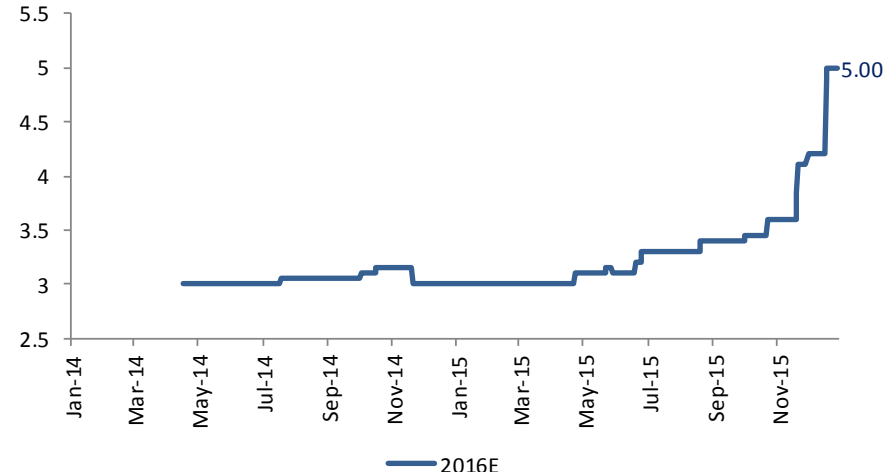
2015 will be a challenging year for Colombia's economy; nonetheless, fundamentals remain strong

Real GDP growth (%) forecasts vs. WTI



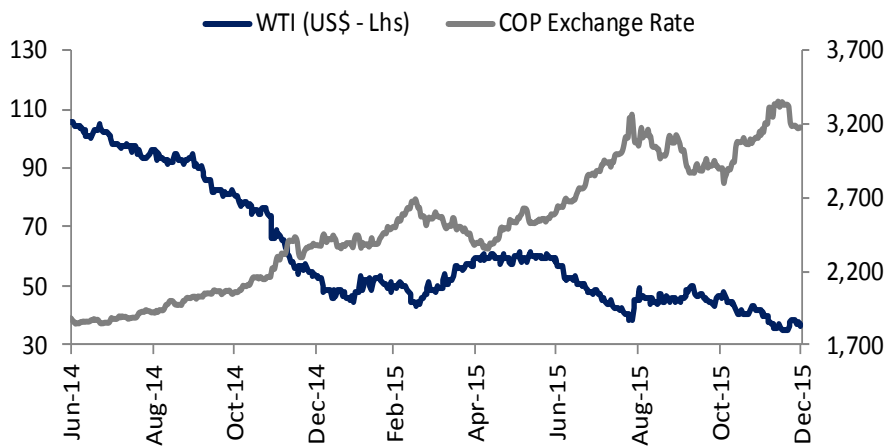
Source: Bloomberg Consensus

Inflation expectations (%) for YE16



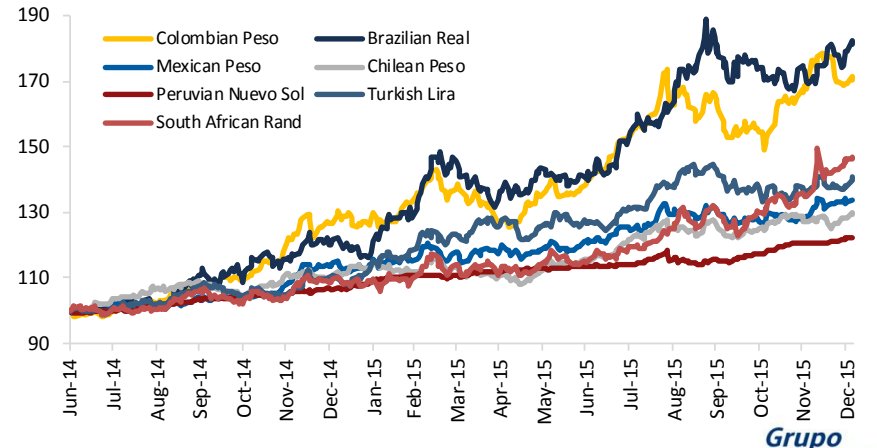
Source: Bloomberg Consensus

Colombian Peso vs WTI US\$/barrel



Source: Bloomberg

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



Source: Bloomberg

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

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



4G Program overview

- ✓ ~US\$ 16 bn investment
- ✓ The banking sector could fund up to ~70% of the total investment expected for the 4G infrastructure projects (~US\$11bn) with disbursements along 5-7 years.
- ✓ US\$ 11 bn represents 10.0% of the banking sector's loan portfolio as of September 2015

4G current status

- ✓ **First phase:** Awarded with construction expected to start in 4Q15
 - In 2014, the government awarded **9 concessions (from A to I in map)** that involve 1,162 Kms and an investment of ~US\$ 4.7 bn.
 - Corficolombiana, through Episol, was awarded 2 toll roads that represent 100 Kms and an investment of ~ US\$ 1.2 bn.
- ✓ **Second phase;** Awarded with construction expected to start in 3Q16:
 - The government awarded **9 concessions (letters K, L, N, O, P, Q, R, T and U in map)** that involve 1,783 Kms and ~US\$ 5.9 bn.
 - Corficolombiana, through Episol and Concecol, was awarded 1 toll road (letter N in map) that represents 266 Kms and an investment of ~US\$ 0.9 bn.
- ✓ **Third phase;** 3 projects were promoted in 3Q15 and they are expected to be awarded in 2Q16.

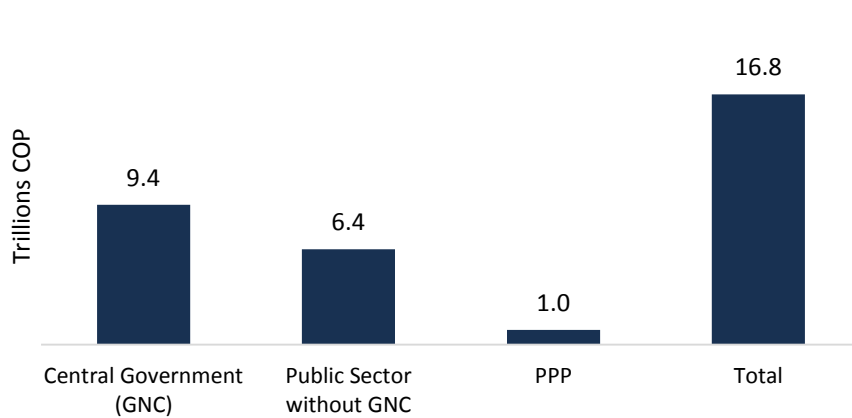
Private – Public Partnerships

- ✓ 8 PPP have already been approved involving ~US\$ 7.2bn and comprised by 405,3 Kms of new roads, 1.454,1 Kms of rehabilitation and 14 Kms of operation & maintenance.
- ✓ Corficolombiana was awarded a PPP it presented to build an additional lane in a sector of Chirajara – Fundadores with an estimated investment of US\$0.7 bn, and operate the Bogotá – Villavicencio corridor.

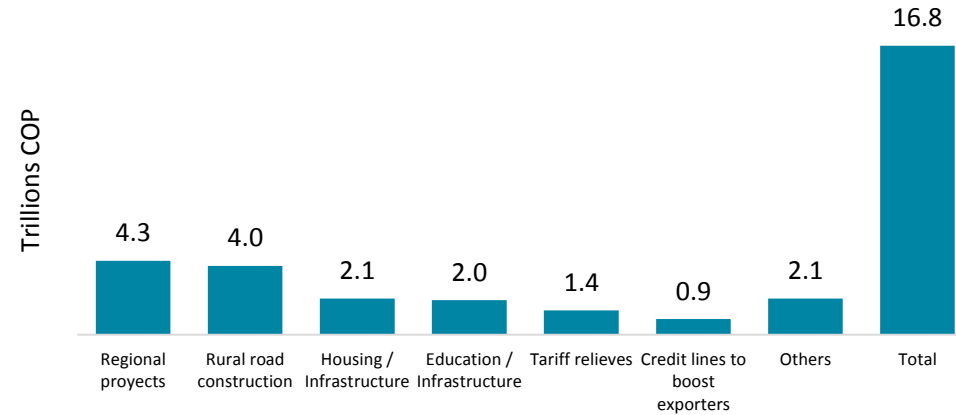
Government's counter cyclical program (PIPE 2.0) is expected to boost growth in the following years

PIPE 2.0 program overview

Source of funds



Use of funds



PIPE program impact profile

- ✓ Short term plan to spur growth and aid industries hit by Peso devaluation and commodity price shocks
- ✓ The resources will be invested in key areas focusing job creation and growth:
 - Increase in public school infrastructure
 - Rural roads construction
 - Rural housing construction and improvement
- ✓ There is a plan of credit subsidies and tariff relief for specific sectors as well
 - Urban housing financing subsidies
 - Tariff reliefs for capital goods and investments imports
 - Fast track approval mechanism for oil royalty revenues funded projects
 - Flexibility and incentives for oil exploration and production

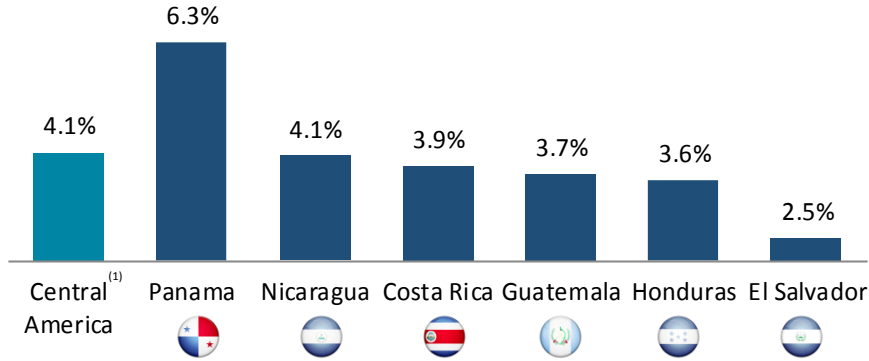
PIPE fiscal toll

- ✓ PIPE has been designed as a low fiscal impact program mainly refocusing investment and releasing previously retained funds
- ✓ The impact of direct investments is spread over the coming three years
- ✓ The tariff relieves, credit subsidies and E&P contract incentives do not cause additional pressures over current government expenditures

According to the Government, by 2018 PIPE 2.0 would have created 300,000 additional jobs

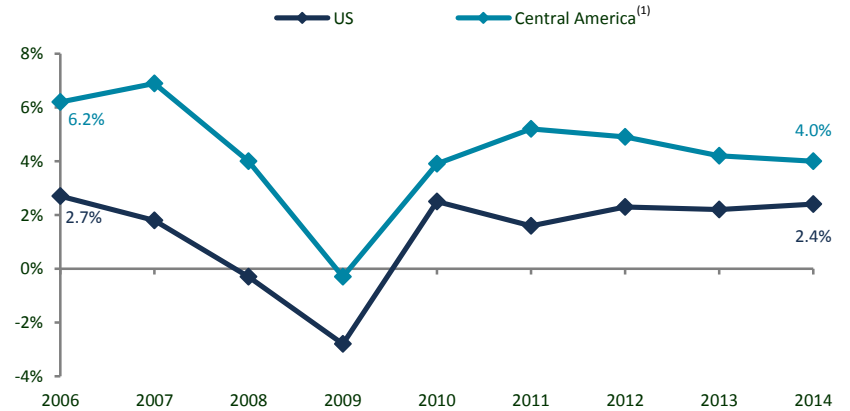
Central American countries have a robust growth outlook, set to benefit from positive momentum in the US economic recovery (1/2)

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



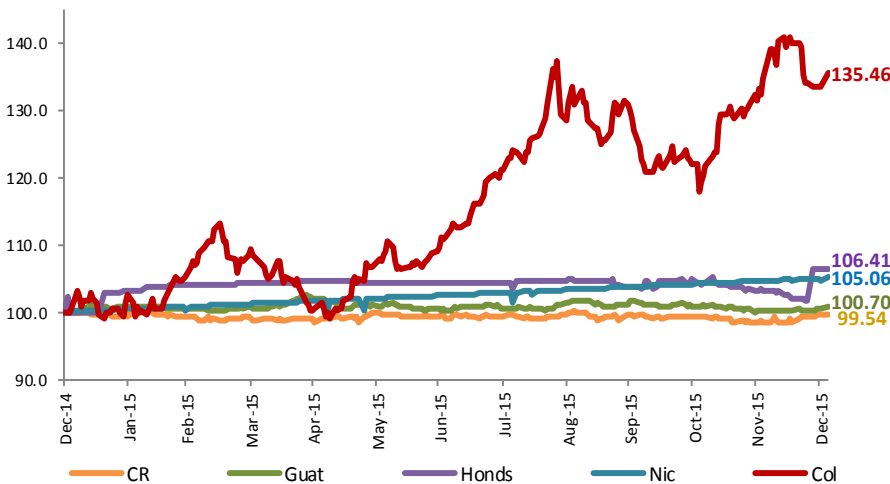
Source: IMF WEO Oct-15; ⁽¹⁾ Aggregate growth of all the Central American countries

Economies linked to the US – Real GDP growth evolution



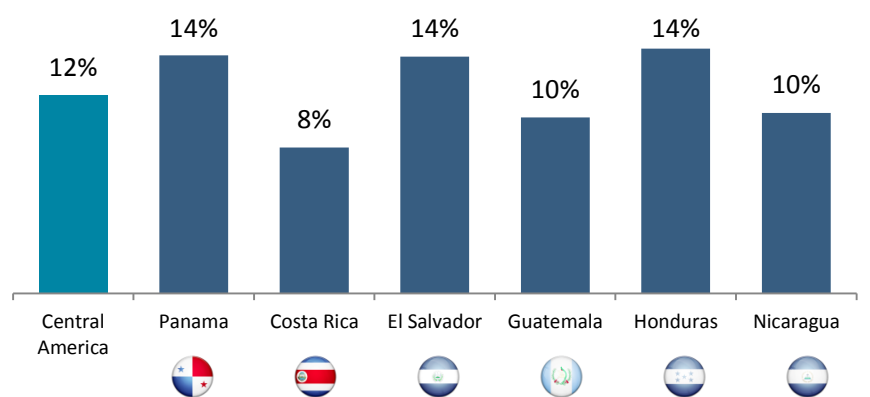
Source: IMF WEO Oct-15 ; ⁽¹⁾ Average growth of all the Central American countries

Regional exchange rates



Source: Bloomberg

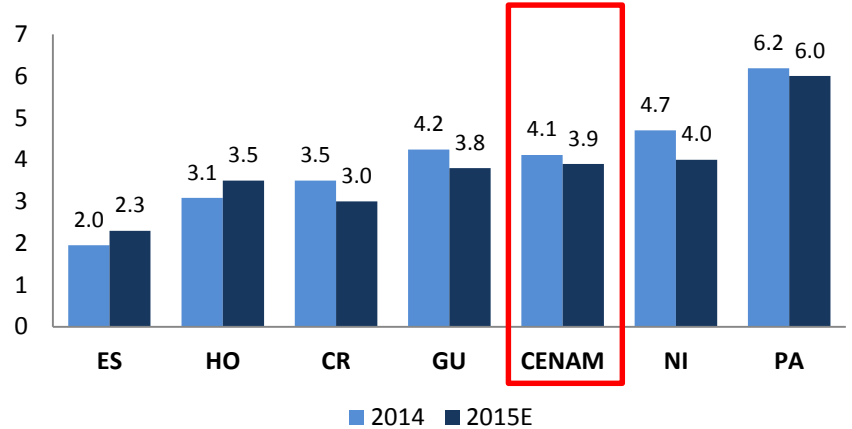
Oil & Gas imports / Total imports as of 3Q 2015



Source: SECMCA, Central Banks.

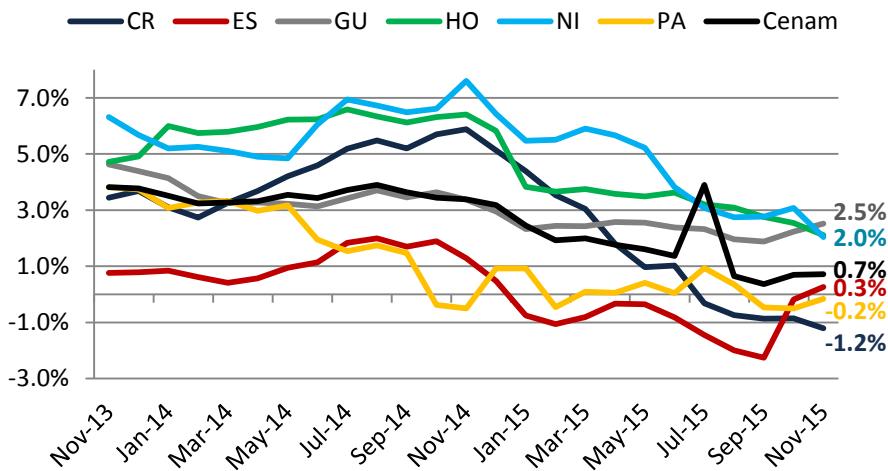
Central American countries have a robust growth outlook, set to benefit from positive momentum in the US economic recovery (2/2)

GDP growth (%) 2014 - 2015 (E)

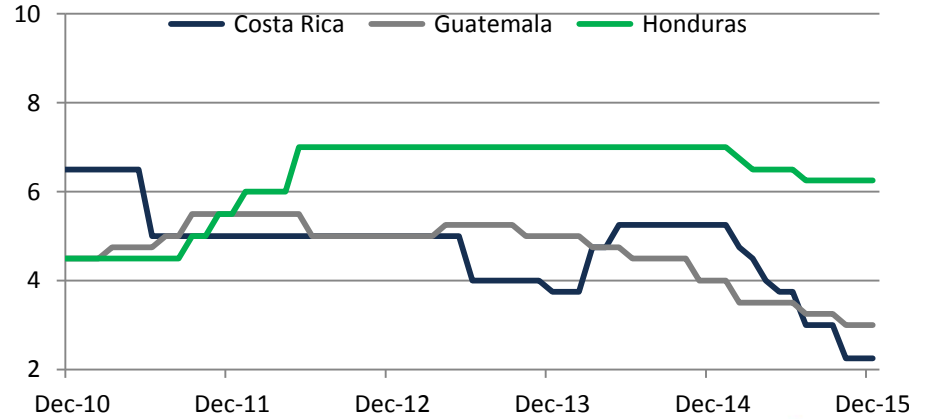


Source: IMF, WEO Oct-14. ; ⁽¹⁾ Aggregate growth of all the Central American countries

Inflation per Country



Central Banks' interest rates



Source: SECMCA

Agenda

1

Macroeconomic environment

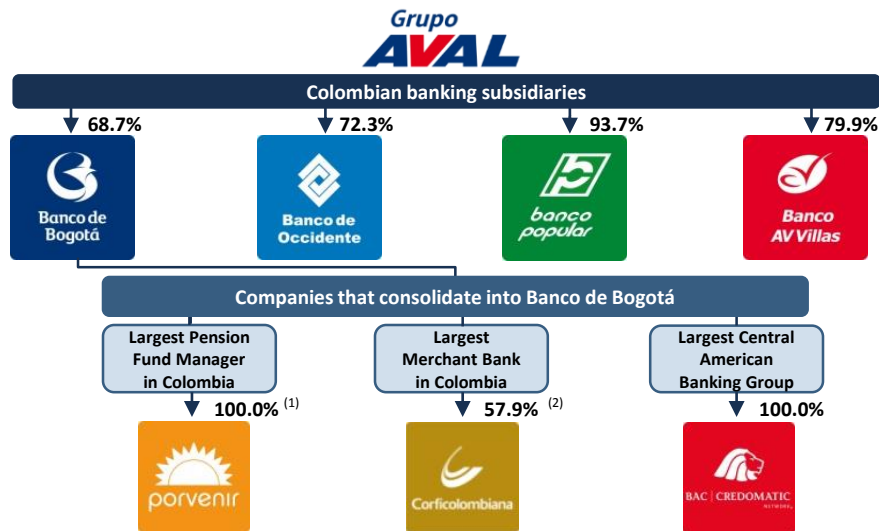
2

Recent results of Grupo Aval

- Main results of our subsidiaries
- Competitive position in Colombia and Central America
- Main results of our consolidated financials

Grupo Aval's structure

Organizational Structure as of September 30, 2015



Highlights

- Largest banking group in Colombia, with over US\$68bn in total assets and US\$128bn⁽³⁾ in AUM as of September 30, 2015
- Multi-brand banking model allows for maximum penetration and profitability
- Merchant banking and pension fund businesses further leverage Colombia's macroeconomic growth
- Expansion into Central America has created the only regionally integrated banking player and largest by consolidated assets
- 13.3 million banking clients (10 million in Colombia and 3.3 million in Central America) as of June 30, 2015
- Wide banking network with 1,397 branches and 3,775 ATMs in Colombia, as well as 356 full-service branches and 1,736 ATMs in Central America as of June 30, 2015

Grupo Aval's diversified Business Platform

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

Source: Company filings. All figures were converted with the representative exchange rate of Ps 3,086.75 as of September 30, 2015, to maintain comparability. ⁽¹⁾Includes direct and indirect ownership through Banco de Bogotá 46.9%, Banco de Occidente 33.1% and Grupo Aval 20.0%. ⁽²⁾Includes direct and indirect ownership through Banco de Bogotá 38.2%, Grupo Aval 9.3%, Banco Popular 5.7% and Banco de Occidente 4.6%. ⁽³⁾Includes owned and third party assets.

Successful multi-brand and diversified business model

Key figures US\$ mm (As of and for the 9 month period ended September 30, 2015)



	Banco de Bogotá	Banco de Occidente	banco popular	Banco AV Villas	Grupo AVAL
Net Loans	29,521	7,890	4,479	2,618	44,394
Assets	48,283	11,132	5,938	3,665	68,215
Deposits	28,965	7,240	3,827	2,720	41,821
Total equity (2)	5,065	1,266	812	403	6,794
Attributable equity	3,772	1,261	804	402	4,264
Net income (3)	464	92	67	35	437 504
ROAA (4)	2.0%	1.2%	1.6%	1.3%	1.5% 1.7%
ROAE (4)	17.3%	10.0%	11.5%	11.8%	14.1% 15.6%

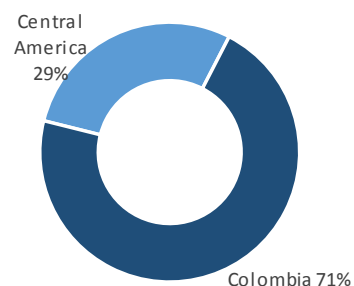
(1) Figures excluding wealth tax paid on 1Q2015

Source: Company filings. Banks figures are reported in IFRS as applicable under Colombian regulations. Figures for Grupo Aval are reported under full IFRS (1) Companies that consolidate into Banco de Bogotá; (2) Includes attributable equity and minority interest; (3) Net income for the 9 month period ended September 30, 2015; (4) ROAA is calculated as annualized income before non-controlling interest divided by average assets (total assets at the end of the period plus total assets at the end of the prior period, divided by two); ROAE is calculated as annualized 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). Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance of Ps 3,086.75 as of September 30, 2015.

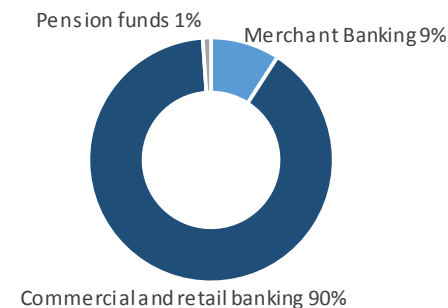
Business Composition

By Assets – September 30, 2015

Geographic

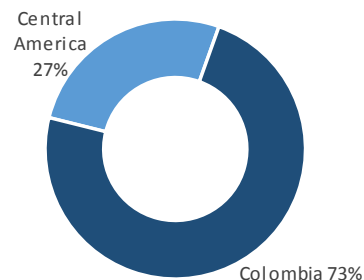


Business

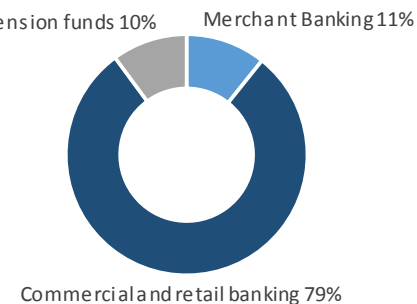


By Net Income – nine month period ended September 30, 2015

Geographic



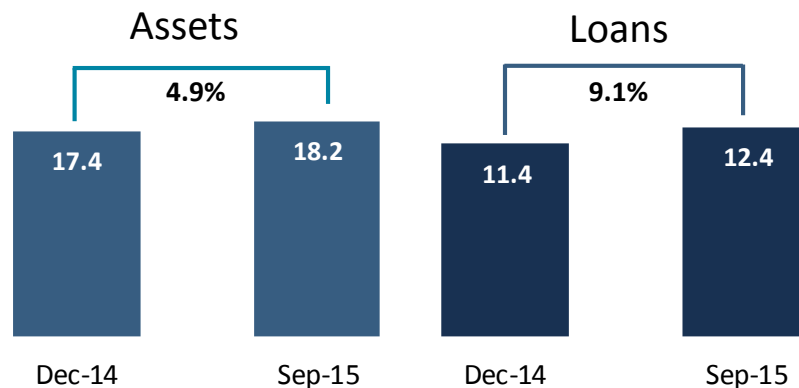
Business



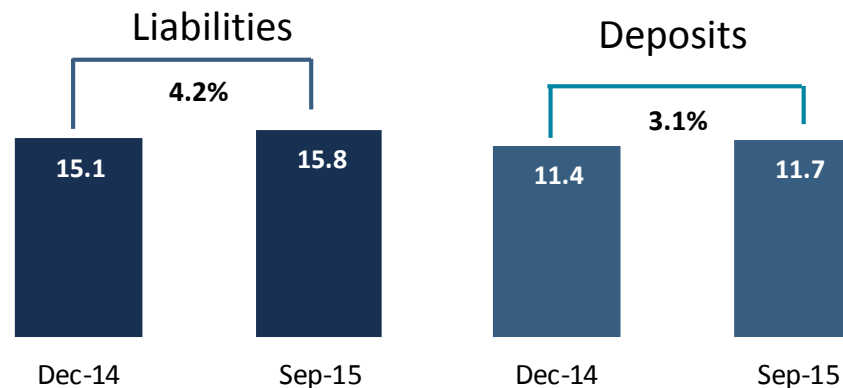


BAC – Credomatic's results

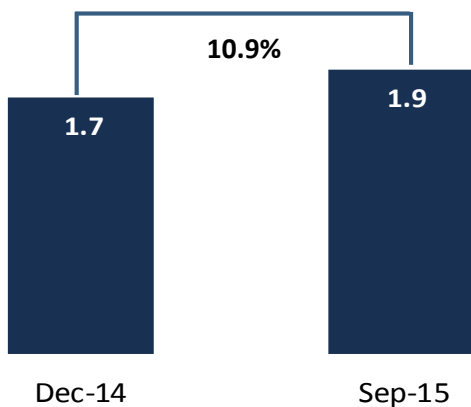
Total Assets and Net Loans (U\$Bn)



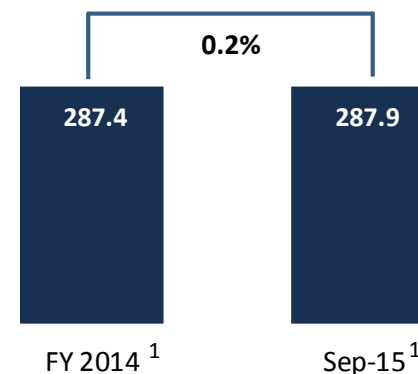
Total Liabilities and Deposits (U\$Bn)



Shareholders' Equity (U\$Bn)



Net Income (LTM as of each period in U\$m)

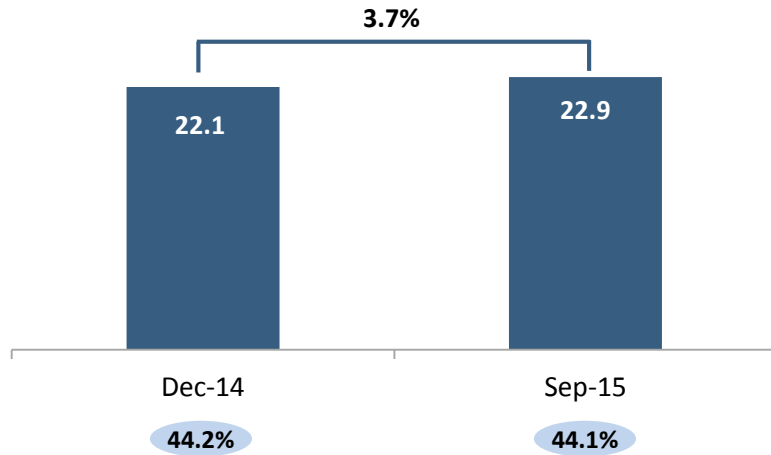


¹/Excludes FX gains in Costa Rica and Guatemala: FY 2014 US\$36.2 mm and LTM as of September 2015: US\$10.3 million

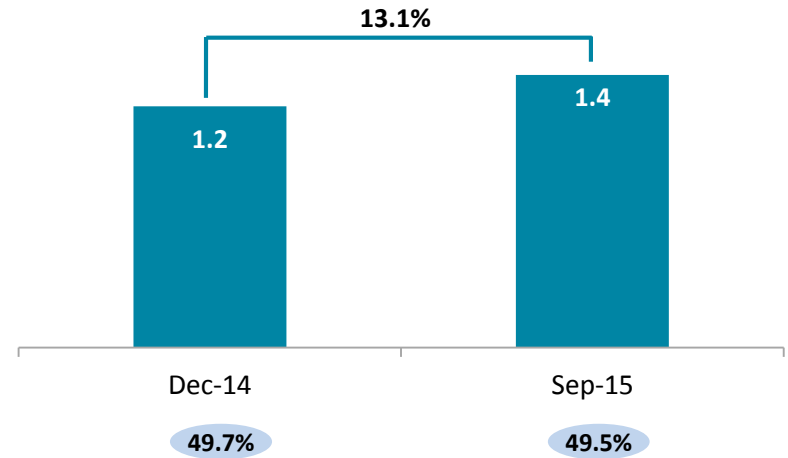


Porvenir's main results

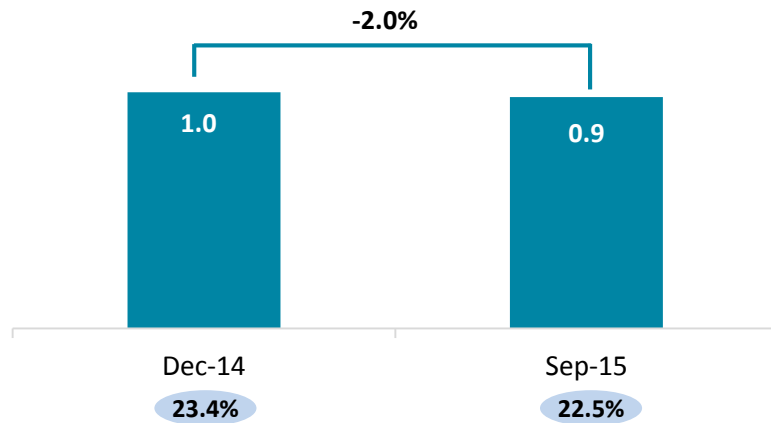
Mandatory pension fund (US\$Bn)



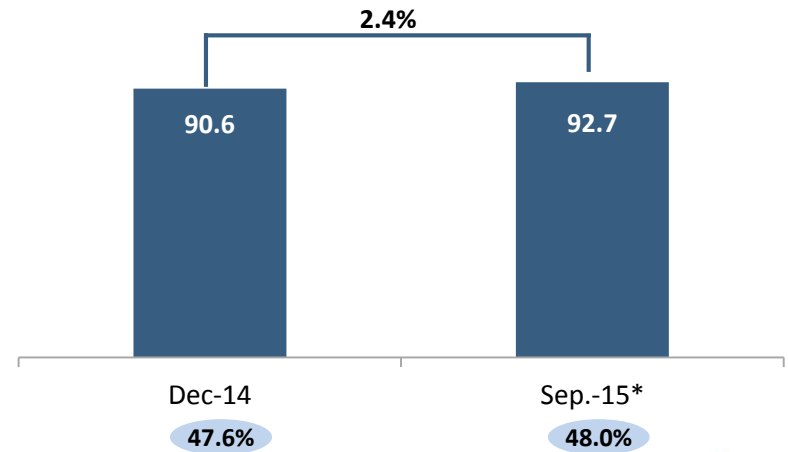
Severance fund (US\$Bn)



Voluntary pension fund (US\$Bn)



Net Income (LTM; US\$m)



Market share

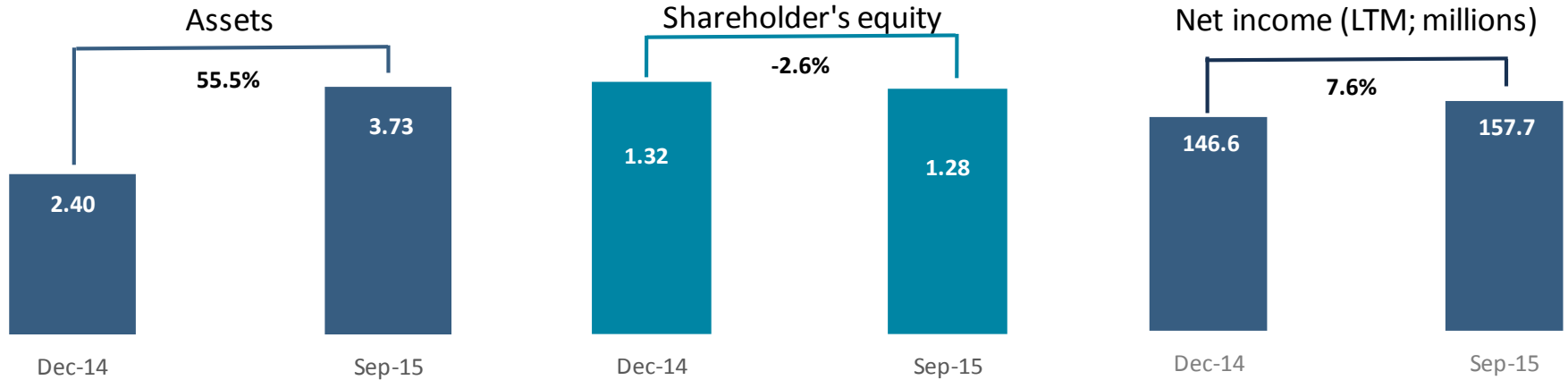
Source: Superfinanciera. 2014 is presented in PCGA before IFRS implementation. 2015 is under IFRS

*Includes 4Q2014 in GAAP pre IFRS and 3Q2015 in IFRS

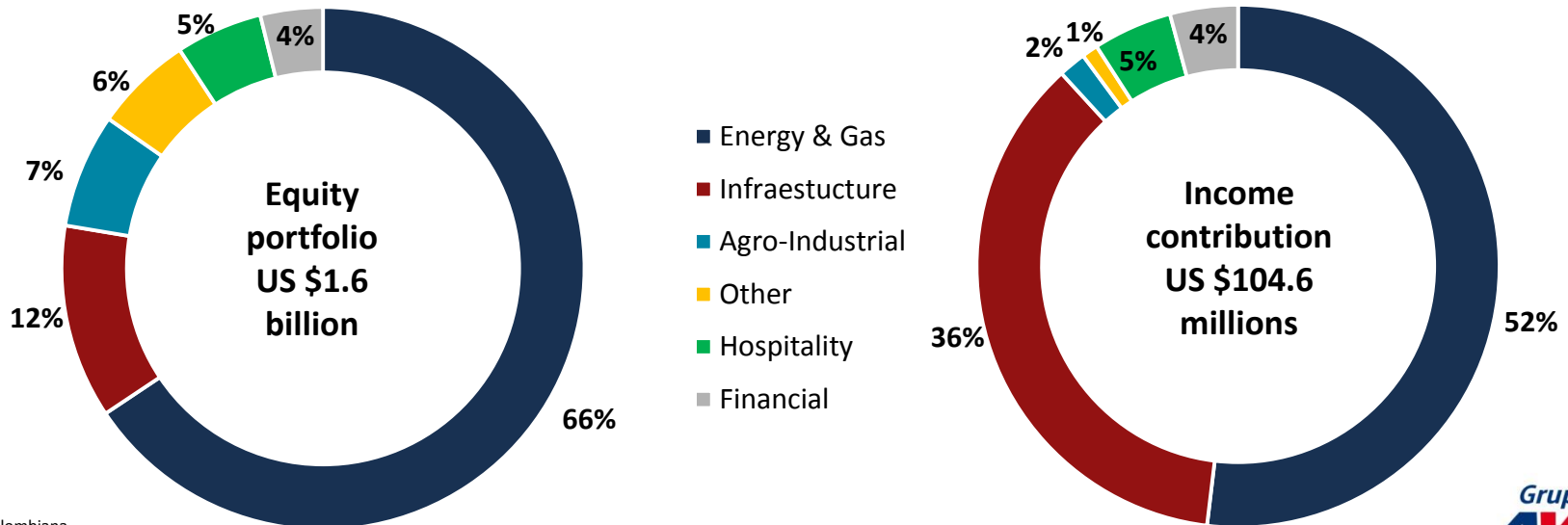


Corficolombiana's results

USD\$ billion under IFRS as applicable under Colombian regulations (Unconsolidated figures)



Asset allocation as of September 2015



Agenda

1

Macroeconomic environment

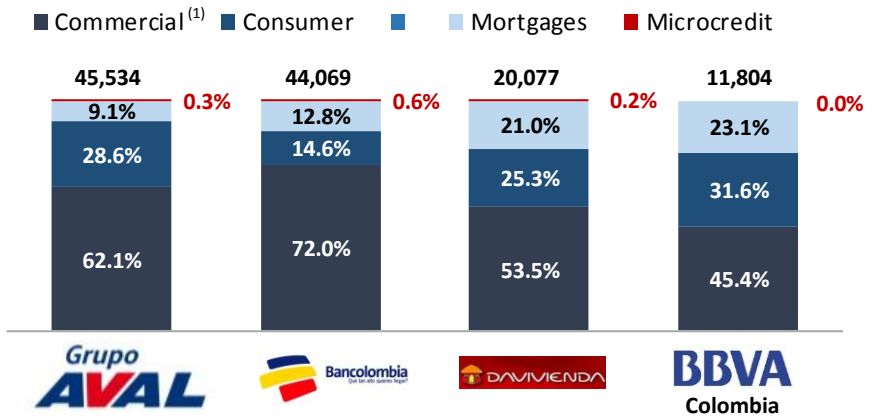
2

Recent results of Grupo Aval

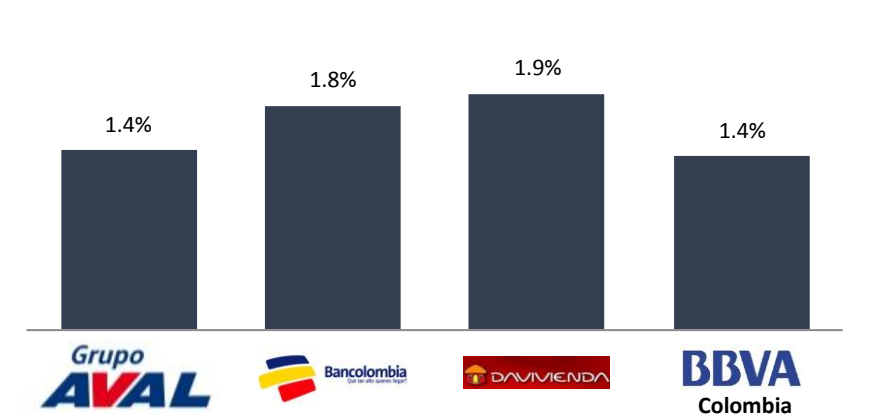
- Main results of our subsidiaries
- Competitive position in Colombia and Central America
- Main results of our consolidated financials

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

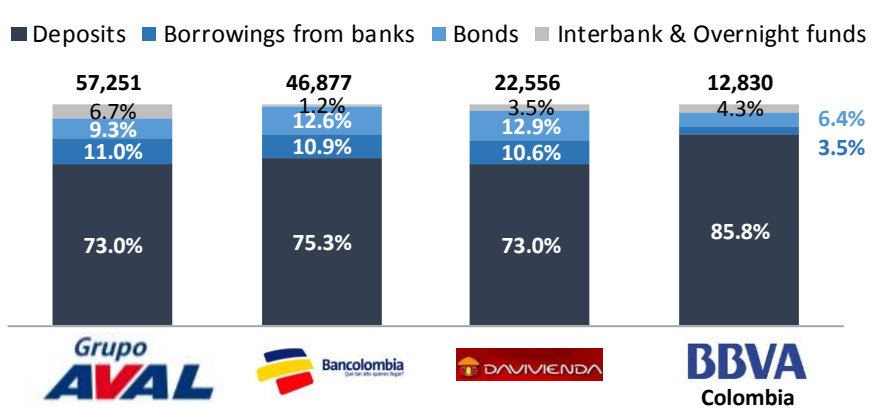
Gross loan portfolio composition (US\$mm) – September 30, 2015



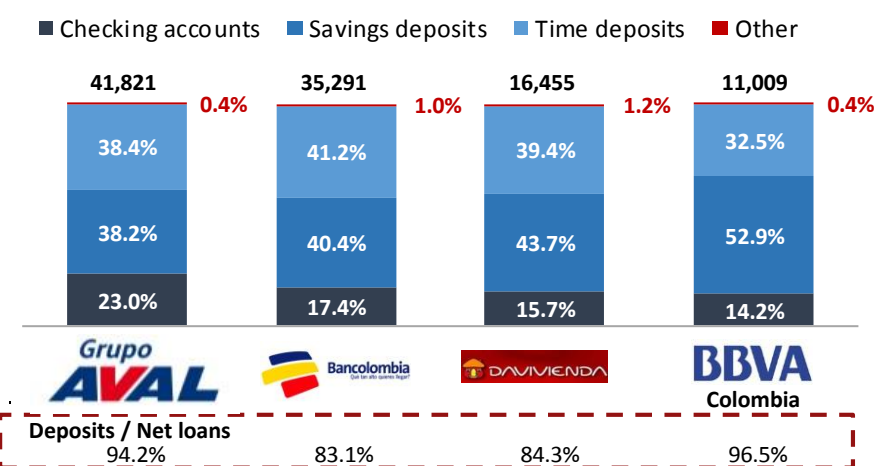
Loan portfolio quality (PDLs 90+) – September 30, 2015



Funding composition (US\$mm) – September 30, 2015



Deposit composition (US\$mm) – September 30, 2015



Source: Consolidated figures based on company filings as of September 30, 2015. Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance of Ps 3,086.75 as of September 30, 2015. ⁽¹⁾Includes interbank & overnight funds and others; ⁽²⁾Calculated as net provisions expense of loans net of recovery of charged-off loans divided by average loans (total loans at the end of the period plus total loans at the end of the prior period, divided by two).

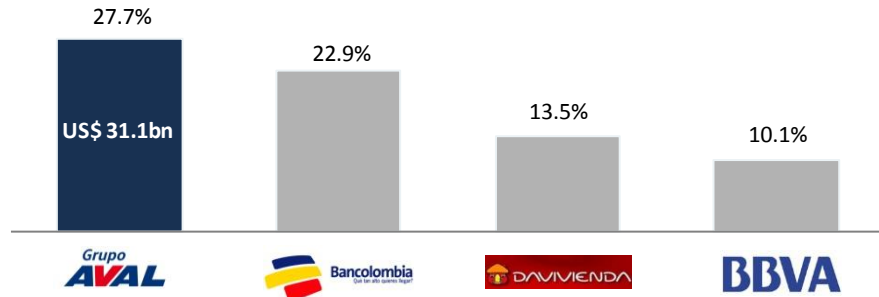
Dominant player in a competitive Colombian market

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

Gross loans⁽¹⁾

System: US\$ 112.3bn

27.2%

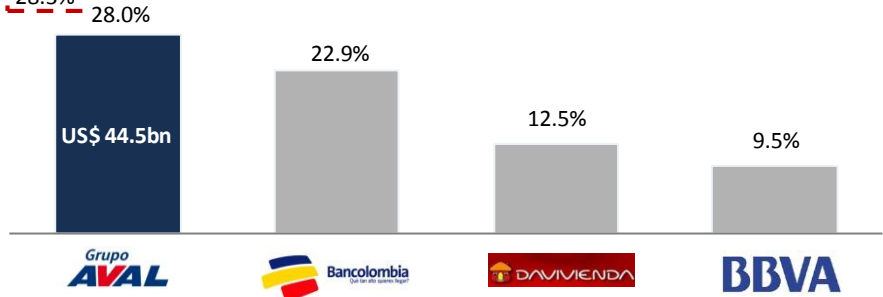


Total assets

System: US\$ 159.2bn

28.3%

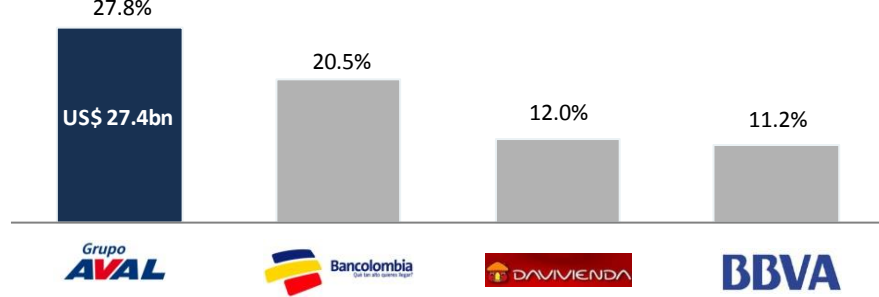
Market share as of Dec, 2014



Deposits

System: US\$ 98.5bn

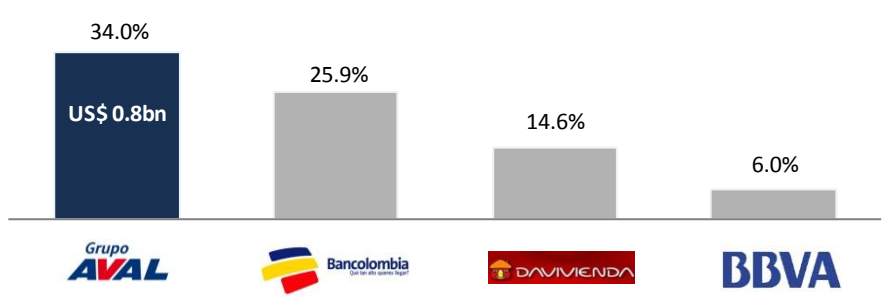
27.5%



Net income for the 9 months ended September 30, 2015

System: US\$ 2.5bn

35.4%



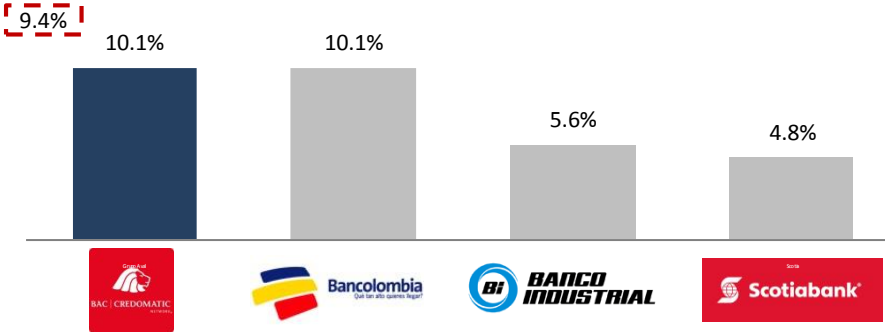
Source: Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance and published monthly; as of September 30, 2015. System: Sum of total banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas. Figures were converted with the representative market rates as computed and certified by the Superintendency of Finance of Ps 3,086.75 as of September 30, 2015. ⁽¹⁾ Figures excluding interbank & overnight funds for comparative purposes.

Leading Central American banking group with integrated regional presence

Central America market share as of September 30, 2015

Gross loans % ⁽¹⁾

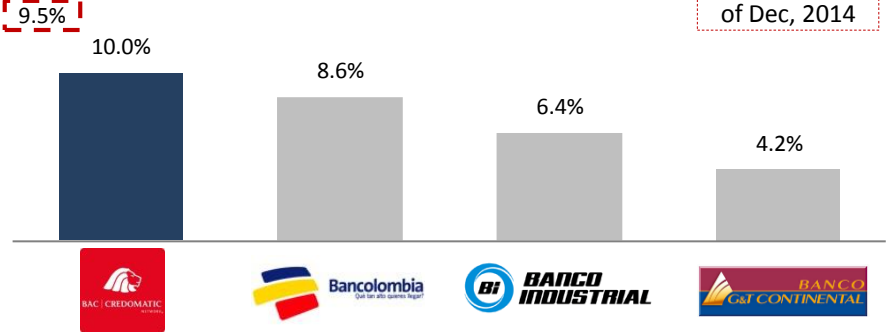
System: US\$123.0bn



Total assets ⁽¹⁾

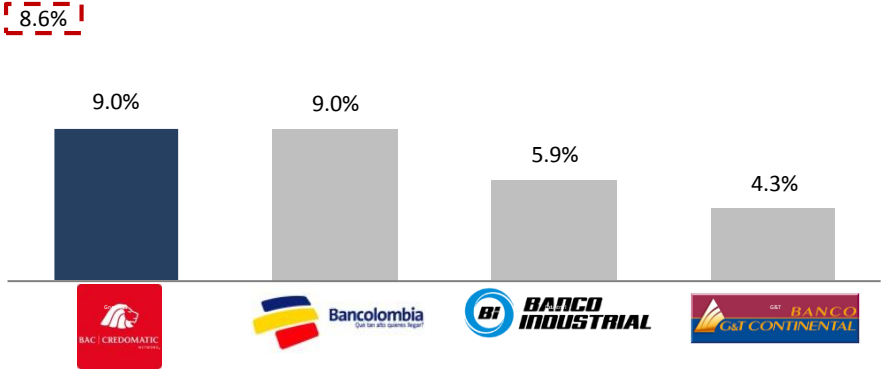
System: US\$201.7bn

Market share as of Dec, 2014



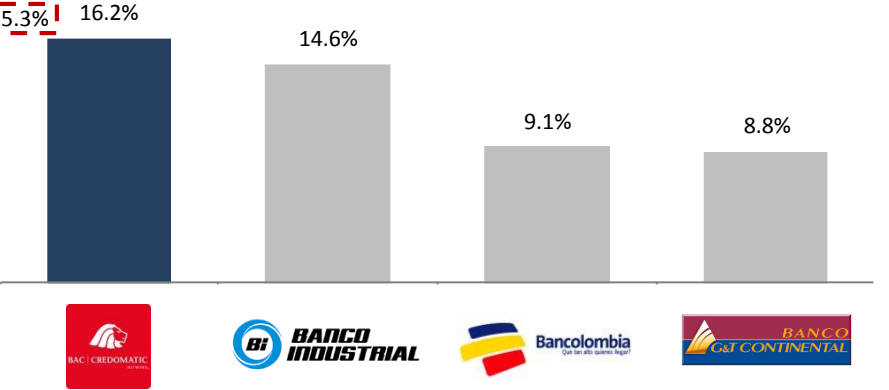
Deposits % ⁽¹⁾

System: US\$138.3bn



Net income for the 9 months ended September 30, 2015

System: US\$1.0bn



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

Agenda

1

Macroeconomic environment

2

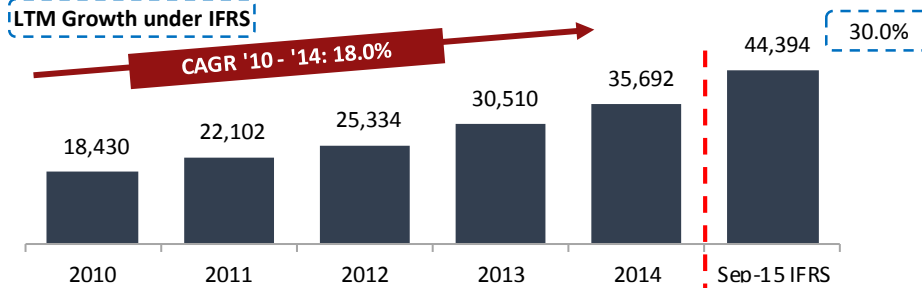
Recent results of Grupo Aval

- Main results of our subsidiaries
- Competitive position in Colombia and Central America
- Main results of our consolidated financials

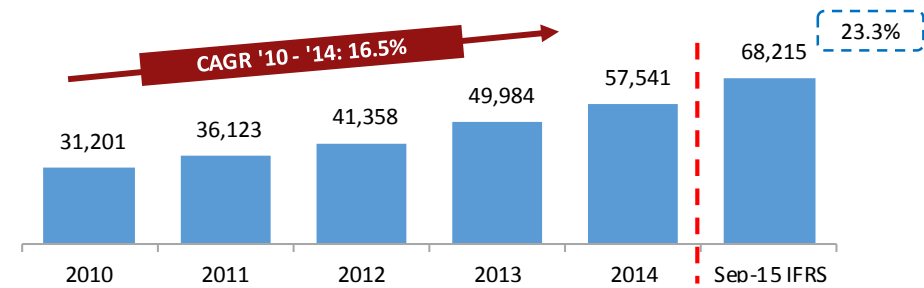
Strong track record of growth

Consolidated Results of Grupo Aval as of September 30, 2015 (US\$mm)⁽¹⁾

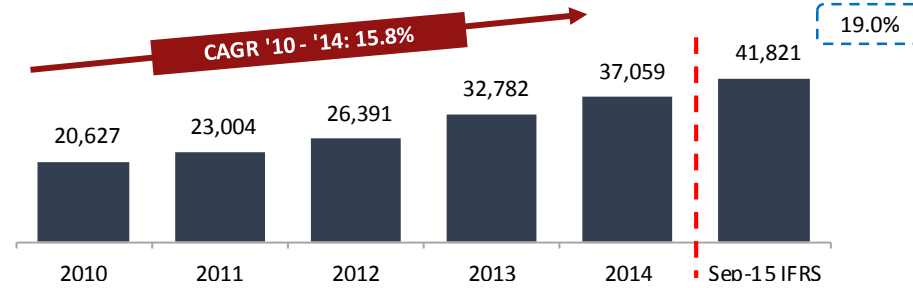
Net loans and financial leases



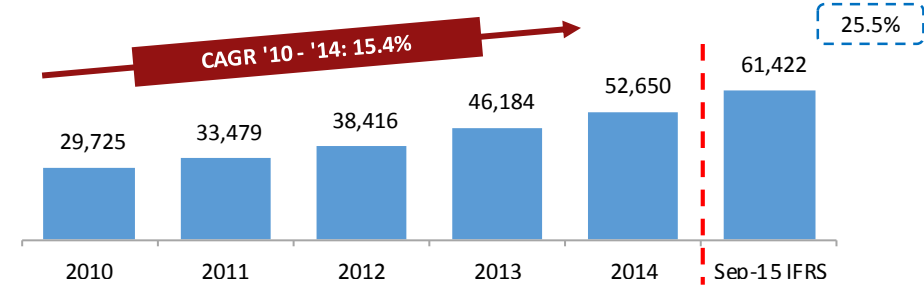
Assets



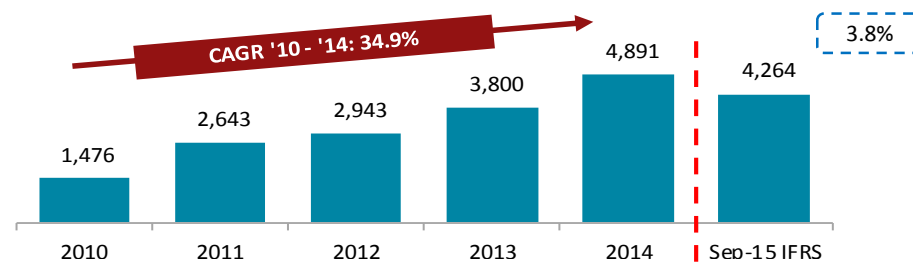
Deposits



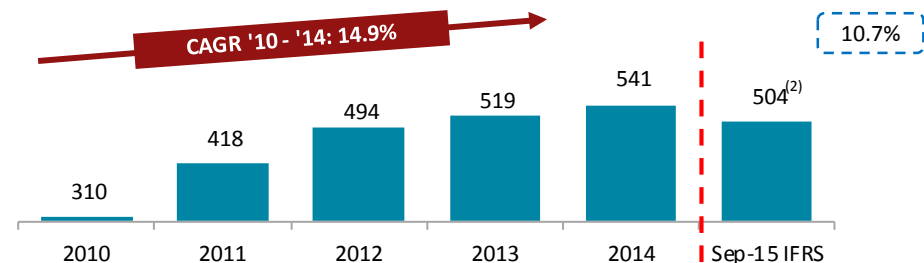
Liabilities



Attributable Equity



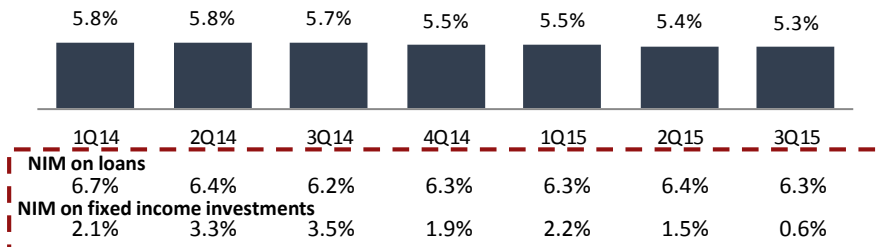
Net income



Source: Company filings. ⁽¹⁾ Consolidated results of Grupo Aval. Figures from 2010 to 2014 are reported under Colombian Banking GAAP. Figures for the period ended September 30, 2015 are reported under Full IFRS as applicable by the IASB. All figures were converted with the representative market rate as computed and certified by the Superintendency of Finance of Ps 3,086.75 as of September 30, 2015, to maintain comparability. ⁽²⁾ Net income for the nine month period ended September 30, 2015 excludes the wealth tax. CAGRs from 2010 to 2014 are calculated under Colombian Banking GAAP.

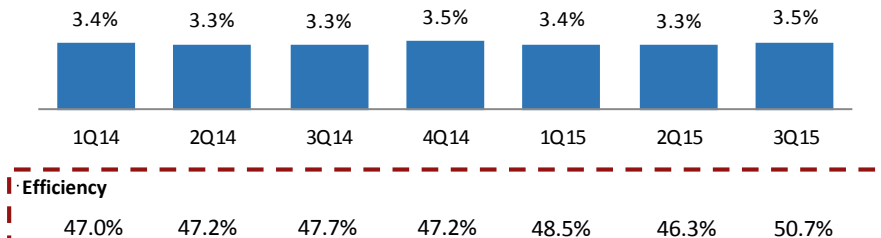
Profitability and operating metrics of our consolidated results

Net Interest Margin



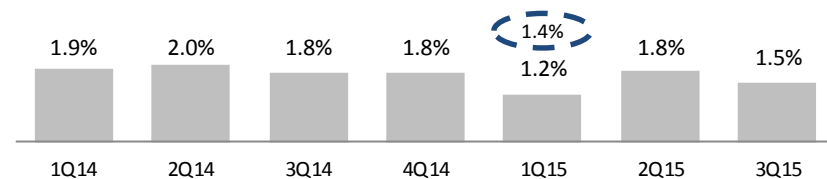
NIM calculated as Net Interest Income divided by total average interest earning assets.

OPEX ex D&A / average total assets and efficiency



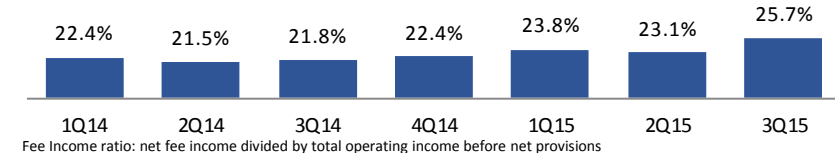
Calculated as operating expenses before depreciation and amortization divided by average total assets

ROAA



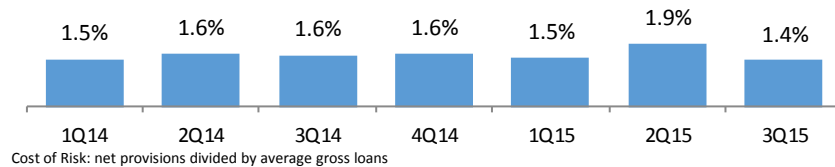
Calculated as income before non-controlling interest divided by average assets (total assets at the end of the period plus total assets at the end of the prior period, divided by two).

Fee income ratio



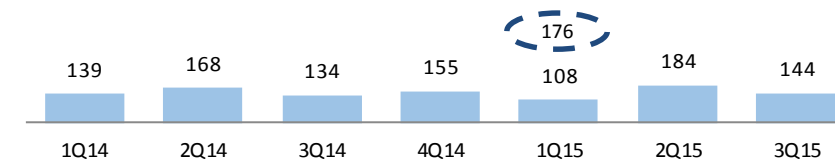
Fee Income ratio: net fee income divided by total operating income before net provisions

Cost of risk

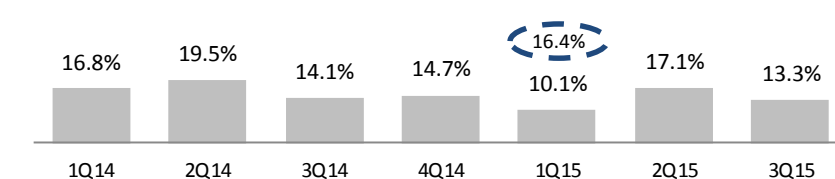


Cost of Risk: net provisions divided by average gross loans

Net income (US\$mm)



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).

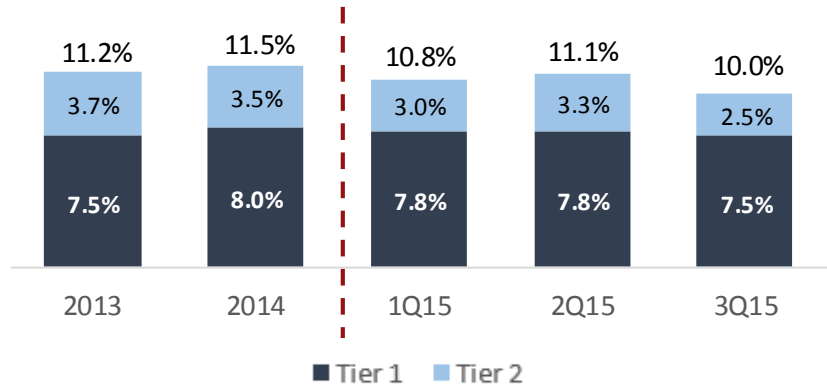
Figures excluding attributable wealth tax of US\$67.6mm (for net income and ROAE) and total wealth tax of US\$98.2mm (for ROAA)

Source: Company filings. ⁽¹⁾ Net Interest Income on Loans to Average loans and financial leases. ⁽²⁾ Net Interest income on Fixed Income securities and on Interbank & Overnight funds to Average Fixed Income securities and Interbank and overnight funds. Figures are reported under Full IFRS as applicable by the IASB.

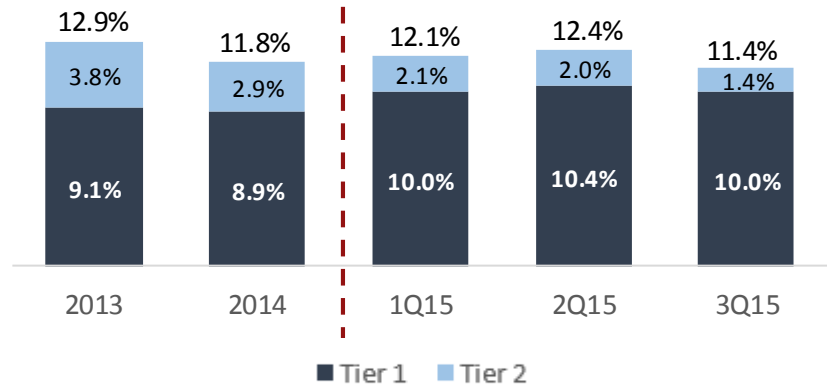
Capital composition and consolidated capitalization ratios of our banks

Consolidated Solvency ratios of our Banks

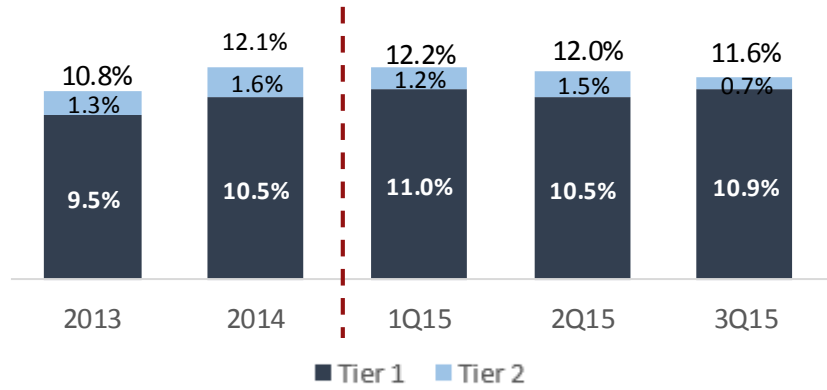
Banco de Bogotá



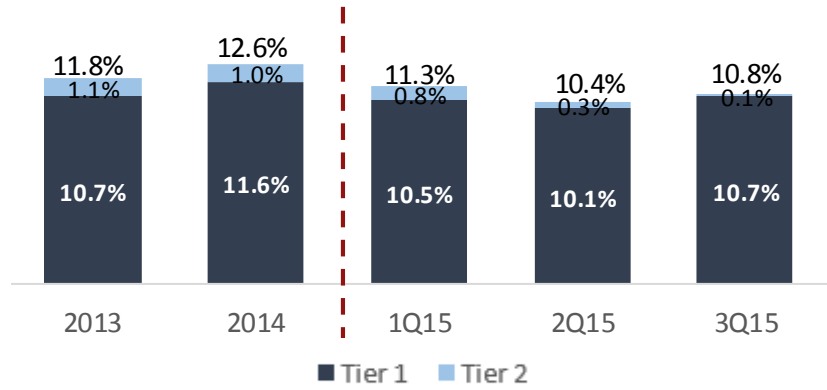
Banco de Occidente



Banco Popular



Banco AV Villas



Source: Company filings. As of 2013 new regulation on solvency came into effect in Colombia. Figures prior to 2015 are under Colombian Banking GAAP.